



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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(O/o CAO/Finance & Audit(Commercial & Regulatory Cell, 3rd Floor, Shakti Sadan, Patiala)

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To

Registrar,
Punjab State Electricity Regulatory Commission,
Site No. 3, Sector 18-A, Madhya Marg,
Chandigarh. Pincode-160018.
Tel No. 0172-2861800

Memo No. 917 / CAO/F&A/Comml./CIP- 3rd

Dated: 10/10/22

Subject: Interim Order in Petition No. 50 of 2022 (Approval of PSTCL's Business Plan including Capital Investment Plan for MYT Control Period (FY 2023-24 TO FY 2025-26) under Regulation 9 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019).

Please refer to your order dated 29.09.2022 in Petition No. 50 of 2022.

In this regard, additional information/clarifications as desired by the Hon'ble Commission are attached herewith for the kind consideration please.

DA/As above(12 copies)

Judhi
CAO/Finance & Audit,
PSTCL, Patiala.

**PSTCL Business Plan and Capital Investment Plan for 3rd Control Period-
Additional information/clarification**

1. For schemes over Rs. 50 Crore, PSTCL has considered exemption from execution of project through TBCB (Tariff based Competitive Bidding) by misquoting reference of MoP letter dated 15.03.2021. However, the letter strongly recommends to adopt TBCB for development of intra state transmission system in larger interest of consumers. The commission notification in this regard already stands notified.

PSTCL Reply:- In the MoP letter dated 15.03.2021, it has been mentioned that the central government may give exemption to specific category of projects of strategic importance, technical upgradation etc. Also, as per para 5.3 of National Tariff Policy, intra-state transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit which shall be decided by the SERCs (copy enclosed). PSERC has fixed this threshold limit as Rs. 50 Crore vide their notification No. 132 dated 05.11.2018 (copy enclosed). All the projects amounting to more than Rs. 50 Crore proposed in the CIP are brownfield projects being technical upgradations of existing 66kV or 132kV substation on existing land of PSPCL/PSTCL or LILO of existing lines. The list of such works is enclosed again. Therefore, it is prayed to the Honourable Commission that exemption from TBCB mode may be given to all the works amounting to more than Rs. 50 Crore being technical upgradation/Brownfield projects.

2. PSTCL has spent Rs. 351 Crore in FY 2017-18, Rs. 262 Crore in FY 2018- 19, Rs. 226 Crore in FY 2019-20, Rs. 219 Crore in FY 2020-21 and Rs. 321 Crore during FY 2021-22 but has sought Rs. 1282.54 Crore in FY 2023-24, Rs. 1142.74 Crore in FY 2024-25 and Rs. 851.40 Crore in FY 2025-26. The CIP sought in 3rd MYT does not commensurate with PSTCL past effectiveness to carry out the capital works. PSTCL needs to plan accordingly.

PSTCL Reply:- It is submitted that during the beginning of 1st CP, maximum demand was around 11700MW. This figure has reached 14311MW in 2nd

CP. Post Covid-19, there has been unexpected growth in the demand due to boom in the steel and other industry because of which demand is likely to rise up to 18000MW by the end of 3rd CP, which has also been substantiated by the 19th EPS (Electric Power Survey) report. To discuss the existing/expected requirements/constraint of all areas of the Punjab, TPC meeting was held on 19.07.2022 with the concerned officers of PSPCL as per State Grid Code (MOM enclosed). Thus with a view to give adequate power supply to the consumers of the state, CIP has been proposed in line with the MOM of TPC and all these works are required to be carried out.

Moreover the epidemic of COVID-19 has greatly impacted the execution of major transmission works in the 2nd CP. Some of the works which would have completed in the 2nd CP will now be completed in 3rd CP. Further it is submitted that works of 400kV voltage level require approval of CMETS (Consultation Meeting for Evolving Transmission Schemes) and NRPC (Northern Regional Power Committee) wings of CEA apart from approval of PSERC. All such works require 4 to 5 years' time after conceiving. All the works identified in CIP need to be done for system improvement/load growth. PSTCL shall strive to complete all these works within stipulated time.

3. PSTCL has submitted that transformers which are dismantled shall be used within the system. The cost of the schemes where these dismantled transformers will be used shall reduce by the cost of acquisition of new transformer. PSTCL needs to furnish the details of cost and number of such transformers (capacity wise) being dismantled during 3rd MYT so as to reduce the CIP accordingly.

PSTCL Reply:- Dismantled transformers shall be utilized in the existing system wherever possible. Also, dismantled 100 MVA transformers have already been proposed to be utilized in most of the schemes in the CIP submitted which involve upgradation of existing substations to 220 kV voltage level. The cost of such dismantled transformers has already been accounted for in the CIP submitted. Exact details of all such transformers alongwith their costs shall be submitted at the time of the true up.

4. For scheme of 220 kV S/S Beas, during CIP of 2nd MYT, PSTCL had submitted that it has planned this scheme in view of the free land being provided by Dera Beas. PSTCL was directed to review the technical feasibility of this scheme. The Commission observed that load growth considered by PSTCL is significantly higher than average load growth. As such, since this was not a priority scheme and may be required to be initiated only at the end of the 2nd Control Period, the Commission allowed a provision of Rs. 1 Crore .to initiate works for this scheme for 2nd Control Period. Now PSTCL has again highlighted the free land being offered and has not provided load growth data of 220 kV S/S Beas during 2nd MYT Control period.

PSTCL Reply:- The technical feasibility of the scheme of 220 kV Beas has been reviewed and the revised proposal for the scheme has been included in the CIP submitted. It is submitted that 220 kV double bus arrangement is required at 220 kV Butari and for its implementation at 220 kV Butari, the one 220/132 kV Auto T/f operating at 220 kV Butari needs to be dismantled along with the associated 132 kV connectivity. This will render the crucial 132 kV system inoperative which is presently being catered to by the 220/132 kV Auto transformer at 220 kV Butari. Therefore, the proposal of shifting of 132 kV connectivity from 220 kV Butari to 220 kV Beas has been included along with the dismantlement of 220/132 kV Auto Transformer at 220 kV Butari in the submitted CIP. Moreover, the connectivity proposal for 220 kV Beas has also been modified citing the site conditions. As per the latest proposal, the existing 220 kV BBMB Jalandhar – Butari S/C line is to be LILOed at 400 kV PGCIL Jalandhar and the section of 400 kV Jalandhar – Butari thus formed is subsequently to be LILOed at 220 kV Beas, thus utilizing the existing ROW. In the 2nd CIP submitted, the connectivity of 220 kV Beas was via D/C line from 400 kV PGCIL Jalandhar and S/C line from 220 kV Butari, which involved erection of new transmission lines on new ROW, which now stands withdrawn. Moreover, no expense has been incurred on the work of Beas during the control period 2020–23.

5. PSTCL needs to submit pending information (DPR for remaining works etc.) at an early date.

PSTCL Reply:- The remaining 3 nos. DPRs (DPR XLII, XLIII and XLIV) are enclosed herewith.

6. PSTCL has proposed CIP of Rs. 338.84 Crore for schemes spillover from 1st MYT Control period (FY 2017-18 to FY 2019-20) and CIP of Rs. 1356.23 Crore for schemes spillover from 2nd MYT Control period (FY 2021-22 to FY 2023-24). PSTCL needs to plan so as to complete the spillover works which are in progress and review the remaining works with regards to necessity/priority over the new works planned for 3rd MYT Control period (FY 2024-25 to FY 2025-26).

PSTCL Reply:- It is submitted that out of the Rs. 338.84 Crore worth of works from the 1st MYT control period (2017–20), Rs. 180.54 Crore worth of works correspond to the amendments issued by PSTCL in 2019–20 (i.e. during the end of the 1st MYT control period). Out of the remaining Rs. 158.30 Crore worth of works, the works related with 220 kV Fazilka, 220 kV Budhlada and 220 kV Sherpur could not fructify because of the land related issues. Also, no expense has been incurred on the work of Fazilka during the control periods 2017–20 and 2020–23. Work of Sherpur and Budhlada are expected to be completed in the first year of 3rd CP. However the work of Fazilka may not mature as the acquisition of suitable land for the project has not been successful and it is expected that this project may have to be dropped. Alternate proposal for Fazilka are also being explored. The work of 220 kV Dhanansu was under review due to loading issues and its scope was revised in July 2021 and subsequently approved by PSERC against Petition no. 63 of 2021 (date of order 02.03.2022), therefore this work was bound to spillover.

It is further submitted that works approved by the honourable commission are reviewed from time to time before taking execution in hand as per the system requirements. As such the CIP for the 3rd CP submitted recently to the commission may not be reviewed at such an early date.