

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

Petition No. 67 of 2021
Date of Order: 13.12.2021

Petition for the approval of True-up of ARR for FY 2020-21 for Transmission Business and SLDC, Annual Performance Review for FY 2021-22 and approval of revised ARR forecast and determination of Tariff for Transmission Business and SLDC for FY 2022-23 under Section 62, 64 and 86 of the Electricity Act, 2003 read with Regulation 11 & 12 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019

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

...Petitioner

Present: Sh. Viswajeet Khanna, Chairperson
Ms. Anjali Chandra, Member
Sh. Paramjeet Singh, Member

Order

The subject cited petition was admitted vide order dated 07.12.2021, observing that the deficiencies observed in the petition and any other information required by the Commission shall be intimated to PSTCL separately. The deficiencies and additional Information/clarifications required from PSTCL are given as under:

1. Formats and Annexures

- i. Submit all the formats in MS Excel format for FY 2020-21, FY 2021-22 and FY 2022-23.
- ii. Submit Annexure A, Annexure B, Annexure C, Annexure D and Annexure E in MS Excel format.

2. Audited/ Provisional Accounts

- i. Complete annual audited accounts for FY 2020-21 (Annexure-I to the Petition) signed/certified by the auditor and actual provisional accounts for H1 of FY 2021-22 (in MS Excel format including Trial Balance for FY 2020-21 and H1 of FY 2021-22). The certificate issued by Comptroller and Auditor General (CAG) for FY 2020-21 also needs to be furnished as soon as it is available.
- ii. Provisional Cost Accounts and Cost Audit Report for FY 2020-21 and Audited accounts for the same need to be furnished as soon as they are available.

3. Capital Expenditure and Capitalization

- i. With regard to Capital Expenditure, submit the following:
 - a) In Format T15, PSTCL has submitted capital expenditure of Rs. 49.61 Crore, Rs. 110.41 Crore and Rs. 93.89 Crore for FY 2020-21, FY 2021-22 and FY 2022-23 respectively under the head 'Any Other'. Submit the details of schemes covered under the head 'Any Other'.
 - b) In Format T15, PSTCL has not reduced any capital expenditure under the head 'Cost of Dismantled Transformers being re-used' whereas the Commission in its Order dated 03.12.2019 in Petition No. 19 of 2019 had reduced capital investment of Rs. 107 Crore that will be saved by reusing the dismantled transformers. The same be reviewed and thereafter re-submit the capex figures.
- ii. Submit the details of assets directly transferred to GFA during FY 2020-21 as submitted in Table 4 of the Petition.
- iii. Submit the Fixed Asset Register (FAR) prepared for FY 2020-21.
- iv. Submit a detailed list of assets decapitalized in FY 2020-21.
- v. As per table no 25 of the Commission Order dated 28.05.2021, closing balance of Capital Work in Progress(CWIP) as on 31.03.2020 is Rs 310.47 Crore whereas PSTCL in this Petition has submitted Rs.282.70 Crore as opening balance of CWIP as on 01.04.2020. Difference in CWIP balance may be explained.

A soft copy (in MS Excel format) be provided for i, ii & iii submissions.

4. Interest Charges

- i. PSTCL has considered the addition of loans of Rs. 95.14 Crore for FY 2020-21 which is entirely considered on account of Spill-over Schemes. Justification be submitted for considering the entire addition of loan of Rs. 95.14 Crore towards spill-over schemes and no funding of new schemes when the capital expenditure and capitalization on account of new schemes has been submitted as Rs. 21.13 Crore and Rs. 10.44 Crore respectively.
- ii. PSTCL to submit the calculations for funding requirements and loans for spillover and new schemes separately as per the methodology approved by the Commission in previous orders.
- iii. Submit reconciliation of closing balance as on March 31, 2020 (Rs. 7.34 Crore) and opening balance as on April 1, 2020 (Rs. 7.27 Crore) for the REC (SLDC) loan as submitted in Format T13 in Petition for True-Up of FY 2019-20 and in the Petition for True-Up of FY 2020-21 respectively.

5. 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 2020-21 be provided in light of the aforesaid Regulations incorporating the following:

- a) Details be submitted head-wise for all assets with further break up of each asset as per account codes.
- b) The details be furnished separately for Transmission Business & SLDC Business
 - ii. Submit a detailed list of assets completing 90% of depreciation for FY 2020-21 (actuals), FY 2021-22 (estimated) and FY 2022-23 (estimated).
 - iii. Details of contributory works and PSDF grants taken in the instant petition in table no 14 as on 01.04.2020 does not match with closing balance of true up figures of FY 2017-18 to FY 2019-20. PSTCL is claiming opening balance of Rs 7108.13 Crore as GFA (net of Land and Land rights and excluding Contribution and PSDF grant assets) as on 01.04.2020 whereas in the review petition no 3 of 2021 in Petition no 44 of 2020, the closing balance submitted was Rs. 7107.03 Crore. Difference may be explained/reconciled.

6. Other Expenses

- i. PSTCL has claimed other expenses of Rs.12.88 Crore in FY 2020-21. Detailed justification and proof for the same be provided.

7. Employee Cost

- i. Submit grade-wise number of employees along with average salary in MS Excel format alongwith the number of employees retired and recruited during FY 2020-21 (actuals), FY 2021-22 (actuals for H1 and projections for H2) and FY 2022-23 (projections).
- ii. The baseline values of other employee has been increased for Transmission by Rs. 1.58 Crore and has been claimed as Rs. 192.02 Crore against Rs. 190.44 Crore approved for FY 2019-20 in Tariff order of FY 2021-22. As stated by PSTCL, the Communication wing was temporarily transferred to SLDC during FY 2019-20 which was again transferred back to Transmission during FY 2020-21. However, the Commission has allowed actual other employee cost instead of normative other employee cost during true up of FY 2019-20. Reasons for change in the baseline values of other employee cost of Transmission and SLDC Business may be intimated.

8. Revenue from Open Access Consumers

- i. Provide detailed breakup of revenue from Open Access Charges for FY 2020-21

9. Input and Output Energy

- i. With regard to 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.

10. Transmission Capacity

- i. In format T22, PSTCL has submitted the details of transmission capacity for FY 2022-23. The same be got reconciled with PSPCL.

The above information be provided within a week (through hard copy & soft copy) alongwith with compliance of direction passed in last Interim Order dated 07.12.2021 regarding publication of public notice in the petition.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Anjuli Chandra)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **13.12.2021**