**Date: 11-12-2012**

**Response to queries on PSTCL ARR and Tariff petition for FY 2013-14**

## Transmission Business

### *General*

1. *The Audited Accounts for the years 2010-11 and 2011-12 which have since become due to be submitted to the Commission have not been furnished to the Commission. In para 2.1.2 it has been submitted that audited accounts for FY-2010-11 and FY-2011-12 are under process and will be finalized upon notification of opening balance sheet as on 16-4-2010 by the State Govt. It has also been requested that truing up of aforementioned years may be kept pending till finalization of the audited accounts. The audited accounts may be furnished at the earliest. Also the basis of opening balances as on 01-04-2012 and 01-04-2013 may be intimated.*

**Reply of PSTCL:**

1. As submitted by PSTCL, in its petition, the finalization of the Audited Accounts for the FY 2010-11 and FY 2011-12, can be done only after notification of opening balance sheet as on 16-4-2010 by the State Government as required under the Punjab Power Sector Reforms Transfer Scheme, 2010 (Transfer Scheme). As soon as the opening Balance Sheet is notified, steps will be taken to expedite completion of audit and submission of the audited accounts to Hon'ble Commission.

   For the purpose of estimation of ARR, the opening balance for GFA for Transmission and SLDC has been considered for FY 2012-13, as approved by the Hon'ble Commission in its Order date 16$^{th}$ July 2012. Opening balance of Loans as on 01.04.2012 is Rs. 1623.23 crore as submitted in the ARR for FY 2013-14 which is as per actual outstanding in the books of accounts considering the loans as on 16.04.2010 as Rs. 887.07 crore as per assumption prayed at Sr no. 1.1.7 (c-iii) of this petition.

### CAPITAL EXPENDITURE

2. *Details of actual expenses incurred by the utility under various heads/sub heads of accounts upto Nov. 2012 may be filed under capital expenses head. Scheme-wise actual capital expenses incurred upto the end of Nov. 2012 may also be furnished.*

*As per the note under Table-12, it is stated the capital expenditure required for IT initiatives has been included in the investment plan of PSTCL (Ref. para 7.1.19). The capital expenditure for the IT initiatives (Ref Table-12) has not been shown in the investment plan of PSTCL (Ref. Annexure-1,Capital Expenditure Scheme).*

***(i) Talwandi Sabo Thermal Project: 400 KV Transmission System***

*In para 7.1.8 it has been intimated that payment of Rs. 122 Crore has been released upto 9-11-2012. The fund required for H2 of 2012-13 has been depicted as Rs.180 Crores and Rs. 377 Crores for FY 2013-14. Please supply supporting documents/basis of assessing the requirement of funds for H2 of FY 2012-13 and for FY 2013-14.*

***(ii) Rajpura Thermal Project:400 KV Transmission System***

*PSTCL has claimed fund requirement of Rs. 197 Crore for FY 2012-13 and Rs.161 Crore for FY 2013-14. As per financial progress given in para 7.1.12 expenditure of Rs.60 Crores was incurred during FY 2011-12. Besides this, further expenditure of Rs.120 crore stands incurred during the years 2012-13.Total expenditure for the current year has been estimated at Rs.197 Crore. In this regard, detailed justification for the expenditure already incurred may be supplied.*

**Reply of PSTCL:**

2. The Capital Accounts for the month of 11/2012 are under preparation and the actual expenses under various heads/subheads will be supplied as soon as the accounts have been compiled.

The Capital Expenditure required for IT initiatives has been included in the Annexure-I of Capital Expenditure Scheme under Capital Expenditure for General Equipments.

2(i) **Talwandi Sabo Thermal Project: 400KV Transmission System:-**

The assessment of requirement of funds for H2 of FY 2012-13 and for FY 2013-14 for 400KV Transmission System related to Talwandi Sabo Power Project, is based on the requirement of funds projected/conveyed by M/S PGCIL **(Annexure-I)**. It is relevant to mention that M/s PGCIL is commissioning the project on turnkey basis.

2(ii) **Rajpura Thermal Project: 400 KV Transmission System:-**

For the 400KV Transmission System associated with Rajpura Thermal Power Project the following Packages were placed:

1) Rajpura-Nakodar 400KV DC Transmission Line ( 139.564 Km.) Tower Package placed on M/s KEC International Ltd. The net value of the supply & service contracts is Rs. 86.94 crores.

2) Rajpura-Dhuri 400KV DC Transmission Line (85.53 Km.) & Rajpura TPS-Rajpura Line (9.044 Km.) Tower Package placed on M/s Gammon India Ltd. The net value of the contract is Rs. 55.39 Crore.

3) 400KV Nakodar-Makhu Line (52.469 Km.) Tower Package placed on M/s L&T Ltd. The net value of the supply & service contract is Rs. 34.24 Crore.

4) Insulator Package placed on M/s BHEL. The net value of the contract is Rs. 15.64 Crore.

5) Conductor Package placed on M/s Sturdy Ind., Parwanoo (3507 Km). The net value (FOR) of the contract is Rs. 91.71 Crore.

The detail of expenditure incurred/estimated for 400KV Transmission System relating to Rajpura Thermal Project is as follows:

| S. No. | Description | 2012-13 | | 2013-14 |
|---|---|---|---|---|
| | | **01.04.12 to 30.09.12** | **01.10.12 to 31.03.13** | |
| a) | Tower & Insulator Packages. | 80 Cr. | 84 Cr. | 61 Cr. |
| b) | Conductor Package. | 40 Cr. | 66 Cr. | 60 Cr. |
| c) | Sub-station Package. | - | 47 Cr. | 40 Cr. |
| | **Total** | **120 Cr.** | **197 Cr.** | **161 Cr.** |

*3. The benefit derived from the CAPEX of Rs.1100 Crore approved in Tariff Order 2012-13 may also be intimated specifying the quantum of energy transmitted on the 400 KV system so far erected.*

**Reply of PSTCL:**

3. The CAPEX of Rs. 1100 Cr. approval in Tariff Order 2012-13 includes works related to 132KV, 220KV and 400KV Transmission Line & Sub-Stations. With the completion of the planned 132KV and 220KV Transmission Lines and Sub- Stations, the quality & reliability of power has improved. As regards 400KV Transmission System, it is mentioned that the upcoming 400KV Transmission System is for evacuation of power from Talwandi Sabo Thermal Project and Rajpura Thermal Project. The transmission system set up so far is for providing startup power to these two thermal projects. 400KV line from Dhuri-

Talwandi Sabo has already completed and 1 No. power transformer along with allied equipment, bays etc. already stands completed. This line would provide startup power to Talwandi Sabo Thermal Project. 400KV Dhuri-Rajpura line is scheduled to be completed by 31.12.2012 and the same would provide startup power to Rajpura Thermal Project. The transmission of energy would start with respective startup of these Thermal Projects.

*4. Basis of estimation/projection of capital expenditure for FY 2012-13 and for FY 2013-14 may be supplied to the Commission.*

**Reply of PSTCL:**

4. The capital expenditure for FY 2012-13 and FY 2013-14, has been based on the system planning of PSTCL. The expenditure has been projected based on the planned phasing of various schemes related to sub-stations and Transmission lines.

*5.* ***(A) EMPLOYEE COST:***

*Para 8.3.1 indicates that out of 797 employees likely to be recruited in the year 2012-13, only 241 posts have been filled upto Sept. 2012. Expenditure of 556 new employees is estimated for the H2 of FY 2012-13. In the light of the above please furnish details of actual number of employees recruited upto Nov. 2012.*

- *The norms of employees have been given for 400 KV, 220 KV & 132 KV sub-stations in tables 17 & 18 of the ARR (Refer para 8.3.3). In the Table 19, page 39 number of additional employees i.e. 555 have been proposed to be added for 1768 ckt-km. PSTCL have not indicated norms for additional employees required per ckt-km line-length-addition whereas additional employees required for new sub-stations are as per norms as given in Table 17 and Table 18. Needful needs to be done now.*
- *Also, as recruitment process will be over by 31-12-2012, actual recruitment till that date may be intimated to the Commission by 1st week of Jan,2013.*

**Reply of PSTCL:**

5. The actual number of employees recruited up to Nov. 2012 is 301.

- The norms for additional employees required per 50 ckt-km line length are as per Table below:-

| S.No. | Designation | 200kV/400kVLine length per 50 ckt-Km |
|---|---|---|
| 1 | Line Superintendent | 1 |
| 2 | Lineman | 8 |
| 3 | ALM | 6 |
| | **Total** | **15** |

- Actual recruitment till 31.12.2012 will be intimated accordingly.

6. *Para 8.3.4 state that non-core activities have been outsourced and expenditure has been considered as part of A&G expenses. The following information may be supplied:*

   *(i) Activities for which outsourcing has been done.*

   *(ii) Details of expenses relating to outsourcing for FY 2012-13 and FY 2013-14.*

   *(iii) Sub-heads of A&G expenses to which outsourcing expenses have been debited.*

**Reply of PSTCL:**

6. The details of outsourcing activities and expenditure on it is as under:-

| Sr.No. | Outsourcing Activities | Expenditure ( Estimated) | |
|---|---|---|---|
| | | FY 2012-13 | FY 2013-14 |
| 1. | Data Entry Operator, Skilled/Un-skilled Workers. | 170.00 lac | 250.00 lac |
| 2. | Vehicles | 192.00 lac | 300.00 lac |
| 3. | Architect | 2.00 Lac | 6.00 Lac |
| 4. | Security | 580.00 lac | 918.00 Lac |
| | **Total** | **944.00 Lac** | **1474.00 lac** |

All expenses on the above mentioned outsourced activities are debited to A&G Expenses.

7. *The following information may be supplied (Refer Para 8.3.9)*

- *Basis of 10% increase in DA for FY 2013-14.*
- *Basis of increase in other allowances*.

**Reply of PSTCL:**

- Basis of 10% increase in DA for FY 2013-14 – The DA rate was increased from 65% to 72% of the basic pay with effect from July, 2012. Thus, a similar increase of atleast 7% in DA is expected in the ensuing year in the first half and correspondingly a further increase of atleast 7% DA is expected in the later half of the ensuing year. The cumulative increase may therefore be higher than 14% in the latter part of FY 2013-14. Therefore, PSTCL has reasonably estimated an increase of 10% in DA from current level of 72% of Basic Salary.
- As per recruitment policy, new employees are covered under New Pension Scheme (NPS) and are to be paid towards Contributory Pension Fund. So 10% of the basic pay of new employees recruited/to be recruited has been considered while estimating the H2 expenses besides HRA @ 20%, Local Outdoor Duty Allowance (LODA) and Fixed Medical Allowance etc.

*8. Basis/Work-sheet of estimation/projections of salary arrears for FY 2012-13 and 2013-14 may be supplied (Refer Para 8.3.17).*

**Reply of PSTCL:**

8. PSTCL has already paid 12.87 Crores as arrear during the month of Nov-2012. As equivalent amount of 30% is to be paid in next year i.e FY 2013-14, hence the same has been considered for FY 2013-14.

*9. Basis of estimation of employees cost towards new installations and dates on which new sub-stations have been commissioned/are likely to be commissioned may be furnished. Details of additions in line length for 400 KV, 220 KV and 132 KV may also be supplied.*

**Reply of PSTCL:**

9. Basis of increase in employee cost on account of new installations has already been detailed out in the petition (Table 19).

The completion dates of new Sub-stations/Lines which have been commissioned/likely to be commissioned during 2012-13 are as per **Annexure-II** enclosed herewith.

*10. Detailed break-up of 'Any Other Expenses' may be supplied (Refer Table 20).*

**Reply of PSTCL:**

10. Break up/Particulars of items of expenditure booked under Head "Any other Expenses " is provided as under:

| Sr.No. | Description | Amount |
|---|---|---|
| 1 | Amount relating to LTC/LTA | 0.17 |
| 2 | Amount relating to staff welfare expenses of working employees | 0.11 |
| 3 | Amount relating to staff welfare expenses paid as ex gratia | 0.08 |
| 4 | Terminal benefits of working employees like Employer's share of PF,FPS,CPF, Group insurance & PF inspection charges etc. | 0.33 |
| 5 | Terminal benefits of retiring personnel like Fixed Medical Allowance, Reimbursement, LTC, Solatium, Momento etc. paid to pensioners. | 0.80 |
| | **Total any other expenses** | **1.49** |

*11. Detailed break-up of terminal benefits may be supplied.*

- *From the data supplied in paras 8.3.1 & 8.3.2 (Page 34) and 8.3.4(Page 33) it appears that 294 employees retired during H1 (2012-13) and 144 persons are likely to retire during H2 (2012-13) as per 8.3.6. The expenses on account of terminal benefits during H1 (2012-13) has been shown as Rs.13.76 crore whereas the same has been estimated at Rs.20.46 Crore for H2 (2012-13). The increase in H2 may be justified considering the fact of lesser no. of retirements during the second half year.*
- *The expenditure incurred on HRA, Fixed Medical and Other Allowances during H1 (2012-13) is Rs.7.89 Crore which is 19.62% of basic pay whereas it has been estimated for H2 (2012-13) at Rs.14.26 crore which works out to 32.26% of basic pay. The reasons for estimating these expenses at higher rate may be justified.*
- *As per Sr.No.6(10) Transfer of personnel of the GoP Notification No.1/9/08-EB(PR)196 dated 16.04.2010 called the Punjab Power Sector Reforms Transfer Scheme 2010, all obligations in respect of pension, gratuity, leave encashment and other retirement benefits including provident fund, superannuation/gratuity to the employees, who have*

*retired from the services of the Board before the effective date of transfer, shall be discharged by Powercom. In Table-20 of the ARR retiral benefits have been depicted as Rs.73.94 (34.21+39.73) crore for FY 2012-13 and Rs.77.29 (27.30+49.99) crore for FY 2013-14. In view of the decision contained in the Transfer Scheme, the expenditure may be justified.*

- *In Table-20 total employee cost of Rs.232.49 crore and Rs.273.22 crore has been shown for FY 2012-13 and FY 2013-14 respectively. Besides this, employee cost of Rs.23.45 crore and Rs.28.99 crore has also been depicted in Table-19 for FY 2012-13 and FY 2013-14 respectively on account of expenses towards new installations (new employees). It may please be clarified whether or not the employee cost in respect of new installations/employees stands included in the employee cost claimed in Table-20 ibid.*

**Reply of PSTCL:**

11. In regard to the employee expenses, following are the response to the specific queries:

- Regarding lesser Amount in H1 it is submitted that details of expenditure will be provided to the Hon'ble Commission by collecting it from various field offices in due course of time. It is further submitted that the calculation of Terminal Benefits for 144 Persons likely to be retired in H2 has been calculated on the following basis:

| Sr. No. | | Class I | Class II | Class III & IV | Total |
|---|---|---|---|---|---|
| 1 | No.of Employees | 3 | 77 | 64 | 144 |
| 2 | Rate of Av. Leave Encashment | 1358800 | 558130 | 359750 | |
| 3 | Leave Encashment(1x2) | 4076400 | 42976000 | 23024000 | 70076400 |
| 4 | Rate of Av.Gratuity | 1000000 | 1000000 | 851400 | |
| 5 | Gratuity(1x4) | 3000000 | 77000000 | 54489600 | 134489600 |

- The basis of increase has already been explained at Sr. No. 7.
- Retirement benefits paid/to be paid by each corporation has been claimed in its ARR petitions as both the Corporations make payment towards terminal liabilities pending a decision on the sharing of terminal liabilities for the personnel retired prior to the date of transfer. This is to be decided by the State Govt. on final vesting of the undertakings with PSTCL and PSPCL. The amount claimed towards retirement benefits by PSTCL has not been included in the claims of PSPCL on account of

retirement benefits. Hon'ble Commission has been allowing this claim in the last Tariff Orders.

- This is to clarify that employee cost of Rs. 23.45 Crore and Rs. 28.99 Crore for FY 2012-13 and FY 2013-14 respectively in respect of new installations/employees stands included in the total employee cost of Rs. 232.49 Crore and Rs. 273.22 Crore for FY 2012-13 and FY 2013-14 respectively as given in Table 20.

*12.* ***R&M Expenses:***

*Actual expenditure for H1 (2012-13) has been shown as Rs.10.19 crore. However, total expenditure for FY 2012-13 has been estimated as Rs.69.38 crore. Basis of these estimation and reasons for showing 5 times increase in H2 (2012-13) may be supplied.*

*R&M for asset addition is allowed for true up and not for projection year as per Regulations. Basis of making the claim for FY 2013-14 may be given.*

**Reply of PSTCL:**

12. There is an urgent need of strengthening the transmission system after the unbundling of the erstwhile Punjab State Electricity Board and separation of the transmission function. The transmission system has to be maintained efficiently with appropriate replacements of equipments and renovations to ensure uninterrupted power transmission in the State.

Our system is more than 40 years old and the replacement of old and worn out equipment which has outlived its life is very urgent for the system efficiency and reliability of power supply in the State of Punjab. These replacements have not speeded up because of shortage of manpower and delay in procurement of the required equipment. Now the procurement of important equipment is in advanced stage and material has started to be received in the Stores and the replacement has started. New recruitment of staff and outsourcing has accelerated the execution of these works. Thus in addition to general repair and maintenance, special revenue works of these replacements will be done in phased manner.

*13.* ***A & G Expenses:*** *The following information may be supplied:*

*(Refer Para 8.5.9)*

- *Expenses for security staff may be given with date of recruitment of such staff.*
- *A perusal of table 25 shows that actual A&G expenses for H1 (2012-13) are Rs.7.50 crore. Against this, more than three times increase has been made in estimation of expenditure for H2 (2012-13). Please explain. Also almost one and half times increase has been shown in projections for FY 2013-14. Please justify.*

**Reply of PSTCL:**

- Earlier 55 no. supervisors and 213 no guards were deployed against the work order issued to PESCO by PSEB at approved wages. These security personnel are continuing in PSTCL. As per security norms, total 153 no. Supervisors and 632 no. Guards were required to be deployed in PSTCL. For deployment of balance staff the work order number 2 WO 47/PM 46 Dated 26.09.2012 was placed on PESCO so that security arrangements at all sub stations and stores is completed . The total expenditure for the period from 1.10.12 to 31.3.13 (6 months) for this balance deployment was worked out as Rs. 2.65 crore. Expenses on security personnel deployed through work order issued by erstwhile PSEB has been claimed under Sr. No. 11 of the Table 25. PESCO rates are variable and have to be paid from the date of revision of wages by the Punjab Govt. and it has been duly taken care in FY 2013-14.
- As mentioned in the petition, on account of asset addition during H1 and H2 (FY 2012-13), the A& G activities increased in H2 (FY 2012-13). Further, most of the activities are of the nature that they are booked during the last quarter. Therefore, the A&G expenses are significantly higher during H2.

*14.* ***Depreciation:***

*The following information may be supplied:*

- *Dates of assets added/capitalized during FY 2012-13 upto Nov. 2012.*
- *Dates on which assets are likely to be added during the period Dec., 2012 to March,2013.*
- *Basis of opening balances of GFA in the absence of audited accounts of FY 2010-11 and FY 2011-12 and in the light of the fact that opening balances as on 16-4-2-1- have not been notified by the Govt. of Punjab.*

**Reply of PSTCL:**

- As already intimated above, as soon as the accounts for the month of Nov.2012 are finalized details will be submitted separately.
- For the purpose of estimation of ARR, the opening balance for GFA for Transmission and SLDC has been considered for FY 2012-13, as approved by the Hon'ble Commission in its Order dated 16th July 2012.

## *15. Interest and Finance charges:*

- *The opening balances of loans as per Tariff Order is Rs.1716.05 crore but the opening balances in format F-21/table-30 is shown as Rs. 1623.23 crore. The difference may be reconciled.*
- *Complete details of source-wise/loan-wise details viz rate of interest, actual interest paid/payable etc. on borrowings (loan portfolio) for FY 2012-13 and FY 2013-14 may be supplied to the Commission.*

**Reply of PSTCL:**

- Opening Balance of Loans as on 1.4.12 as per Tariff Order for FY 2012-13 is Rs.1716.05 Crores after considering Rs. 800 crores as receipt of loan in FY 2011-12. This was an estimated figure and actual receipt of loan during FY 2011-12 has been Rs. 708.49 crores. Further, the estimated figure for repayment of loan was taken as Rs.138.32 crores whereas actual figure of repayment of loan was 139.63 crores. Taking both in to account, the opening balance of loan as on 1.04.2012 comes to Rs. 1623.23 crores as submitted in the ARR for FY 2013-14.
- Complete details of source wise/loan wise details are attached as **Annexure- III.**

## *16. Return on Equity (RoE)*

*The Commission has allowed RoE at 15.5% as per directions of APTEL. However, Table-31 shows a claim of 22.95% on this account. Please explain.*

**Reply of PSTCL:**

16. The return on equity has been considered as 22.95% (15.5% RoE grossed up by Income Tax rate of 32.45%) in accordance with PSERC Tariff Regulations, 2005 prevalent up to the date of amendment i.e. 17.09.2012 for FY 2012-13. For FY 2013-14 PSTCL inadvertently claimed ROE as 22.95% against the required 15.5%.

*17.* ***Non Tariff Income:*** *Basis of projection of Non Tariff Income at Rs. 5.76 crore and Rs. 2.66 crore for FY 2012-13 and 2013-14 may be submitted.*

**Reply of PSTCL:**

17. The details of Non Tariff Income is given below:

| S.No | Particulars | Current Year (FY 2012-13) | | | Ensuing Year (FY 2013-14) |
|---|---|---|---|---|---|
| | | Actuals (H1) | Estiamted (H2) | Total (H1+H2) | Projected |
| 1 | Miscellaneous receipts | 4.22 | 0.88 | 5.10 | 2.00 |
| 2 | Rental charges for staff quarters, water charges, Hospital ward, guest house etc. | 0.19 | 0.19 | 0.38 | 0.38 |
| 3 | Sale of Tender forms | 0.14 | 0.14 | 0.28 | 0.28 |
| | **Total** | **4.55** | **1.21** | **5.76** | **2.66** |

Lesser Misc. Receipts have been projected for FY 2013-14 on account of lesser sale of scrap mainly less no. of sale of transformers.

*18.* ***Sr. No. 12 of Table-34*** *shows revenue from Tariff and Open Access charges of Rs. 833.31 crore and Rs. 1207.41 crore. Break-up of OA charges and revenue from Tariff may be filed separately.*

**Reply of PSTCL:**

18. Break up of OA charges and revenue from Tariff is shown separately below:

| S. No | Particulars | Current Year (FY 2012-13) | | | | | Ensuing Year (FY 2013-14) |
|---|---|---|---|---|---|---|---|
| | | Last Year Petition | Order | Actuals (H1) | Estimated (H2) | Total (H1+H2) | FY 2013-14 |
| 1 | Revenue from Transmisison Tariffs | 1102.15 | 801.44 | 400.74 | 400.70 | 801.44 | 1207.41 |
| 2 | Revenue on account of Transmission from Open Access | | | 31.87 | 0.00 | 31.87 | 0.00 |
| | **Total** | **1102.15** | **801.44** | **432.61** | **400.70** | **833.31** | **1207.41** |

## SLDC Business

### *19. Employee Cost*

*A perusal of Employee Cost in Table-35 shows that estimation of expenses for H2 (2012-13) is more than twice the amount of actual expenditure incurred during H1 (2012-13). Basis of projection of such increase in expenditure may be given. Basis of projection for such expenses for FY 2013-14 may also be supplied.*

**Reply of PSTCL:**

19. Table-35 pertains to the terminal Benefits for employees retiring from SLDC organisation. The employee-wise detail of officers/officials retiring during financial year 2012-13 and 2013-14 is enclosed. It may be seen that the actual expenditure incurred during the year 2012-13 (H1) is Rs. 35.09 lac and during the year 2012-13 (H2) is Rs. 109.84 lacs. The same is on the actual basis. Detail of employee cost for the year 2012-13 and 2013-14 is attached as **(Annexure-IV).**

### ***20. R&M Expenses***

- *Additional R&M expenses of Rs.5.04 crore have been claimed for asset addition of Rs. 18.40 crore during the FY 2013-14. This claim being based on projections, the asset cannot be mentioned. Hence, R&M expenses for asset addition are to be allowed for six months only. Therefore, the R&M expenses claim be revised to be allowed for six months only. Therefore, the R&M expenses claim be revised to Rs. 2.52 crore in place of Rs. 5.04 crore.*
- *Basis of increased estimation during H2 (2012-13) under the head Plant & Machinery may be supplied.*
- *Basis of claim of R&M on asset addition during the year may be filed.*
- *Basis of preparation of R&M expenses for FY 2013-14 may be intimated*

**Reply of PSTCL:**

- PSTCL regrets the inadvertent error while computing the R&M expenses on new asset addition. The same may be considered as Rs. 2.52 Cr as observed by the Hon'ble Commission.

- The estimation for H2 is based on the R&M activities planned during H2 of the FY 2012-13.
- R&M claimed for the financial year 2012-13 is Rs.2.31 crore whereas R&M for financial year 2013-14 Rs 3.12 Crore as per the detail attached **(Annexure-V)**.

*21.* ***A&G Expenses***

- *Basis of estimation of A&G Expenses/Projections for H2 (2012-13) at Rs.1.64 crore against actual expenses of Rs.0.11 crore incurred during H1 (2012-13).*
- *Basis of estimation of A&G Expenses/projections for asset addition during FY 2012-13 and FY 2013-14 may be filed.*

**Reply of PSTCL:**

21. The estimation for H2 is based on the A&G Expenses incidental during H2 of the FY 2012-13. Projection in respect of A&G expenses for the financial year 2012-13 (H2 ) is Rs. 1.64 Crore only as per the actual expenses envisaged during this period. The main component is electricity and water charges (Rs 0.5 Crore), Expenses towards security of Sub-Stations, Outsourcing Expenditure which is to be adjusted/paid during the second part of the year i.e. H2 only.

*22.* ***ULDC CHARGES***

- *ULDC charges for H1 (2012-13) are Rs.4.69 crore. Basis for estimation of ULDC charges of Rs.12.61 crore for H2 (2012-13) & projections of such charges at Rs.31.40 crore for FY 2013-14 may be submitted.*

**Reply of PSTCL:**

22. ULDC charges for H2(2012-13) has been estimated as Rs. 12.61 Crore considering an anticipated arrear on account of revision towards ULDC charges which is under consideration of CERC as per petition filed by POWER GRID. Further a provision of Rs.4 Crore towards OPGW charges was made for H2 (FY 2012-13) since a section of OPGW has been commissioned in Punjab by POWER GRID .As per review at meeting held on 29/11/2012 and 30/11/2012, there is no likely billing of the claim during the current year (FY 2012-13). As such provision of Rs. 4.0 Crore earlier made is being withdrawn.

There is also a likely increase in NRLDC fees and charges being claimed by POSCO/POWER GRID. As such revised estimation of ULDC charges for H2 (2012-13) comes to Rs. 8.61 Crores (Total Rs. 13.3 Crores for FY 2012-13).

Regarding ULDC charges for the FY2013-14 the revised position is as under:-

The implementation of ULDC phase-2 is in progress and the work has since been awarded by the POWER GRID. There is likely start of payment towards ULDC-II during the financial year 2013-14. However, this amount is being revised from Rs 5.0 Crore to Rs 1.0 crore based on recent feedback from POWER GRID. As such the projections for the FY 2013-14 may be considered as to Rs 27.4 Crore instead of 31.40 Crore.

With the above proposed revision the modified performa is enclosed as **(Annexure-VI)**.

***23. Capital Expenditure***

- *Actual Capex upto 30$^{th}$ November, 2012 may be submitted to the Commission.*
- *Also the basis of Capex Projections for FY 2012-13 and FY 2013-14 be supplied.*

**Reply of PSTCL:**

- The actual Capex up to 30.11.2012 is attached (**Annexure-VII**).
- The Capex Projections for FY 2012-13 and 2013-14 have been made keeping in view the progress of on-going capital works under SLDC i.e. installation of additional RTUs and implementation of Intra-State boundary meeting scheme.

***24. Depreciation***

- *Under Table 47 Depreciation rates for various items has been taken as per CERC tariff regulations, 2009. However, depreciation rates for RTUs which is a major component of the capital expenditure i.e. Rs.12.50 crore out of Rs.18.40 crore has not been indicated. As per CERC Regulations, 2009, the depreciation rate for plant and machinery is 5.28% whereas for IT equipment depreciation rate is 15%. The useful life of RTUs is not more than 10 years.*
- *Opening Balance of assets as on 1.4.2012 & 1.4.2013 may be intimated.*
- *Addition of Assets, if any, in terms of date of capitalization/COD may also be intimated.*

**Reply of PSTCL:**

- PSTCL has calculated the depreciation as per CERC Regulations. However, the correct depreciation to be charged will be intimated to the Hon'ble Commission in the short period with calculations.

### *25. Non-Tariff Income*

- *It has been intimated that Non-Tariff Income (Income from OA Consumers) cannot be estimated as it is an infirm source of revenue. In this regard, details of revenue earned during the same period last year may be intimated.*
- *Details of Reactive energy charges (Ref. Para 17.3) may be submitted.*

**Reply of PSTCL:**

- Detail of revenue earned during the year 2011-12 on account of non-tariff income from Open Access Consumers is as under:-

| | |
|---|---|
| SLDC Operating Charges | Rs.15.66 crore |
| Application fee of NOC | Rs. 3.50 crore |
| Misc. income | Rs.0.18 crore |
| Misc. income due to late payment surcharge | Rs.0.07 crore |
| Total: | Rs.19.41 crore |

- Reactive Energy Charges in respect of Open Access Customers being worked out by SLDC are being handled by PSPCL. The Intrastate reactive energy account shall be prepared by SLDC after the implementation of boundary metering scheme, as per the requirements of State Grid Code. The Intrastate reactive energy account being prepared by NRPC is being handled by PSPCL at the present. As such, details of reactive energy charges are available with PSPCL.

### *26. Transmission System Capacity*

*i) The Transmission Capacity connected to the transmission system should be the sum of net generating capacities (not gross). The generating capacities taken in Table 4 of ARR are the gross generating capacities. Submit net generating capacities of the generating stations for determining the transmission system capacity.*

*ii) Project-wise brake up of capacities (gross and net) of Central Sector, BBMB and new Projects be submitted.*

*iii) The dates of Commission of new projects also needs to be submitted.*

*iv) The costs being shared by J&K and HP for the capacities allocated to them, have not been indicated. These costs need to be deducted from the total ARR.*

**Reply of PSTCL:**

26. The information on the generation capacity connected to Transmission System provided in the ARR Petition is based on the data provided by SLDC. As required by Hon'ble Commission, the net generating capacity of the PSPCL generating plants and other information relating to the BBMB, Central Sector, new projects etc. will be provided to the Hon'ble Commission after getting the same from Chief Engineer/PP&R of PSPCL.

*27.* ***Compliance to Directives of the Commission***

***Tariff Order for FY 2011-12***

- *It has been submitted that the lists of loading condition of transmission lines and sub-stations, are attached as per Annexure-I &II. But the same has not been found enclosed (Refer Sr. No.3,P-85).*
- *It has been submitted that the copy of the report on earth resistance of 220/132 KV Grid Sub-station is attached as Annexure-III. However, the same has not been found enclosed(Refer Sr.No.7,P-87).*

***New Directives issued in Tariff Order for FY 2012-13***

- *It has been submitted that action regarding formation of Coordination Committee of both companies has been initiated and office order in this regard will be issued shortly. The latest position in this regard intimated (Ref Sr. No. 1,P-87).*

**Reply of PSTCL:**

- List of loading condition of Transmission lines and Sub-Stations are here by attached as per (**Annexure-VIII**).
- Copy of the report of earth resistance of 220/132 KV Grid Sub-station is here by attached as per (**Annexure-IX**).
- Office order relating to formation of Coordination Committee is not yet issued.

FINANCIAL ADVISOR,
PSTCL, PATIALA