

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

**Petition No. 61 of 2024**  
**Date of Order: 15.01.2025**

Petition for the approval of True-up of ARR for FY 2023-24 and approval of forecast of ARR for FY 2025-26 and determination of Tariff for FY 2025-26 under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 11 and 12 of PSERC (Terms and conditions for Determination of Generation, Transmission, Wheeling and Retail Supply tariff) Regulations, 2022.

AND

In the Matter of: Punjab State Power Corporation Limited, having its Regd. Office at The Mall, Patiala, Punjab

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

**ORDER**

Vide order dated 12.12.2024, PSPCL was directed to provide the information and the clarification as detailed in the Order. PSPCL has submitted its reply vide memo no. 669 dated 31.12.2024. After perusal of the information submitted by PSPCL, PSPCL shall further provide the following information/clarification as under:

1. In reply to the Commission's query regarding reconciliation of sale, PSPCL vide letter dated 31.12.2024 submitted Revised D-5 as Annexure-I. However, from the perusal of the same it is observed as under:

<b>Consumer Category</b>	<b>Revised Format D-5</b>	<b>Format D-25(A)</b>	<b>Audited Accounts</b>
Small Power	984.02	980.94	980.70
Medium Power	2377.48	2391.43	2370.50
Large Power	18047.86	18324.83	18168.31
Night Supply	698.19	770.61	770.61

PSPCL to submit the reason for variance and resubmit the sales figures for above categories after proper reconciliation.

2. In reply to the Commission's query regarding fewer industrial consumers (Medium Power) during the season as compared to that during off season, PSPCL vide letter dated 31.12.2024 submitted as under:

*“PSPCL has shown 1,111 MS consumers during season and the 2,712 are the off-season consumers for SP, MS and LS combined. For ice factories & candies and cold storage, PSPCL has submitted overall industrial consumers as 685 during April to July as compared to 562 during August to March.”*

However, from perusal of Format D 25(B) it is clearly seen that 2,712 consumers have been clearly shown for Medium category as pointed in the query while 335 consumers have been shown separately for Large Supply.

Similarly, For ice factories & candies and cold storage, although the industrial consumers during April to July (685) is higher as compared to that during August to March (562), however as pointed out in the query PSPCL has submitted fewer consumers during April to May (438) as compared to that during August to March (444) for Medium category.

3. PSPCL to provide detailed breakup of deviation charges paid for over injection/under-drawal and the additional deviation charges paid for over injection/under-drawal for frequency “below 49.95 Hz (i.e.  $f < 49.95$  Hz)” or “above 50.03 Hz (i.e.  $f > 50.03$  Hz). Also, in line with the Hon’ble APTEL’s judgment dated 29.04.2022 in Appeal No. 264 of 2014, Appeal No. 173 of 2015 and Appeal No. 277 of 2015, PSPCL to justify the UI drawl below the frequency of 49.5 Hz, if any, as urgent need for maintaining the State Grid and requirement of consumers.
4. In reply to the Commission’s query regarding details of other charges, PSPCL vide reply dated 31.12.2024 has submitted that other charges of Rs. -15.62 Crore is on account of STOA refund/T-GNA refund/credit charges towards Transmission Deviation/Credit GNA charges, Rebate Adjustments and current period charges of second bill. PSPCL to submit the details of T-GNA charges paid by it in FY 2023-24 and FY 2024-25(H1) and FY 2024-25(H2).
5. In reply to the Commission’s query regarding purchase of short term power and trading margin PSPCL vide reply dated 31.1.2.2024 has submitted that the short-term power procurement for FY 2023-24 was done only through exchanges. The purchase amount of energy therein submitted includes the trading margin at the rate of 0.96 paise/kWh. In FY 2022-23 PSPCL has purchased bilateral short term power with NIL trading margin. Further, in FY 2021-22 also PSPCL has purchased short term power through traders with

NIL trading margin. PSPCL to submit the justification for purchasing short term power with a trading margin of 0.96 paise/kWh.

6. PSPCL to submit the soft copy (Ms. Excel) of Annexure 23 (Voltage wise Cost of Supply for FY 2025-26) submitted alongwith reply dated 31.12.2024.also from the perusal of Annexure 23 it is observed that PPSCCL has considered losses @ 13.85% for LT consumers, however, the projected distribution losses for FY 2025-26 in the petition is 11.90%. PSPCL to reconsider and resubmit the same.
7. In the tariff Order for FY 2024-25, PSPCL was directed to conduct a fresh and proper study of voltage wise cost and asset distribution and to submit the actual voltage wise cost of supply along with next ARR petition. PSPCL to provide latest update of the above directive of the Commission.
8. Vide Order dated 05.12.2024 in Petition No. 25 of 2024, PSPCL was directed that in line with the mandate provided under Section 62 of the Act, GATPL shall file a separate petition for determination of tariff on an annual basis for the Commission's approval. GATPL has not yet submitted the petition.
9. Vide Order dated 05.12.2024 in Petition No. 25 of 2024, the Commission had decided that it shall not burden the consumers with the ISTS charges pertaining to BBMB power paid by PSPCL when transmission charges of these lines have already been paid directly to BBMB. PSPCL to submit the latest status of the case along with tentative amount of ISTS charges paid for BBMB power.
10. In new Supply Code 2024, the Commission has introduced contracted load for DS/NRS consumers not covered under contract demand. PSPCL to provide tentative impact on fixed charges of DS/NRS consumers not covered under contract demand during FY 2025-26.
11. The plant availability of GGSSTP & GHTP units has been projected as 81.68% and 70.87% respectively. PSPCL to review and accordingly revise the fixed cost of GGSSTP and GHTP as per Regulation 36 of PSERC MYT Regulations 2022.
12. Vide Order dated 15.05.2023 in Petition No. 05 of 2023, the Commission had decided as under:

*“Revenue which would have accrued to PSPCL from late payment surcharge as per clause 27(c) of PSERC MYT Regulations 2022 will be treated as notional interest under non tariff income to avoid burden of*

*loss/expense on this account to other consumers. This shall be settled on the account of PSPCL and will not be a pass through in the ARR.”*

Accordingly, PSPCL to provide late payment surcharge amount waived off in respect of consumers those availed OTS scheme in FY 2023-24.

13. PSPCL has submitted that it has booked Rs. 66.81 Crore on account of theft/UUE against 211.08 MU. PSPCL to provide revenue assessed against theft/UUE energy alongwith reasons of less booking in revenue.
14. PSPCL to provide details of the “Other Charges” submitted in Annexure-10 of letter dated 31.12.2024 relating to previous year payments.
15. PSPCL has submitted that it has made a payment of Rs. 97.53 Crore for FY 2022-23 to PSTCL for previous years. PSPCL to provide the documentary evidence vide which PSTCL has made the above claim. The Commission in the Tariff Order for FY 2024-25 has already considered the impact of gap pertaining to FY 2022-23.
16. PSPCL has submitted that the number of repaired transformers after damage being reused are not capitalized again and thus not routed through Account code 14. These transformers are stored in stores and are routed through GH 16 (assets not in use) to GH 10 (Assets in use)  
PSPCL needs to clarify the same in detail how new transformers and repaired transformers are dealt in account heads with appropriate examples to demonstrate that the accounting of the transformers during FY 2023-24 is correct.
17. PSPCL has submitted Rs. 277.05 Crore under “Release of new connections” and also submitted that the total consumer contributions received are Rs. 456.61 Crore. PSPCL to specify the service connection charges received against release of connections for which capital expenditure of Rs. 277.05 Crore has been sought by PSPCL.
18. PSPCL to provide the details of the distribution capacity of 15088.19 MW submitted for FY 2025-26.
19. PSPCL to provide tariff proposal for solar hours of the day as specified in the Electricity (Rights of Consumers) Amendment Rules, 2023.
20. PSPCL has claimed 149.43 MUs additional units for Kandi Mixed Load Feeders as per SoP on Subsidy Accounting and Payment. PSPCL has not provided any rationale or calculations of this in the petition. PSPCL to provide the same.

21. PSPCL has claimed 8.09 MU in respect of 3 Phase 4 Wire AP feeders. However, from the perusal of the ledger data, it is gathered that NIL feeders/NIL consumption in case of 3 Phase 4 Wire AP feeders has been shown for April, 2023 and January, 2024 to March, 2024. Further, 6 No. feeders have been shown for rest of the months of FY 2023-24. In FY 2022-23, there were 4 No. 3 phase 4 wire feeders. PSPCL to review and provide reasons of increase of the AP consumption of 3 phase 4 wire AP feeders.
22. PSPCL to provide reply to pending points as per point No. 1, 9(a), 9(d), 9(e).
23. Capital Expenditure and Capitalization: PSPCL has supplied different figures of capitalization/addition of assets in this Petition. PSPCL has claimed capitalization/addition of assets of Rs 2287.27 (323.82+1963.45) Crore in G-13 whereas in table no.2-25, page 46 it has claimed Capitalization/addition of assets of Rs.1822.18 (301.21+1520.97) Crore. PSPCL was asked to supply the reconciled figures with reasons but the same has not been given in its reply dated 31.12. 2024. PSPCL to supply the same.
24. Interest and finance charges
- i. In reply to the deficiencies dated 31.12.2024 under sr. No. 17, PSPCL has provided details of Guarantee and other charges of Rs.144.41 Crore and Rs.53.00 Crore(proposed) for FY 2025-26 respectively. PSPCL has shown Guarantee fee @ 0.50% on working capital. However, while projecting for FY 2025-26 it is being shown @ of 2%. Reasons for showing such variation in rates of guarantee fee may be intimated along-with year wise rate of guarantee charges as well as duration of loans taken. Further, details of other bank charges to the tune of Rs.28.10 Crore (FY 2023-24) has also not been provided.
  - ii. PSPCL has claimed guarantee charges @2% on new loan-Capex for Shahpur Kandi (Rs.479.32 Crore) for FY 2023-24 and simultaneously on New Loan-Capex for FY 2025-26(Rs,753.60 Crore). PSPCL to clarify why it is claiming guarantee charges on SKPP capex when capex, loan and capitalization of loan for SKPP has not been taken into account for true up of FY 2022-23 and FY 2023-24 (which will be considered at the time of COD). Detail of Guarantee charges claimed earlier for SKPP

capex may also be intimated.

- iii. PSPCL has intimated capitalization of interest amounting to Rs.78.92 Crore on account of general borrowing for Shahpur Kandi project. Institution wise details of general borrowing for FY 2023-24 along with interest capitalized be provided.
- iv. A 'General Provident fund trust' was created w.e.f. 1.04.2013 for payment of GP fund along with interest to PSPCL and PSTCL employee(s). The trust was to be funded by PSPCL and PSTCL by way of monthly subscription for 10 years to build up the deficient of erstwhile PSEB. The GP fund deducted from regular employee every month also needed to be deposited in the Trust.

PSPCL is claiming an interest paid to GPF Trust amounting to Rs.44.91 Crore in FY 2023-24. PSPCL in its reply dated 31.12.2024 has supplied details of funds payable to 'General Provident fund Trust'. As per information supplied, it appears that PSPCL has defaulted in making payment of Rs.757.75 Crore to the trust as on 31.03.2024.

It is pertinent to mention here that PSTCL which was also party to the ibid scheme has not claimed any interest on GPF for FY 2023-24 and FY 2025-26 in its petition for true up for FY 2023-24 and ARR for FY 2025-26. PSPCL to justify its claim of interest on GP fund considering that the subscription to the Trust was to be completed in 10 years i.e. by 31.03.2023. and to supply month-wise and year-wise details of interest on delay in payment of monthly subscription.

## 25. Depreciation

- i. PSPCL has shown addition to GFA under 'Land and Land rights' to the tune of Rs, 290.65 Crore being land for 'Pachhwara Coal Mine' whereas Petition No.55 of 2024 filed by PSPCL is pending with the Commission for disposal. Reasons for adding the same to the GFA be intimated.
- ii. PSPCL to submit project wise details of depreciation amounting to Rs.102.15 Crore (opening GFA, addition, disposal, closing GFA, average rate of depreciation and depreciation expense) claimed on Land in the annual audited accounts of FY 2023-24.
- iii. PSPCL has not supplied the reconciliation statement of difference of Rs. 65.62 Crore in depreciation expense as per Note 3 (Rs.1301.52 Crore) and Note 37 (Rs.1367.14 Crore) of FY 2023-24.

26. Govt. Grants/aid to PSPCL

PSPCL in its reply to deficiencies dated 31.12.2024 has not intimated the grant/aid received from State/Centre Govt against schemes which have been closed other than UDAY Scheme. PSPCL to inform any aid/grant/loss funding received from the State/Centre Government till 31.12.2024.

PSPCL shall submit its reply to the deficiencies/additional information within a week without any delay (through hard copy & soft copy). The deficiencies observed by the Commission and reply thereto filed by PSPCL be also uploaded on the website of PSPCL as well as the website of the Commission.

Sd/-  
(Paramjeet Singh)  
Member

Sd/-  
(Viswajeet Khanna)  
Chairperson

Chandigarh  
Dated: **15.01.2025**