

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

Petition No. 63 of 2023
Date of Order:07.12.2023

Petition for approval of True-up of Capital Expenditure for 2nd MYT Control Period i.e. from FY 2020-21 to FY 2022-23 and True up of ARR for FY 2022-23 for Transmission Business and SLDC under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 9 to 13 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulation, 2019 as amended from time to time and approval of Revised forecast of ARR and determination of Tariff for Transmission Business and SLDC for FY 2024-25 under Section 62,64 and 86 of the Electricity Act, 2003 read with Regulation 10 & 11 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2022.

And

In the matter of : Punjab State Transmission Corporation Limited, Regd. Office PSEB Head Office, The Mall, Patiala- 147001.

.....Petitioner

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

ORDER

The petition has been placed before the Commission for admission.Keeping in view the fact that the tariff has to be finalized before the start of the next financial year, the Commission decides to admit the petition with the directions to PSTCL to provide further information/clarification as under:

1. Audited/Provisional Accounts

Complete annual audited accounts for FY 2022-23 (Annexure-I to the Petition) signed/certified by the auditor in MS Excel format including Trial Balance for FY 2022-23 .

2. Depreciation

- i. As per MYT Regulations, Depreciation shall be calculated annually as per straight-line method over the useful life of the asset. Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/ put in use of the asset shall be spread over the balance useful life of the assets. The details of depreciation for FY 2022-23 be provided in light of the aforesaid regulation incorporating the following:
 - a) Details may kindly be prepared head-wise for all assets with further break up of each asset to account codes.
 - b) The details may kindly be furnished separately for Transmission Business & SLDC Business
- ii. PSTCL to submit a detailed list of assets completing 90% of depreciation for FY 2022-23 (actuals), FY 2024-25 (estimated) .

3. **Rate of Interest:** Details of calculation of average rate of interest of 8.71% and 8.38 % be provided for Transmission and SLDC business giving details of loan wise opening, closing, repayment and interest in MS excel format.

4. **Number of employees:** PSPCL to submit grade-wise average salary of employee in MS Excel format and the number of employees retired and recruited during FY 2022-23 (actual).

5. **Incentive:** Calculation of Incentive on account of Transmission system availability of Rs.11.69 crores be provided in MS excel format.

6. **Gain:** Calculation of Gain on account of Over achievement of Rs.30.72 crores be provided in MS excel format.

7. Capital Expenditure and Capitalization

- i. The Capital Expenditure submitted by PSTCL in the petition is not matching with the

Capital Expenditure submitted in Format T14 & T15. PSTCL to reconcile the same.

- ii. In format T14 and T15, PSTCL has not submitted the description of works carried out against each scheme. Further from perusal of works, it is gathered that the list includes the works which are not even approved by the Commission during 2nd MYT Control period. Further in some columns expenditure is shown without mentioning any name of the work. PSTCL is directed to submit the scheme wise detailed list of approved works citing capital investment approved vis-à-vis actual capital expenditure against each scheme/work. PSTCL also needs to provide the reasons in respect of the schemes in which actual expenditure is more than the approved. Also, PSTCL to provide details of works under head mentioned “Aug/Strengthening of bus bars” and “Approved by CE/TS” etc. Further PSTCL needs to submit either the approval of the Commission for these works which are not approved by the Commission during 2nd MYT Control period or specify whether these schemes are of emergent nature duly approved by BoDs.
- iii. PSTCL to submit form T14 and T15 separately for transmission business schemes and SLDC schemes.
- iv. PSTCL to provide details of contributory works and PSDF works carried out during 2nd MYT Control period.
- v. PSTCL to submit the details of assets directly transferred to GFA during the 2nd control period as submitted in Table 3 of the Petition.
- vi. PSTCL to submit a detailed list of assets de-capitalized in FY 2022-23.

8. Input and Output Energy

1. With regard Transmission Availability and Losses, in Annexure-II, PSTCL has submitted the details of energy. PSTCL to further submit the following:
 - a) The detailed calculations of the energy inflow into PSTCL system and Energy outflow from PSTCL system clearly indicating energy inflow and outflow from/to various generators, PSPCL, inter-state points and other such points.
 - b) Submit the reconciled/validated energy inflow/outflow from PSPCL.
 - c) PSTCL to submit the detailed calculations of transmission system availability.
 - d) PSTCL to provide list of substations (400kV/220kV/132kV) added/being added along with increase in its inter-state power drawl limit (ATC/TTC) during FY 2022-23 to FY 2024-25.

- e) PSTCL to provide the methodology used to calculate voltage wise losses in format T34.
- f) PSTCL to submit actual transmission loss for FY 2023-24 (H1).

9. **Transmission Capacity**

In format T22, PSTCL has submitted the details of transmission capacity for FY 2024-25 as 16243.46 MW whereas in Table 62, for calculation of transmission charges, it has been taken as 14667.85MW. PSTCL to check the difference. Further the same be got reconciled with/validated from PSPCL.

- 10. In format T24, PSTCL has submitted energy sales to long term, medium term and short-term open access. PSTCL to provide list of the consumers availing open access in Punjab.
- 11. In para 3.10 and para 4.11, PSTCL has indicated ULDC Charges for SLDC own state, BBMB share and NRLDC fee and charges. PSPCL to check whether the BBMB share paid by him is not included in O&M charges being paid by PSPCL to BBMB. Also, PSTCL to provide details of these charges.
- 12. PSPCL in its reply to directive 5.15 in ARR petition No. 64 of 2023 has submitted a list of interstate transmission lines used for transmitting energy to neighboring states for which PSTCL is not levying transmission charges. PSTCL to provide a list of such transmission lines to the Commission alongwith the reasons for not levying the transmission charges for those lines.

Further,

- i) A public notice containing highlights of the ARR shall be issued by PSTCL, inviting objections from the public/stakeholders on the petition as required under Regulation 67 of the PSERC (Conduct of Business) Regulations, 2005. The public notice be got published in five widely circulated daily newspapers (English, Hindi and Punjabi), immediately.
- ii) PSTCL shall ensure availability of legible copies of the notice/ARR petition for public scrutiny in adequate numbers in all the offices mentioned in the public notice.

Due co-operation and courtesy may be extended to the public for their inspection and perusal of the documents/material so as to avoid any complaint from public regarding non-availability or non-accessibility. Arrangements may also be made to ensure sale of documents to interested parties on payment basis subject to maximum of Rs 750/- per set.

- iii) Replies to the objections in response to the public notice may be prepared and sent to the Commission (twelve copies) within seven days of receipt of each objection, with copies to the objectors.

PSTCL shall submit reply to the deficiencies/additional information within a week without any delay (through hard copy & soft copy). PSTCL shall be intimated separately for submission of any other information necessary for adjudication of the petition.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 07.12.2023