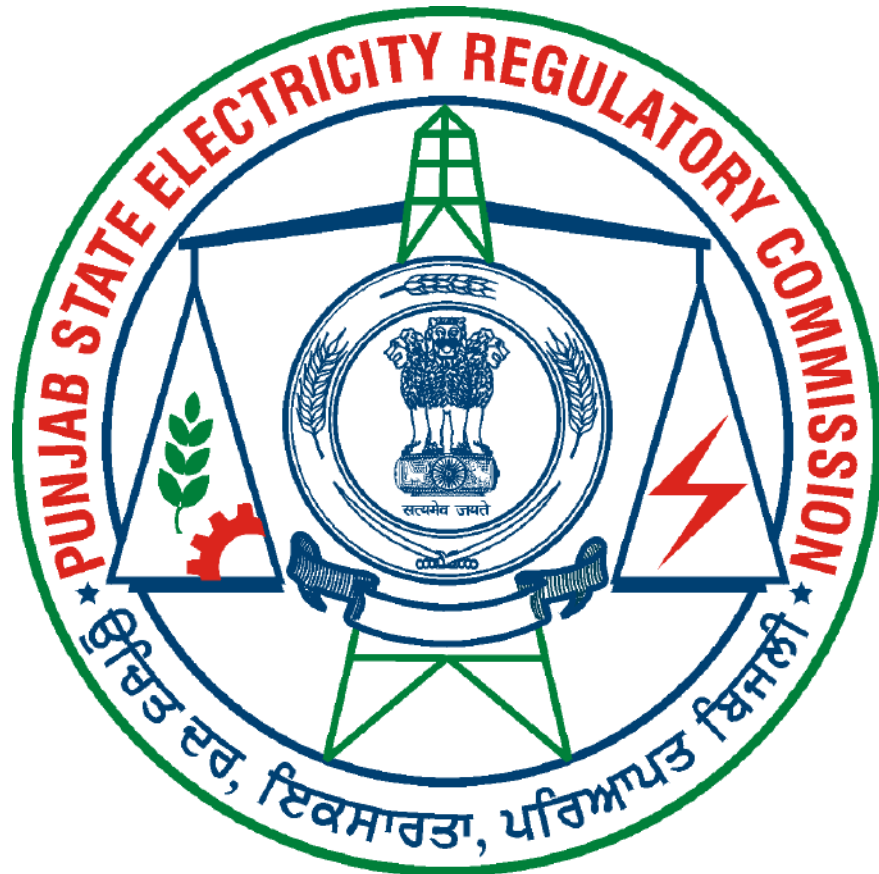


PUNJAB STATE ELECTRICITY REGULATORY COMMISSION



PSTCL

TARIFF ORDER FOR FY 2021-22

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



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

**PETITION NO. 44 OF 2020 FILED BY PUNJAB STATE TRANSMISSION CORPORATION
LIMITED FOR TRUE UP OF FY 2019-20, ANNUAL PERFORMANCE REVIEW FOR
FY 2020-21 AND APPROVAL OF ANNUAL REVENUE REQUIREMENT AND
DETERMINATION OF TARIFF FOR FY 2021-22 FOR ITS TRANSMISSION
AND SLDC BUSINESS.**

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

Date of Order: 28th May, 2021

ORDER

The Punjab State Electricity Regulatory Commission (Commission), in exercise of the powers vested in it under the Electricity Act, 2003 (Act), passes this order for the True-Up of FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Annual Revenue Requirement And Tariff For FY 2021-22 for Transmission Business and SLDC Business of the Punjab State Transmission Corporation Limited (PSTCL). The Petition filed by PSTCL, facts presented by PSTCL in its various submissions, objections received by The Commission from consumer organizations and individuals, issues raised by the public in hearings held at, Amritsar, Ludhiana, Patiala, and Chandigarh, observations of the Government of Punjab (GoP) and the responses of PSTCL to the objections have been considered. The State Advisory Committee constituted by The Commission under Section 87 of the Act has also been consulted. All other relevant facts and material on record have been considered before passing this Order.

1.1 Background

The Commission has in its previous Tariff Orders determined the tariff in pursuance to the ARRs and Tariff Applications submitted for the integrated utility by the Punjab State Electricity Board (Board) for FY 2002-03 to 2006-07, 2008-09 to 2010-11 and by PSTCL for FY 2011-12 to FY 2020-21. The Tariff Order for FY 2007-08 had been passed by The Commission in suo-motu proceedings.

PSTCL has submitted that the Punjab State Transmission Corporation Limited is the

Transmission Licensee for Transmission of Electricity in the areas as notified by the Government of Punjab vide notification No. notification. 1/9/08-EB(PR)/196 dated 16.04.2010. PSTCL is vested with the function of intra-state Transmission of electricity in the State of Punjab and the operation of the State Load Dispatch Centre (SLDC) and in terms of Section 39 of the Electricity Act, 2003, the Govt. of Punjab notified PSTCL as the State Transmission Utility (STU).

The Commission notified the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014 (PSERC MYT Regulations, 2014) and vide notification dated 28.05.2015, the effective date of enforcement of these Regulations was 01.04.2017 to 31.03.2020. The Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019 (hereinafter referred to as "PSERC MYT Regulations, 2019") have been notified by the Commission vide notification No.PSERC/Secy/Regu. 140 dated 29.05.2019 and have come into force from 1.04.2020 to 31.03.2023. The relevant regulations have been followed for the respective years while passing the present Tariff Order.

1.2 True Up for FY 2019-20, Annual Performance Review for FY 2020-21 and Annual Revenue Requirement for FY 2021-22.

PSTCL has filed the Petition for True up of FY 2019-20, APR for FY 2020-21 and Annual Revenue Requirement for FY 2021-22. The petitioner has prayed:

- a) To admit the Petition seeking approval of True-up of Capital Expenditure for the First Control Period and for FY 2019-20 in accordance with the PSERC MYT Regulations, 2014, as amended from time to time and approval of the Annual Performance Review for FY 2020-21 and the revised Aggregate Revenue Requirement and Tariff for FY 2021-22 for Transmission Business and SLDC in accordance with the PSERC MYT Regulations, 2019;
- b) To approve the Revenue Gap arising on account of True-up of FY 2019-20 and Annual Performance Review for FY 2020-21 alongwith the carrying cost and allow its recovery through Tariff of FY 2021-22, as computed in this Petition;
- c) To approve the ARR forecast and Tariff for FY 2021-22 for Transmission Business and SLDC Business;
- d) To invoke its power under Regulation 64 in order to allow the deviations from

PSERC MYT Regulations, 2019, wherever sought in this Petition,

- e) To allow additions/alterations/modifications/changes to the Petition at a future date;
- f) To allow any other relief, order or direction, which the Commission deems fit to be issued,
- g) To condone any error or omission and to give opportunity to rectify the same;

On scrutiny of the petition, it was noticed that the petition was deficient in some respects. The deficiencies were conveyed to PSTCL vide letter no. PSERC/Reg./5410 dated 10.12.2020. PSTCL submitted its reply to the deficiencies vide Memo. No.3047 dated 21.12.2020 and memo No.3081 dated 28.12.2020. The petition was admitted vide order dated 29.12.2020 and taken on record as Petition No. 44 of 2020. PSTCL was further directed by the Commission vide letter No. PSERC/Tariff/T-50/95 dated 08.01.2021 followed by letter No. 415 dated 01.02.2021, letter No. 510-11 dated 11.02.2021 respectively to provide additional information. PSTCL submitted its reply to the deficiencies/ request for additional information vide memo no 188 dated 18.01.2021, memo No. 241 dated 29.01.2021, memo No. 356 dated 10.02.2021 e-mail dated 23.02.2021, memo No. 346 dated 23.02.2021, memo No. 1708 dated 24.02.2021 and memo No. 290 dated 26.02.2021. Various meetings were held with PSTCL on the data submitted in the ARR and the relevant correspondence between the Commission and PSTCL was placed on the website of the Commission.

1.3 Objections& Public Hearing:

A public notice was published by PSTCL in The Tribune (English), The Times of India (English), Punjab Kesari (Hindi), Rozana Spokesman (Punjabi) on 01.01.2021 and Punjabi Jagran (Punjabi) on 02.01.2021, inviting objections from the general public and stake holders on the said petition filed by PSTCL. Copies of the Petition including deficiencies pointed out by the Commission and the reply of PSTCL to the deficiencies were made available in the offices of the CAO (Finance & Audit), PSTCL, The Mall, Patiala; Liaison Officer, PSTCL Guest House, near Yadvindra Public School, Phase-8, Mohali; Chief Engineer/P&M, PSTCL, Ludhiana and offices of Superintending Engineers, P&M Circles, Ludhiana, Patiala, Jalandhar, Amritsar and Bhatinda. The information was made available on the website of PSTCL i.e. www.pstcl.org and the Commission's website i.e. www.pserc.gov.in also. The relevant correspondence with PSTCL was also uploaded on the website of the

Commission. In the said public notice dated 01.01.2021, objectors were advised to file their objections with the Secretary of the Commission within 30 days of the publication of notice, with an advance copy to PSTCL. The public notice also indicated that the Commission, after perusing the objections received, may invite such objector(s) as it considers appropriate for hearing on the dates to be notified in due course. The Commission decided to hold public hearings at Amritsar, Ludhiana, Patiala & Chandigarh, as per details hereunder:

Venue	Proposed Date & time of public hearing	Category of consumers to be heard
AMRITSAR VIP Guest House, PSPCL, Batala Road, Verka at Amritsar	February 02, 2021 (Tuesday) 12:00 PM to 2:00 PM	All consumers/organizations of the area
LUDHIANA Multi Purpose Hall, Power Colony, PSPCL, Opp. PAU Ferozepur Road, Ludhiana	February 04, 2021 (Thursday) 12:00 PM to 2:00 PM	All consumers/organizations of the area
PATIALA Technical Training Institute (TTI), PSPCL Auditorium, Shakti Vihar, Badungar, (Near 23 No. Railway Crossing) Patiala.	February 08, 2021 (Monday) 2:00 PM to 4:00 PM	All consumers/organizations of the area
CHANDIGARH Commission's office i.e. Site No 3, Sector 18-A, Madhya Marg, Chandigarh – 160018.	February 09, 2021 (Tuesday) 11.30 AM to 1.30 PM	Industrial consumers/ organizations
	3.00 PM to 4.30 PM	Officers'/ Staff Associations of PSPCL and PSTCL
CHANDIGARH Commission's office i.e. Site No 3, Sector 18-A, Madhya Marg, Chandigarh – 160018.	February 11, 2021 (Thursday) 11.30 AM to 1.30 PM	All consumers/organisations except Industry

A public notice to this effect was uploaded on the website of the Commission as well as published in various newspapers on 15.01.2021. All the objectors who had filed their objections and other persons/organizations interested in presenting their views /suggestions were invited to participate in the public hearings.

- 1.4** The Commission held public hearings as per schedule from 02nd February, 2021 to 11th February, 2021 at Amritsar, Ludhiana, Patiala & Chandigarh. The views of PSTCL on the objections/comments received from public and other stakeholders were heard by the Commission on 22.02.2021. The Commission

considered it appropriate to hold a public hearing once again and accordingly notice was published in various newspapers on 13.04.2021 proposing the date of public hearing on 27.04.2021 at Chandigarh. The public hearing was held on 27.04.2021.

- 1.5** The Government of Punjab was approached by the Commission vide DO No. 85-86 dated 07.01.2021 and DO letter No. 462-63 dated 05.02.2021 seeking its views on the Petition No. 44 of 2020. In response, Government of Punjab, vide Memo. No.1/3/2021-EB (PR)/186 dated 27.05.2021 submitted its comments/ observations on the same.
- 1.6** The Commission received 08 written objections including the comments of Government of Punjab. PSTCL was directed to send its response to the objections raised by the respective objectors. The Commission considered all these objections. The number of objections/comments received from consumer groups, organizations and others are detailed below:

Sr. No.	Category	No. of Objections
1.	PSEB Engineer's Association/ Electric Power Transmission Association.	1
2.	Industries	6
3.	Government of Punjab	1
	Total	8

The complete list of objectors is given in **Annexure- I** of this Tariff Order. PSTCL submitted its comments on the objections to the Commission. PSTCL was directed to send the responses to the respective objectors. A summary of issues raised in objections, the response of PSTCL and the view of the Commission are contained in **Annexure – II** to this Tariff Order.

1.7 State Advisory Committee

A meeting of the State Advisory Committee constituted under Section 87 of the Act was convened on 27.01.2021 for taking its views on the ARR. The minutes of the meeting of the State Advisory Committee are enclosed as **Annexure – III** to this Order.

- 1.8** In addition, all subsequent and relevant correspondence between The Commission and PSTCL was made available on the website of The Commission. The Commission has, thus, taken the necessary steps to ensure that due process, as

contemplated under the Act and Regulations framed by The Commission, is followed and adequate opportunity is given to all stakeholders to present their views.

1.9 Compliance of Directives

In its previous Tariff Orders, the Commission issued certain directives to PSTCL in the public interest. A summary of directives issued during previous years, status of compliance along with the fresh directives of The Commission in this petition is given in Chapter 5 of this Tariff Order.

Chapter 2

True up for Capital Expenditure for 1st MYT Control Period (FY 2017-18 to FY 2019-20)

2.1 Background

2.1.1 The Commission approved PSTCL's Capital Investment Plan for MYT Control Period (FY 2017-18 to FY 2019-20) in its Order dated 13.12.2017 as under:

Table 1: Capital Investment approved by the Commission for 1st Control Period vide Order dated 13.12.2017

				(Rs. Crore)
Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Total
Transmission Business	328.29	248.01	202.64	778.94
SLDC Business	10.00	10.00	10.00	30.00
TOTAL	338.29	258.01	212.64	808.94

2.1.2 The above approval did not include IDC and IEDC since PSTCL had submitted only hard cost of the list of works for approval.

2.1.3 PSTCL had submitted Capital Expenditure of Rs. 352.51 Crore for Transmission Business and Rs. 1.59 Crore for SLDC Business for true up of FY 2017-18 in the ARR for FY 2019-20. The Commission provisionally approved Capital Expenditure of Rs. 321.48 Crore for Transmission Business and Rs. 1.59 Crore for SLDC Business which includes expenditure of Rs. 2.64 Crore on emergency works for 2017-18.

During the processing of the ARR Petition for FY 2019-20, PSTCL submitted two decisions of the Board of Directors of PSTCL approving urgent, unforeseen and feasibility related works chargeable to the head "Addition of Bays/System Strengthening", Augmentation/ Strengthening of Bus Bars" and "Unforeseen emergency works". These were categorized as Category I works with the total amount projected as under:

Table 2: Capital expenditure on urgent/ unforeseen/feasibility related works as projected by PSTCL

Category No.	Description	Provision in MYT CIP (Rs. Crore)		Projected Capital Expenditure (Rs. Crore)	
		FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
Category 1	Urgent/ Unforeseen/ feasibility related works (Schemes with Sr.No. 140, 155, 175, 137, 152, 172 and 182)	14.00	14.00	17.393	31.83

The same was approved. The Capital Investment Plan of Transmission Business for FY 2018-19 including category 1 works, comes out to be Rs. 251.403 Crores (Rs. 248.01 Crore -Rs. 14.0 Crore + Rs. 17.393 Crore) and for FY 2019-20, Rs. 220.47 Crores (Rs. 202.64 Crore -Rs. 14.0 Crore + Rs. 31.83 Crore). The Commission also allowed an amount of Rs. 6.81 Crore in FY 2019-20, which was the difference between the approved CIP (Rs. 328.29 Crore) and actual expenditure for FY 2017-18 (Rs. 321.48 Crore). The Commission provisionally approved Rs. 227.28 Crore (Rs. 220.47 Crore + Rs. 6.81 Crore) for Transmission for FY 2019-20. The Commission considered Capital Investment Plan of SLDC business as Rs. 6.79 Crore for FY 2018-19 and Rs. 10 Crore for FY 2019-20.

2.1.4 Therefore, the Capital Expenditure approved for 1st MYT (FY 2017-18 to FY 2019-20) in Tariff Order for FY 2019-20 is as under:

Table 3: Capital Expenditure approved by the Commission for 1st MYT (FY 2017-18 to FY 2019-20) in Tariff Order for FY 2019-20 dated 27.5.2019

(Rs. Crore)			
Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Transmission Business	321.48	251.403	227.28
SLDC Business	1.59	6.79	10.00
TOTAL	323.07	258.19	237.28

2.1.5 For the True-up of FY 2018-19 in the ARR for FY 2020-21, PSTCL submitted Capital Expenditure of Rs. 257.28 Crore for Transmission Business (including Contributory works and PSDF works of Rs.24.62 Crore) and Rs. 4.46 Crore for SLDC Business for FY 2018-19. Since the Capital Expenditure submitted by PSTCL for True-Up of FY 2018-19 excluding Contributory works of Rs. 24.62 Crore was lower than that approved in Tariff Order for FY 2019-20, the Commission provisionally approved Capital Expenditure of Rs. 257.29 Crore (as observed in scheme wise prudence check) for Transmission Business of FY 2018-19 and Rs. 4.45 Crore for SLDC

Business.

- 2.1.6 For FY 2019-20, PSTCL submitted a capital expenditure of Rs. 332.42 Crore for Transmission Business and Rs. 3.47 Crore for SLDC Business. The Commission noted that PSTCL has not yet started some of the schemes for which Capital investment has been projected in the petition. Accordingly, PSTCL was directed to review the same. In its revised submission, PSTCL revised the expenditure to Rs. 224.02 Crore for FY 2019-20 for Transmission Business, which was within the limits of the CIP approved in Tariff Order for FY 2019-20. **Accordingly, the Commission provisionally approved the Capital expenditure of Rs. 224.02 Crore for FY 2019-20 for Transmission Business and Rs.3.47 Crore for its SLDC Business.**

Table 4: Capital Expenditure provisionally approved by the Commission for FY 2018-19 and FY 2019-20 in the Tariff Order for FY 2020-21 dated 1.6.2020

Particulars	(Rs. Crore)	
	FY 2018-19	FY 2019-20
Transmission Business	257.29	224.02
SLDC Business	4.45	3.47
TOTAL	261.74	227.49

2.2 True-up of Capital Expenditure

PSTCL's Submission:

- 2.2.1 The Commission had provisionally approved Capital Expenditure during True-up of FY 2017-18 and FY 2018-19 and APR of FY 2019-20. The Commission had decided in the respective Tariff Orders that the Capital Expenditure shall be Trued-up at the end of the First Control Period. Accordingly, PSTCL has now submitted the Capital Expenditure for the First Control Period in line with the Audited Accounts of respective year for FY 2017-18, FY 2018-19 and FY 2019-20.
- 2.2.2 PSTCL has also submitted that the approved list of 182 works of Transmission Business of PSTCL also includes works under PSDF Scheme. The Capital Expenditure incurred against these projects is partly funded by Government Grant and partly funded by loan taken by PSTCL.
- 2.2.3 PSTCL has submitted that the main reasons for deviations as compared to the approved amounts are mainly due to the following reasons:
- PSTCL had filed for approval of Capital Investment Plan for the First Control Period (FY 2017-18 to FY 2019-20) on 27.05.2016. Since the Petition was filed in early period of FY 2016-17, PSTCL expected that majority of the ongoing schemes would be completed in FY 2016-17 and therefore such schemes were

not included in the proposal for Capital Investment Plan for the First Control Period. However, these schemes got spilled over to the First Control Period due to reasons beyond the control of PSTCL. Secondly, PSTCL expected major expenditure during FY 2016-17. Due to various reasons, PSTCL could not incur the same in FY 2016-17 and incurred it later in the first control period. Accordingly, the increase in Capital Expenditure is mainly on account of such schemes which were not included in the CIP for the First Control Period and therefore were approved by the Commission in the respective Tariff Orders.

- b. PSTCL, at the time of approval of CIP vide Petition No. 44 of 2016 had submitted only the Hard Cost against each of the Schemes. The IEDC and IDC cost which are also to be capitalised along with the Hard Cost were not submitted. Hence, the Commission only approved the Hard Cost against each of the 190 works. Whereas, the expenditure now submitted by PSTCL includes IDC and IEDC cost. Therefore, this has led to an increase in the actual individual scheme over the approved cost.

2.2.4 PSTCL, in the Petition, has accordingly claimed the actual Capital Expenditure as shown under:

Table 5: Capital Expenditure Approved v/s Actual for FY 2017-18 to FY 2019-20 as submitted by PSTCL

Particulars	(Rs. Crore)					
	FY 2017-18		FY 2018-19		FY 2019-20	
	Approved	Actual	Approved	Actual	Approved	Actual
Capital Expenditure (Transmission Business inclusive of directly added assets)	321.48	375.28	257.29	258.47	224.02	239.55
Less: Contribution and PSDF Works	-	44.99	24.62	31.52	-	58.66
Capital Expenditure for funding	321.48	330.29	232.67	226.95	224.02	180.89
Capital Expenditure (SLDC Business)	1.59	1.59	4.45	5.82*	3.47	0.38

**In the True-up of FY 2018-19, inadvertently the works of Rs. 1.37 Crore related to SLDC was claimed in STU which has now been rectified.*

2.2.5 However, PSTCL has submitted the scheme-wise actual capital expenditure for 1st MYT Control Period in Annexure 1 of the Petition as under:

Table 6: Actual Capital Expenditure for FY 2017-18 to FY 2019-20 as submitted by PSTCL in Annexure 1 of the Petition

(Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Total
Capital Expenditure of 182 Approved Schemes (Transmission Business) (A)	317.97	220.44	178.02	716.43
Capital Expenditure (SLDC Business) (B)	1.59	4.44	0.36	6.39
Total Capital Expenditure from approved schemes (C=A+B)	319.56	224.88	178.38	722.82
Spill Over Works prior to FY 2017-18 (D)	12.31	5.34	0.19	17.85
Works Approved in Second Control Period started in FY 2019-20 (E)	0.00	0.00	1.55	1.55
Total Capital Expenditure from all schemes (F=C+D+E)	331.88	230.22	180.12	742.22
Capital Expenditure towards Asset directly transferred to GFA & material at site	-	2.55	1.15*	3.70
Expenditure on Contributory Works	44.13	24.62	53.26	122.01
Total Capital Expenditure (PSTCL)	376.01	257.39	234.53	867.93

*- Rs. 0.50 Crore is the Actual Capital Expenditure towards asset directly transferred to GFA and Rs. 0.65 Crore is towards material at site

2.2.6 PSTCL has further submitted Revised Capital Expenditure for reconciliation of scheme-wise actual capital expenditure for 1st MYT Control Period with the Annual Audited Accounts of 1st MYT Control Period vide email dated 31.03.2021. PSTCL has revised the submission of Capital Expenditure on PSDF works. Earlier, PSTCL had only claimed the capital expenditure of Rs. 6.55 Crore on PSDF Works to be funded by loan in FY 2019-20 and **had not claimed the grant portion of Rs. 13.16 Crore in Capital Expenditure of 182 Approved Transmission Schemes**. The revised Capital Expenditure on PSDF Works and the details are as under:

Table 7: Details of Capital Expenditure on PSDF Works as submitted by PSTCL

(Rs. Crore)

Particulars	Formulae	FY 2017-18	FY 2018-19	FY 2019-20	Total
Total Capital Expenditure on PSDF Works submitted now	A	0.86	6.90	11.95	19.71
Grant portion of Capital Expenditure on PSDF Works	B	-	10.68	2.48	13.16

2.2.7 As per the reconciliation submitted, PSTCL has now submitted a capital expenditure of Rs. 0.38 Crore for SLDC Business for FY 2019-20 whereas in the earlier submission PSTCL had claimed Rs. 0.36 Crore for the same as Rs. 0.02 was inadvertently added in Transmission Business as assets directly transferred to GFA. Further, PSTCL has submitted that during the True-up of FY 2018-19, the works of

Rs. 1.37 Crore related to SLDC was inadvertently claimed in Transmission Business.

2.2.8 The details of Revised Capital Expendituresubmitted by PSTCL vide email dated 31.03.2021are as under:

Table 8: Revised Capital Expenditure for FY 2017-18 to FY 2019-20 as submitted by PSTCL

(Rs. Crore)

Particulars	Formulae	FY 2017-18	FY 2018-19	FY 2019-20	Total
Capital Expenditure of 182 Approved Schemes (excluding PSDF works at Sr no 43 & 76 of the annexure) and rectification of Rs.1.39 Crore as per para 2.2.7)	A	317.98	219.06	171.45	708.49
Capital Expenditure on PSDF Works	B	0.86	6.9	11.95	19.71
Capital Expenditure of 182 Approved Schemes (Transmission Business)	C=A+B	318.84	225.96	183.40	728.20
Spill Over Works prior to FY 2017-18	D	12.31	5.34	0.19	17.84
Works Approved in Second Control Period started in FY 2019-20	E	0.00	0.00	1.55	1.55
Total Capital Expenditure from all Transmission schemes	F=C+D+E	332.74	237.12	185.52	755.38
Capital Expenditure towards Asset directly transferred to GFA & material at site	I	0	2.55	0.5	3.05
Capital Expenditure towards material at site	J	0	0	0.65	0.65
Expenditure on Contributory Works	K	44.13	24.62	53.26	122.01
Total Capital Expenditure (Transmission Business)	L=C+F+G+I+J+K	375.28	258.47	239.55	873.30
Capital Expenditure (SLDC Business)	D	1.59	5.82	0.38	7.79
Total Capital Expenditure (PSTCL)	M=D+L	376.87	264.29	239.93	881.09

The difference in Capital Expenditure submitted by PSTCL in Table 8 and Table 6 amounts to Rs. 13.16 Crore (Rs. 881.09 Crore – Rs. 867.93 Crore).

Commission's Analysis:

2.2.9 During the scheme-wise prudence check, the Commission observed that the main reasons for deviations as compared to the original approved is mainly due to the increase in project cost of various schemes that were approved by the Competent Authority authorized by the Board of Directors. PSTCL submitted vide memo no. 3081/CAO(F&A)/MYT-II/APR/1A dated 28.12.2020that no provision for transformers was made in the proposal submitted to the Commission for approval of Business &Capital Investment Plan of 1st MYT Control Period.Vide memo no. 241/CAO(F&A)/MYT-II/APR/1A dated 29.01.2021, PSTCL submitted the details of additional transformer and usage of spare transformers due to augmentation in the

1st MYT Control Period. The Commission observes that the capital expenditure has already been made for these spare transformers. Therefore, the Commission directs PSTCL to re-use these spare transformers from 1st MYT Control Period for 2nd MYT Control Period without any additional capital cost.

- 2.2.10 The Commission further observes that PSTCL has submitted that 28 additional spill over works started prior to FY 2017-18 were also taken up during the first Control Period. As the schemes amounting to Rs.17.84 Crores were started before the 1st MYT control period and have been completed during 1st MYT control period, the Commission allows the Capital expenditure of Rs. 17.84 Crore on account of spill over works prior to FY 2017-18.
- 2.2.11 PSTCL has also submitted an expenditure of Rs. 1.55 Crore during FY 2019-20 on 4 schemes that were approved for 2nd MYT period in the Order dated 3.12.2019. The Commission allows capital expenditure of Rs. Rs. 1.55 Crore incurred in FY 2019-20 on schemes that were approved in 2nd Business Plan Order dated 3.12.2019.
- 2.2.12 The Commission, in its Order dated 15.10.2020 in Review Petition No.3 of 2020 in Petition No.29 of 2019, has stated that the addition of assets through equity on account of assets added directly(not routed through WIP) shall be considered at the stage of true-up of Capital Expenditure for FY 2018-19. Accordingly, the Commission has observed that Assets worth Rs. 2.55 Crore have been added directly and the same is considered as funded through loan.
- 2.2.13 PSTCL has submitted that during the True-up of FY 2018-19, the works of Rs. 1.37 Crore related to SLDC was inadvertently claimed in STU. This has now been rectified and the Capital Expenditure for SLDC for FY 2018-19 is Rs.5.82 Crore. The Commission has considered the rectified amount of Rs.5.82 Crore of Capital Expenditure for SLDC for FY 2018-19.
- 2.2.14 The Commission observes that PSTCL had not included the grant portion of PSDF Schemes amounting to Rs. 13.16 Crore while submitting the scheme wise expenditure in annexure 1. The same was re-submitted by PSTCL during reconciliation of Capital Expenditure with the Audited Accounts. Accordingly, the Commission has considered the Capital Expenditure as per the revised submission of PSTCL as given in Table 8 viz.Rs 881.09 Crores.
- 2.2.15 The Capital Expenditure approved by the Commission for Transmission and SLDC Businesses for the 1st MYT Control Period is as under: