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PUNJAB STATE TRANSMISSION CORPORATION LIMITED
Regd. Office: PSEB Head Office, The Mall Patiala-147001, Punjab, India.
Corporate Identity Number: U40109PB2010SGC033814 (www.pstcl.org)
(O/o CAO/Fiance & Audit(Commercial & Regulatory Cell, 3rd Floor, Shakti Sadan, Patiala)
Fax/Ph.No. 0175-2970183 Email: fa@pstcl.org

To

Registrar,
Punjab State Electricity Regulatory Commission,
Site No. 3, Sector 18-A, Madhya Marg,
Chandigarh.

Memo No. 1660 /CAO/F&A/Comml.804/MYT-II/Review

Dated: 01/07/2020

Subject: Petition seeking Review of the Order dated 01.06.2020 passed by the Hon'ble Commission in Petition No. 29 of 2019.

Enclosed please find herewith 15 No. Copies of Review Petition for seeking review of the Order dated 01.06.2020 passed by the Hon'ble Commission in Petition No. 29 of 2019. Fee amounting to Rs. 2,50,000/- (Rupees Two Lac Fifty Thousand only) regarding filing said Petition has already been deposited in your Bank Account through RTGS vide UTR No. SBINR52020070100112962 Dated 01.07.2020.

Kindly acknowledge its receipt.

DA/As above
15 No. Copies of Petition
Bank Statement

Te
CAO/Fiance & Audit,
PSTCL, Patiala.

Despatcher
Pb. State Electricity Regulatory Commission
Plot No. 3, Sector 18-A
Chandigarh

Rajinder
2/7/20



BEFORE THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION CHANDIGARH

REVIEW PETITION NO. of 2020
IN
PETITION No 29 OF 2019

IN THE MATTER OF:

Punjab State Transmission Corporation Limited - Review Petitioner
Versus
Punjab State Power Corporation Limited - Respondent

AFFIDAVIT

I, Jatinder Tajeja, son of Sh. Radhe Sham aged 43 residing at Patiala do hereby solemnly affirm and state as under:

1. I am the CAO/Finance & Audit of Punjab State Transmission Corporation Limited, the Petitioner herein and am conversant with the facts of the present case. I say that I am competent and authorized to swear to the present affidavit.
2. I say that the contents of accompanying petition for review of the Order dated 01.06.2020 of the Hon'ble Commission are based on the information available with the Petitioner in the normal course of business and believed by me to be true.

The Contents of the affidavit/
documents have been read over to CA. Jatinder Tajeja
the documents He/She has accepted
the true & correct

VERIFICATION:

I, the deponent above named, do hereby verify that the content of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Patiala on this 1st day of July, 2020

Attested As Identified
NOTARY (Govt. of India)
Distt. PATIALA (Pb.)

DEPONENT

CA. Jatinder Tajeja

01 JUL 2020

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

REVIEW PETITION NO. OF 2020

IN

PETITION NO. 29 OF 2019

IN THE MATTER OF:

Order dated 01.06.2020 passed by the Hon'ble Commission on the Petition No.29 of 2019 filed by Punjab State Transmission Corporation Limited.

AND

IN THE MATTER OF:

Punjab State Transmission Corporation Limited,
PSEB Head Office,
The Mall, Patiala.
Punjab - 147 001

Review Petitioner

Versus

Punjab State Power Corporation Limited,
Through the Chief Engineer (ARR & TR),
The Mall, Patiala.
Punjab - 147 001

Respondent

PETITION UNDER SECTION 94 (1) (f) OF THE ELECTRICITY ACT, 2003 READ WITH ORDER 47 RULE 1 OF THE CODE OF CIVIL PROCEDURE, 1908 AND READ WITH REGULATION 64 OF THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2005 FOR REVIEW OF THE ORDER DATED 01.06.2020 PASSED IN PETITION NO. 29 OF 2019.

MOST RESPECTFULLY SHOWETH:

1. The Review Petitioner had filed a petition before this Hon'ble Commission for determination of tariff, namely, truing up of FY 2018-19, Annual Performance Review of FY 2019-20 and Multi Year Tariff for Control Period from FY 2020-21 to FY 2022-23.
2. By order dated 01.06.2020, this Hon'ble Commission has been pleased to decide the said petition. In the said Order the Hon'ble Commission has not allowed the quantum of revenue requirement claimed by the Review Petitioner and has substantially reduced/ disallowed the various claims of the Review Petitioner.
3. The Petitioner is filing this Petition seeking review by the Hon'ble Commission on few issues in the above Order dated 01.06.2020. In the present Petition, the Petitioner is seeking review in the following matters:
 - a. Funding of Capital Expenditure and Return on Equity for FY 2018-19
 - b. O&M Expenses for FY 2018-19
 - c. Interest Expenses for FY 2018-19
 - d. Non-tariff Income for FY 2018-19
 - e. Addition of Gross Fixed Assets for FY 2018-19
 - f. Allowance of Unadjusted Revenue gap of Rs. 7.06 along with carrying cost

A. Funding of Capital Expenditure & Return on Equity for FY 2018-19

4. In the Order dated 01.06.2020 the Hon'ble Commission has been pleased to decide the issue of the Funding of Capital Expenditure relating to FY 2018-19 at Para 2.5.7 as under:

“Commission's Analysis:

PSTCL's Statutory Auditors have recorded their qualified opinion in their report to the Audited Balance Sheet for FY 2013-14 dated 3rd July 2015 that the quantification of certain items as profit calculated in the Audited Annual Accounts cannot be considered accurate. Accordingly, the Commission had not considered the internal accrual/ free reserves of Rs.325.27 Crore (up to 31st March 2014) for equity as mentioned in Para 3.9.6 of the Commission's Tariff Order for FY2016-17 of PSTCL.

The free reserves up to 31st March 2019 are Rs.384.25 Crore. There are no retained earnings during FY 2017-18 and FY 2018-19 as per the Audited Annual Accounts of PSTCL. The Commission has already considered the free reserves of Rs.96.92 Crore for equity contribution during the provisional True-up of FY 2017-18. Since Rs. 96.92 Crore has been considered against the actual reserve of Rs.58.08 Crore, the earlier equity contribution will be trued up at the end of MYT Control Period, and thus, the Commission cannot consider further equity addition of Rs.110.96 Crore for FY 2018-19.

Accordingly, the Commission provisionally allows the entire funding of Capital Expenditure of Rs.237.12 Crore in FY 2018-19 as loan. The detailed calculations are as under:

Table 8: Calculation of Funding of Capital Expenditure for FY 2018-19
(Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
I	II	III	IV	V
1.	Provisionally approved capital expenditure for FY 2018-19	257.29	4.45	261.74
2.	Less: Expenditure on Contributory Works and PSDF Schemes	24.62	-	24.62
3.	Capital Expenditure to be funded as loan	232.67	4.45	237.12

Out of Rs.237.12 Crore of loan requirement, Rs. 232.67Crore are considered for Transmission Business and Rs. 4.45Crore for SLDC Business.

5. It is submitted that in true-up for FY 2017-18, the Hon'ble Commission has already accepted the submission of PSTCL and allowed 30% funding of capex through equity and there was no mention that it is provisional. However, while truing up of FY 2018-19, the Hon'ble Commission at para 2.5.7, has not considered the internal accrual/free reserves for equity contribution during FY 2018-19 on the basis of qualifications of the Auditors Report for FY 2013-14. It is submitted that Hon'ble Commission has already trued up the accounts up to FY 2017-18 and has never raised this issue even at the time of true up of accounts of FY 2017-18.
6. Hon'ble Commission has now denied the consideration of the internal accrual/free reserves of Rs. 325.27 crore based on the observations of the auditor's report on the accounts of FY 2013-14 which otherwise has no relevancy with the true up of FY 2018-19.
7. Hon'ble Commission has erred in denying the free reserves on the basis of qualified opinion of Auditor's Report of FY 2013-14. The opinion of auditor was based on some points at that time, out of which most of them have already been settled by the time of FY 2018-19.
8. The statutory auditor had only formed the opinion but had not quantified the amount, so rejecting the profit shown in the profit & loss account, by the Hon'ble Commission, is not only based on wrong premise but also beyond accounting principles. Hon'ble Commission in its order has not worked out the impact of each qualification. It is also submitted that it is incorrect to ignore the impact of the qualification on terminal benefits based on actuarial valuation and accounted for as per Accounting Standards. When this issue has also invited Statutory Auditor's qualifications.
9. It is submitted that since the accounts of FY 2018-19 have been audited and approved, that contain the internal accruals upto the date including the amount of Rs. 325.27 Crore, non consideration of the amount is unjustified more particularly when there are no observations of the audit in this respect in the instant year.

10. The Hon'ble Commission has already trued up the capex funding considering the free reserves standing in the balance sheet of FY 2017-18 as Equity as per para 2.10.5 of the order dated 27.05.2019. As such the decision now taken to link with the qualifications on accounts of FY 2013-14 at this juncture for non-considering of internal accrual/free reserves for allowing it as Equity for FY 2018-19 is unjustified.
11. It is well settled that truing up process cannot be reopened over and over again.
12. It is further submitted that the Hon'ble Commission in its current Tariff Order has allowed the entire funding of Capital Expenditure through loans in FY 2018-19 which otherwise should be on the basis of its regulation i.e. in the ratio of 70:30. The Hon'ble Commission also analysed at para 2.5.7 of the order that equity contribution for the control period is to be trued up at end of MYT Control period which is also not as per its regulations.
13. It is submitted that every licensee is entitled to fund equity to the extent of 30% of the capital cost, which is to be serviced in the tariff. This is specifically provided for in the Regulations. In the circumstances, it is not correct to restrict the funding only by way of loans at this stage.
14. Further, the Hon'ble Commission has omitted to consider the funding of Assets of Rs. 2.43 crore, which were not routed through WIP but were added directly to GFA in Para 2.12.5 of the Tariff Order while calculating interest.
15. The Hon'ble Commission is requested to consider the funding of Rs. 2.43 crore on account of assets added directly(not routed through WIP)and consider the free reserves as equity up to 30% allowed as per regulations and rest shortfall as normative loans insteadof considering total capex as normative loan.
16. It is submitted that PSTCL added Rs. 261.74 crore though WIP and Rs.2.43 crore directly during FY 2018-19. This CAPEX of Rs. 261.74 Crore includes Rs.24.62 Crore for contributory works and works for PSDF scheme. Soconsidering 30% of the total addition (excluding works executed through consumer contribution and under PSDF scheme) as equity from free reserves ROE comes to Rs. 114.64 Crore as detailed below:

(Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 01.06.2020	Submitted in Present Review petition
1	Opening Regulatory Equity	702.80	702.80
2	Addition of Equity for Planned Capex	-	71.14
3	Addition of Equity for Unplanned Capex	-	2.45
4	Closing Regulatory Equity	702.80	776.39
5	Rate of Return (%)	15.50%	15.50%
6	Return on Equity	108.93	114.64

17. The Petitioner requests the Hon'ble Commission to consider the above said computation of ROE and allow the impact of Rs. 5.70 Crore for FY 2018-19 with associated carrying cost.
18. It is submitted that the above issues would amount to errors apparent on the face of the record, considering the applicable Regulations and the settled law on the issue of funding of capital assets.

B. O&M Expenses for FY 2018-19

19. In the Order dated 01.06.2020, the Hon'ble Commission has allowed the employee cost on actual basis and R&M and A&G on normative basis.
20. As regards Employee Cost, the Hon'ble Commission has calculated the normative employee cost as Rs. 488.17 crore and restricted the employee cost to actual employee cost incurred amounting to Rs. 468.54 crore as per Para 2.6.12 of the Tariff Order as under:

"The relevant Regulation for restricting the Employee Cost to actual expenditure incurred i.e. Reg 8.3 of PSERC MYT Regulations, 2014 (as amended from time to time) is reproduced below:

"O&M expenses are considered normative as per the formula specified in regulation 26. The changes on account of Inflation Index shall be adjusted during the annual performance review/true up. However, if the actual expenditure is less than the normative, then the allowable expenditure shall be limited to actual expenditure incurred by the applicant."

The Commission considers other employee cost on normative basis as it is less than the actual other employee cost claimed by PSTCL as per Annual Audited Accounts for FY 2018-19.

Accordingly, after considering the above regulation, the Commission considers "Other employee cost" as Rs.170.41 Crore for Transmission Business and Rs. 6.12 Crore for SLDC Business.

Therefore, the Commission allows Employee Cost of Rs. 462.29 (170.41+291.88) Crore for Transmission Business and Rs.6.25 (6.12+0.13) Crore for SLDC Business for FY 2018-19 i.e. Employee Cost of Rs. 468.54 Crore for PSTCL."(emphasis added)

21. Further, as regards R&M and A&G Expenses, Hon'ble Commission as per Para 2.7.12 has approved the R&M and A&G expenses on actual basis for Transmission Business and Normative basis for SLDC. The relevant extract of Order is reproduced as under:

"As explained in Para 2.6.12, if the actual expenditure is less than the normative, then the allowable expenditure shall be limited to actual expenditure incurred by the petitioner.

The Normative R&M and A&G expenses for Transmission business is Rs. 50.38 Crore which is lower than the actual R&M and A&G expenses of Rs.58.05 Crore. Accordingly, the Commission approves the R&M and A&G expenses for Transmission business as Rs. 50.38 Crore.

Since the actual R&M and A&G expenses for SLDC Business is Rs.1.36 Crore as per the Audited Annual Accounts which is lower than the Normative Expenses of Rs.1.40 Crore, the Commission has considered Rs.1.36 Crore as R&M and A&G expenses for SLDC Business of FY 2018-19.

Thus, the Commission approves Rs.51.74 Crore (Rs. 50.38 Crore for Transmission Business + Rs. 1.36 Crore for SLDC Business) of R&M and A&G expense for FY 2018-19."

22. Hon'ble Commission in Order has restricted the O&M Expenses as per Regulation 8.3 of PSERC Tariff Regulations, 2015. The regulation 8.3 specifies as under:

"O&M expenses are considered normative as per the formula specified in regulation 26. The changes on account of Inflation Index shall be adjusted during the annual performance review/true up. However, if

the actual expenditure is less than the normative, then the allowable expenditure shall be limited to actual expenditure incurred by the applicant.”

O&M expenses has been defined as per Regulation 3.9 as under:
“Operation and Maintenance Expenses” or “O&M Expenses” means the expenditure incurred on operation and maintenance of the generating plant or the transmission system or the distribution system, as the case may be, including part thereof, and includes the following expenditure:

- a. Repair and Maintenance (R & M) Expenses;
- b. Administration and General (A & G) Expenses;
- c. Employee Cost (EC).

23. Further, Regulation 26 provides the computation of components of O&M Expenses, which specifies as under:

“26. OPERATION AND MAINTENANCE (O&M) EXPENSES)

26.1. The O&M expenses for the nth year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n)$$

Where,

...

(ii) $EMP_n = (EMP_{n-1}) \times (INDEX_n / INDEX_{n-1})$

□ $INDEX_n$ - Inflation Factor to be used for indexing the Employee Cost.

□ This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) of nth year and shall be calculated as under:-

$$INDEX_n = 0.50 \times CPI_n + 0.50 \times WPI_n$$

WPI_n means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the nth year.

CPI_n means the average rate (on monthly basis) of Consumer Price Index (Industrial workers) over the year for the nth year.

...

Note 3: O&M expenses shall be allowed on normative basis and shall not be trued up: Provided, if actual O&M expenses are less than 90% of the normative expenses, the Commission shall true up the O&M expenses during the Annual Performance Review for that year on actual basis.

24. As per Regulation 26, O&M expenses are to be calculated and then has to be restricted to actual or normative which is lower as per note under regulation

- 8.3. However, Note 3 of Regulation 26.1 explicitly specifies that O&M expenses shall only be trued up if actual O&M expenses are less than 90% of the normative expenses.
25. Further, while considering the approach of normative or actual, whichever is lower, nowhere, it was the intention to restrict the employee cost and R&M and A&G expenses separately. The regulation provides the liberty to the utility to either carry out some functions/jobs through departmentally or through outsource. Thus Hon'ble Commission has itself not followed its own regulations and allowed O&M Expenses of Rs. 520.28 Crore instead of Rs. 539.95 crore.
26. The Petitioner submits that Hon'ble Commission has erred in adopting the approach for allowance of O&M Expenses. The Petitioner requests Hon'ble Commission to allow O&M Expenses on normative basis as the actual O&M expenses are more than 90% of normative expenses as per Note 3 of Regulation 26.1 or to the maximum could have been allowed the actual total O&M expenses or normative total O&M expenses whichever is less instead of treating employee cost and A&G and R&M expenses separately.
27. Hon'ble Commission is requested to allow normative O&M expenses as shown in the following table:

<i>(Rs. Crore)</i>			
Sr. No.	Particulars	Approved in Order dated 01.06.2020	Submitted in Present Review petition
1	Employee Cost	468.54	488.17
2	R&M and A&G Expenses	51.74	51.78
3	Grand Total	520.28	539.95

C. Interest & Finance Charges for FY 2018-19

28. In the Order dated 01.06.2020 the Hon'ble Commission has been pleased to decide the issue of the Interest Expenses relating to FY 2018-19 at Para 3.9.7 as under:

“Commission’s Analysis:

The Commission has considered the long-term loans and has not taken into consideration the working capital loans to calculate the interest

and finance charges. The Commission has considered the repayment of loans asunder:

Table 72: Loans for Transmission Business as Considered by the Commission for FY 2019-20

(Rs. Crore)

Sr. No.	Name of Source	Loan Repaid
I	II	III
1.	REC	257.93
2.	SBI	12.79
3.	NABARD	18.61
4.	PSPCL	0.95
5.	Total for Transmission Business	290.28

The Commission has considered the weighted average rate of interest on loans as approved in the True-up of FY 2018-19 in this Order i.e. as 10.001% for Transmission business and 10.33% for SLDC Business.

The Commission has provisionally approved capital expenditure Rs. 227.49 Crore for PSTCL. The Commission approves a loan addition of Rs.227.49 Crore out of which Rs.224.02 is for Transmission business and Rs. 3.47 Crore for SLDC Business as explained in Para 3.5.5.

The Closing loan of FY 2018-19 is considered as opening loan for FY 2019-20. The Commission has calculated the interest on loan asunder:

Table 73: Interest on loan as approved by the Commission for FY2019-20

(Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
I	II	III	IV	V
1.	Opening Loan	3595.63	10.86	3606.49
2.	Addition of loans	224.02	3.47	227.49
3.	Repayment of loans	290.28	0.35	290.63
4.	Closing loan	3529.37	13.98	3543.35
5.	Average loan	3562.50	12.42	3574.92
6.	Rate of Interest	10.001%	10.33%	
7.	Interest on loan	356.30	1.28	357.58

29. It is submitted that Hon'ble Commission has disallowed the Loans in previous years and PSTCL in its Petition has considered the opening balance of loan as per previous year's Petition and made prayer to the Hon'ble Commission to consider funding of capex through loan and equity in the ratio of 70:30, as was done by the Hon'ble Commission in True up of FY 2017-18.
30. Hon'ble Commission has provisionally approved 100% funding of the capital expenditure through loans and approved addition of loan amounting to Rs. 232.67 crore for FY 2018-19. However, the details of loans considered for the purpose alongwith repayment schedule has not been given in the order. It is also noted that the actual loan addition is lower than load addition considered by Hon'ble Commission.
31. At para 2.9 of the petition, the Petitioner submitted for approving interest on repayments of the loans, which have been disallowed by the Commission in earlier orders. The relevant extract of the submission of the Petitioner is reproduced as below:

"In the Tariff Order dated April 19, 2018, the Hon'ble Commission has disallowed the interest charges on loans to the extent of Rs. 50 Crore for Transmission business and Rs.0.75 Crore for SLDC in True up of FY 2016-17. This has led to total disallowance of Loans of Rs. 249.20 Crore for PSTCL. On the one hand, Hon'ble Commission has not considered such loans, although there was addition to fixed assets/WIP, while on the other hand, Hon'ble Commission has also not considered any equity infusion for funding of such capital expenditure.

It is pertinent to mention that Hon'ble Commission, while undertaking True-ups, of the past years have not considered above loans but while allowing interest, the repayment of above loans during FY 2016-17 & FY 2017-18, an amount of Rs. 20.23 Crore and Rs. 36.85 Crore respectively have been considered. The repayment of above said loans during FY 2018-19 is Rs 38.77 Crore. Thus, Hon'ble Commission is not allowing the actual interest on the loans already approved for Capex.

Thus, PSTCL prays to Hon'ble Commission to allow interest on repayments which were considered by Hon'ble Commission on disallowed loans on account of consideration of higher repayment amount in past years." (emphasis added)

32. However, the Hon'ble Commission has given effect to this submission for FY 2018-19 only by not considering the repayments during the year. For FY 2016-17 and 2017-18, the same has not been considered while approving interest on loans. Hence, there is an error apparent while considering the opening balance of loan. The Petitioner requests Hon'ble Commission to consider the opening balance of loan for FY 2018-19 as shown in the following Table:

(Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 01.06.2020	Submitted in Present Review petition
1	Opening balance of loan for FY 2018-19	3,660.45	3,660.45
2	Repayment towards loans disallowed in True-up for FY 2016-17 and FY 2017-18	-	57.08
3	Grand Total	3,660.45	3,717.53

33. Further, after considering the loan addition of 70% of capital expenses, the Petitioner submitted the Interest and finance charges for FY 2018-19 as shown in the following Table:

(Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 01.06.2020	Submitted in Present Review petition
1	Opening Balance	3,660.45	3,717.53
2	Addition	232.67	165.99
3	Repayment	297.49	297.49
4	Closing Loan	3,595.63	3,586.03
5	Rate of Interest (%)	10.001%	10.001%
6	Interest on Loan	362.86	365.21
7	Interest on GP Fund	7.76	7.76
8	Guarantee Charges and Finance Charges	3.62	3.62
9	Gross Interest on long term loans	374.24	376.59
10	Less: Capitalisation	28.99	28.99
11	Net Interest charges on long term loan	345.25	347.60

34. The Petitioner requests the Hon'ble Commission to consider the above said computation of Interest and Finance Charges and allow the impact of Rs. 2.35 Crore for FY 2018-19 along with associated carrying cost.

D. Non-Tariff Income for FY 2018-19

35. In the Order dated 01.06.2020, the Hon'ble Commission has been pleased to decide the issue of the Non-Tariff Income relating to FY 2018-19 at Para 3.13 as under:

"Commission's Analysis:

Non-Tariff Income is determined as per PSERC Regulation-28 of MYT Regulations- 2014.

The Commission approves Non-tariff Income as Rs.23.59 Crore for Transmission Business and Non-Tariff Income of Rs.1.67 Crore for SLDC Business i.e. Rs.25.26 Crore for PSTCL for FY 2019-20 as approved in the True Up of FY 2018-19."

36. Hon'ble Commission has considered the Income of Rs. 6.68 crore towards credit balance written back. However, as per balance sheet, written back credit balances are Rs. 6.53 crore instead of 6.68 crore.
37. Hence, there is error apparent on face of record and the Petitioner requests the Hon'ble Commission to allow the impact of Rs. 0.15 Crore for FY 2018-19 along with associated carrying cost.
38. The exercise of review jurisdiction in matters relating to the tariff determination is of utmost importance when there is a mistake to be corrected, as there are serious cash flow issues if the Review Petitioner does not get the requisite revenue requirements. In the absence of the revenue requirements being met through tariff, the performance of the Review Petitioner is greatly affected.

E. Addition of Gross Fixed Assets for FY 2018-19

39. In the Order dated 01.06.2020, the Hon'ble Commission, in Table 19, has considered addition of Gross Fixed Asset of Rs. 364.82 Crore as against the submission of Rs. 364.94 Crore in the Petition. The Petitioner observes that there is difference of Rs. 0.12 Crore.

40. The Petitioner has considered the addition of Gross Fixed assets based on audited accounts. It is noted that, the asset addition of Rs.10,03,300/-pertains to Software (Note 4 of the Audited accounts) has not been considered.
41. In view of this, the Petitioner prays Hon'ble Commission to allow addition of Gross Fixed Asset of Rs. 10,03,300/- and its subsequent impact.

F. Allowance of Unadjusted Revenue Gap of Rs. 7.06 Crore along with carrying cost

42. In the Order dated 01.06.2020, the Hon'ble Commission has been pleased to decide the issue of the Interest and Finance Charges relating to FY 2018-19 at Para 4.8.5 to as under:

“Commission’s Analysis:

The Commission has rightly allowed the ARR to PSTCL in Tariff Order for FY 2018-19. However, the Carrying cost of Rs.7.06 Crore has not been given to PSPCL in Tariff Order for FY 2018-19. The same is being allowed to PSPCL under the head “Impact of Previous Orders” in True-up of FY 2018-19 of PSPCL.”

43. Moreover, in the Order dated 01.06.2020 for PSPCL, Hon'ble Commission has been pleased to decide on this issue of Unadjusted revenue gap of Rs. 7.06 Crore relating to FY 2017-18 at para 2.28.2 as under:


“The Commission allows Rs. 7.06 Crore to PSPCL as transmission charges for FY2017-18. It has no impact on Net Revenue requirement of PSTCL for FY 2017-18 asit had already been considered in its Revenue Requirement.

Cost of Transmission and SLDC charges of Rs. 1174.99 Crore was determined forFY 2017-18 in True-up by the Commission in its Tariff Order dated 27th May, 2018.Now, Cost of Transmission and SLDC charges for FY 2017-18 is re-determined asRs. 1182.05(1174.99+7.06) Crore for FY 2017-18.”

44. Further, subsequently in Table 62, Hon'ble Commission has allowed the impact of Rs. 7.06 Crore.
45. The Petitioner submits that Hon'ble Commission, in Tariff Order for FY 2019-20, has undertaken True-up for FY 2017-18. The net ARR for FY 2017-18 was approved

as Rs. 1174.99 Crore. The same ARR of Rs. 1174.99 Crore was considered in ARR of PSPCL for FY 2017-18. Now, in order dated June 1, 2020, the same ARR has been revised to Rs. 1182.05 Crore in ARR of PSPCL after considering revenue gap of Rs. 7.06 Crore, which was earlier considered as carrying cost of PSTCL on account of True up of FY 2016-17. Since, Net ARR for FY 2017-18 has also been changed, the same has not given effect in Order of PSTCL.

46. In view of this, the Petitioner requests the Hon'ble Commission to allow the unadjusted Revenue gap of Rs. 7.06 Crore along with carrying cost for PSTCL as well.
47. The Petitioner submits that it has not filed any appeal or any other proceedings in support of the issues raised in the present review petition.
48. The Petitioner has paid the requisite court fees.
49. It is, therefore, respectfully prayed that this Hon'ble Commission may be pleased to:
 - (a) admit the review petition;
 - (b) review the Order dated 01.06.2020 passed by the Hon'ble Commission and modify the Order in respect of the aspects mentioned herein above; and
 - (c) pass such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.


REVIEW PETITIONER,
PUNJAB STATE TRANSMISSION
CORPORATION LIMITED

DATED: 01-07-2020

PLACE: PATIALA