

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

**Petition No. 63 of 2023  
Date of Order: 05.02.2024**

Petition for approval of True-up of Capital Expenditure for 2nd MYT Control Period i.e. from FY 2020-21 to FY 2022-23 and True up of ARR for FY 2022-23 for Transmission Business and SLDC under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 9 to 13 of PSERC ( Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulation, 2019 as amended from time to time and approval of Revised forecast of ARR and determination of Tariff for Transmission Business and SLDC for FY 2024-25 under Section 62,64 and 86 of the Electricity Act, 2003 read with Regulation 10 & 11 of PSERC ( Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2022.

And

In the matter of: Punjab State Transmission Corporation Limited, Regd. Office PSEB Head Office, The Mall, Patiala- 147001.

...Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson  
Sh. Paramjeet Singh, Member

**ORDER**

The petition was admitted vide order dated 07.12.2023 and PSTCL was directed to provide further information vide order dated 07.12.2023 and Order dated 02.01.2024. PSTCL submitted its reply vide memo No. 877 dated 15.12.2023 and memo no. 30 dated 15.01.2024. However, PSTCL is further directed to provide information as under:

1. PSTCL has submitted list of inter State Transmission Lines such as Chandigarh, kathua, Pinjore etc. in Annexure-D of the reply dated 15.12.2023. PSTCL in its reply dated 15.01.2024 submitted that ownership of these lines is with the respective States. In reply, PSTCL has submitted the list of 66kV lines and has not confirmed that it is not transmitting any energy for Chandigarh, kathua, Pinjore etc. through its lines. PSTCL in the reconciliation statement with PSPCL has already submitted that it is transmitting energy for Chandigarh Kathua etc. PSTCL to review and submit the energy of Chandigarh Kathua etc. transmitted through its lines and the reasons for not levying the transmission charges.
2. In reply dated 15.01.2024, PSTCL has excluded 1575.61 MW of NRSE power to calculate transmission capacity of 14667.85 MW. From the perusal of the list submitted as Annexure-B, it is revealed that 352.02 MW power is

being received by PSTCL directly at 132 kV and above. PSTCL is again directed to review its transmission capacity and reconcile the same with PSPCL.

3. Capital expenditure list of PSTCL submitted vide letter dated 15.01.2024 has been perused with following observation: -
  - i. Scheme No. 52, 63 to 70 of new works have not been approved by the Commission. PSTCL to explain.
  - ii. Scheme No. 47 to 172 of spill over works are the schemes shown as the schemes of 1<sup>st</sup> MYT (FY 2017-18 to 2019-20). PSTCL had sought expenditure against spill over schemes of 1<sup>st</sup> MYT during the processing of 2<sup>nd</sup> MYT and 3<sup>rd</sup> MYT CIP petitions but these schemes have never been reported incomplete before this true up petition. PSTCL to check and explain.
4. PSTCL to provide:
  - i. The details of assets directly added during FY 2022-23.
  - ii. Calculation of financing cost of late payment considered in tariff income in FY 2022-23.
  - iii. Details of Land and consumer contribution & grants in opening GFA as on 01.04.2022.
5. PSTCL has claimed A&G expenses on account of assets addition for FY 2022-23 and FY 2024-25. Reasons for the same may be provided.
6. PSTCL has claimed equity participation in funding of Capital Expenditure of Transmission Business only whereas SLDC has been funded only through loan. Reasons for not funding SLDC through equity be provided.

PSTCL shall submit reply to the above information within three days without any delay (through hard copy & soft copy).

Sd/-

(Paramjeet Singh)  
Member

Sd/-

(Viswajeet Khanna)  
Chairperson

Chandigarh

Dated: **05.02.2024**



**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**  
(Regd. Office: PSEB Head Office, The Mall, Patiala-147001, Punjab, India)  
Corporate Identity Number: U40109PB2010SGC033814  
**Office of the Chief Accounts Officer/F&A**  
3<sup>rd</sup> Floor, Opp. Kali Mata Mandir, Shakti Sadan, Patiala.  
[www.pstcl.org](http://www.pstcl.org) Fax/Ph. No.0175-2970183 Email: [fa@pstcl.org](mailto:fa@pstcl.org)

To

The Registrar,  
Punjab State Electricity Regulatory Commission  
Site No. 3, Madhya Marg, Sector – 18A  
Chandigarh, 160018

Memo No/13./CAO(F&A)/MYT-III/APR-I

Dated: 09/02/2024

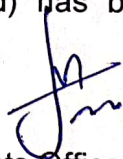
**Subject:** ARR Petition for FY 2024-25 including True up of ARR for FY 2022-23 and True up of CAPEX for 2<sup>nd</sup> Control Period i.e. from FY 2020-21 to FY 2022-23 – Deficiencies thereof:

**Ref:** Hon'ble Commission's Order dated 05.02.2024 in Petition no. 63 of 2023.

Hon'ble Commission has sought some additional information in subject cited petition vide order under reference. In compliance with the said order enclosed please find enclosed herewith the reply for further necessary action.

The soft copy of the submissions (in MS excel/word) has been sent separately through email dated 09.02.2024.

DA/As above

  
Chief Accounts Officer (F&A)  
PSTCL, Patiala.

## Replies to Deficiencies

1. PSTCL has submitted list of inter State Transmission Lines such as Chandigarh, kathua, Pinjore etc. in Annexure-D of the reply dated 15.12.2023. PSTCL in its reply dated 15.01.2024 submitted that ownership of these lines is with the respective States. In reply; PSTCL has submitted the list of 66kV lines and has not confirmed that it is not transmitting any energy for Chandigarh, kathua, Pinjore etc. through its lines. PSTCL in the reconciliation statement with PSPCL has already submitted that it is transmitting energy for Chandigarh Kathua etc. PSTCL to review and submit the energy of Chandigarh Kathua etc. transmitted through its lines and the reasons for not levying the transmission charges.

### **PSTCL's Reply:**

In its earlier reply, PSTCL has conveyed that ownership of Inter-State Transmission Lines lies with the respective States. The matter of levying transmission charges to these states is under dispute as the ownership of these lines is with respective states and No such MOUs exist with any state regarding these lines. PSTCL is taking up the matter with respective states to sign the MOUs. Matter of Inter State Transmission lines could only be decided with bilateral contract/MOUs with other states as these lines are Non ISTS Lines.

In spite of several efforts and visit of the officials of PSTCL, No States/utilities are coming forward to sign MOUs with PSTCL. Further, it is also worth mentioning here that DO letters had also been forwarded by authorities of PSTCL to concerned states. Due to lack of MOUs, PSTCL cannot decide any charges to be recovered from other states unilaterally.

2. In reply dated 15.01.2024, PSTCL has excluded 1575.61 MW of NRSE power to calculate transmission capacity of 14667.85 MW. From the perusal of the list submitted as Annexure-B, it is revealed that 352.02 MW power is being received by PSTCL directly at 132 kV and above. PSTCL is again directed to review its transmission capacity and reconcile the same with PSPCL.

**PSTCL's Reply:**

PSTCL in its reply submitted as on 15.01.2024 had provided the details of TS Capacity of NRSE Projects of 1575.61 MW (Annexure-B) as received from office of CE/PPR, PSPCL, Patiala. Out of this capacity of 1575.61 MW as per Annexure "B", capacity of 352.02 MW power is directly received by PSTCL at 132 kV and above. Thus, Revised Transmission Capacity is as under:

<b>Calculation of Transmission Capacity</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Capacity (in MW)</b>
1	Total Transmission Capacity submitted in Form T-22 in Petition no 63 of 2023	16243.46
2	Less: Transmission Capacity of NRSE Private Projects	1575.61
3	<b>Transmission Capacity (after deducting NRSE Capacity)</b>	<b>14667.85</b>
4	Add: Directly received by PSTCL at 132 kV and above out of the 1575.61 MW	352.02
5	<b>Revised Transmission Capacity</b>	<b>15019.87</b>

3. Capital expenditure list of PSTCL submitted vide letter dated 15.01.2024 has been perused with following observation: -

- i. Scheme No. 52, 63 to 70 of new works have not been approved by the Commission. PSTCL to explain.
- ii. Scheme No. 47 to 172 of spill over works are the schemes shown as the schemes of 1<sup>st</sup> MYT (FY 2017-18 to 2019-20). PSTCL had sought expenditure against spill over schemes of 1<sup>st</sup> MYT during the processing of 2<sup>nd</sup> MYT and 3<sup>rd</sup> MYT CIP petitions but these schemes have never been reported incomplete before this true up petition. PSTCL to check and explain.

**PSTCL's Reply:**

Sr no. wise Reason/Justification/Status of work as observed by Hon'ble Commission in the list of works provided in reply dated 15.01.2024 is as under:-

<b>New Works</b>	
<b>Sr no.</b>	<b>Reason/Justification/Status</b>
52	Minor amount of Work (Work is done with the approval of BOD)
63	Works is related with MYT (1st) Sr. no. 137
64	Minor amount of Work (Work is done with the approval of BOD)
65	No Expenditure
66	Contributory Works
67	No Expenditure
68	Survey Works as work is already approved in 3rd MYT (Preponement of work approved in 3 <sup>rd</sup> MYT)
69	Works is related with MYT (2nd) Table 15 Sr. no. 1
70	No Expenditure
<b>Spill Over Works</b>	
<b>Sr no.</b>	<b>Reason/Justification/Status</b>
<b>47-172</b>	<p>These Works were approved in 1<sup>st</sup> CIP Plan by Hon'ble Commission, and were not reported in 2<sup>nd</sup> MYT Plan as spill over works due to reason that works were likely to be completed by 31.03.2020.</p> <p>However, due to COVID-19 and various other reasons, these works could not be not completed by 31.03.2020 &amp; were carried forward in 2<sup>nd</sup> MYT and are now being reported to Hon'ble Commission in True up of CAPEX of 2<sup>nd</sup> MYT Control Period. These works have been completed in 2<sup>nd</sup> MYT and are not being carried forward in 3<sup>rd</sup> MYT.</p>

After filing the list of CAPEX works on dated 15.01.2024, it was found that MYT reference of some works were inadvertently mentioned as 1st MYT. (Sr no. 77, 96, 103, 115, 131, 133, 137-142, 151, 153, 160-163 are merged in Spill Over works rectified after reply dated 15.01.2024). These have now been rectified and shown under correct schemes as approved by Hon'ble Commission. Thus, rectified/amended list of works is also being sent through email on dated 08.02.2024 along with list already supplied on 15.01.2024.

4. PSTCL to provide:

- i. The details of assets directly added during FY 2022-23.
- ii. Calculation of financing cost of late payment considered in tariff income in FY 2022-23.
- iii. Details of Land and consumer contribution & grants in opening GFA as on 01.04.2022.

**PSTCL's Reply:**

- i. The details of assets directly added during FY 2022-23 is being sent through email dated 09.02.2024.
- ii. Calculation of financing cost of late payment considered in Non-Tariff income in FY 2022-23 is being sent through email dated 09.02.2024.
- iii. Details of Land and consumer contribution & grants in opening GFA as on 01.04.2022 is being sent through email dated 09.02.2024.

5. PSTCL has claimed A&G expenses on account of assets addition for FY 2022-23 and FY 2024-25. Reasons for the same may be provided.

**PSTCL's Reply:**

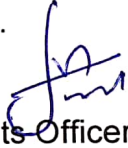
In case of commissioning of New Sub-stations, PSTCL is supposed to incur additional A&G Expenses over and above its current level to maintain the activity level at its standard form. Moreover, A&G Expenses on account of addition of asset

asset during the year have been claimed as per Note 10 of Regulation 26/25 (O&M Expenses) of MYT Regulation, 2019/2022.

6. PSTCL has claimed equity participation in funding of Capital Expenditure of Transmission Business only whereas SLDC has been funded only through loan. Reasons for not funding SLDC through equity be provided.

**PSTCL's Reply:**

It is submitted here that, since incorporation of PSTCL, the Equity parked in the Opening Balance Sheet has been considered as equity of STU and no equity was considered for SLDC. Moreover, the excess/short of revenue of SLDC is being adjusted in the revenue of STU since its operations. It is also pertinent to mention that it will not affect the overall ARR of PSTCL, if some of the part of equity is considered as SLDC equity. Thus, Equity in the form of internal accruals is attributed towards funding of CAPEX for STU function only.

  
Chief Accounts Officer (F&A)  
PSTCL, Patiala