

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

Review Petition No. 02 of 2024
in Petition No. 64 of 2023
Date of Hearing: 18.09.2024
Date of Order: 20.09.2024

Review petition under Section 94 of the Electricity Act, 2003 against
Tariff Order dated 14.06.2024 for Financial Year 2024-25.

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. Anand K Ganesan, Advocate (through VC)
Ms. Harmohan Kaur, CE/ARR&TR
Sh. Harjit Singh, ASE/TR-5

ORDER

The Review Petition was taken up for hearing as well as public hearing. Nobody has appeared from the public in the public hearing. PSPCL filed additional submissions vide memo no. 4559 dated 06.09.2024 which are taken on record. The same have also been uploaded on the website of the Commission for comments from the public, if any. PSPCL is further directed to provide information as under:

1. Station Heat Rate (SHR):- The Commission notes PSPCL's submission that BHEL (OEM) acknowledges the variation in the heat rate of the turbine due to ageing as specified in the Performance Guarantee Test Report and calculated heat rate of 2798kCal/kWh and 2589 kCal/kWh for GGSSTP and GHTP respectively based on PG test report as per ageing of the units. PSPCL further submitted that the primary factors involved in ageing are salt deposition on blades, deterioration of surface finish of blades, increase in the clearances in the blading flow path, deposits in heat transfer areas and increase in losses of valves seats. The Commission observes that:
 - a. The heat rate calculations submitted by PSPCL are based upon a Performance Guarantee Test conducted by the OEM (BHEL) after commissioning of the units.

However, PSPCL carries out the regular maintenance of the turbines after the prescribed time period wherein the factors submitted by PSPCL for deterioration of heat rate should be taken care of and rectified thereby restoring the heat rate to a large extent (nearer to prescribed) for which R&M charges are allowed to PSPCL. PSPCL to explain why their plea to allow a higher SHR is justified in view of the above.

- b. PSPCL had projected heat rate of 2666 kCal/kWh and 2500 kCal/kWh for FY 2024-25 in respect of GGSSTP and GHTP respectively in the ARR petition (G-24 format) for which PSPCL must have considered all factors i.e. less PLF, ageing, start/stops and back down etc. Here PSPCL has calculated heat rate for GGSSTP as 2798 kCal/kWh and for GHTP as 2589 kCal/kWh on the basis of ageing alone. Thus, PSPCL's submission in the Review petition is not in consonance to its own submission in the ARR petition. PSPCL to explain the same.
2. Cost paid by PSPCL To M/S NTPC towards Anta, Auraiya and Dadri Gas based Power Stations for FY 2022-23:-

PSPCL in the ARR petition and in this review petition had submitted that the charges were paid to Anta Auraiya and Dadri gas stations due to an allocation by the Ministry of Power as part of a package from its unallocated quota of power during the peak demand season. However, power from these plants was not availed by PSPCL due to higher variable cost and only fixed costs were paid. The Commission disallowed the charges since PPAs with these stations had already expired.

Now PSPCL vide additional submission dated 06.09.2024 has submitted that out of Rs. 30.73 Crore, Rs. 7.01 Crore were fixed charges and Rs. 23.71 Crore as other charges towards depreciation charges of these plants pertaining to previous years. This is a new statement submitted by PSPCL as an additional submission. PSPCL to provide the rationale of the claim of depreciation charges by NTPC along with documentary evidences of the same. It is not understood how previous years depreciation has been claimed when the audited accounts of these units for the

previous years would have been approved and frozen after accounting for the aggregate depreciation.

3. The Commission has been allowing O&M expenses as per Regulation 26 of PSERC MYT Regulation 2019, during the 2nd Control Period (FY 2020-21 to FY 2022-23). The O&M allowed vis-à-vis the actuals is as under:

Comparison of O&M Expenses (Actual and Normative) Rs. Crore

Sr. No	O&M Expenses	FY 2020-21		FY 2021-22		FY 2022-23		Total allowed more than actual during 2 nd Control Period
		Actual	Normative allowed	Actual	Normative allowed	Actual	Normative allowed	
1	Employee Cost	4807.83	4937.07	5261.49	5487.25	6981.00	6897.29	271.29
2	R&M Expenses	355.73	370.85	479.13	423.93	510.95	422.49	-128.54
3	A&G Expenses	157.93	191.68	172.02	211.59	196.50	229.41	106.23
4	Total	5321.49	5499.60	5912.64	6122.77	7688.45	7549.19	248.98

As per the above table, it is clear that the Commission had allowed O&M expenses of Rs. 248.98 Crores in excess of what PSPCL has actually incurred. The Commission observes that PSPCL remained silent when the O&M expenses were allowed more than actual. However, it is seeking a review for claiming actual expenses when they are more than the normative. PSPCL is directed to clarify its changed stance on this issue.

The above information be submitted within two weeks (through hard and soft copy). The Review Petition shall be taken up for hearing on 20.11.2024 at 11.30 AM.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **20.09.2024**