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PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO 220-221, SECTOR 34-A, CHANDIGARH

To

Fax - 0175-2206523

The Financial Advisor,  
Punjab State Transmission Corporation Ltd.,  
Shakti Sadan,  
Opp. Kali Mata Mandir,  
The Mall, Patiala.

No. PSERC/Tariff/T-196/6430  
Dated 14/12/16

Subject: - Petition for Annual Revenue Requirement and Determination of Tariff filed by PSTCL for MYT control period from FY 2017-18 to 2019-20: Deficiencies thereof.

Refer your letter no. 3314/FA/MYT-1/2017-18 dated 29.11.2016 vide which Petition for Annual Revenue Requirement and Determination of Tariff for MYT control period from FY 2017-18 to 2019-20 has been filed. On preliminary scrutiny of the petition filed by PSTCL, the Commission has observed some deficiencies enclosed as Annexure-A.

You are, therefore, requested to ensure submission of the information/documents on these deficiencies to the Commission within 7 days. The petition will be taken on record only after receipt of satisfactory reply to these deficiencies.

Diary No. 1771/SPS/FA/PSTCL  
Dated 20/12/16

20/12  
Dy FA-11

SECRETARY

21/12  
20/AR  
SAS/AR  
SP  
MYT/18  
23/12/16

**Annexure-A****1. Audit Report:**

- ✓ a) The Audited Annual Accounts for FY 2015-16 may be furnished for determination of Tariff for Control Period under MYT Regulations | Dy. Asst.
- ✓ b) Cost Audit Report for FY 2014-15 may also be furnished. | Comp. Sec.

**2. Employee Cost:**

- a) Actual employee cost for FY 2014-15 is Rs. 355.62 crore (Table 4) whereas PSTCL estimated employee cost of Rs 468.90 for FY 2016-17 crore (Table 34) and projected employee cost of Rs 487.35 crore, Rs 511.81 crore and 539.54 crore for FY 2017-18, FY 2018-19 and FY 2019-20 (Table 61) respectively. Please justify hike in employee cost

**3. Repair & Maintenance:**

Actual Repair & Maintenance expenses for the FY 2014-15 are Rs. 37.15 crore and actual R&M expenses for first half (H1) of FY 2016-17 are Rs 11.51 crore. But PSTCL projected R&M expenses as Rs 59.16 crore for FY 2016-17. Keeping in view the actual R&M expenses, projection of Rs 59.16 crore for FY 2016-17 may be justified.

**4. A& G expenses:**

- a) PSTCL claimed Rs. 30.19 (29.37+0.82) crore the A&G expenses for FY 2014-15 where as it is Rs. 29.96 crore as per note 26 of Audited Annual Accounts for FY 2014-15. Explain the reasons for difference. | Dy. Asst.
- b) Actual A&G expenses for first half (H1) of FY 2016-17 are Rs 8.90 crore projection for FY 2016-17 as Rs 25.65 crore may please be justified.

**5. Depreciation:**

Depreciation for FY 2013-14 was Rs. 139.14 crore which has been increased to Rs 228.91 in FY 2014-15. Sub-head wise detail of Assets and depreciation for FY 2014-15 and FY 2015-16 may be provided. | CFO

**6. Interest & Finance Charges:**

Please specify the purpose of each loan on which Interest & Finance charges

as Rs 350.03 crore for FY 2014-15 and Rs. 408.68 crore for FY 2016-17 are payable.

**7. Non Tariff Income:**

Non-Tariff income has been shown as Rs. 37.23 crore and revenue from tariff has been shown as Rs. 895.66 crore for FY 2014-15 and total revenue works out to Rs. 932.89 crore whereas total revenue as per Audited Annual Account for FY 2014-15 is Rs. 971.93 crore. Difference may be clarified.

Income from open access has been projected for second half of FY 2016-17 as 'Nil' against income of open access for first half of FY 2016-17 of Rs. 19.11 crore. Please justify the projection of open access for FY 2016-17.