

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 40 of 2024
Date of Hearing: 14.11.2024
Date of Order: 14.11.2024

Petition under Regulation 47 of Supply Code 2014 and Regulation 8(4) of Chapter II of the Conduct of Business Regulations 2005 for revision of Standard Cost Data.

And

In the matter of: Punjab State Power Corporation Limited, The Mall, Patiala-147001.
...Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Sh. Baljinder Pal Singh, AEE/TR-5
Ms. Sonia Khatri, Sr.Xen

ORDER:

The Commission vide Order dated 24.10.2024 directed PSPCL to submit its reply/comments to the objections received along with the following information:

1. In the cost data of 33/66 kV line bay and sub-stations (Annexure-D), Rs.195 lakh has been shown as cost of land and building. Necessary supporting documents may be supplied.
2. While calculating normative cost of 11 kV lines (Annexure-N), the average line length has been considered as 5 km. The basis for the same may be furnished.
3. While calculating the normative cost of 11 kV lines (Annexure-N), 150 mm² service cable has been considered to feed a maximum of 150 kVA demand. Reasons for not considering 35 mm² cable may be furnished.
4. In the cost of 11 kV lines/cables (annexure F), Erection charges for XLPE cables have been shown as Rs. 56718/-. The copy of the instructions vide which these charges have been circulated to the field offices for preparation of estimates may be supplied.

5. While calculating the normative cost of 66 kV lines (Annexure-O) the cost of 66 kV single circuit line on single circuit towers has been calculated but the same has not been considered while calculating the normative cost. The reasons thereof may be explained. Secondly, 90% of the cost of 66 kV single circuit line on double circuit towers has been considered for calculating the cost of single circuit line, the criteria adopted for the same may be explained. Thirdly, average length of 66 kV line has been considered as 5 km for calculating the normative cost of 66 kV lines, the basis for the same may be explained.
6. In the cost data of 11 kV lines, the transportation, contingency and T&P charges have been considered as 6% whereas as per the estimates approved by the various offices of PSPCL, such charges are considered as 5%. The same may be clarified.
7. In the cost data for 66 kV lines (Annexure-A), labour charges including contingency and storage have been considered @ 20%. Secondly, under the column "other charges" a lumpsum amount of Rs. 4.02 lakh have been considered. Necessary justification may be provided.
8. In the cost data for 66 kV line bay, cost of civil works has been considered as Rs. 6 lakh and that of earthing material as Rs. 1.2 lakh. The justification for the same be provided.

PSPCL vide CE/ARR & TR memo no 6826 dated 08.11.2024 dated submitted its reply to the objections raised by a stakeholder which is taken on record. PSPCL also submitted the reply to the queries of the Commission as under:

- 1) As per memo no. 1440 dated 25.10.2024 of the O/o Dy.CE/Civil Works, PSPCL, Patiala, the cost of civil works required for commissioning of new 66 kV sub-station is Rs. 125 lacs. Further, cost of Land has been taken as Rs. 70 lacs as per prevalent practice. It is pertinent to mention here that a note has been incorporated in Standard Cost Data of substation design that the Land Cost is variable and depends upon site to site.
- 2) In regard to average line length taken as 5 kM, it is submitted that as per guidelines for creating of new grid S/Stn., "a new grid S/Stn. should not be located within a distance of 5 kM from an existing S/Stn." So, as per these

guidelines a minimum displacement between two S/Stn. of PSPCL should be 5 KM, keeping in view the above.

- 3) In this regard, it is submitted that service cable may be considered as 35 mm² instead of 150 mm² as a maximum load of 150 kVA can be released through this size of cable.
- 4) Copy of instructions issued vide memo no.871/75/RE/WS dated 15.12.2015 as well as the report of the Committee to suggest the labour schedule rate from the O/o then CE/RE&APDRP, PSPCL now CE/Distribution Projects, PSPCL have been attached herewith.
- 5) (i) Regarding average length of 66 kV line as 5 kM, reply as given in point no. 2 may be considered. In regard to calculation of cost by converting 66 kV SC on DC line to SC on SC line by using factor of 90% instead of taking actual cost of SC on SC line, it is submitted that at present PSPCL is not procuring or installing SC towers & hence rate of SC on SC cannot be ascertained.
(ii) However, as per O/o CE/TS, PSPCL, Patiala (memo No. 6383/TSW/897 dt. 28.10.24) the differential factor between SC on SC line & SC on DC line arrived at by dividing the cost of SC on SC line with the cost of SC on DC line comes out to be 0.9.
- 6) The transportation, contingency and T&P charges as per the estimates being approved in the field offices of the PSPCL, may be considered as 5% by the Commission.
- 7) As per O/o CE/TS, PSPCL, Patiala (memo No. 6383/TSW/897 dt. 28.10.24), it has been intimated that the 20% erection charges/labour charges component consists of labour charges for conductor installation (i.e. sagging), stub installation, tower installation, watch & ward charges along with 1% contingency & 1% storage charges. The above-mentioned charges fall in the range of 19 to 22%, so average of 20% has been taken as the reference for all the calculations. Secondly, under the column of "other charges", as already explained, it includes preliminary charges, forest clearance charges, PTCC & re-engineering charges, land under tower charges & Crop Compensation charges which are provided by the field offices.

- 8) As per memo No. 1440 dated 25.10.2024 of O/o Dy.CE/Civil Works, PSPCL, Patiala, the cost of civil works required for erection of new 66 kV Line Bays is around Rs. 6 lacs and cost of Earthing material required in erection of new 66 kV Line Bay is Rs. 1.2 lacs.

The Supply Code, 2024 notified vide notification no. PSERC/Secy./Regu.191 dated 23.10.2024 shall come into force w.e.f. 14.11.2024. To operationalize various provisions of these Regulations it is necessary, as an interim measure, to approve certain costs to be recovered from the consumers for recovery of expenses incurred by the licensee subject to the final approval of the Cost Data in this petition. Accordingly, the Commission, after going through the submissions of the distribution licensee, approves the following normative costs to be recovered from the consumers/developers, as applicable subject to the final outcome of this petition:

A. Normative Cost of 11 kV line

i. As per Regulation 32(1)(i) of the Supply Code, 2024

For recovery of service connection charges from the applicants with demand exceeding 100 kVA but not exceeding 150 kVA, as per Regulation 32(1)(i) of the Supply Code, 2024 to be recovered against the applications received on or after 14.11.2024, **Rs.1403 per kVA**

ii. As per Regulation 9 (2) (iv) of the Supply Code, 2024

For recovery of normative cost in lieu of actual expenses for additional demand as per Regulation 9(2)(iv) of the Supply Code, 2024 to be recovered against the application received on or after 14.11.2024 – **Rs.1227 per KVA.**

iii. As per Regulation 12(4) of the Supply Code, 2024

For calculating the estimated cost for obtaining bank guarantee from the promoters @ 35% of the estimated cost as per Regulation 12(4) of the Supply Code, 2024 to be recovered in case of NOCs to be issued on or after 14.11.2024 – **Rs. 1557 per kVA.**

B. Normative Cost of 66 kVA line as per Regulation 9(2)(iv) of the Supply Code, 2024

For recovery of normative charges in lieu of actual expenses for additional demand as per Regulation 9(2)(iv) of the Supply Code, 2024 to be recovered against the application received on or after 14.11.2024- **Rs.486 per KVA.**

C. Variable Cost for LT (DS) Consumers as per the first proviso to Regulation 32(1)(i) of the Supply Code, 2024

Variable Cost for LT (DS) Consumers outside the village Phirni where total length of service line exceeds 500 mtrs as per the first proviso to Regulation 32(1)(i) of the Supply Code, 2024 recoverable against the applications received on or after 14.11.2024 – **Rs. 370 per mtr for length of the service line beyond 500 mtrs along with fixed service connection charges as approved by the Commission.**

D. System loading charges as per Regulation 12 of the Supply Code, 2024

System Loading Charges to be recovered as per Regulation 12 of the Supply Code, 2024 from the promoters – **Rs. 3280 per KVA.**

The above charges shall be subject to the final approval of the Cost Data in this petition. Any refund or recovery, as the case may be, shall be effected accordingly within a month of the approval of the Cost Data.

PSPCL is further directed to furnish the following information/documents within a week:

1. The current carrying capacities of conductors intimated by PSPCL and PSTCL are at variance. The same may be reconciled and current carrying capacities of conductors (ACSR as well as HTLS) and cables at various voltages from 11 kV to 220 kV be intimated along with evidence.
2. Similarly, the basis of taking the cost of SC line on SC tower as 90% of DC line on DC tower be intimated.
3. Copies of work orders in support of the rates taken for HTLS conductors and erection thereof be furnished.

4. The costs of laying of 66 kV 630 mm² and 1000 mm² cables have been shown to be significantly lower than that of 66 kV 240 mm² cable. The same may be clarified.
5. Under the head 'other charges' for erection of 66 kV lines, 5 nos. towers (4nos. 66 kV and 1no. 220 kV) have been considered for working out cost of land under the tower for a 1 km line. Justification for considering 1no. 220 kV tower along with documentary evidence be furnished.

Further, it has been observed that while calculating the cost of the common portion of the line in case of release of 11 kV and 66 kV connections or extension in demand, different methodology is being adopted by different field offices. For ease of doing business and to prevent harassment of the applicants/consumers, the Commission intends to approve normative costs in the Cost data in such cases covered under Clause (a) & (b) of Regulation 32(1) (ii) and Regulation 33(1) (ii) of the Supply Code, 2024 as in case of 132/220 kV connections under clause (c) of Regulation 32(1)(ii). PSPCL may submit its proposal/comments within 10 days.

The petition shall be taken up for hearing on 04.12.2024.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: **14.11.2024**