

Pradesh which was declared under commercial operation on 12.07.2012 ('Project').

2. That the Respondent No. 1 is **M/s Punjab State Power Corporation Ltd ('PSPCL')**, a Company registered under the Companies Act, 1956 having its Office at The Mall, Patiala-147001 (Punjab). PSPCL has been entrusted with the responsibility of generation and distribution of power in the State of Punjab.
3. The Respondent No. 2 is **M/s PTC India Ltd ('PTC')**, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 2nd Floor, NBCC Tower, 15, Bhikaji Cama Place, New Delhi – 110066. PTC has a license to undertake the activity of inter-State trading in electricity, granted to it by the **Hon'ble Central Electricity Regulatory Commission ('CERC')**.
4. **Background of EPPL Tariff Petition and its True up under PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014.**
  - i. Hon'ble Punjab State Electricity Regulatory Commission ('PSERC') vide its Consequential Order dated 04.12.2014 in Petition No. 54 of 2012 has approved the capital cost of the Project and has determined AFC for FY 2012-13 and FY 2013-14.
  - ii. Hon'ble PSERC vide its Order dated 31.08.2015 in Petition No. 37 of 2014 has approved True up for FY 2012-13 & FY 2013-14 and determined AFC for FY 2014-15.
  - iii. Hon'ble PSERC vide its Order dated 20.12.2016 in Petition No. 55 of 2015 has approved true up for FY 2014-15 and determined AFC for FY 2015-16.



- iv. EPPL on dated 03-03-2017 has filed Tariff Petition for approval of True up of AFC for FY 2015-16.
- v. Hon'ble PSERC vide its Order dated 08.08.2017 in Petition No. 74 of 2015 has determined AFC for FY 2016-17.
- vi. EPPL on dated 27-11-2017 has filed Tariff Petition for approval of True up of AFC for FY 2016-17.
- vii. Hon'ble PSERC vide its Order dated 18.12.2017 in Petition No. 17 of 2017 has approved true up for FY 2015-16 .
- viii. Hon'ble PSERC vide its Order dated 24.05.2018 in Petition No. 62 of 2017 has approved true up for FY 2016-17.
- ix. Hon'ble PSERC vide its order dated 30.07.2018 in Petition no. 24 of 2017 has approved Capital Investment Plan for the Control Period i.e. FY 2017-18 to FY 2019-20.
- x. Hon'ble PSERC vide its Order dated 03.09.2019 in Petition No. 23 of 2017 has approved AFC for the Control Period i.e. FY 2017-18 to FY 2-19-20.
- xi. Hon'ble PSERC vide its Order dated 18.09.2020 in Petition No. 02 of 2020 has approved Capital Investment Plan for the 2<sup>nd</sup> Control Period i.e. FY 2020-21 to FY 2022-23.
- xii. Hon'ble PSERC vide its Order dated 09.03.2021 in Petition No. 16 of 2020 has approved True-up for FY 2017-18 and FY 2018-19 for MYT Control Period (FY 2017-18 to FY2019-20).



- xiii. Hon'ble PSERC vide its Order dated 23.08.2022 in Petition No. 01 of 2022 has approved True-up for FY 2019-20 for MYT Control Period (FY 2017-18 to FY2019-20). Hon'ble PSERC in the same order decided not to process the Annual Performance Review for FY 2020-21 & FY 2021-22, and Revised estimates for FY 2022-23 as which were irrelevant at this stage as the purpose is lost with the appropriate period having lapsed and also since tariff for 2<sup>nd</sup> MYT Control Period from FY 2020-21 to FY 2022-23 has already been allowed in Petition no.16 of 2020 vide its order dated 09.03.2021.
- xiv. Hon'ble PSERC vide its Notice dated 29.09.2022 decided to initiate Suo-motu the process of determination of Annual Fixed Cost for True-up of FY 2020-21 and True up for FY 2021-22vide Petition No. 56 of 2022.

**5. Background of EPPL Tariff Petition and its True up under PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019.**

- i. Hon'ble PSERC vide its Order dated 18.09.2020 in Petition No. 02 of 2020 has approved Capital Investment Plan for the 2<sup>nd</sup> Control Period i.e. FY 2020-21 to FY 2022-23.
- ii. Hon'ble PSERC vide its Order dated 09.03.2021 in Petition No. 16 of 2020 has approved Annual Fixed Cost for MYT 2<sup>nd</sup> Control Period (FY 2020-21 to FY 2022-23).
- iii. The MYT Tariff Petition Forms have been prepared, based on the Provisional accounts for FY 2022-23, Capital Investment Plan Order dated 18.09.2020 and Annual Fixed Cost Orders dated 09.03.2021 and 23.08.2022 for MYT 2<sup>nd</sup> Control Period (FY 2020-21 to FY 2022-23), under PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2019. Copy of the Provisional accounts for FY 2022-23 is enclosed as **Annexure-1**.



## 6. Background of Multi Year Tariff Regulations, 2019 and its approach:

In exercise of powers conferred under Section 61 and 62 read with Section 181(2) of the Electricity Act 2003 (No. 36 of 2003), the Hon'ble Commission has issued the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019 (hereinafter referred to as "PSERC MYT Regulations, 2019") on 29<sup>th</sup> May, 2019. As per the notification dated May 29, 2019, the effective date of enforcement of these Regulations shall be 1<sup>st</sup> April, 2020 and the three years MYT Control Period is from FY 2020-21 to FY 2022-23.

Under Part II of the said notification, Regulation 4 describes the frame work & guiding principles and Regulation 8 mentions the Approach for MYT Regulations.

Regulation 8.1 of PSERC MYT Regulations, 2019 specifies as under:

### *"8. MYT APPROACH*

#### *8.1. Baseline Values*

*(a) The baseline values for the control period shall be determined by the Commission and the projections for the Control Period shall be based on these figures.*

*(b) The baseline values shall be inter-alia based on figures approved by the Commission in the past, latest three years Audited/Provisional Accounts, estimate of the expected figures for the relevant year, industry benchmarks /norms and other factors considered appropriate by the Commission:*

*Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for the Control Period, considering the actual figures from audited accounts."*

For the purpose of Multi Year Tariff Regulations, Regulation 3.10 define the Base year as under:



*"3.10. "Base Year" means the year immediately preceding the first year of the control period and used for the purposes of these regulations;*

**BUSINESS PLAN INCLUDING CAPITAL INVESTMENT PLAN CAPITAL INVESTMENT PLAN FOR THE CONTROL PERIOD FROM FY 2020-21 to FY 2022-23**

7. Regulation 9.1 and 9.3 of PSERC MYT Regulation, 2019, specifies as under:

*"9.1 The Applicant shall file Business Plan including capital investment plan for its Generation, Transmission, SLDC and/or Distribution business, as the case may be for approval of the Commission on or before 20<sup>th</sup> August of the year preceding the first year of the Control Period for a duration covering the entire Control Period.*

*9.3 The business plan for Generation Business shall contain among other things the following:*

- (a) Capacity addition/reduction;*
- (b) Availability forecasts;*
- (c.) Future performance targets;*
- (d) Proposed efficiency improvement measures;*
- (e) R&M of existing generation units/projects and any other new measures to be initiated for the Generation Business, e.g.; automation, IT initiatives etc..;*
- (f) Capital Investment Pan based on the above;*
- g. Man power Plan;*

The Business Plan including capital investment plan for 100 MW Malana-II HEP has been described in two parts;

7.1. Regulation 9.7 of the PSERC MYT Regulation, 2019 states that:

*" 9.7. The Capital Investment Plan covering the entire MYT Control Period will be submitted in the following two parts:*

- a) Ongoing schemes of the previous MYT Control Period (i.e., works / schemes which are under construction or where full payments have not yet been made). All spillover works will be included in this;*
- b) Schemes to be taken up in the order of priority giving the schedule over the full MYT Control Period. In case it is likely to take more than 3 years, the likely date of completion should also be given. This will also include such schemes which were part of the Capital Investment Plan of the previous MYT Control Period but could not be started and which the*

