

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 59 of 2023
Date of Hearing: 03.07.2024
Date of Order: 05.07.2024Filing Petition under Section 86 (1) (B) of the Electricity Act, 2003 and
PSERC Regulation 9.14.

In the matter of: Punjab State Power Corporation Limited, The Mall, Patiala, Punjab

.....Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, MemberPSPCL: Ms. Harmohan Kaur, CE/ARR&TR
Sh. Harjeet Singh, ASE/TR-5
Sh. Gurpreet Singh, ASE/GHTP
Sh. Baljinder S/ingh, AEE
Sh. Anshuli Gupta, RA**ORDER**

The petition was taken up for hearing on admission. During hearing on 09.04.2024, PSPCL was directed to submit an undertaking/affidavit that GHTP unit 2 shall be operated for minimum 35 years from the date of commissioning. PSPCL was also directed to submit an affidavit averring the capital investment required based upon the capital expenditure envisaged as per the work orders placed upon BHEL. PSPCL submitted its reply vide letter dated 07.05.2024.

From the perusal of the letter, the Commission observed that:

1. PSPCL had submitted capital investment of Rs. 235 Crore in the petition with approval of its BoDs. PSPCL has now submitted an expenditure of Rs. 269.84 Crore (Rs. 34.84 Crore more than submitted in petition). BoDs of PSPCL has not approved the revised expenditure. The major increase in expenditure is for the restoration of ash evacuation system for which the basic capital cost has increased from Rs. 13.92 Crore to Rs. 34.25 Crore for which work order has been placed on dated 13.03.2024. PSPCL is directed to submit reason for nearly 2.5 times increase in the cost for the said work than envisaged by PSPCL in March 2023 alongwith approval of BoDs to the revised expenditure.

2. The Commission observed that PSPCL has loaded Rs. 67.46 Crore on basic capital cost as administrative charges citing it to be 25%. However, the administration charges of Rs. 67.46 Crore comes out to be as 39% of the basic capital cost of Rs. 171.5 Crore. PSPCL is directed to submit the basis of charging of administrative charges alongwith the rationale of loading the same to the basic capital cost. All administrative expenses of PSPCL have already been provided in the ARR of the Discom. Thus, why should administrative expenses be charged again for its own works imposing double jeopardy to the consumers.
3. PSPCL is directed to provide status of insurance claim for the collapse of ESP of GHTP Unit 2.
4. PSPCL has submitted that the balance life can be assessed by doing RLA study which will be carried out during capital overhauling in Oct/Nov 2024 and Unit 2 will be operated for 35 years from COD after carrying out R&M/LE works, whenever required. PSPCL to submit the rationale of deferring RLA study to Oct/Nov 2024 and starting these works of estimated cost of Rs. 269 Crore without assessing the life extension and cost of R&M/LE works required for extension in life.

The above points be specifically brought in the notice of Board of Directors and the BoD deliberations on above issues be communicated by way of an affidavit in this petition for the consideration of the Commission for an appropriate decision.

The Petition shall be taken up for hearing on admission on 14.08.2024 at 11.30 AM.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 05.07.2024