

Objection No 4: Cycle Trade Union (REGD), AIRI Cycles, 110-111, New Cycle Market, Gill road, Miller Ganj, Ludhiana – 141003

Issue No. 1:

In reply, Our Association strongly oppose and resent any increase in tariff as well as fixed charges for all types of consumers of PSTCL of Punjab because we do not trust your inflated, enhanced, created as well as fabricated shown figures in your above said Petition without the production of Audited-Certified balance sheet of PSTCL for the year FY 2019-20 and 2020-21 to check the in depth truth and irregularities of PSTCL.

Moreover, the Tariff of Punjab and fixed charges are already unbearable. PSTCL is a white elephant of Punjab. This should be handed over to the private players as is done by the Central Government.

PSTCL's Reply:

PSTCL would like to submit that the Audited Accounts for FY 2019-20 are already submitted along with the Petition. PSTCL has filed for Truing-up of FY 2019-20 based on the numbers reflecting in audited accounts of FY 2019-20 and in line with the Regulation specified by the Hon'ble Commission. Moreover, FY 2020-21 is ongoing and hence Audited Accounts cannot be produced at this point of time. PSTCL has submitted the Annual Performance Review for FY 2020-21 for approval of the Hon'ble Commission and the same is subject to True-up on the basis of Audited Accounts which would be available next year.

Further, it is submitted that PSTCL has claimed a reduction in Transmission Charges from existing tariff of Rs. 91,963.63/MW/month to Rs. 91,330.97/MW/month as claimed in the Petition. Hence there is no tariff increase proposed by PSTCL.

Commission's View:

The objector may note the response of PSTCL and refer to the Tariff Order.

Objection No 5: PSEB Engineers Association (Regd.), 45, Ranjit Bagh, Near Modi Mandir, Passey Road, Patiala.

Issue No. 1: Prudence check on capital cost of Power Transformers

It is stated by PSTCL that the approved vis-a-vis actual capital expenditure for first control period is given in Annexure-1.

1.1 Annexure-1 is at Page 542 to 582

The list of capital works relating to power transformers of 100 MVA, 160 MVA (220/66 kV) and 500 MVA (400/220 kV) is extracted for Annexure-1, as under.

As per this list, power transformer have been constructed at following grid sub stations. The following details may be supplied by PSTCL for each power transformer.

- (i) Present status: Whether completed and commissioned or whether work is yet to be completed.
- (ii) Actual or expected date of commissioning
- (iii) Actual or estimated completion cost.

The list of power transformer in Annexure-1 is as under.

TF MVA	Sub Station
100	Dharamkot
500	Dhuri
160	Ladowal
100	Maur
160	Hosiarpur
100	Bagha Purana
100	Kanjali
100	Verpal
100	Mahilpur
100	Ablowal
100	Badhnikalan
100	Alwalpur
100	Talwandi Bhai
160	Amlah
160	Mansa

TF MVA	Sub Station
160	Kartarpur
500	Muktsar
100	Dera Bassi
500	Makhu
100	Bangan
100	Rajla
100	Jamsher
100	Gubhaya
160	Chogawan
100	Badal
100	Dasuya
100	Banga
160	Sherpur
160	Lalru
100	Tibber
160	Udhoke
160	Hosiarpur
100	Bhawanigarh
160	Jadla
160	Botianwala
100	Majitha

Summary	MVA
100 MVA Transformers 21 No.	2100
160 MVA Transformers 13 No.	1920
500 MVA Transformers 3 No.	1500

The Augmentation of Transformers capacity is seen as 1500 MVA for 400 kV and 4020 MVA for 220 kV.

This augmentation is compared with existing Transformers capacity as on 31.3.2020 as under.

	Existing	Augmentation	Augmentation%
400 kV	4890	1500	30.7
220 kV	28440	4020	14.1

For prudence check on capital cost, the capital cost of various 100 MVA Transformers may be tabulated and compared and similarly for 160 MVA Transformers. For new 500 MVA Transformers 400 kV the capital cost may be compared with existing Transformers.

PSTCL's Reply:

Details of Capital Cost of Various Power transformers present status, Actual or expected date of commissioning, Actual or estimated completion cost are provided as under:

Detail of PTF Installed/Augmented During 2017-20 1st MYT Period

Sr. No.	MYT Sr. No.	Name of Sub Station	Capacity	Present Status as on 31.03.2020	Actual OR expected date of commissioning	Expenditure in Crores Incurred/ Expected
1	1	220 KV S/S Dharmkot	100 MVA 200/66 KV	Work completed	14.07.2017	7.04
2	8	400 KV S/S Dhuri	500 MVA 400/220 KVA	Work completed	21.07.2017	22.52
3	21	220 KV S/S Ladowal	160 MVA 220/66 KV	Work completed	15.03.2019	24.31
4	24	220 KV S/S Maur	100 MVA 220/132KV	Work completed	22.06.2017	14.57

Sr. No.	MYT Sr. No.	Name of Sub Station	Capacity	Present Status as on 31.03.2020	Actual OR expected date of commissioning	Expenditure in Crores Incurred/ Expected
5	27	220 KV S/S Hoshiarpur	160 MVA 220/66KV	Work completed	20.06.2018	20.73
6	28	220 KV S/S Baghapurana	100 MVA 220/66KV	Work completed	22.06.2017	7.72
7	29	220 KV S/S Kanjali	100 MVA 220/66KV	Work completed	28.11.2017	6.44
8	76	220 KV S/S Verpal	100 MVA 220/66KV	Work completed	21.05.2018	8.00
9	32	220 KV S/S Mahilpur	100 MVA 220/66KV	Work completed	21.07.2017	5.43
10	33	220 KV S/S Ablowal	100 MVA 220/66KV	Work completed	27.03.2017	2.98
11	44	220 KV S/S Badhnai Kalan	100 MVA 220/66KV	Work completed	11.03.2019	14.55
12	46	220 KV S/S Allawalpur	100 MVA 220/66KV	Work completed	13.06.2019	8.90
13	48	220 KV S/S Talwandi Bhai	160 MVA 220/66KV	Work completed	30.09.2017	9.66
14	49	220 KV S/S Amlah	160 MVA 220/66KV	Work completed	13.06.2019	9.98
15	50	220 KV S/S Mansa	160 MVA 220/66KV	Work completed	15.03.2018	8.05
16	51	220 KV S/S Kartarpur	160 MVA 220/66KV	Work completed	18.04.2018	7.89
17	55	400 KV S/S Mukatsar	500 MVA 400/220KV	Work completed	28.08.2019	27.72
18	60	220 KV S/S Dera Bassi/Saidpur	100 MVA 220/66KV	Work completed	29.12.2017	6.77
19	62	400 KV S/S Makhu	Add. 500 MVA 400/220KV	Work in progress	30.06.2021	28.00
20	75	220 KV S/S Bangan	100 MVA 220/66KV	Work in progress	20.05.2020	7.21
21	76	220 KV S/S Rajla	160 MVA 220/66KV	Work completed	30.03.2018	8.07
22	109	220 KV S/S Jamsher	160 MVA 220/66KV	Work completed	30.04.2019	9.72
23	110	220 KV S/S Ghubaya	160 MVA 220/66KV	Work completed	06.03.2020	7.73
24	112	220 KV S/S Chogawan	160 MVA 220/66KV	Work completed	02.08.2019	11.37
25	113	220 KV S/S Badal	100 MVA 220/66KV	Work completed	19.06.2019	9.42
26	114	220 KV S/S Dasuya	100 MVA 220/66KV	Work in progress	30.09.2021	4.21
27	116	220 KV S/S Banga (U/G from 132 KV)	100 MVA 220/132KV	Work in progress	31.03.2021	8.19
28	120	220 KV S/S Sherpur (Focal point) (U/G from 66 KV grid with 220 KV Side GIS and	1x160 MVA 220/66KV T/F	Not yet start	31.03.2022	10.20 (Excluding civil work)

Sr. No.	MYT Sr. No.	Name of Sub Station	Capacity	Present Status as on 31.03.2020	Actual OR expected date of commissioning	Expenditure in Crores Incurred/ Expected
		66 KV side)				
29	148	220 KV S/S Lalru	160 MVA 220/66KV	Work completed	30.01.2019	4.01
30	149	220 KV S/S Tibber	Addl. 2 nd 100 MVA 220/66KV	Work in progress	31.03.2022	7.01
31	150	220 KV S/S Udhoke	Addl. 2 nd 160 MVA 220/66KV	Work in progress	31.03.2022	9.94
32	151	220 KV Hoshiarpur	160 MVA 220/66KV	Work completed	23.12.2019	11.89
33	166	220 KV S/S Bhawanigarh	Addl. 2 nd 100 MVA 220/66KV	Not yet start	31.03.2022	7.44
34	167	220 KV S/S Jadla	Addl. 2 nd 100 MVA	Not yet start	31.03.2022	7.44
35	168	220 KV S/S Botianwala (Thatha Sahib)	Addl. 3 rd 160 MVA 220/66KV	Not yet start	31.03.2022	10.1
36	169	220 KV S/S Majitha	Addl. 2 nd 100 MVA 220/66KV	Not yet start	31.03.2022	7.44

Commission's View:
PSTCL's reply may be noted.

Issue No. 2: Substation bays

At para 3.2 the description of transmission system of PSTCL is given as on 1-4-2019 and as on 31.3.2020.

The details of transmission bays do not mention 66 kV bays. The figures of 220 and 66 kV bays are given at page 355 and 516 of petition.

The particulars of substation bays at page 516 are as under

	1-4-2019	31-3-2020
400 kV	62	72
220 kV	681	703
132 kV	505	505
66 kV	1168	1196
33 kV	12	12

At page 25 of petition 220 kV bays are stated as 669 whereas the substation bays at page 516 are 681.

66 kV bays have been excluded from summary in table 14 at page 25. The particulars at Table 14 page 25 should include total number of 66 kV and 33 kV bays as shown at page 516.

It is stated that PSTCL grid substations mostly include 220/66kV Transformers, 66 kV bus bars and 66 kV outgoing circuit breakers (bays). The entire 66 kV equipment located with the premises of substation are of PTCL and the O&M is done by PSTCL, and these bays should be included in table 14.

PSTCL's Reply:

Reconciliation of 66 kV bays and 220 kV sub-station bays submitted as under:

Particulars	Previous year				Current year			Control Period Projections					
	FY 2019-20				FY 2020-21			FY 2020-21			FY 2021-22		
	Actual as on 31.03.2020				(Actual in H1) 30.09.2020			(Projected in H2)			Projected		
	At the start of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year
Number of Bays at PSTCL													
i) 400 KV Sub-station	62	10	0	72	0	0	72	4	0	76	2	0	78
ii) 220 KV Sub-station	681	22	0	703	2	0	705	40	0	745	12	0	757
iii) 132 KV Sub-station	505	0	0	505	3	0	508	6	0	514	0	0	514
iii) 66 KV Sub-station	1168	28	0	1196	9	0	1205	1	0	1206	12	0	1218

Commission's View:
PSTCL's reply may be noted.

Issue No. 3: O&M Expenses

ARR Table, Table 34 (Page 49) gives the true-up figures for 2019-20 (Transmission business as under).

	Rs. Crore
Employee Cost	500.10
R&M, A&G	55.68
Total O&M	555.78

PSTCL's Reply:

No comments against this as these are submissions of PSTCL in the petition.

Commission's View:

Please refer to the Tariff Order.

Issue No. 4: O&M expenses as per CERC norms

The O&M charges as per CERC norms are worked out as per transmission system date of PSTCL and applying CERC norms. The summary is as under.

	Rs. Lacs
Substation MVA	9791.19
Substation Bays	45687.3
Transmission lines	3143.4
Total O&M As per CERC	58621.89

Comparison of PSTCL actual for O&M with CERC norms for 2019-20.

	Rs. Crore
PSTCL Actual	555.78
As per CERC Norms	586.2

The Actual of O&M expenses are thus Rs. 30.4 Crore less than CERC norms. ARR for 2020-21 and revised ARR for 2021-22.

PSTCL's Reply:

PSTCL appreciates objector's comparison of applicable O&M cost according to CERC norms but would like to submit that costs are claimed as per the PSERC MYT regulations and other regulations as applicable in the state.

Commission's View:

The Commission has determined the O&M cost in line with Regulation 26 of PSERC MYT Regulations 2019.

Issue No. 5: Bays**Para 4.3 description of transmission system**

The details / particulars of 66 kV bays should be given in respect of 66 kV bays located in PSTCL substations at the details given in page 517 give the details as on 30.9.2020.

400 kV bays	72
220 kV bays	704
132 kV bays	508
66 kV bays	1205
33 kV bays	12

PSTCL's Reply:

Reconciliation of 66 kV bays and 220 kV sub-station bays submitted is as under:

Particulars	Previous year				Current year			Control Period Projections					
	FY 2019-20				FY 2020-21			FY 2020-21			FY 2021-22		
	Actual as on 31.03.2020				(Actual in H1) 30.09.2020			(Projected in H2)			Projected		
	At the start of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year	Additions during the year	Withdrawal from service	At the end of year
Number of Bays at PSTCL													
i) 400 KV Sub-station	62	10	0	72	0	0	72	4	0	76	2	0	78
ii) 220 KV Sub-station	681	22	0	703	2	0	705	40	0	745	12	0	757
iii) 132 KV Sub-station	505	0	0	505	3	0	508	6	0	514	0	0	514
iv) 66 KV Sub-station	1168	28	0	1196	9	0	1205	1	0	1206	12	0	1218

Commission's View:

The Commission notes the Objection and PSTCL's reply.

Issue No. 6: Capital Expenditure**Loan – Equity ratio Table 40**

In case of CERC regulations, with 70:30 loans-equity ratio in case actual equity is more than 30% then the excess above 30% is treated as normative loan on which interest is allowed. To treat 100% capital cost as loan and 0% as equity is not justified.

PSTCL's Reply:

The Capital Expenditure is claimed to be funded through 100% loan in FY 19-20 which is in line with the approach adopted by the Hon'ble Commission in previous Tariff Orders.

Commission's View:

Please refer to the Tariff Order.

Issue No. 7: O&M Expenses**Para 4.7 O&M Expenses**

As per calculations for 2019-20 (actual) with CERC norms and O&M admissible for PSTCL is Rs. 586.2 Crore as against actual (audited) of Rs. 555.78 Crore which is about Rs. 30 Crore lower.

The same pattern is expected for 2020-21, 2021-22 also the comparative figure as (transmission business)

	19-20	20-21	21-22
Employee	500.10	525.4	536.37 Rs. Cr.
R&M A&G	55.68	61.65	62.9 Rs. Cr.
Total O&M	555.78	587.05	599.27 Rs. Cr.

PSTCL's Reply:

PSTCL appreciates the objector's comparison of applicable O&M cost according to CERC norms but would like to submit that same PSERC MYT regulations and other regulations as applicable in the state.

Commission's View:

The Commission has determined the O&M cost in line with Regulation 26 of PSERC MYT Regulations 2019.

Issue No. 8: Compliance to Directives

Chapter 6 Page 82 compliance to directives

Sr. 5.3 Page 83 loading status of PSTCL transmission lines and substations.

The loading status is given on Annexure A

PSTCL may give details

a) Conductor of 220kV PGCIL – Kartarpur circuit 1,2 is to be augmented (Page 186). The status / estimate of augmentation may be given

(b) Vide page 188-189 it is stated that conductor of Gobindgarh Rajpura 220 kV ckt 1,2 is to be augmented as these lines get overloaded when only 1 unit is running at Ropar thermal, Status time frame of conductor augmentation may be given by PSTCL.

c) At page 189 PSTCL has stated that there is overloading problem of 66 kV system at 220 kV substation Ferozepur since there is space constraint at 220 kV substation Ferozepur and addl 220/66 k V power transformer cannot be installed.

PSTCL has stated the possibility of new 220kV substation at Jhoke Harihar which can then supply 66 kV load of Ferozepur. PSTCL may give status of 220 kV proposed substation at Jhoke Harihar which will be the long-term solution for overloading of 66 kV System at Ferozepur.

PSTCL's Reply:

PSTCL would like to submit that for issues listed as (a) & (b), the conductor of these lines is planned to be augmented with HTLS conductor & since PSDF schemes are available for augmentation of conductor to HTLS, the BOD's of PSTCL had decided to augment conductor of these lines after taking PSDF grants.

The DPR for PSDF grants stands submitted and the projects shall be under taken after approvals of grants.

No time frame can be given as no time frame is available to PSTCL w.r.t. approval of PSDF grants.

However it is confirmed that these conductor shall be augmented with in a year of approval of PSDF grant.

For issues listed in (c), PSTCL would like to submit that the overloading of 220 KV S/S Ferozepur can be controlled by converting 66 KV S/S Jhoke Harihar to 220 KV S/S which is already under study & have been projected in MYT as S/S to be augmented under study. The augmentation is not being planned hurriedly as there is no upcoming load in that area and PSPCL has been asked to study shifting of some 66 KV load from 220 KV S/S Ferozepur to some other nearby 66 KV S/S. by exploring the possibility of 66 KV links. The report of PSPCL is awaited to take the final decision.

Commission's View:

The objector may note the response of PSTCL.

Issue No. 9: Suggested directive to monitor overloading of PGCIL lines

The directions given by Commission relate to overloading of PSTCL lines and substations. However, there is no system to check or monitor the overloading of PGCIL system, particularly.

(i) PGCIL 400 kV lines supplying sub stations in Punjab.

(ii) PGCIL power transformers of 315 MVA 400/220 kV and 500 MVA 400/220 kV.

It is suggested that Commission may issue direction to SLDC to monitor and give status report on loading of PGCIL 400 kV line and 400/220 kV transformers. Since SLDC has to oversee the operation

of 400 kV system this includes monitoring of loading condition of 400 kV lines and transformers and so SLDC could be assigned task of monitoring the overloading of 400 kV system of PGCIL that is supplying power to Punjab.

Alternately, since PSTCL is also the STU, State Transmission Utility, it has the duty under Electricity Act 2003 to coordinate with PGCIL which is the CTU.

PSTCL's Reply:

No Comments.

Commission's View:

PSTCL should regularly take up the matter with PGCIL for timely upkeep of transmission lines for any augmentation / replacement of conductor keeping in view the loading conditions.

Objection No 6: Siel Chemical Complex (Mawana Sugars Ltd), Charatrapur, Village Khadaul/Sardargarh, Post Box No. 52, Rajpura, Dist-Patiala(PB) – 140401

Issue No. 1: Transmission Loss trajectory

A. Transmission Losses for PSTCL:

PSTCL has now submitted the actual transmission losses for the first 8 months of the FY 2020-21 vide their reply dated 29-1-21 uploaded on the website. These are as under:

Month	PSTCL Transmission Losses (%age)
April, 2020	1.83
May, 2020	2.03
June, 2020	2.10
August, 2020	2.19
September, 2020	2.16
Average for 6 Months	2.30
October, 2020	2.10
November, 2020	2.08
Average for 8 months	2.10

However, the actual average transmission loss for the year 2019-20 were indicated as 2.217% (Table 10 of ARR of PSTCL) and actuals for the first 6 months of 2020-21 have been shown as 2.14% (Table 37 of ARR) (Actually, it works out as 2.10%).

PSTCL has requested for approving 2.48% transmission loss for FY21-22 and 2.44% for 2022-23 in spite of the actuals being much lower.

We request that the trajectory of transmission losses be revisited as per actuals of FY 2019-20 and first eight months of FY 2020-21 and pass on the benefit to the consumers who have suffered losses in the covid era.

PSTCL's Reply:

PSTCL would like to submit that as per meeting held on dated 22.01.2021 in Hon'ble PSERC Chandigarh, the netting of energy is required to be considered at I-T (Interstate PSTCL) & G-T (Generating-PSTCL) Boundary points for calculation of PSTCL Transmission Losses. In addition to it, the import energy at PSTCL-PSPCL Boundary Points (T-D) has also been considered in Input energy of PSTCL. Accordingly, SLDC have revised PSTCL's Transmission Losses for FY 2019-20, 2020-21. The Revised figures are as follows:

Month	FY 2019-20	FY 2020-21
April	3.41	2.29
May	2.09	2.43
June	3.32	2.38
July	2.65	2.48
August	2.44	2.45
September	1.95	2.57
October	2.67	2.44

Month	FY 2019-20	FY 2020-21
November	3.13	2.58
December	3.15	2.51
January	3.19	
February	2.57	
March	2.38	
Aggregate Losses for FY	2.694	2.47 (April 20-Dec. 20)

Thus, PSTCL would like to submit that its trajectory of Transmission Losses submitted in the Petition for FY 2020-21 and FY 2021-22 are justified and request the Hon'ble Commission to approve the same as per the petition.

Regulation 54.2 and 54.3 provides for filing of Transmission Loss trajectory for the Control Period by the Licensee and accordingly approval of The Commission for the Control Period.

In accordance with the above provision, the Hon'ble Commission has already approved a trajectory for transmission loss for the Control Period FY 2020-21 to FY 2022-23 in MYT Order dated 01 June 2020.

Commission's View:

Please refer the Tariff Order.

Objection No 7: M/s Omaxe New Chandigarh Developers Pvt. Ltd

Issues:

It is most respectfully submitted as under:-

- 1) That the present company is a Real Estate Company involved into the business of Real Estate Development having national and international repute. The project undertaken by the company is in accordance with the Mega Township Policy of the State Government of Punjab.
- 2) That the Company had signed a Franchise Agreement with Punjab State Power Corporation Limited for supplying electricity, for the consumption of Residential and Commercial purposes, in the integrated Residential Township been developed by the company in the region of New Chandigarh SAS Nagar Mohali, Ludhiana, Village Jamari Derabassi and Commercial projects as per the approvals given by the concerned government authorities.

Challenges being faced by the company for implementation of the Franchise Agreement are as follows:

1. Non submission of the A&A forms by the clients even after the disconnection of the electricity as per the orders of this Hon'ble Commission. Some of the allottees are still not submitting the A & A forms and they are requested to submit the A & A form they argue that it should not be done as the supply of electricity falls under essential services even if they do-not submit the A&A form.
2. As per the clause no. 15 of franchisee agreement the company is entitled to get a rebate of 12% on domestic and 10% on commercial connections respectively as a part of the Franchisee Agreement but the company has been restricted to take this benefit.
3. The bill format has been approved by the PSPCL authority and the company is raising bills for electricity consumption as per the formats approved by the PSPCL authority, but the clients are still challenging that they have been billed on wrong bill formats.
4. The tariff rates are charged in accordance to the latest tariff order issued by the PSPCL authority, but clients are challenging that the tariff orders shared with them are not correct.
5. We are raising separate bills for electricity and for other services as per the directions of this Hon'ble commission but the clients on one pretext or another are challenging that too.
6. Under single point connection the company has to provide services to its residents such as street lights, common area lights, STP, WTP, garden and parks lights etc. and tariff plan for the above services are not mentioned separately. The company is being charged at highest tariff rate and the same are also been realized from the company, even then PSPCL is making out UUE cases against the company.
7. Some of the allottees are installing and/or intend to Install Solar Power Panels over their roof tops. The allottees are enquiring from the company w.r.t. the Credit to be issued for the no of units up-loaded in the Grid System, produced through their Solar Power Panel but the Franchise Agreement is silent over the said issue. Hence specific guidelines/instructions are required.

8. We have installed Dual supply smart meters which are capable for doing Pre-Paid Billing but we are not able to initiate this system as the Franchise Agreement is silent over the said issue. Hence specific guidelines/instructions are required.
9. We are being charged at the highest tariff rate over the complete consumption, but the factual position is that the supply is being used for various purposes like DS, NRS and towards common area services such as Street lights, WTP, STP etc. The tariffs for the difference modes of consumption are different but we are being charged at the highest tariff. You are humbly requested to kindly direct that necessary Credit on account of the above said different consumptions may kindly be given to the company.

Hence in the light of the aforesaid points it is humbly prayed that rules may kindly be formed so as to bring clarity over the above issues and pass any such orders as the Hon'ble Commission may deem appropriate.

PSTCL's Reply:

No point relates to PSTCL.

Commission's View:

This issue relates to PSPCL and is not a tariff matter.

Objection No 8: Government of Punjab, Department of Power (Power Reforms Wing), Chandigarh

Issue No. 1:

In the Revised Estimates for FY 2019-20, PSTCL has depicted revenue gap as Rs.83.93Croreapproximately including carrying cost. The increase in the gap is mainly because of increase in employee cost, depreciation charges etc.

Issue No. 2:

The Commission while determining tariff has been making some disallowances. These have been mainly related to employee costs and interest charges. Disallowance in actual expenses such as employee cost, interest charges etc. affects financial position of utility and erode its capacity to make investments that would help it provide quality and affordable power to the consumers in the State.

Issue No. 3:

The Commission has been consistently disallowing the employee cost to the utility, which can in no way be reduced, since the terms and conditions of an employee once recruited cannot be changed to his disadvantage during the course of his service. Further, the employees who are retiring are also contributing to increase in employee cost of PSTCL by way of payment of gratuity, pension etc. The actual employee cost should be allowed as pass through as it is a legitimate historical component of the cost of supply and a committed liability of PSTCL.

PSTCL has proposed employees cost for 2021-22 atRs.543.69Crore. PSTCL is striving hard to reduce employee cost and bring in efficiency, but it will take time for PSTCL to reduce the employee cost and bring it at par with other advanced State Utilities. Till then, the employee cost, which is a genuine cost of utility, must be passed on to the end consumers on an actual basis keeping in view the genuine requirements which are statutory in nature. Therefore, Commission is requested to allow employee cost as projected by PSTCL.

Issue No. 4:

The PSTCL has submitted the Administration & General (A&G) expenses and Repair & Maintenance (R&M) expenses and to provide quality, uninterrupted and affordable power to its valuable consumers in the State, special Repair & Maintenance works in addition to General Repair & Maintenance that has to be carried out. The State Government is very much concerned for providing quality, uninterrupted and affordable power to its valuable consumers in the State and the transmission system needs to maintain at its best. Repair & Maintenance of Transmission System with appropriate replacements of equipments and renovation is of great importance so that uninterrupted supply can be maintained and grid failure be avoided. The Commission is requested to allow Administration & General (A&G) expenses and Repair & Maintenance (R&M) Expenses as submitted by PSTCL.

Issue No. 5:

The PSTCL has submitted Capital Expenditure of Rs.400Croreduring FY 2020-21 which includes works related with construction of new Sub-Stations, new lines, addition and augmentation of transmission system to cope up with the growing demand etc., laying of transmission network for evacuation of power from generation projects in the State as well as for evacuation of power share of Punjab from various Central Sector Projects.

Because of the capacity addition in the State generation, appropriate transmission capacity is also required to be created. The Commission is requested to allow these expenses keeping in view the overall expenditure of the utility.

Issue No. 6:

The Commission is requested to approve the Transmission losses taking into consideration the Transmission losses for other State utilities or benchmarking with CERC norms.

Issue No. 7:

The SLDC is pivotal to the State's power sector. Its financial, operational and technical viability has to be maintained at every cost. PSTCL has submitted the revised estimates for SLDC to the tune of Rs.23.24Crorefor FY 2021-22. The Commission is requested to approve the expenditure as detailed in the ARR for smooth functioning of SLDC.

Issue No. 8:

The Inter-State Transmission Charges have been increased by around 45% in the last three years, resulting to hike in tariff for electricity consumers. Therefore, the Commission should raise the issue in Forum of Regulators or at suitable platforms for reduction in Inter-State Transmission Charges for a distance of 500 KM and above.

Issue No. 9:

The Commission is requested to keep in view above aspects, overall expenditure of the utility and various guidelines/instructions issued by Ministry of Power, Government of India and other Courts so that a financial, operational and technical viability of PSTCL is maintained while finalizing the tariff for FY 2021-22.

Commission's View: -

All these issues have already been duly considered and dealt with in accordance with the applicable Regulations.

Minutes of the Meeting of PSERC State Advisory Committee, Chandigarh held on 27th January, 2021.

A meeting of the PSERC, State Advisory Committee was held in the office of the Commission at Chandigarh on **27th January, 2021**. PSERC had invited comments of the members on the Petitions for True up of FY 2019-20, then Annual performance Reviews (APR) for FY 2020-21 and the ARR Requirements and Tariff Proposal for FY 2021-22 (2nd control period from FY 2020-21 to FY 2022-23), respectively of Punjab State Power Corporation Ltd. (PSPCL), Punjab State Transmission Corporation Ltd. (PSTCL) and on the agenda items as proposed by some of the members of PSERC State Advisory Committee. The following were present/represented in person/through video-conferencing in the meeting: -

Sr. No.	Name and Address	Designation
1.	Ms. Kusumjit Sidhu Chairperson, PSERC, Site No.3, Sector-18-A, Chandigarh.	Ex-officio Chairperson
2.	Ms. Anjali Chandra Member, PSERC, Site No.3, Sector-18-A, Chandigarh.	Ex-officio Member
3.	Sh. Paramjeet Singh Member, PSERC, Site No.3 Sector-18-A, Chandigarh.	Ex-officio Member
4.	Additional Chief Secretary Department of Power, Government of Punjab, Chandigarh	Member
5.	Principal Secretary New and Renewable Sources of Energy (NRSE), Govt. of Punjab, Chandigarh	Member
6.	Smt. Parneet Mahal Suri, Secretary, PSERC, Site No.3, Sector-18-A, Chandigarh.	Ex-officio Secretary
7.	Chairman-cum-Managing Director, PSPCL, The Mall, Patiala.	Member
8.	Chairman-cum-Managing Director, PSTCL, The Mall, Patiala	Member
9.	Labour Commissioner, Deptt. of Labour & Employment, Government of Punjab, Chandigarh	Member
10.	Chairman, PHDCCI, Punjab Committee, Sector 31-A, Chandigarh	Member
11.	Dr. Harish Anand, H.No.59, Sector-39, Chandigarh Road, Ludhiana	Member
12.	Chief Engineer, Punjab Agriculture University, Ludhiana	Member
13.	Director, Local Govt. Department (Punjab), Chandigarh.	Member
14.	Sh. Vijay Talwar, State vice-President-cum-Co Chairman, National Power Committee, Laghu Udyog Bharti (Pb. Chapter) 1051, Dada Colony, Industrial area, Jalandhar-144004	Member
15.	Sh. P.S. Virdi, President, The Consumer Protection Federation (Regd.), Kothi No. 555, Phase-1, Sector-55, Mohali.	Member

Sr. No.	Name and Address	Designation
16.	Mr. Nitin Bhatt, Regional Manager – Punjab/Haryana, Chandigarh. Energy Efficiency Services Limited, 4 th floor, IWAI Building, A-13, Sector-1, Noida-201301	Member
17.	Indian Energy Exchange Limited, Fourth Floor, TDI Centre, Plot No.-7, Jasola, New Delhi-110025	Member
18.	Dr. Sat Bhushan Pandhi, H.No.55, Partap Colony Model Gram, Ludhiana	Member
19.	Sh. Kamal Dalmia, Chairman, Focal Point Industries Association (Regd), Amritsar	Special Invitee
20.	Sh. Bhagwan Bansal, President of Punjab Cotton & Ginners Association (Regd.) Shop No.109, New Grain Market, Muktsar	Special Invitee

At the outset, the Chairperson, PSERC welcomed the members to the meeting of the newly constituted State Advisory Committee. The Chairperson thereafter, requested the members to offer suggestions/comments on the Petitions for True up of FY 2019-20 then Annual performance Reviews (APR) for FY 2020-21 and the ARR Requirements and Tariff Proposal for FY 2021-22(2nd control period from FY 2020-21 to FY 2022-23), respectively filed by Punjab State Power Corporation Ltd. (PSPCL), Punjab State Transmission Corporation Ltd. (PSTCL) and the agenda items as proposed by some of the members of PSERC State Advisory Committee. It was also brought to the notice of the members that Govt. of India had issued 'Electricity (Rights of Consumers) Rules, 2020' and suggestions on the same were also invited. Thereafter, the members gave their comments/suggestions/views as under: -

1. Sh. R.S. Sachdeva, Chairman/PHDCCI stated that:

- i) PSPCL has submitted ARR to the tune of Rs.47460 Cr comprising of projected Net ARR for the FY2021-22 as Rs.37653 Cr and a revenue gap of Rs.9807 Cr including carrying cost. The revenue gap projected by PSPCL is increasing every year in ARR whereas generally surplus is being determined by the Commission. It appears that either the figures are being inflated or the extensive exercise taken up by PSERC for determining the revenue requirement and pegging of expenditure by PSERC has no consideration for PSPCL and they are incurring expenditure at their will. Moreover, this expenditure is being incurred by PSPCL by drawing interest bearing working capital loans from various sources and incurring finance charges on arranging loans which speaks of the total financial indiscipline.

- ii) The power supplied to the agriculture sector has been growing consistently at very high rate due to increase in capacity of tube wells due to depletion of water table which is leading to serious financial crisis for the PSPCL. This will ultimately affect the interest of industrial consumers in the State, who are already reeling under recession. Further, Industrial Consumers have to bear fixed charges and ED+IDF in addition to Energy Charges which are not applicable for agriculture consumers.

Therefore, it is imperative to cap the maximum amount of power year wise & approved by the commission, that can be supplied to agriculture sector at the subsidized rate inclusive of additional connections projected in a year and the power supplied above that limit should be billed as per Cost of Supply for agriculture power as worked out in ARR.

- iii) It has been observed that PSTCL had been claiming higher Transmission Losses since 2010 resulting in higher tariff for consumers since 2010-11. Accordingly, the trajectory of PSTCL should be revisited keeping in view the actuals for 2019-20 and H1 of 2020-21 for true up of energy required for 2019-20, RE 2020-21 as well as Projections 2021-22.
- iv) The Distribution Losses in some of the areas of PSPCL are on the higher side and PSPCL is simply loading the theft of power in these areas onto the honest consumers. The Commission may direct PSPCL to control the theft or such losses be passed on to PSPCL.
- v) PSPCL has been admitting to raising short term loans to meet the revenue shortfall arising out of dis-allowances of ARR components, non-receipt of subsidy from the Government and delayed payments from consumers etc. It is submitted that interest on delayed receipt of subsidy is being loaded to the State Govt. while determining the subsidy amount in the tariff orders. Further, PSERC is allowing the carrying cost on difference in revenue and ARR amount including delay in recovery of revenue from consumers.
- vi) For late payments by consumers, PSPCL is getting Late Payment Surcharge. Therefore, working capital interest should be allowed on normative basis and after deducting the Advance Consumption Deposit (Security) parked with PSPCL as per Regulations and practice being followed by the Commission so far.

vii) PSPCL has claimed ROE for 2020-21 and 2021-22 for Rs 21710 Cr by converting the whole Loan amount of Rs.15628 Cr taken over by GOP in 2014-15 under UDAY scheme into equity of GOP in PSPCL on 31.3.2020. Further, the said equity has been shown as paid up and subscribed by GOP and shares issued to GOP in PSPCL although there is no cash flow and it is sheer manipulation of figures.

The total ROE which was Rs 942.63 say Rs.943 Cr in 2019-20 has increased to Rs 3423 Cr in 2020-21 and 2021-22. Thus, additional ROE of Rs 2480 Cr will result in an increase of tariff by about 53 paise per unit. The increase will be 63 paise with ED+IDF. This should not be allowed and Commission needs to protect the interests of consumers as per Electricity Act-2003.

viii) GOI / MOP announced various rebates and financial assistance in the wake of Covid-19 epidemic to State Discoms like reduction of ROE, exemption of railway freight advance, reduction in interest on loans by banks, special financial assistance for payments of CGS and CTU etc. PSERC also allowed reduction of interest and RPO to discom. The Commission may ensure that all these are accounted for in the tariff order.

ix) It has been observed that huge arrears are outstanding against Govt. Departments which are increasing every year. Strict measure should be taken to recover these outstanding amounts and as a preventive measure to check such default in future, Prepaid Meters should be provided in all such Departments and office buildings.

x) Commission should carry forward the rationalization of Electricity Tariff towards reduction of cross subsidy in a phased manner and move towards fixing tariffs on the basis of realistic category wise cost of supply principle as early as possible.

❖ **Issues regarding welfare/grievance redressal of Electricity Consumers of Punjab**

There is in general grievance of Industrial Consumers of Punjab that huge penalties are imposed by Enforcement/Audit wing of PSPCL in cases of wrong CT/PT connection, carbonization of joints in case of LT CT meters, CT/PT phase missing, wrong application of Tariff or multiplication factor which are entirely due to the negligence of PSPCL official/officer and the consumer is nowhere at fault. In such cases, the consumer should not be penalized and recovery should be affected from

the concerned official/ officer at fault so that they may also feel a sense of accountability.

2. **Dr. Harish Anand of CII, Punjab State Council**

The following suggestions were made:

- After signing of Paris agreement, India has committed itself to generate more power through non fossil fuel and renewable sources. Under National Determined Contribution, Government of India planned to increase New and Renewable power capacity from the present level of 93 GW to 175 GW by 2022 and 420 GW subsequently by 2030. As a result, it is expected that RPO obligation may increase for Discom resulting in pressure on average cost of supply in years to come. Though, it is matter of relief that Solar and Non Solar REC's which were trading at the power exchange @ Rs.2400/- and 2200/- per REC of 1000 KWH respectively in January 2020 came down to Rs 1000/- per REC in June 2020 after which trading has been stayed as per orders of APTEL. The rate is set to further reduce which will reduce the cost of meeting RPO obligation.
- With the Indian economy projected to grow at more than 10% in FY 2021-22 linked with lower base, there would be spurt in manufacturing activities in the country. Keeping the power cost competitive in the State of Punjab, Discom may look forward to increase in power consumption especially in PIU sector, which is the only healthy growth segment from the power consumption point of view.
- With peak consumption during paddy season hovering around 13000 MW in the State and no sign of shift in cropping pattern, the load curve is likely to vacillate between 4000 MW to 15000 MW having adverse consequences for optimum utilization of power generation capacity in the State. The surrender of power may continue at about Rs.2000 crore of associated fixed costs.
- The T&D losses, which are (50%-97%) in border and other areas as also delineated in PSPCL's ARR and outstanding towards Government departments (Rs.2000-2200 crore) are a matter of concern.
- PSPCL has claimed additional Rs. 15628 crore as new equity converting UDAY loan of GOP into equity raising the total equity of GOP to Rs. 21709 crore and Return on equity sought @15.5% for generation business and 16% for Distribution business. It is highly preposterous and against MYT regulations. In order dated 26th May 2006 and related appeal no 4 of 2005, APTEL has dealt with diversion of funds by PSERC based on net fixed assets, which are