



Petition for Aggregate Revenue Requirement (ARR)

&

Determination of Tariff

For

FY 2016-17

Volume-I

Main Text and Formats

Submitted to

Punjab State Electricity Regulatory Commission

Chandigarh

By

PUNJAB STATE TRANSMISSION CORPORATION
LIMITED
(PSTCL)

Regd. Office: PSEB H.O.

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The Mall, Patiala



Acronym

S. No	Acronym used	Details
1.	AAD	Advance Against Depreciation
2.	A&G	Administrative and General
3.	AFC	Annual Fixed Cost
4.	APTEL	Appellate Tribunal for Electricity
5.	ARR	Aggregate Revenue Requirement
6.	BBMB	Bhakra Beas Management Board
7.	CEA	Central Electricity Authority
8.	CERC	Central Electricity Regulatory Commission
9.	CWIP	Capital Work in Progress
10.	DPR	Detailed Project Report
11.	GFA	Gross Fixed Assets
12.	LTOA	Long Term Open Access
13.	MAT	Minimum Alternate Tax
14.	O&M	Operations and Maintenance
15.	OA	Open Access
16.	PLR	Prime Lending Rate
17.	PSEB	Punjab State Electricity Board
18.	PSERC	Punjab State Electricity Regulatory Commission
19.	PSPCL	Punjab State Power Corporation Limited
20.	PSTCL	Punjab State Transmission Corporation Limited
21.	RfP	Request for Proposal

On



S. No	Acronym used	Details
22.	R&M	Repairs and Maintenance
23.	RoE	Return on Equity
24.	SBAR	State Bank of India Advance Rate
25.	SBI	State Bank of India
26.	SLDC	State Loan Despatch Centre
27.	STOA	Short term Open Access
28.	STU	State Transmission Utility
29.	ULDC	Unified Load Dispatch & Communication
30.	WPI	Wholesale Price Index

On



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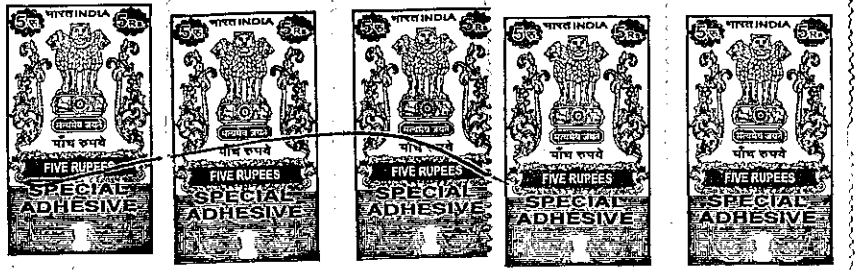
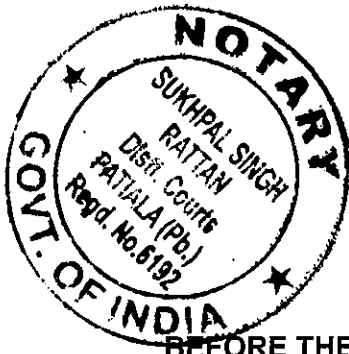


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**BEFORE THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION,
CHANDIGARH**

PETITION NO.....

Case No.....

IN THE MATTER OF: Approval of the Aggregate Revenue Requirement (ARR) & Determination of Tariff Petition for the financial year 2016-17 under Section 62, 64 and 86 and other applicable provisions of the Electricity Act, 2003 read with Regulation-13 of the PSERC (Terms and Conditions for Determination of tariff) Regulations, 2005 and other applicable relevant regulations (including its amendments) and guidelines of the Punjab State Regulatory Commission for the Electricity business of Punjab State Transmission Corporation Ltd. and State Load Dispatch Centre.

AND

IN THE MATTER OF: Punjab State Transmission Corporation Limited
Regd. Office : PSEB Head Office, The Mall, Patiala -147001

AFFIDAVIT

I, Vinod Bansal son of late Shri Kedar Nath Bansal aged 51 residing at Patiala do hereby solemnly affirms and state as follows:

I am the Financial Advisor of Punjab State Transmission Corporation Limited, the petitioner in the above matter and am duly authorized by the Corporation to make this affidavit on its behalf.

The statement made in Sections 1 to 7 of the petition are true to my knowledge and the statement made in Sections 1 to 7 are based on the information collected from the concerned offices of the PSTCL and believe them to be true.

There is no case pending in any court of law with regards to the subject matter of the petition.

The contents of this Affidavit document have been read over to the deponent He/She has accepted it true & correct. Notary has no concern with the contents of the Affidavit in any way only signature/Truth has been Attested.

**DEPONENT
(Vinod Bansal)**

I, the deponent named above do hereby verify that the content of my above affidavit are true to my knowledge and belief and nothing material has been concealed there from.

Verified at Patiala on the date of 23th November, 2015.

**Signature/Thumb
Attested**

**NOTARY PUBLIC
GOVT. OF INDIA**

23 NOV 2015

**DEPONENT
(Vinod Bansal)**



**BEFORE THE HON'BLE PUNJAB STATE ELECTRICITY REGULATORY
COMMISSION, CHANDIGARH**

Filing No.....

Case No.....

IN THE MATTER OF: Petition for approval of the “**Aggregate Revenue Requirement (ARR) & Determination of Tariff**” for FY 2016-17 under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 13 of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 (including its amendments) and other applicable relevant Regulations and guidelines of the Hon’ble Commission for the Transmission and Load Despatch business of Punjab State Transmission Corporation Limited (PSTCL).

And

IN THE MATTER OF: Punjab State Transmission Corporation Limited (PSTCL)
Regd. Office: PSEB H.O., The Mall, Patiala – 147001

The Applicant respectfully submits as under: -

1. BACKGROUND AND BRIEF HISTORY

1.1. Background

- 1.1.1. The Punjab State Transmission Corporation Limited (hereinafter referred to as PSTCL) is one of the successor entities of erstwhile Punjab State Electricity Board (PSEB), which has been constituted under Companies Act, 1956 on 16th April 2010 after restructuring of PSEB by Government of Punjab vide its Notification No. 1/9/08-EB (PR)/196 (also known as Transfer Scheme) dated 16th April 2010 and subsequent amendment vide date 24.12.2012.
- 1.1.2. PSTCL has been notified as the State Transmission Utility (STU) and has been vested with the State Load Despatch functions, from the effective date of Transfer Scheme.
- 1.1.3. In accordance with Regulation 13 of the PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005, and its subsequent amendments thereof, PSTCL is filing this Petition for truing up of ARR for FY 2012-13 and FY 2013-14,



review of Aggregate Revenue Requirement (ARR) for the FY 2015-16 and the approval of the Aggregate Revenue Requirement (ARR) and Tariff Determination for the FY 2016-17 for Transmission and SLDC function of PSTCL.

- 1.1.4. PSTCL submits that annual accounts for FY 2014-15 are in the process of finalization/audit. It is submitted that the Hon'ble Commission may undertake the truing up exercise for FY 2014-15 after the finalization of audited annual accounts.
- 1.1.5. PSTCL will be henceforth called as the Petitioner and Hon'ble Punjab State Electricity Regulatory Commission will be referred to as Hon'ble Commission in this Petition.
- 1.1.6. The Petitioner submits that it has filed an Appeal No. 262 of 2014 in the Hon'ble APTEL with regard to various issues on O&M expenses, Tax on income, additional employee cost on account of new installations, depreciation on additional installations, interest on loan, carrying cost, Income tax etc. Petitioner has also filed an Appeal in the Hon'ble APTEL vide Appeal No. 152 of 2015 challenging Tariff Order of FY 2015-16 pronounced by the Hon'ble Commission on the issues of Employee cost, Additional employee cost, depreciation, interest and finance charges etc. The decisions on the above said appeals are yet to come.
- 1.1.7. Without prejudice to our contentions in both the appeals and the outcome of the judgements in the above said appeals, Petitioner is submitting the ARR petition based on the of following methodologies :
 - a. O&M expenses have been claimed as per actual where normative is more than the actual expenses.
 - b. O&M expenses have also been claimed on actual basis when it is more than normative. Justification for the excess expenditure has been explained in respective sections of the petitions.

However, regarding employee expenses, the judgement of Hon'ble APTEL in case 07 of 2011 has been applied. Hon'ble Commission is requested to re-visit the various components of ARR in accordance with the judgements of the Hon'ble APTEL on the above said appeals and suitably adjust the ARR in the present/subsequent Tariff proceedings.

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TRUE UP FOR FY 2012-13

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2. TRUING UP OF FY 2012-13 FOR PSTCL

2.1. Background

- 2.1.1. In this section, the Petitioner submits the true up of FY 2012-13 for STU and SLDC functions of the Petitioner.
- 2.1.2. The Hon'ble Commission in its Tariff Order for FY 2012-13, pronounced on 16th July 2012 for PSTCL, approved the ARR of Rs 830.01 Cr including revenue gap and its carrying cost. Out of this, the Hon'ble Commission approved Rs 801.44 Cr for transmission business and Rs 28.57 Cr for load despatch business. Further, PSERC in its Tariff Order for FY 2013-14 dated 10th April 2013, approved a revised ARR of Rs 919.19 Cr including revenue gap of previous years, comprising Rs 874.15 Cr for transmission business and Rs 45.04 Cr for load despatch business.
- 2.1.3. The Petitioner submitted the true up for FY 2012-13 in the ARR petition for FY 2015-16 on the basis of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 and subsequent amendments thereon, as per audited accounts. Hon'ble Commission in its order dated on 5th May 2015 decided to undertake the true up for FY 2012-13 alongwith ARR petition of PSTCL for FY 2016-17, provided audited annual accounts with CAG comments for FY 2012-13 are made available by Petitioner to the Hon'ble Commission.
- 2.1.4. The Petitioner submits the true up for FY 2012-13 on the basis of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 and subsequent amendments. Since the annual audited accounts with CAG's comments are now available, the Petitioner has submitted the actual numbers. The Petitioner also submits its rationale for the key heads of expenditure which critically impact the overall financial health of the company. This section further describes the various components of ARR as well as the performance of PSTCL in FY 2012-13 for transmission and SLDC business.
- 2.1.5. The Petitioner submits that it had incurred the expenses for FY 2012-13 on the basis of projections as submitted in the Tariff Petition for FY 2012-13 which was filed in November 2011 and further the Tariff Order for FY 2012-13 was notified on 16th July 2012. Mandating the approach of normative determination of O&M expenses as per the PSERC (Terms and Conditions for determination of Tariff) Regulations, 2005 for FY 2012-13 as amended from 17th September 2012 with effect from 01 April 2012 instead of date of notification i.e. 17th September 2012 is not in accordance with and spirit of the aforesaid amended Regulation of Hon'ble Commission.



2.2. Description of the Transmission System

2.2.1. Details of the transmission system of PSTCL as on 01st April 2012 and 31st March 2013 are tabulated below:

Table 1: Transmission system of PSTCL during FY 2012-13

S. No.	Particulars	Opening (As on 1 st April 2012)	Addition during the year	Closing (As on 31 st March 2013)
Transmission Lines (Circuit kms)				
1	400 kV	-	-	-
2	220 kV	5,035.32	111.14	5,146.46
3	132 kV	3,111.10	-23.90	3,087.20
	Total	8,146.42	87.24	8,233.66
Substations (Nos)				
1	400 kV	-	1	1
2	220 kV	62	8	70
3	132 kV	77	1	78
	Total	139	10	149
Transmission Substation Bays (Nos)				
1	400 kV		4	4
2	220 kV	387	60	447
3	132 kV	425	85	510
4	66 kV	411	419	830
	Total	1,223	568	1,791
Substation Capacity				
1	Substation Capacity (MVA)	18,885.67	4,375.50	23,261.17

2.3. Transmission System Capacity

2.3.1. The Petitioner submits to the Hon'ble Commission the gross and net transmission capacities of the State, considering the State and private generating capacities and Central sector allocations as on 31st March 2013. Detailed breakup of these capacities are provided below:

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Table 2: Generation capacity in MW during FY 2012-13 as on 31 March 2013

Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
GNDTP, Bathinda	440	392
GGSTP, Ropar	1260	1153
GHTP, Lehra Mohabbat (Unit # 1 & 2) (Stage-I)	420	384
GHTP, Lehra Mohabbat (Unit # 3 & 4) (Stage-II)	500	458
TOTAL THERMAL	2620	2386
Shanan	110	109
UBDC-I	45	45
UBDC-II	46	46
UBDC TOTAL	91	91
RSPP	600	
Less 20% J&K and 4.6% HP share from RSD	-148	
Net RSD share of Punjab	452	451
ASHP	134	133
MHP-1&2	90	90
MHP-3&4	117	117
MHP Total	207	207
TOTAL HYDRO	995	991
PEDA & Others including Jalkheri	469	421
Micro Hydel	6	6
BBMB	1110	1104
Singrauli STPS	200	179
Rihand STPS-I	110	97
Rihand STPS Stage-II	102	92
Rihand-III	41	37
Unchahar-I	36	32
Unchahar-II	60	53
Unchahar-III (Unit#5)	17	15
Anta GPS	49	46
Auraiya GPS	83	78
Dadri NCGPS	132	123
NAPS	51	44
RAPP (Unit#3 & 4)	100	86
RAPP (Unit#5 & 6)	46	39

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Bairasiul HPS	84	80
Salal HPS	184	175
Nathpa Jhakri HPS	152	145
Tehri Stage-I (4 Units)	77	73
Dulhasti HEP	32	31
Tanakpur HPS	17	16
Chamera HPS-I	55	52
Dhauliganga HEP	28	27
Chamera HPS-II	30	29
Chamera-III	18	17
Sewa-II HEP (3 Units)	10	10
Uri HPS	66	63
Koteshwar HEP (Unit-I)	25	24
Farakka STPS	22	20
Kahalgaon-I	51	45
Kahalgaon-II STPS	120	108
Durgapur DVC TPS	200	180
Pragati-III(Bawana)PPCL	137	128
Malana-2 (PTC)	86	82
Mundra Ultra Mega Project	85	82
TOTAL CENTRAL SECTOR	2507	2306
TOTAL TRANSMISSION CAPACITY	7706	7214

2.4. Transmission System Availability

2.4.1. The Petitioner submits to the Hon'ble Commission that the overall Transmission System Availability as certified by Chief Engineer SLDC, in FY 2012-13 was 99.93%. This reflects the operational efficiency of PSTCL's transmission system.

2.4.2. The following table provides the transmission system availability for each month of FY 2012-13:

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Table 3: Transmission System Availability during FY 2012-13

S. No.	Month	Availability (%)
1.	Apr-12	99.92%
2.	May-12	99.92%
3.	Jun-12	99.86%
4.	Jul-12	99.90%
5.	Aug-12	99.97%
6.	Sep-12	99.96%
7.	Oct-12	99.96%
8.	Nov-12	99.92%
9.	Dec-12	99.96%
10.	Jan-13	99.86%
11.	Feb-13	99.90%
12.	Mar-13	99.97%
	Average Availability	99.93%

- 2.4.3. The Petitioner respectfully submits to the Hon'ble Commission that the transmission system availability of PSTCL is better/ comparable to that of other Indian states. Following table provides a snapshot of transmission system availability of some of the other Indian states:

Table 4: Transmission System availability for other states for FY 2012-13

All figures in percentage (%)

S. No.	Name of the states	Transmission System Availability
1.	Chhattisgarh	99.62%
2.	Madhya Pradesh	98.00%
3.	Gujarat	99.46%
4.	Punjab	99.93%
5.	Tamil Nadu	99.54%

2.5. Transmission Losses

- 2.5.1. In its Tariff Petition for FY 2013-14, PSTCL has projected the transmission loss at 4.5% for FY 2012-13. The Hon'ble Commission fixed the transmission loss level at 2.5% for FY 2012-13 at the same level as approved for FY 2011-12. The Hon'ble Commission assured that it would revisit the issue of transmission loss in the review



for FY 2012-13 after the boundary meters are provided and energy audit is conducted.

- 2.5.2. The Petitioner submits that ABT meters and associated communication equipment/devices has been integrated with Central Data Centre. Estimated PSTCL losses for the month of June and July, 2015 are coming as 2.19% and 2.88% respectively. The latest status of Boundary Metering has been discussed in Section 5.5.2 of this petition. The Transmission losses have been arrived at by considering the net energy inter-exchange measured through ABT meters installed at Boundary interface points of PSTCL, with interstate substations, with generating plants of PSPCL & IPPs and with PSPCL - Distribution side.
- 2.5.3. The Petitioner submits to the Hon'ble Commission that various transmission utilities of other similar states have their transmission losses in the range of 3.38%-4.55%.

Table 5: Transmission Losses for FY 2012-13 for different states (%)

All figures in percentage (%)

S. No.	State / Transmission Utility	Transmission Loss for FY 2012-13
1	Chhattisgarh	4.55%
2	Rajasthan	4.39%
3	Gujarat	3.89%
4	Madhya Pradesh	3.38%
5	Andhra Pradesh	3.97%
6	Telangana	3.97%
7	Uttar Pradesh	4.08%

- 2.5.4. In view of the above, as the actual transmission loss figures are not available for FY 2012-13, the Petitioner prays to the Hon'ble Commission to approve the transmission losses as requested in Tariff Petition for FY 2012-13.

2.6. Employee Cost (Salary and other expenses)

- 2.6.1. The relevant extract of Regulation 28 Employee Cost of the (Terms and Conditions for Determination of Tariff), Second amendment, dated 17.09.2012 is reproduced below:

"(4) (a) The O&M expenses (except employee cost) for transmission licensee (s) shall be allowed as per the provisions given in clause (2) above. The employee cost

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shall however, be determined keeping in view the provisions contained in clause (3).”

The clauses (2) & (3) are reproduced below:

“(2) O&M expenses for distribution licensee (s) shall be determined by the Hon’ble Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years Provided that any expenditure on account of license fee, initial or renewal, fees for determination of tariff and audit fee shall be allowed on actual basis over and above the A&G expenses approved by the Commission.

(c) In case of a new distribution licensee (s), the Commission shall make suitable assessment of base O&M expenses of the new licensee (s) and allow O&M expenses for subsequent years for the new licensee (s) on the basis of such estimation and principle as given in clause (b) above. However, for employee cost the principle specified in clause (3) below will be followed.

(3) The employee cost for a distribution licensee (s) shall be determined as follows:

(a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:

(i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and

(ii) All other expenses accounted for under different sub-heads of employee cost taken together. The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis and increase in all other expenses under different sub-heads shall be limited to the increase in Wholesale Price Index (all commodities) as per clause (2) (b) above.

(b) Exceptional increase in employee cost on account of pay revision etc. shall be considered separately by the Commission.

(c) The additional employee cost in case of new installations/Network for the year of installation shall be considered separately by the Commission on case to case basis keeping in view the principles and methodologies enunciated in these regulations.”

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2.6.2. The Petitioner submitted the revised employee expenses for FY 2012-13 during ARR petition for FY 2013-14. The Hon'ble Commission approved the revised employee expenses in Tariff Order of FY 2013-14 as per the table given below:

Table 6: Revised Estimate and Approved Salary & other Expenses for FY 2012-13

All figures in Rs Cr.

S. No.	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Other Employee Cost	185.41	111.46	6.91	2.95
2	Pay Revision Arrears	12.87	12.87	0.65	0.65
3	Impact of pay revision	0	26.10	0	0
4	Employee cost for new installation	0	19.00	0	0
	Total Employee Cost	198.28	169.43	7.56	3.60

2.6.3. It is submitted that since the audited annual accounts are finalized, the Petitioner submits the same to the Hon'ble Commission for consideration. Following table provides the detailed salary and other expenses for FY 2012-13:

Table 7: Salary and other employee expenses for FY 2012-13 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Salaries	94.49	3.37	97.86
2	Overtime	3.99	0.00	3.99
3	Dearness Allowance	53.42	1.95	55.36
4	Other Allowances:-			
A	HRA	12.03	0.48	12.50
B	Fixed Medical Allowance	2.01	0.05	2.06
C	Conveyance Allowance	2.25	0.07	2.32
D	Telephone Allowance	0.02	0.00	0.02
	Total (4)	16.31	0.60	16.90

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Sr. No	Particulars	STU	SLDC	PSTCL
5	Staff Welfare Expenses:-			
A	<i>Electricity Concession to Employees</i>	1.99	0.00	1.99
B	<i>Other Staff Welfare Expenses</i>	0.28	0.0024	0.29
	Total (5)	2.28	0.00	2.28
6	Medical Reimbursement Expenses	1.07	0.02	1.09
7	LTC Expenses	0.28	0.01	0.29
8	Total (1 to 7)	171.84	5.94	177.78
9	Less :			
A	<i>Establishment cost recoverable on execution of 66 kV works</i>	1.18	0.00	1.18
B	<i>Employee costs capitalized</i>	43.62	0.00	43.62
10	Total	44.80	0.00	44.80
11	Add : Prior period expenses/losses ¹	0.01	0.00	0.01
12	Outsourced Cost of manpower	8.08	0.11	8.19
13	Net Employee Cost	135.13	6.05	141.18

- 2.6.4. The above salary component of the Employee expenses includes arrears on account of pay revision of the employees Rs 15.95 Cr comprising of Rs 15.40 Cr for STU and Rs 0.55 Cr for SLDC.
- 2.6.5. The Petitioner submits that it could not recruit the required number of employees to run the corporation during the year, so it had to outsource the manpower through outside agency. The cost on this account has been included in the employee cost because had the regular employees been recruited, the cost of the same would have also been reflected as employee cost.
- 2.6.6. The Petitioner has also determined its employee expenses for STU and SLDC for FY 2012-13 on normative basis for salary and other expenses and impact of pay revision allowed by the Hon'ble Commission for FY 2011-12 as per the following paragraphs.
- 2.6.7. The Hon'ble Commission allowed other employee cost as Rs 92.20 Cr for FY 2011-12 including impact of salary revision of Rs 23.68 Cr for STU excluding capitalization of employee cost of Rs51.44 Cr. Thus the employee cost approved by

¹ Note: Prior period expenses of Rs 60,579/- for FY 11-12



the Hon'ble Commission was Rs143.64 Cr before capitalization for STU. Employee cost was Rs 5.72 Cr for SLDC in FY 2011-12. As the Petitioner has to incur the employee cost including of capitalization so WPI has to be applied on the total cost and not on the net cost because capitalization depends on the employees deployed on capital works during the year. The Hon'ble Commission's method of computation of employee cost on normative basis by considering net employee cost is not correct. The capitalization doesn't happen on a linear basis and varies from year to year. For example, in some years the capitalization may be very high due to several capital projects being taken up by the licensee whereas in some years it may be negligible due to very less capital projects taken up. By considering escalation on the net employee cost, Hon'ble Commission is considering capitalization on linear basis every year. Hence, the Petitioner requests to consider its methodology by escalating the gross employee cost and then deducting the employee cost capitalization on actual basis. Accordingly, Petitioner has calculated the approved expenses towards other employee expenses for FY 2011-12 as per the table given below:

Table 8: Other Employee Expense for FY 2011-12 (Gross)

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowed cost	92.20	5.72	97.92
2	Capitalization for FY 2011-12	51.44	0	51.44
3	Other Employee Cost for FY 2011-12 (as determined by Hon'ble Commission) (1+2)	143.64	5.72	149.36

- 2.6.8. The Petitioner is also entitled for the additional employee cost pertaining to new installations/network for the asset added during the year in accordance with Regulation 28 (3) (c) which allows additional employee cost in case of New installations on case to case basis keeping in view the principles and methodologies enunciated in these regulations. In the absence of any specific methodology in the regulation, the Petitioner submits that the addition in employee cost needs to be nothing less than but a factor to the asset added for the respective year. Hence, estimation of additional employee cost would have to be equated to the asset added during the year.
- 2.6.9. Keeping this approach in mind, the Petitioner has equated percentage of asset added (GFA added) during FY 2012-13 for computing the additional employee cost pertaining to new installations/networks. The Petitioner submits that the



capitalization of fixed assets during FY 2012-13 was Rs 590.98 Cr (Rs 590.74 Cr for STU and Rs 0.24 Cr for SLDC). The opening value of GFA as on 01.04.2012 was Rs 5265.15 Cr for STU and Rs 5.50 Cr for SLDC. The employee expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six months during FY 2012-13.

- 2.6.10. The average percentage of assets added during FY 2012-13 is 5.61% $(590.74/5265.15)/2$ for STU, which has been applied on gross employee cost for calculating the additional employee cost on account of assets added during FY 2012-13. Thus, the additional other employee expenses for the fixed assets added during the financial year works out to Rs 8.06 Cr for STU.
- 2.6.11. Similarly, the average percentage of assets added during FY 2012-13 is 2.18 % $(0.24/5.50)/2$ for SLDC, which has been applied on gross employee cost for calculating the additional employee cost on account of assets added during FY 2012-13. Thus, the additional other employee expenses for the fixed assets added during the financial year works out to Rs 0.12 Cr for SLDC.

Table 9: Calculation of Normative Other Employee cost for FY 2012-13

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Other Employee Cost for FY 2011-12 (as per Table No. 8)	143.64	5.72	149.36
2	Additional cost for new installation /network	8.06	0.12	8.18
	Increase as per WPI @ 7.35%	11.15	0.43	11.58
3	Less: capitalization of Employee expenses in FY 2012-13	43.62	0.00	43.62
4	Net Other Employee Cost	119.23	6.27	125.50

2.7. Terminal Benefits

2.7.1. The Hon'ble Commission through its Tariff Regulations notified that:

“(3) The employee cost for a distribution licensee (s) shall be determined as follows

(a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:

(i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and



(ii) all other expenses accounted for under different sub-heads of employee cost taken together.

The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis.....

(4) (a) The O&M expenses (except employee cost) for transmission licensee (s) shall be allowed as per the provisions given in clause (2) above. The employee cost shall however, be determined keeping in view the provisions contained in clause (3).”

2.7.2. The Petitioner submitted the revised estimate of Terminal Benefits for FY 2012-13 in its Tariff Petition for FY 2013-14 which were approved by the Hon’ble Commission as per the following table:

Table 10: Terminal Benefits revised and approved for FY 2012-13
All figures in Rs Cr.

S . No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Terminal Benefits	170.00	170.00	0.00	0.00

2.7.3. The Petitioner submits that the Annual accounts have now been audited and the Petitioner requests the Hon’ble Commission to approve the amount of terminal benefits for the employees as per the given table in accordance with its Regulation.

Table 11: Terminal Benefits for FY 2012-13 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Share Paid to PSPCL			
a	Pension and Gratuity	140.93	0.00	140.93
b	Leave Encashment	18.56	0.00	18.56
c	Medical reimbursement	4.49	0.00	4.49
d	LTC and pension	1.16	0.00	1.16
e	Solatium and Memento	0.15	0.00	0.15
f	Contribution towards NPS, PF etc	1.44	0.03	1.47
2	Terminal benefits of PSTCL employees	0.38	0.00	0.38
	Total	167.11	0.03	167.14

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2.7.4. It is further submitted that the employees recruited by PSTCL are covered under New Pension Scheme (NPS) and are entitled to gratuity under the provisions of the Payment of Gratuity Act, 1972 and the leave salary under the Leave Rules of the Corporation. For discharging the said terminal liabilities, PSTCL has gone for actuarial valuation as on 31.3.2013 towards gratuity and leave salary and the amount claimed as per the valuation is Rs0.38 Cr consisting of Rs 0.14 Cr and Rs 0.24 Cr respectively. The principle of allowing terminal liabilities on pay as you go-on basis as provided under 33 of the Tariff Regulation of 2005 is towards funding of past liabilities of pension and gratuity of the employees covered under the pension scheme. The above liability however, has been created during the FY 2012-13 for meeting the current terminal liabilities of gratuity and leave encashment in respect of employees recruited by PSTCL in compliance of AS 15 issued by the ICAI and is not to be treated as unfunded past terminal liabilities as envisaged under clause 33 of the Tariff Regulations.

2.8. Normative Employee expenses

2.8.1. Normative Employee expenses including salary and other expenses and Terminal Benefits for STU and SLDC is given as per the table below:

Table 12: Total Employee expenses for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Total Other Employee Cost	119.23	6.27	125.50
2	Amount of pay revision	15.40	0.55	15.95
3	Terminal Benefits	167.11	0.03	167.14
4	Total Employee Cost	301.74	6.85	308.59

2.8.2. Audited employee cost is Rs 302.24 (135.13+167.11) Cr. for STU and Rs 6.08(6.05+0.03) Cr for SLDC as compared to normative figures of Rs 301.74 Cr and Rs 6.85 Cr for STU and SLDC.

2.8.3. In light of the judgment of Hon'ble APTEL in case 07 of 2011 in which Hon'ble APTEL allowed PSPCL its employee expenses on actual basis. Petitioner requests Hon'ble Commission to approve actual employee cost of Rs 302.24 Cr and Rs 6.08 Cr for STU and SLDC respectively for FY 2012-13.

2.9. Repair and Maintenance (R&M) Expenses

2.9.1. The Hon'ble Commission through its Tariff Regulation notified that:



“(1) Operation & Maintenance expenses” or “O&M expenses” shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years”

2.9.2. The Petitioner, in its revised Tariff Petition for approval of ARR for FY 2012-13, had submitted the R&M Expenses which were approved by the Hon’ble Commission in its Tariff Order for FY 2013-14 as per the given table:

Table 13: R&M revised expenses submitted and approved for FY 2012-13

All figures in Rs Cr.

S. N o	Particulars	STU		SLDC	
		Revised	Appro ved	Revise d	Appro ved
1	R & M Expenses	54.58	71.45	2.32	0.19
2	R & M Expenses on asset addition during FY 2012-13	14.98	17.15	1.76	0.04
3	Less Capitalization	0.17			
	Net R & M Expenses	69.38	88.60	4.08	0.23

2.9.3. The actual R&M expenses incurred, as per the audited annual account for FY 2012-13 are provided as below:

Table 14: R&M Expenses for FY 2012-13 (Audited)²

All figures in Rs Cr.

² Note: This includes prior period R&M expenses of Rs 2,86,963 for FY 2011-12



Sr. No.	R&M Expenses	STU	SLDC	PSTCL
1	Net Total	52.19	2.04	54.23

2.9.4. The Petitioner is submitting a comparative study of the R&M expenses as a percentage of average GFA for FY 2012-13 for similar STUs. The same has been provided in the following table:

Table 15: Comparative study of R&M Expenses for FY 2012-13 across other states

All figures in percentage (%)

S. No.	Name of the States	R&M expenses as a percentage of average GFA (%)
1.	Gujarat	1.73%
2.	Chattisgarh	1.70%
3.	Delhi	1.46%
4.	Punjab	0.97%
5.	Uttar Pradesh	1.55%

2.9.5. The Petitioner has considered the allowed R&M expenses determined by the Hon'ble Commission as Rs 28.65 Cr (27.85+0.80) considering the R&M expenses for assets added during FY 2011-12 on complete year basis and has further added R&M expenses capitalized (Rs 0.93 Cr) for arriving the normative R&M expenses for FY 2012-13 as discussed in section 2.6.7.

2.9.6. The Petitioner further submits that the Gross Fixed Assets (GFA) is not fairly segregated amongst STU and SLDC. Hence, the Petitioner has segregated its allowed R&M expenses amongst STU and SLDC on the basis of R&M expenses as per Hon'ble Commission approved values of R&M for FY 2011-12. The breakup of R&M expenses for STU and SLDC comes to Rs 26.72 Cr and Rs 1.93 Cr respectively.

2.9.7. The Petitioner submits that it had added fixed assets of Rs 590.74 Cr during FY 2012-13 for STU and Rs 0.24 Cr for SLDC. The R&M expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six months on an average during FY 2012-13.

2.9.8. The opening value of GFA as on 01.04.2012 was Rs 5265.15 Cr for STU. The

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proportion of R&M expenses to opening GFA (27.65 /5265.15) for STU has been applied on addition of assets of Rs 590.74 Cr for half year. Thus, the allowable R&M expenses for the fixed assets added during the financial year works out to be Rs 1.55 Cr for STU. Hence, R&M expenses for FY 2012-13 for STU come to Rs 29.20 (27.65+1.55) Cr.

- 2.9.9. Similarly, opening value of GFA as on 01.04.2012 was Rs 5.50 Cr for SLDC. Similarly, the proportion of R&M expenses to opening GFA (1.93/5.50) for SLDC has been applied on addition of assets of Rs 0.24 Cr for half year. Thus, the allowable R&M expenses for the fixed assets added during the financial year works out to Rs 0.04 Cr for SLDC. Hence, R&M expenses for FY 2012-13 for SLDC come to Rs 1.97 (1.93+0.04) Cr.
- 2.9.10. The Gross R&M expense for PSTCL works out to Rs 31.17 (29.20+1.97) Cr. By applying the increase in WPI at the rate of 7.35% for FY 2012-13, the R&M expenses for STU and SLDC comes to Rs 31.35 Cr and Rs 2.12 Cr respectively.

Table 16: Normative R&M Expenses for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowed R&M expense for FY 2011-12	26.72	1.93	28.65
2	Add: Capitalized R&M in FY 2011-12	0.93	0.00	0.93
3	R&M for assets added during FY 2012-13 for 6 months	1.55	0.04	1.59
4	R&M expense after applying increase in WPI @7.35% for FY 2012-13	31.35	2.12	33.46
5	Less: Capitalized R&M in FY 2012-13	0.54	0.00	0.54
6	R&M for FY 2012-13	30.81	2.12	32.92

- 2.9.11. The Petitioner submits that it had incurred the expenses for FY 2012-13 on the basis of projections as submitted in the Tariff Petition for FY 2012-13 which was filed in November 2011 and further the Tariff Order for FY 2012-13 was notified on 16th July 2012. Hon'ble Commission has approved Rs 69.07 Cr in the above said order as R&M cost and Petitioner had accordingly planned its R&M expenditure and executed it accordingly. As the Hon'ble Commission has amended the PSERC (Terms and Conditions for determination of Tariff) Regulations, 2005 from 17 September 2012, so applying the amended regulations with effect from 01 April

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2012 instead of date of notification i.e. 17th September 2012 is not in accordance with and spirit of the aforesaid amended Regulation of Hon'ble Commission. R&M expenses on pro rata basis calculated till 17.09.2012 would be Rs 32.17 Cr as the Hon'ble Commission applied the amended regulation from 17.09.2012, in addition to above Rs 17.59 Cr was incurred for the period from 18.09.2012 to 31.03.2013.

2.9.12. The Petitioner submits that it had to incur extra R&M expenses to maintain very old transmission system vested with PSTCL at the time of unbundling of erstwhile PSEB. By incurring an extra amount on R&M PSTCL had managed the transmission availability in state more than the normative transmission availability fixed by Hon'ble Commission and has also contributed to security of the Grid and its stability. Efficient transmission availability can also be vouched from the Table 3. In view of the above position Petitioner requests Hon'ble Commission to approve actual R&M cost of Rs 52.19 Cr and Rs 2.04 Cr for STU and SLDC respectively for FY 2012-13.

2.10. Administrative & General Expenses

2.10.1. The Hon'ble Commission through its Tariff Regulation notified that:

"(1) Operation & Maintenance expenses" or "O&M expenses" shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years

Provided that any expenditure on account of license fee, initial or renewal, fees for determination of tariff and audit fee shall be allowed on actual basis over and above the A&G expenses approved by the Commission.

.....

(6) O&M expenses excluding employee expenses for gross fixed assets added during the year shall be considered for a period of six months in cases where Commercial Operation Date of the assets is not available otherwise from the date of commissioning on pro-rata basis."

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- 2.10.2. The Petitioner, in its revised Tariff Petition for approval of ARR for FY 2012-13, had submitted the A&G Expenses which were approved by the Hon'ble Commission in its Tariff Order for FY 2013-14 as per the given table:

Table 17: Revised A&G expenses submitted and approved for FY 2012-13

All figures in Rs Cr.

S.No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Other A&G Expense	24.65	16.45	0.99	0.04
2	Additional A&G expenses on the asset addition	6.91	3.97	0.76	0.01
3	Utility annual license fee + processing fee	0.50	0.50	0.00	0.00
4	Total A&G	32.09	20.92	1.75	0.05

- 2.10.3. The actual A&G expenses incurred as per the audited annual account for FY 2012-13 are as provided below:

Table 18: A&G Expenses for FY 2012-13 (Audited)³

All figures in Rs Cr.

Sr. No.	A&G Expenses	STU	SLDC	PSTCL
1	A&G Expenses	9.60	1.07	10.67
2	Audit Fees and license fee	0.82	0.00	0.82
3	Total A&G expenses	10.42	1.07	11.49

- 2.10.4. The Petitioner further submits a comparative study of the A&G expenses, as a percentage of average GFA for FY 2012-13, for similar STUs as per the following table:

Table 19: Comparative study of A&G Expenses for FY 2012-13 across states

All figures in percentage (%)

³ Note: This includes prior period A&G expenses of Rs 5,60,303 for FY 2011-12

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S. No.	Name of the States	A&G expenses as a percentage of average GFA (%)
1.	Chhattisgarh	0.90%
2.	Gujarat	0.81%
3.	Delhi	1.41%
4.	Punjab	0.35%
5.	Uttar Pradesh	0.27%

- 2.10.5. The Petitioner has considered the A&G expenses determined by the Hon'ble Commission as Rs 12.33 Cr (12.15+0.18) considering the A&G expenses for assets added during FY 2011-12 on complete year basis. Petitioner has further added A&G expenses capitalized (Rs 5.26 Cr) as discussed in section 2.6.7.
- 2.10.6. The Petitioner submits that its GFA have not been segregated fairly amongst STU and SLDC. Hence the Petitioner has segregated its A&G expenses amongst STU and SLDC on the basis of A&G expenses approved by Hon'ble Commission in FY 2011-12. The breakup of A&G expenses for STU and SLDC comes to Rs 17.03 Cr and 0.56 Cr respectively.
- 2.10.7. The Petitioner submits that the capitalization of fixed assets during FY 2012-13 was Rs 590.74 Cr for STU and Rs 0.24 Cr for SLDC. The opening value of GFA as on 01.04.2012 was Rs 5265.15 Cr for STU and Rs 5.50 Cr for SLDC. The A&G expenses for these assets added during the year are being considered assuming that these assets remained in service of STU for six months on an average during FY 2012-13.
- 2.10.8. The proportion of A&G expenses to opening GFA (17.03/5265.15) for STU has been applied on addition of assets Rs 590.74 Cr for half year. Thus, the allowable A&G expenses for fixed assets added during the financial year works out to Rs 0.96 Cr for STU. Further adding Rs 0.32 Cr as Audit fee and Rs 0.50 Cr as License and ARR fee for FY 2012-13 paid on actual basis, the A&G expenses for FY 2012-13 work out to Rs 18.81 (17.03+0.96+0.32+0.50) Cr for STU.
- 2.10.9. Similarly, the proportion of A&G expenses to opening GFA (0.56/5.50) for SLDC has been applied to the addition of assets of Rs 0.24 Cr for half year. Thus the allowable A&G expenses for the fixed assets added during the financial year works

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out to Rs 0.01 Cr for SLDC. A&G expenses for FY 2012-13 work out to Rs 0.57 (0.56+0.01) Cr for SLDC.

2.10.10. The net A&G expenses are now determined as Rs 13.74 Cr for PSTCL comprising of Rs 13.13 Cr for STU and Rs 0.61 Cr for SLDC for FY 2012-13 after applying WPI@7.35% and reducing capitalization of Rs 7.0 Cr for year 2012-13.

Table 20: Normative A&G Expenses for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Normative A&G expense for FY 2011-12	11.77	0.56	12.33
2	Add: A&G Expenses Capitalized for FY 2011-12	5.26	0.00	5.26
3	A&G for assets added during FY 2012-13 for 6 months	0.96	0.01	0.97
4	A&G expense after applying increase in WPI @7.35% for FY 2012-13 (on 1+2)	19.31	0.61	19.92
5	Add: Audit Fee	0.32	0.00	0.32
6	Add: License and ARR fee	0.50	0.00	0.50
7	Less: A&G Expenses Capitalized for FY 2012-13	7.00	0.00	7.00
8	A&G for FY 2012-13	13.13	0.61	13.74

2.10.11. The Petitioner therefore requests the Hon'ble Commission to consider the above facts submitted by it and approve the audited A&G expenses of Rs 10.42 Cr for STU and Rs 1.07 Cr for SLDC for FY 2012-13 as actual expenses are less than the normative expenses.

2.11. Investment

2.11.1. The Petitioner submits that it had made Investment of Rs 965.07 Cr out of which Rs 577.38 Cr was converted to Gross Fixed Assets during FY 2012-13. The remaining investment was carried over as Capital Work in Progress to the next year. Details of Capital Work in Progress (CWIP) is provided as below:

Table 21: Capital Work in Progress (CWIP) for FY 2012-13

All figures in Rs Cr.



S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Capital work in progress	1242.48	5.48	1247.96
2	Add: Addition during the year including capitalization of interest, employee cost & other expenses	963.75	1.32	965.07
3	Less: Transferred to fixed assets during the year	577.38	0.00	577.38
4	Closing Capital Works in progress	1628.85	6.80	1635.65

2.11.2. Further, the Petitioner submits that it has booked assets worth Rs 13.61 Cr which includes Rs 13.37 for STU and Rs 0.24 Cr for SLDC directly to the fixed assets which were not routed through Capital Works in Progress.

2.12. Depreciation Charges

2.12.1. The Hon'ble Commission through its Tariff Regulations notified that:

"Regulation 25 Depreciation

For the purpose of tariff, depreciation shall be computed in the following manner:

a. The value base for the purpose of depreciation shall be the historical cost of the assets, that is actual expenses limited to approved capital cost where such capital cost has been approved by the Commission.

Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation.

b. The historical cost of the asset shall include additional capitalisation.

c. The historical cost shall include foreign currency funding converted to equivalent rupees at the exchange rate prevalent on the date when foreign currency was actually availed but not later than the date of commercial operation.

d. Depreciation for generation and transmission assets shall be calculated annually as per straight-line method over the useful life of the asset at the rate of depreciation specified by the Central Electricity Regulatory Commission from time to time.

e. Depreciation for distribution and other assets not covered by CERC shall be as per the rates notified in the Companies Act as revised from time to time.

Provided that the total depreciation during the life of the asset shall not exceed 90% of the original cost."

2.12.2. The Petitioner revised the projected depreciation charges which were further approved by the Hon'ble Commission in its Tariff Order for FY 2013-14 as given in the following table:



Table 22: Revised Depreciation Charges submitted and approved for FY 2012-13

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Depreciation	188.6	147.9	0.63	0.40

- 2.12.3. For the true-up of ARR for FY 2012-13, the Petitioner submits the details of depreciation as per the annual audited accounts for FY 2012-13 as per the details provided below:

Table 23: Depreciation Charges for FY 2012-13 (Audited)⁴

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Depreciation	108.29	0.49	108.78

- 2.12.4. The Petitioner thus requests the Hon'ble Commission to approve the depreciation of Rs 108.29 Cr for STU and Rs 0.49 Cr for SLDC as per the audited account for FY 2012-13.

2.13. Interest Charges

- 2.13.1. The Hon'ble Commission in its Tariff Regulation has notified:

"26. INTEREST AND FINANCE CHARGES ON LOAN

- 1. For Existing Loan Capital, Interest & finance charges shall be computed on the outstanding Loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower*
- 2. For New investments, Interest & finance charges shall be computed on the loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the*

⁴ Note: This includes prior period depreciation expenses of Rs 1,70,590 prior to FY 2009-10, Rs 35,96,468 for FY 2010-11, FY 2,95,18,971 for FY 2011-12

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actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower.

3. The interest rate on the amount of equity above 30% treated as loan shall be the weighted average rate of interest on loan capital of the generating company / licensee;

Provided that interest and finance charges of renegotiated loan agreements shall not be considered, if they result in higher charges.

Provided further that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost.

4. Interest charges on security deposits, if any, made by the consumers with a generating company/licensee, shall be considered at the rate specified by the Commission from time to time.
5. In case any moratorium period is availed of, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
6. The Commission shall allow obligatory taxes on interest, commitment charges, finance charges (including guarantee fee payable to the Govt.) and any exchange rate difference arising from foreign currency borrowings, as finance cost.
7. Any saving in costs on account of subsequent restructuring of debt shall be shared between the consumers and the generating company / licensee in such ratio as may be decided by the Commission.”

- 2.13.2. The Petitioner has submitted the revised estimation of Interest charges which were approved by the Hon'ble Commission in its Tariff Order for FY 2013-14 and tabulated as under:

Table 24: Revised Interest Charges submitted and approved for FY 2012-13

All figures in Rs Cr.

Particulars	STU		SLDC	
	Revised	Approved	Revised	Approved
Interest & Finance Charges	205.36	180.18	0.71	0.06

- 2.13.3. The Petitioner submits that, as per the audited annual accounts, the source wise total long term loans outstanding for PSTCL for FY 2012-13 as on 31st March 2013 are given as per the table below:

Table 25: Loan schedule for FY 2012-13



All figures in Rs Cr.

S. No.	Name of Source	Opening Balance as on 01.04.12	Received	Re-paid	Closing Balance as on 31.03.2013
1	Long Term Loans				
A	REC	1140.93	827.57	37.07	1931.43
B	OBC	211.55	0.00	57.21	154.34
C	SBOP	50.00	0.00	11.11	38.89
D	LIC	220.47	0.00	40.92	179.55
E	Loan from PSPCL	715.86	77.06	0.00	792.92
F	GPF liability	201.79	17.76	0.00	219.55
2	Total	2540.59	922.39	146.31	3316.67
3	Working Capital Loans				
A	C.C. Limit	9.67	38.85	0.00	48.52
B	REC (STL)	100.00	0.00	100.00	0.00
4	Total	109.67	38.85	100.00	48.52
5	Total loans for STU	2650.26	961.24	246.31	3365.19
6	Loan for SLDC	0.00	0.77	0.00	0.77
7	Total loan for PSTCL	2650.26	962.01	246.31	3365.96

2.13.4. The Petitioner submits that it has incurred the Interest Charges as given in the table below:

Table 26: Interest and Finance Charges for FY 2012-13 (Audited)

All figures in Rs Cr.

S. No.	Interest on Loans (Rs Cr.)	STU	SLDC	PSTCL
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S. No.	Interest on Loans (Rs Cr.)	STU	SLDC	PSTCL
1	Interest on Loans:			
A	Life Insurance Corporation	21.55	0.00	21.55
B	Rural Electrification Corporation	189.17	0.01	189.18
c	Commercial Banks	26.00	0.00	26.00
d	Loan from PSPCL	85.62	0.00	85.62
e	General Provident Fund	17.52	0.00	17.52
3	Total	339.86	0.01	339.87
4	Other interest & finance charges:			
a	Miscellaneous finance charges ⁵	1.56	0.00	1.56
5	Total	1.56	0.00	1.56
6	Grand Total	341.42	0.01	341.43
7	Less : Interest capitalized	133.82	0.00	133.82
8	Add: Prior period expenses/losses ⁶	0.22	0.00	0.22
9	Net Total	207.82	0.01	207.83

2.13.5. The Petitioner requests the Hon'ble Commission to allow the interest and finance charges of Rs 207.82 Cr for STU and Rs 0.01 Cr for SLDC as per its Audited Accounts for FY 2012-13.

2.13.6. The Petitioner submits that the investments in the past years were more than the loans drawn during the corresponding period. The details of loans and capital expenditure for the previous years are submitted as per the table below:

Table 27: Details of Loans and Capital Expenditure

All figures in Rs Cr.

⁵ Note: This includes Rs 15,74,230/- as interest on NPS, Rs 1,37,47,640/- as interest on capital liability and Rs 2,66,032/- as bank commission/charges

⁶ Note: Prior period financing expenses of Rs 21,85,788 for FY 2010-11

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Financial Year	Loan	Capital Expenditure	Difference
FY 2010-11	288.35	505.09	216.74
FY 2011-12	839.40	922.79	83.39
FY 2012-13	923.16	965.07	41.91
Cumulative	2050.91	2392.95	342.04

2.13.7. The Petitioner submits that Loans were not drawn in the initial years due to late finalization of balance sheet which was notified on 24.12.2012 by the Govt. of Punjab vide Amended Transfer Scheme, 2012. Till that date PSTCL retained the excess amount i.e. difference of transmission charges as per the Tariff Order for FY 2010-11 and reviewed transmission charges for FY 2010-11 from PSPCL. Now, as true up of FY 2010-11 and FY 2011-12 have been finalized, PSTCL owes to PSPCL this excess amount received which will be repaid in the coming years So, there was less borrowings as compared to the capital expenditure in the initial years

2.13.8. It is pertinent to mention that the outstanding difference between capital expenditure and loans up to FY 2012-13 was Rs 342.04 Cr. The Petitioner has met this difference partly by the amount received from PSPCL and partly from its internal accruals amounting to Rs 79.90 Cr (Please refer subsection 2.15.3). This internal accrual has been reckoned as paid up equity capital for the purpose of computing return on equity as it is actually utilized for meeting the capital expenditure in accordance with 'Regulation 25 (3) Return on Equity' of the PSERC Tariff Regulations.

2.13.9. The Petitioner submits that the excess amount received from PSPCL will be repaid through loans in the future years and interest will be claimed only in those years

2.14. Interest on Working Capital

2.14.1. The Hon'ble Commission through its Tariff Regulations has notified:

"Regulation 30- Working Capital & Interest rate on Working Capital

For transmission licensee (s) and SLDC, the working capital shall be the sum of the following:

(i) Operation and Maintenance expenses for one month

(ii) Receivables equivalent to two months

(iii) Maintenance spares @ 15% of Operation and Maintenance expenses"

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- 2.14.2. The Petitioner, in its revised Tariff Petition for approval of ARR of FY 2012-13, has computed the Interest on Working Capital which were approved by the Hon'ble Commission as per the table given below:

Table 28: Interest on Working Capital submitted and approved for FY 2012-13

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Working Capital	290.78	239.71	8.23	2.87
2	Interest on Working Capital	42.89	26.20	1.21	0.31

- 2.14.3. Petitioner has calculated working capital based on Hon'ble APTEL's order on Appeal no. 259 of 2013, dated 26th November 2014. SBI rate of 14.75% has been considered for period before 17.09.2012 and weightage average interest rate of 11.64%⁷ has been considered from 18.09.2012 onwards. Interest on Working Capital for FY 2012-13 is determined as per the table below:

Table 29: Calculation of Working Capital and Interest thereon for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Receivable equivalent to two months	131.59	1.93	133.52
2	Maintenance spares @ 15% of operation and maintenance expenses	54.73	1.38	56.11
3	Operation and maintenance expenses for one month	30.40	0.77	31.17
4	Total working capital	216.72	4.08	220.80
5	Rate of Interest for 170 days (till 17.09.2012)	14.75%	14.75%	14.75%
6	Interest on Working capital (upto 17.09.2012)	14.89	0.28	15.17
7	Rate of Interest for 195 days (18.09.2012 onwards)	11.64%	12.25%	
8	Interest on Working capital (18.09.2012 onwards)	13.48	0.27	13.74
9	Interest on Working capital - Total	28.37	0.55	28.91

⁷ Note: Calculation of same has been provided in Format I



2.14.4. The Hon'ble Commission is requested to allow the Interest on Working Capital of Rs 28.37 Cr for STU and Rs 0.55 Cr for SLDC as determined by the Petitioner in accordance with the provisions of the relevant Regulations.

2.15. Return on Equity (RoE)

2.15.1. The Hon'ble Commission in its Tariff Regulations has notified:

"25. RETURN ON EQUITY

- 1. Return on Equity shall be computed @ 15.5% on the paid up equity capital determined in accordance with Regulation 24.*
- 2. Equity invested in foreign currency shall be allowed a return up to the prescribed limit under clause (1) of this Regulation in the same currency and the payment on this account shall be made in Indian Rupees based on the exchange rate on the date of declaration of dividends. The difference in actual exchange rate and the provisional exchange rate considered while determining the ARR and Tariff shall be taken into consideration at the time of Truing Up.*
- 3. The premium raised by the generating company or the licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up equity capital for the purpose of computing return on equity, subject to limit prescribed in Regulation 24, provided such premium amount and internal resources are actually utilised for meeting capital expenditure.*
- 4. For allowing Return on Equity, the Commission shall consider the actual amount of equity employed in creation of assets."*

2.15.2. The Petitioner had claimed revised RoE for ARR of FY 2012-13, with details given as the following table. The RoE was claimed by grossing up by the tax rate. The Hon'ble Commission approved the RoE as per the table given below:

Table 30: Return on Equity submitted and approved for FY 2012-13

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Return On Equity	75.38	93.90	0.00	0.00

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- 2.15.3. The Petitioner booked a profit of Rs 200.81 Cr during FY 2012-13 as per the Audited Accounts. An amount of Rs 42.14 Cr was paid as tax on the profit earned. The net profit of Rs 158.66 Cr was accrued to the Reserves and Surplus account of the Petitioner. The Petitioner had a standing loss of Rs 78.76 Cr at the opening of FY 2012-13, which was adjusted against the net profit earned during FY 2012-13. The balance surplus amount of Rs 79.90 Cr being the internal accruals has been utilized to fund the gap between loan and capital expenditure as discussed in the subsection 2.13.8.
- 2.15.4. The Petitioner has determined RoE for 170 days of FY 2012-13 at a rate grossed up by Tax rate of 20.96% as 19.61%. For remaining period, the Petitioner has determined the RoE at the rate of 15.50% in accordance with the effective date of notification of the Amendment to the Tariff Regulations. The Petitioner computed the RoE for FY 2012-13 with details as provided below:

Table 31: Return on Equity for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	PSTCL
1	Equity at the opening of FY 2012-13	605.88
2	Internal accruals/ free reserves reckoned as paid up equity	79.90
2	Pre-tax % RoE	15.50%
3	Tax Rate	20.96%
4	Gross up % RoE	19.61%
5	Equity before notification of Amended Tariff Regulation (((605.88+79.90/2)*19.61%*170 days/365 days)	58.99
6	Equity for the remaining period of FY 2012-13 (((605.88+79.90/2)*15.50%*195 days/365 days)	53.48
7	Total RoE (5+6)	112.47

- 2.15.5. Thus, the Petitioner humbly requests the Hon'ble Commission to allow the RoE of Rs 112.47 Cr determined for FY 2012-13.

2.16. Tax on Income

- 2.16.1. The Hon'ble Commission in its Tariff Regulation has notified:

"32: Tax on Income"



1. *Obligatory taxes, if any, on the income of the generating company or the licensee from its core / licensed business shall be computed as an expense and shall be recovered from the customers/consumers
Provided that tax on any income other than the core / licensed business shall not constitute a pass through component in tariff and tax on such other income shall be payable by the generating company or the licensee.*
 2. *Tax on income, if actually liable to be paid, shall be limited to tax on return on equity allowed, excluding incentives.*
 3. *The Tax on income shall be considered at income tax rate including surcharge, cess, etc as applicable during the relevant year in accordance with the provisions of Income Tax Act, 1961 duly amended from time to time.*
 4. *The benefits of tax holiday and the credit for carrying forward losses applicable as per the provisions of the Income Tax Act, 1961 shall be fully passed on to the customers / consumers”*
- 2.16.2. The Petitioner submits that, by virtue of the PSERC Tariff Regulations, it was entitled to tax on RoE amounting to Rs 12.36 Cr till 17.09.2012. Further, Rs 11.21 Cr as Corporate tax @ 20.96% on the RoE is allowable for the remaining period of FY 2012-13 as per amended PSERC Tariff Regulations. Thus the total tax allowable as per Regulations is Rs 23.57 Cr.
- 2.16.3. The Petitioner submits that it had paid tax amounting to Rs 42.14 Cr for its income of FY 2012-13. The Petitioner has paid this tax on its Income during FY 2012-13 on account of higher revenue recovered by the Petitioner due to pass through of the past years revenue gap and revenue earned through miscellaneous Non-tariff income and income on account of open access charges which were uncontrollable and which contributed to profit more than ROE.
- 2.16.4. Petitioner submits that revenue gap of Rs 75.80 Cr allowed by the Hon'ble Commission relating to previous years was allowed in FY 2012-13 including carrying cost which resulted in additional profit over and above RoE for which PSTCL had to pay additional income tax in FY 2012-13. Had the revenue gap was allowed in previous years the Hon'ble Commission would have allowed income tax to the tune of Rs 16.51 Cr in the previous years itself as per the PSREC regulations then enforce.
- 2.16.5. The Petitioner incurred losses in these years and was not entitled for any income tax. Petitioner further submits that it earned other income of Rs 82.99 Cr from open access charges and non tariff income against the initially approved income of Rs 36.98 Cr. Thus the Petitioner had to pay extra income tax on additional revenue of Rs 46.01 Cr. The income tax on this additional income comes to Rs 9.64 Cr, however, due to excess expenditure on other expenses, PSTCL paid only Rs 2.06 Cr



extra income tax.

- 2.16.6. The Petitioner, therefore, prays to the Hon'ble Commission to allow the total tax paid towards MAT amounting to Rs 42.14 Cr as tax on the income for FY 2012-13 to be passed through in the true up as discussed in aforementioned paragraphs.

2.17. ULDC charge

- 2.17.1. The revised ULDC charges submitted by the Petitioner for FY 2012-13 and further as approved by the Hon'ble Commission through Tariff Order for FY 2013-14 are shown in the table below:

Table 32: ULDC charges submitted and approved for FY 2012-13

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	ULDC Charge	0.00	0.00	17.30	13.30

- 2.17.2. The Petitioner now submits the ULDC charges as per the Audited Accounts for FY 2012-13 as per the table below:

Table 33: ULDC charges (Audited)

All figures in Rs Cr.

Sr. No	Particulars	PSTCL
1	ULDC Charges - SLDC own share	3.37
2	ULDC Charges - BBMB share	1.02
3	ULDC Charges - Central Sector share	9.52
	Total	13.91

- 2.17.3. The Petitioner prays the Hon'ble Commission to approve the ULDC charges of Rs 13.91 Cr as per the Audited Accounts for FY 2012-13.

2.18. Non-tariff income

- 2.18.1. The Hon'ble Commission in its Tariff Regulation has notified:

“Regulation 34 Non Tariff Income

Following components of income shall be treated as non tariff income for the generating company or the licensee (s) as applicable:

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- *Meter/metering equipment/service line rentals*
- *Service charges*
- *Customer charges*
- *Revenue from late payment surcharge*
- *Miscellaneous receipts*
- *Incentives from CGS's*
- *Miscellaneous charges (except PLEC charges)*
- *Interest on staff loans and advances*
- *Interest on advances to suppliers*
- *Income from trading*
- *Income from staff welfare activities*
- *Excess found on physical verification*
- *Interest on investments, fixed and call deposits and bank balances*
- *Net recovery from penalty on coal liaison agents*
- *Prior period income*
- *Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc."*

2.18.2. The Petitioner in its revised Tariff Petition for approval of ARR for FY 2012-13, re-estimated non tariff income which was approved by the Hon'ble Commission as per the given table:

Table 34: Non tariff income submitted and approved for FY 2012-13

All figures in Rs Cr.

S . N o	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Non Tariff Income	5.76	61.21	5.85	5.85

2.18.3. Now as per the audited annual accounts, Non-tariff income for transmission function of PSTCL, without considering the revenue from open access consumers is as given below:

Table 35: Non tariff income for FY 2012-13 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
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Sr. No	Particulars	STU	SLDC	PSTCL
1	Non Tariff Income	14.98	3.37	18.35

2.18.4. Thus, the Petitioner respectfully requests the Hon'ble Commission to consider Non-tariff income as of Rs 14.98 Cr for STU and Rs 3.37 Cr for SLDC per the audited account.

2.19. Transmission Charges from Open Access Consumers

2.19.1. The Petitioner submits to the Hon'ble Commission that it has received Rs 64.64 Cr as transmission charges from open access customers as per the audited annual accounts for FY 2012-13 and thus requests the Hon'ble Commission to approve the same of Rs 55.46 Cr for STU and Rs 9.18 Cr for SLDC for FY 2012-13.

Table 36: Transmission charges from open access consumers (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Transmission Charges from Open Access Customers	55.46	0.0	55.46
2	Operating charges from open access customers	0.002	9.18	9.18
3	Total	55.46	9.18	64.64

2.20. Incentive on Transmission system availability

2.20.1. The Petitioner submits to the Hon'ble Commission that as per its Tariff Regulations: "10. EXCESS OR UNDER RECOVERY WITH RESPECT TO NORMS AND TARGETS

1. The generating company or the licensee, as the case may be, shall retain the entire gain arising from over achievement of the norms laid down by the Commission in these Regulations or targets set by the Commission from time to time.

2. The generating company or the licensee, as the case may be, shall bear the entire losses on account of its failure to achieve the norms laid down by the Commission or targets set by the Commission from time to time.

3. The Transmission licensee shall be paid transmission charge (inclusive of

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incentive) for a calendar month for a transmission system or part thereof
= AFC x (NDM / NDY) x (TAFM / NATAF)

Where, AFC = Annual fixed cost specified for the year, in Rupees

NATAF = Normative annual transmission availability factor shall be taken as 98%

NDM = Number of days in the month

NDY = Number of days in the year

TAFM = Transmission system availability factor for the month, in %, calculated by the respective Transmission Licensee got verified and certified by the SLDC."

- 2.20.2. In accordance with this regulation the Petitioner is eligible for incentive for over achieving the availability targets for transmission system availability which has been verified and certified by SLDC.
- 2.20.3. The net transmission charges inclusive of incentive on the basis of fixed charges for STU are given as per the table below. The incentive has been determined from the date of notification of the PSERC (Terms and Conditions for Determination of Tariff), Second Amendment, Regulations, 2012 in the Gazette on 18th September 2012:

Table 37: Incentive on Transmission System Availability for FY 2012-13

All figures in Rs Cr.

S. No.	Month	Monthly Transmission Charge	Transmission charges inclusive incentive	Incentive
1.	Apr-12	65.88	65.88	-
2.	May-12	68.08	68.08	-
3.	Jun-12	65.88	65.88	-
4.	Jul-12	68.08	68.08	-
5.	Aug-12	68.08	68.08	-
6.	Sep-12	65.88	66.45	0.57
7.	Oct-12	68.08	69.44	1.36
8.	Nov-12	65.88	67.17	1.29
9.	Dec-12	68.08	69.44	1.36
10.	Jan-13	68.08	69.37	1.29
11.	Feb-13	61.49	62.68	1.19
12.	Mar-13	68.08	69.45	1.37
	Total	801.58	810.02	8.43

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2.20.4. The Petitioner submits to the Hon'ble Commission to approve the incentive of Rs 8.43 Cr for transmission system availability as determined above for FY 2012-13.

2.21. Annual Revenue Requirement

2.21.1. The summary of the approved ARR and the expenses for FY 2012-13 in accordance with the PSERC Tariff Regulations 2005 and its subsequent amendments is presented as per the table given below:

Table 38: Annual Revenue Requirement (ARR) for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	Initially Approved			Allowable Expense		
		STU	SLDC	PSTCL	STU	SLDC	PSTCL
1	Employee Cost	211.12	4.54	215.66	302.24	6.08	308.32
2	R&M expenses	68.89	0.18	69.07	52.19	2.04	54.23
3	A&G expenses	13.79	0.03	13.82	10.42	1.07	11.49
4	Depreciation	147.90	0.40	148.30	108.29	0.49	108.78
5	Interest charges	244.85	1.65	246.50	207.82	0.01	207.83
6	Interest on Working Capital	25.15	0.77	25.92	28.37	0.55	28.91
7	ULDC Charges	0.00	21.00	21.00	0.00	13.91	13.91
8	Return on Equity	50.92	0.00	50.92	112.47	0.00	112.47
9	Tax on Income as per Regulation	0.00	0.00	0.00	11.21	0.00	11.21
10	Additional income tax on account of revenue gap of previous year	0.00	0.00	0.00	16.51	0.00	16.51
11	Additional income tax on account of uncontrollable income	0.00	0.00	0.00	2.06	0.00	2.06
12	Total	762.62	28.57	791.19	851.57	24.14	875.71
13	Less: Non tariff income	36.98	0.00	36.98	14.98	3.37	18.35
14	Less: Charges from short term open access consumers	0.00	0.00	0.00	55.46	9.18	64.64
15	Annual Revenue Requirement	725.64	28.57	754.21	781.13	11.59	792.72
16	Incentive	0.00	0.00	0.00	8.43	0.00	8.43
17	Gross ARR	725.64	28.57	754.21	789.56	11.59	801.15
18	Revenue Gap for FY 2011-12 carried forward	71.17	0.00	71.17	0.00	0.00	0.00
19	Carrying cost for Revenue Gap	4.63	0.00	4.63	0.00	0.00	0.00
20	Cumulative Revenue Requirement	801.44	28.57	830.01	789.56	11.59	801.15

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2.21.2. The Petitioner requests the Hon'ble Commission to allow the true up of ARR determined as per the table given above for FY 2012-13.

2.22. Revenue Surplus / (Gap) for PSTCL

2.22.1. The following table computes the Revenue Surplus / (Gap) based on the allowable revenue required by the Petitioner and approved revenue from tariff for FY 2012-13:

Table 39: Revenue Surplus /(Gap) for FY 2012-13

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowable ARR	789.56	11.59	801.15
2	Revenue from approved Tariff	801.44	28.57	830.01
3	Revenue Gap- Surplus (+)/ Deficit (-) for FY 2012-13	11.88	16.98	28.86

2.22.2. Thus the Petitioner requests the Hon'ble Commission to allow the revenue gap/surplus for PSTCL for FY 2012-13 as per the above given table.



TRUE UP FOR FY 2013-14

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3. TRUING UP OF FY 2013-14 FOR PSTCL

3.1. Background

- 3.1.1. In this section, the Petitioner submits the true up of FY 2013-14 for STU and SLDC functions of the PSTCL.
- 3.1.2. The Hon'ble Commission in its Tariff Order for FY 2013-14, pronounced on 10th April 2013 for PSTCL, approved the ARR of Rs 1269.64 Cr including revenue gap and its carrying cost. Further, PSERC in its Tariff Order for FY 2014-15 dated 22nd August 2014, approved a revised ARR of Rs 853.98 Cr.
- 3.1.3. The Petitioner submits the true up for FY 2013-14 on the basis of audited accounts as required under the provisions of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 and subsequent amendments. The comments of CAG of India on supplementary audit was received on 24.11.2015. The same along with replies of the management on the comments of Statutory Auditors and C&AG of India will be submitted to the Hon'ble Commission after it is approved by the Board of Directors of the Petitioner. The Petitioner has submitted the actual numbers based on audited accounts. The Petitioner also submits its rationale for the key heads of expenditure which critically impact its overall financial health. This section further describes the various components of ARR as well as the performance of PSTCL in FY 2013-14 for transmission and SLDC business.

3.2. Description of the Transmission System

- 3.2.1. Details of the transmission system of PSTCL as on 01st April 2013 and 31st March 2014 are tabulated below:

Table 40: Transmission system of PSTCL during FY 2013-14

S. No.	Particulars	Opening (As on 1 st April 2013)	Addition during the year	Closing (As on 31 st March 2014)
Transmission Lines (Circuit kms)				
1	400 kV	-	367.75	367.75
2	220 kV	5,146.46	374.31	5,520.77
3	132 kV	3,087.20	25.00	3,112.20
	Total	8,233.66	767.06	9,000.72
Substations (Nos)				
1	400 kV	1	1	2
2	220 kV	70	13	83
3	132 kV	78	-2	76



S. No.	Particulars	Opening (As on 1 st April 2013)	Addition during the year	Closing (As on 31 st March 2014)
	Total	149	12	161
Transmission Substation Bays (Nos)				
1	400 kV	4	2	6
2	220 kV	447	22	469
3	132 kV	510	4	514
4	66 kV	830	0	830
	Total	1,791	28	1,819
Substation Capacity				
1	Substation Capacity (MVA)	23,261.17	3,852.00	27,113.17

3.3. Transmission System Capacity

- 3.3.1. The Petitioner submits to the Hon'ble Commission the gross and net transmission capacities of the State, considering the State and private generating capacities and Central sector allocations as on 31st March 2014. Detailed breakup of these capacities are provided below:

Table 41: Generation capacity in MW during FY 2013-14 as on 31 March 2014

Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
GNDTP, Bathinda	450	401
GGSSTP, Ropar	1,260	1,153
GHTP, Lehra Mohabbat (Unit # 1 & 2) (Stage-I)	420	384
GHTP, Lehra Mohabbat (Unit # 3 & 4) (Stage-II)	500	458
TOTAL THERMAL	2,630	2,396
Shanan	110	109
UBDC-I	45	45
UBDC-II	46	46
UBDC TOTAL	91	91
RSPP	600	

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Less 20% J&K and 4.6% HP share from RSD	(148)	
Net RSD share of Punjab	452	452
ASHP	134	133
MHP-1&2	90	90
MHP-3&4	117	117
MHP Total	207	207
TOTAL HYDRO	994	992
PEDA & Others including Jalkheri	297	266
Micro Hydel	6	6
Rajpura TPP	700	700
BBMB	1,161	1,155
Farakka STPS	22	20
Kahalgaon-I	51	45
Tala	30	29
Kahalgaon-II STPS	120	109
Singrauli STPS	200	180
Rihand STPS-I	110	98
Rihand STPS Stage-II	102	93
Unchahar-I	36	32
Unchahar-II	60	53
Unchahar-III	17	15
Anta GPS	49	46
Auraiya GPS	83	78
Dadri NCGPS	132	124
NAPS	51	44
RAPP B	100	87
RAPP C	46	40
Bairasiul HPS	84	80
Salal HPS	184	176
Nathpa Jhakri HPS	152	146
Tehri Stage-I	77	74
Dulhasti HEP	32	31

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Tanakpur HPS	17	16
Chamera HPS-I	55	53
Dhauliganga HEP	28	27
Chamera HPS-II	30	29
Sewa-II HEP (3 Units)	10	10
Uri-I HPS	66	63
Uri-II HPS	15	14
Koteshwar HEP	25	24
Rihand-III	41	37
Chamera-III	18	17
Durgapur DVC TPS	200	179
Pragati-III(Bawana)PPCL	69	65
MALANA-2 (PTC)	86	83
SASAN Ultra Mega Project	198	192
MUNDRA Ultra mega project	475	461
TOTAL CENTRAL SECTOR	3,071	2,870
TOTAL CAPACITY	8,859	8,385

3.4. Transmission System Availability

- 3.4.1. The Petitioner submits to the Hon'ble Commission that the overall Transmission System Availability as certified by Chief Engineer SLDC, in FY 2013-14 was 99.87%. This reflects the operational efficiency of PSTCL's transmission system.
- 3.4.2. The following table provides the transmission system availability for each month of FY 2013-14:

Table 42: Transmission System Availability during FY 2013-14

S. No.	Month	Availability (%)
1	Apr-13	99.90%
2	May-13	99.94%
3	Jun-13	99.90%
4	Jul-13	99.85%
5	Aug-13	99.54%

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S. No.	Month	Availability (%)
6	Sep-13	99.91%
7	Oct-13	99.94%
8	Nov-13	99.96%
9	Dec-13	99.79%
10	Jan-14	99.83%
11	Feb-14	99.93%
12	Mar-14	99.89%
	Average Availability	99.87%

- 3.4.3. The Petitioner respectfully submits to the Hon'ble Commission that the transmission system availability of PSTCL is better/ comparable to that of other Indian States. Following table provides a snapshot of transmission system availability of some of the other Indian States:

Table 43: Transmission System availability for other states for FY 2013-14

All figures in percentage (%)

S. No.	Name of the states	Transmission System Availability
1.	Chhattisgarh	99.73%
2.	Madhya Pradesh	98.00%
3.	Gujarat	99.48%
4.	Punjab	99.87%
5.	Tamil Nadu	98.85%

3.5. Transmission Losses

- 3.5.1. In its Tariff Petition for FY 2013-14, PSTCL has projected the transmission loss at 4.50% for FY 2013-14. The Hon'ble Commission fixed the transmission loss level at 2.50% for FY 2013-14 at the same level as approved for FY 2011-12 and FY 2012-13. The Hon'ble Commission assured that it would revisit the issue of transmission loss in the review for FY 2013-14 after the boundary meters are provided and energy audit is conducted.

- 3.5.2. The Petitioner submits to the Hon'ble Commission that various transmission utilities of other similar states have their transmission losses in the range of 3.38%-4.39%.

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Table 44: Transmission Losses for FY 2013-14 for different states (%)

All figures in percentage (%)

S. No.	State / Transmission Utility	Transmission Loss for FY 2013-14
1	Chhattisgarh	3.79%
2	Rajasthan	4.39%
3	Gujarat	3.89%
4	Madhya Pradesh	3.38%
5	Andhra Pradesh	3.59%
6	Telangana	3.59%
7	Uttar Pradesh	4.17%

3.5.3. In view of the above and as explained in section 2.5.2 of this petition, as the transmission loss figures are not available for FY 2013-14, the Petitioner prays to the Hon'ble Commission to approve the transmission losses as requested in Tariff Petition for FY 2013-14.

3.6. Employee Cost (Salary and other expenses)

3.6.1. The Petitioner submitted the revised employee expenses for FY 2013-14 during ARR petition for FY 2014-15. The Hon'ble Commission approved the revised employee expenses in Tariff Order of FY 2014-15 as per the table given below:

Table 45: Revised Estimate and Approved Salary & other Expenses for FY 2013-14

All figures in Rs Cr.

S. No.	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Other Employee Cost	132.80	104.22	7.02	6.46
2	Arrear	15.40	15.40	0	0
3	Impact of pay revision	0	0	0	0
4	Employee cost for new installation	0	0	0	0
	Total Employee	148.20	119.62	7.02	6.46

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S. No.	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
	Cost				

3.6.2. It is submitted that since the audited annual accounts are finalized, the Petitioner submits the same to the Hon'ble Commission for consideration. Following table provides the detailed salary and other expenses for FY 2013-14:

Table 46: Salary and other employee expenses for FY 2013-14 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Salaries	101.65	3.34	104.99
2	Overtime	6.40	0.00	6.40
3	Dearness Allowance	62.15	2.20	64.35
4	Other Allowances			
a	<i>HRA</i>	12.47	0.48	12.95
b	<i>Fixed Medical Allowance</i>	2.03	0.04	2.07
c	<i>Conveyance Allowance</i>	2.30	0.07	2.37
d	<i>Telephone Allowance</i>	1.39	0.00	1.39
	Total (4)	18.19	0.59	18.78
	Total (A)	188.38	6.13	194.51
5	Staff Welfare Expenses			
i	Electricity Concession to Employees	2.31	0.00	2.31
ii	Staff Welfare Expenses	0.25	0.00	0.25
	Total (B)	2.56	0.00	2.56
6	Medical Reimbursement	1.04	0.04	1.08
7	LTC Expenses	0.06	0.05	0.10
8	Payment under Workmen Compensation Act	0.08	0.00	0.08
	Total (C)	1.17	0.09	1.26
9	Grand Total(A+B+C)	192.12	6.22	198.34
	Less :			
i	Establishment cost recoverable on execution of 66 kV works	0.25	0.00	0.25

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Sr. No	Particulars	STU	SLDC	PSTCL
ii	Employee costs capitalized	45.88	0.00	45.88
	Total	46.13	0.00	46.13
10	Add : Prior period expenses/losses	0.004	0.00	0.00
11	Outsourced Cost of manpower	16.42	0.17	16.59
	Net Total	162.42	6.39	168.80

- 3.6.3. The above salary component of the Employee expenses includes arrears on account of pay revision of the employees of Rs 15.42 Cr comprising of Rs 14.88 Cr for STU and Rs 0.54 Cr for SLDC.
- 3.6.4. The Petitioner submits that it could not recruit the required number of employees to run the corporation during the year, so it had to outsource the manpower through outside agency. The cost on this account has been included in the employee cost because had the regular employees been recruited, the cost of the same would have also been reflected as employee cost.
- 3.6.5. The Petitioner is also entitled for the additional employee cost pertaining to new installations/network for the asset added during the year in accordance with Regulation 28 (3) (c) which allows additional employee cost in case of New installations on case to case basis keeping in view the principles and methodologies enunciated in these regulations. In the absence of any specific methodology in the regulation, the Petitioner submits that the addition in employee cost needs to be nothing less than but a factor to the asset added for the respective year. Hence, estimation of additional employee cost would have to be equated to the asset added during the year.
- 3.6.6. The Petitioner has also determined its employee expenses for STU and SLDC for FY 2013-14 on normative basis explained in the following paragraphs.
- 3.6.7. As explained in section 2.6.7 and section 2.6.8, the Petitioner has calculated (please refer Table 8) the normative other employee expenses for FY 2012-13 as Rs 119.23 Cr for STU and Rs 6.27 Cr for SLDC. To determine full year additional employee cost pertaining to new installations/networks for FY 2012-13, Petitioner has added additional cost of Rs 8.06 Cr for STU and Rs 0.11 Cr for SLDC as determined in section 2.6.9 for another six months. Same has been escalated with WPI @ 7.35% to determine the effect of inflation, thus allowable other employee cost for FY 2013-14 comes out to be Rs 127.89 (119.23+8.06+0.59) Cr for STU and Rs 6.41 Cr



(6.27+0.12+0.01) Cr for SLDC.

- 3.6.8. The Petitioner has equated percentage of asset added (GFA added) during FY 2013-14 for computing the additional employee cost pertaining to new installations/networks. The Petitioner submits that the capitalization of fixed assets during FY 2013-14 was Rs 746.99 Cr (Rs 746.96 Cr for STU and Rs 0.03 Cr for SLDC). The opening value of GFA as on 01.04.2013 was Rs 5855.89 Cr for STU and Rs 5.74 Cr for SLDC. The employee expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six months during FY 2013-14.
- 3.6.9. The average percentage of asset added during FY 2013-14 is 6.38% $(746.96/5855.89)/2$ for STU, which has been applied on gross employee cost for calculating the additional employee cost on account of assets added during FY 2013-14. Thus, the additional other employee expenses for the fixed assets added during the financial year works out to Rs 10.94 Cr for STU.
- 3.6.10. Similarly, the average percentage of asset added during FY 2013-14 is 0.26 % $(0.03/5.74)/2$ for SLDC, which has been applied on gross employee cost for calculating the additional employee cost on account of assets added during FY 2013-14. Thus, the additional other employee expenses for the fixed assets added during the financial year works out to Rs 0.02 Cr for SLDC.
- 3.6.11. The Petitioner has applied WPI @ 5.98% on the arrived value to calculate the effect of cost escalation as per PSERC Tariff Regulations, the normative allowable employee cost of FY 2013-14 as given in table below:

Table 47: Calculation of Normative Other Employee cost for FY 2013-14

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowed expenses	127.89	6.41	134.29
2	Capitalization for FY 2012-13	43.62	0.00	43.62
3	Other Employee Cost for FY 2012-13 (as determined by Hon'ble Commission) (1+2)	171.51	6.41	177.91
4	Additional cost for new installation /network	10.94	0.02	10.96
5	Increase as per WPI @ 5.98%	10.91	0.38	11.30
6	Less: capitalization of Employee Expenses in FY 2013-14	45.88	0.00	45.88
7	Net Other Employee Cost (3+4+5-6)	147.48	6.81	154.29

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3.7. Terminal Benefits

3.7.1. The Hon'ble Commission through its Tariff Regulations notified that:

"(3) The employee cost for a distribution licensee (s) shall be determined as follows

(a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:

(i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and

(ii) all other expenses accounted for under different sub-heads of employee cost taken together.

The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis.....

(4) (a) The O&M expenses (except employee cost) for transmission licensee (s) shall be allowed as per the provisions given in clause (2) above. The employee cost shall however, be determined keeping in view the provisions contained in clause (3)."

3.7.2. The Petitioner submitted the revised estimate of Terminal Benefits for FY 2013-14 in its Tariff Petition for FY 2014-15 which were approved by the Hon'ble Commission as per the following table:

Table 48: Terminal Benefits revised and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Terminal Benefits	184.00	184.00	0.00	0.00

3.7.3. The Petitioner submits that the Annual accounts have now been audited and the Petitioner requests the Hon'ble Commission to approve the amount of terminal benefits for the employees as per the given table in accordance with its Regulation.

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Table 49: Terminal Benefits for FY 2013-14 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Share Paid to PSPCL			
a	Share pension and gratuity	162.94	0.00	162.94
b	Share of Leave Encashment	17.71	0.00	17.71
c	Medical reimbursement	2.61	0.00	2.61
d	LTC and pension	0.29	0.00	0.29
e	Solatium and Memento	0.30	0.00	0.30
f	Contribution towards NPS, PF etc	2.25	0.05	2.30
2	Terminal benefits of PSTCL employee	1.07	0.00	1.07
	Total	187.17	0.05	187.22

3.7.4. It is further submitted that the employees recruited by PSTCL are covered under New Pension Scheme (NPS) and are entitled to gratuity under the provisions of the Payment of Gratuity Act, 1972 and the leave salary under the Leave Rules of the Corporation. For discharging the said terminal liabilities, PSTCL has gone for actuarial valuation as on 31.3.2014 towards gratuity and leave salary and the amount claimed as per the valuation is Rs1.07 Cr consisting of Rs 0.34 Cr and Rs 0.73 Cr respectively. The principle of allowing terminal liabilities on pay as you go-on basis is provided under Regulation 33 of the Tariff Regulation of 2005 is towards funding of past liabilities of pension and gratuity to the employees covered under the pension scheme. The above liability has been created for meeting the current terminal liabilities of gratuity and leave encashment in respect of employees recruited by PSTCL in compliance of AS 15 issued by the ICAI and is not to be treated as unfunded past liabilities of pension and gratuity as envisaged under clause 33 of the Tariff Regulations

3.8. Total employee expenses

3.8.1. Total Employee expenses including salary and other expenses and Terminal Benefits for STU and SLDC is given as per the table below:

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Table 50: Normative Total Employee expenses for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Total Other Employee Cost	147.48	6.81	154.29
2	Amount of pay revision	14.88	0.54	15.42
3	Terminal Benefits	187.17	0.05	187.22
4	Total Employee Cost	349.53	7.40	356.93

3.8.2. Audited employee cost is Rs 349.59 (162.42 + 187.17) Cr for STU and Rs 6.44 (6.39+0.05) Cr for SLDC as compared to normative figures of Rs 349.53 Cr and Rs 7.40 Cr for STU and SLDC.

3.8.3. In light of the judgment of Hon'ble APTEL in case 07 of 2011 in which Hon'ble APTEL allowed PSPCL its employee expenses on actual basis. Petitioner requests Hon'ble Commission to approve actual employee cost of Rs 349.59 Cr and Rs 6.44 Cr for STU and SLDC respectively for FY 2013-14.

3.9. Repair and Maintenance (R&M) Expenses

3.9.1. The Hon'ble Commission through its Tariff Regulation notified that:

"(1) Operation & Maintenance expenses" or "O&M expenses" shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted, according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years"

3.9.2. The Petitioner, in its revised Tariff Petition for approval of ARR for FY 2013-14, had submitted the R&M Expenses which were approved by the Hon'ble Commission in its Tariff Order for FY 2014-15 as per the given table:

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Table 51: Revised R&M expenses submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	R & M Expenses	53.04	36.80	2.56	3.44
2	R & M Expenses on asset addition during FY		3.66		0.20
3	Less Capitalisation	1.45			
	Net R & M Expenses	51.59	40.46	2.56	3.64

- 3.9.3. The actual R&M expenses incurred, as per the audited annual account for FY 2013-14 are provided as below:

Table 52: R&M Expenses for FY 2013-14 (Audited)⁸

All figures in Rs Cr.

Sr. No.	R&M Expenses	STU	SLDC	PSTCL
1	Net Total	45.46	1.41	46.87

- 3.9.4. The Petitioner is submitting a comparative study of the R&M expenses as a percentage of average GFA for FY 2013-14 for similar STUs. The same has been provided in the following table:

Table 53: Comparative study of R&M Expenses for FY 2013-14 across other states

All figures in percentage (%)

S. No.	Name of the States	R&M expenses as a percentage of average GFA (%)
1.	Gujarat	1.81%
2.	Chattisgarh	1.94%
3.	Delhi	1.49%
4.	Punjab	0.83%

⁸ Note: This includes prior period R&M Cost of Rs 28,55,478 for FY 2012-13



- 3.9.5. As discussed in section 2.9.10, the Petitioner has arrived at normative R&M expenses for STU and SLDC for FY 2012-13 as Rs 30.81 Cr and Rs 2.12 Cr respectively. The Petitioner further added R&M expenses for increased GFA in FY 2012-13 for six months, to determine R&M expenses for full year for increased GFA for FY 2012-13. Thus R&M expenses determined as Rs 32.47 Cr for STU and Rs 2.16 Cr for SLDC for FY 2012-13.
- 3.9.6. Applying similar approach for FY 2013-14, the Petitioner has calculated the approved pre capitalization R&M expenses for FY 2012-13 as Rs 33.01 Cr (by adding capitalization of Rs 0.54 Cr) for STU and Rs 2.16 Cr for SLDC business.
- 3.9.7. The Petitioner submits that it had added fixed assets of Rs 746.96 during FY 2013-14 for STU and Rs 0.03 Cr for SLDC. The R&M expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six months on an average during FY 2013-14.
- 3.9.8. The opening value of GFA as on 01.04.2013 was Rs 5855.89 Cr for STU. The proportion of R&M expenses to opening GFA ($33.01/5855.89$) for STU has been applied on addition of assets of Rs 746.96 Cr for half year. Thus, the allowable R&M expenses for the fixed assets added during the financial year works out to be Rs 2.11 Cr for STU. Hence, R&M expenses for FY 2013-14 for STU come to Rs 35.12 ($33.01+2.11$) Cr.
- 3.9.9. Similarly, opening value of GFA as on 01.04.2013 was Rs 5.74 Cr for SLDC. Similarly, the proportion of R&M expenses to opening GFA ($2.16/5.74$) for SLDC has been applied on addition of assets of Rs 0.03 Cr for half year. Thus, the allowable R&M expenses for the fixed assets added during the financial year works out to Rs 0.01 Cr for SLDC. Hence, R&M expenses for FY 2012-13 for SLDC come to Rs 2.17 ($2.16+0.01$) Cr.
- 3.9.10. The Petitioner has applied WPI@5.98% on the arrived value to calculate the effect of cost escalation as per PSERC Tariff Regulations, the normative allowable R&M expenses for FY 2013-14 as given in table below:

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Table 54: R&M Expenses for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowable R&M for FY 2012-13	32.47	2.16	34.64
2	Add: Capitalized R&M in FY 2012-13	0.54	0.00	0.54
3	Total R&M expenses (FY 2013-14)	33.01	2.16	35.17
4	R&M for assets added during FY 2013-14	2.11	0.01	2.11
5	R&M expense after applying increase in WPI @5.98% for FY 2013-14	37.22	2.30	39.52
6	Less: Capitalized R&M in FY 2013-14	0.88	0.00	0.88
7	R&M for FY 2013-14	36.34	2.30	38.64

- 3.9.11. Petitioner would like to submit actual R&M is higher than normative due as it has to incur expenses to maintain its aging fixed assets and R&M amount is directly proportional to age and condition of fixed assets.
- 3.9.12. Further, Petitioner draws the Hon'ble Commission's attention to the deteriorating state of operations of transmission system due to containment of R&M expenses to the Hon'ble Commission's approved expenses. A brief fact of drop in transmission availability can be captured from the fact that availability has decreased from 99.93% in FY 2012-13 to 99.87% in FY 2013-14.
- 3.9.13. The Petitioner highlights that in case the approval of R&M expenses is not revised to the level of actual expenses, the Petitioner may not be able to achieve efficiency/stability parameters, The State Government has been taking huge initiatives for "Invest Punjab", so to provide quality and uninterrupted power which is also the duty of the Petitioner under the statute. Therefore, the transmission system needs to be maintained at its best, which is possible only if additional R&M is undertaken even beyond the amount allowed as per norms. The Petitioner requests the Hon'ble Commission to take a holistic approach to not only approve the R&M expenses on normative basis but on actual basis. The Petitioner requests the Hon'ble Commission to allow R&M expenses as per the actual.
- 3.9.14. In view of the above position Petitioner requests Hon'ble Commission to approve actual R&M expenses amounting Rs 45.46 Cr and Rs 1.41 Cr for STU and SLDC respectively for FY 2013-14.



3.10. Administrative & General Expenses

3.10.1. The Hon'ble Commission through its Tariff Regulation notified that:

"(1) Operation & Maintenance expenses" or "O&M expenses" shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years

Provided that any expenditure on account of license fee, initial or renewal, fees for determination of tariff and audit fee shall be allowed on actual basis over and above the A&G expenses approved by the Commission.

.....

(6) O&M expenses excluding employee expenses for gross fixed assets added during the year shall be considered for a period of six months in cases where Commercial Operation Date of the assets is not available otherwise from the date of commissioning on pro-rata basis."

3.10.2. The Petitioner, in its revised Tariff Petition for approval of ARR for FY 2013-14, had submitted the A&G Expenses which were approved by the Hon'ble Commission in its Tariff Order for FY 2014-15 as per the given table:

Table 55: Revised A&G expenses submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Other A&G Expense	25.78	16.49	1.52	0.99
2	Additional A&G expenses on the asset addition	0.00	1.63	0.00	0.06
3	Utility annual license fee + processing fee	0.00	0.74		
4	Less: Prior period expense	0.01	0.00	0.00	1.05

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S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
5	Total A&G	25.77	18.86	1.52	0.0

3.10.3. The actual A&G expenses incurred as per the audited annual account for FY 2013-14 are as provided below:

Table 56: A&G Expenses for FY 2013-14 (Audited)

All figures in Rs Cr.

Sr. No.	A&G Expenses	STU	SLDC	PSTCL
1	A&G Expenses	20.61	0.73	21.34
2	Audit Fees	0.28	0.00	0.28
3	Add: License and ARR fee	0.53	0.01	0.54
5	Total A&G expenses	21.42	0.74	22.17

3.10.4. The Petitioner further submits a comparative study of the A&G expenses, as a percentage of average GFA for FY 2013-14, for similar STUs as per the following table:

Table 57: Comparative study of A&G Expenses for FY 2013-14 across states

All figures in percentage (%)

S. No.	Name of the States	A&G expenses as a percentage of average GFA (%)
1.	Chhattisgarh	0.90%
2.	Gujarat	0.81%
3.	Delhi	1.41%
4.	Punjab	0.35%

3.10.5. As discussed in section 2.10.10, The Petitioner has arrived at Hon'ble Commission approved for A&G expenses for STU and SLDC for FY 2012-13 as Rs 12.31 Cr (13.13 – 0.32 - 0.50) and Rs 0.61 Cr respectively. Further Petitioner has added expenses for additional GFA for another six months to arrive at Rs 13.33 Cr and Rs 0.63 Cr as A&G expenses for FY 2012-13.

3.10.6. Applying similar approach for FY 2013-14, the Petitioner has calculated the approved pre capitalization other employee expenses for FY 2012-13 as Rs 20.33 Cr

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(by adding capitalization of Rs 7.00 Cr) for STU and Rs 0.63 Cr for SLDC business.

- 3.10.7. The Petitioner submits that it had added fixed assets of Rs 746.96 during FY 2013-14 for STU and Rs 0.03 Cr for SLDC. The A&G expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six months on an average during FY 2013-14.
- 3.10.8. The opening value of GFA as on 01.04.2013 was Rs 5855.89 Cr for STU. The proportion of A&G expenses to opening GFA (20.33/5855.89) for STU has been applied on addition of assets of Rs 746.96 Cr for half year. Thus, the allowable A&G expenses for the fixed assets A&G added during the financial year works out to be Rs 1.30 Cr for STU. Hence, A&G expenses for FY 2013-14 for STU come to Rs 21.63 (20.33+1.30) Cr.
- 3.10.9. Similarly, opening value of GFA as on 01.04.2013 was Rs 5.74 Cr for SLDC. Similarly, the proportion of A&G expenses to opening GFA (0.63/5.74) for SLDC has been applied on addition of assets of Rs 0.03 Cr for half year. Thus, the allowable R&M expenses for the fixed assets added during the financial year works out to Rs 0.002 Cr for SLDC. Hence, R&M expenses for FY 2013-14 for SLDC come to Rs 0.63 (0.63+0.002) Cr.
- 3.10.10. The Petitioner has applied WPI @ 5.98% on the arrived value to calculate the effect of cost escalation as per PSERC Tariff Regulations, the normative allowable A&G expenses for FY 2013-14 as given in table below:

Table 58: A&G Expenses for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowable A&G expense for FY 2012-13	13.33	0.63	13.96
2	Add: A&G Expenses Capitalized for FY 2012-13	7.00	0.00	7.00
3	A&G for assets added during FY 2013-14	1.30	0.00	1.30
4	A&G expense after applying increase in WPI @5.98% for FY 2013-14	22.92	0.67	23.59
5	Add: Audit Fee	0.28	0.00	0.28
6	Add: License and ARR fee	0.50	0.00	0.50
7	Less: A&G expenses capitalized for FY 2013-14	9.51	0.00	9.51
8	<i>Progressive Punjab investment summit</i>	<i>0.31</i>	<i>0.00</i>	<i>0.31</i>

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Sr. No.	Particulars	STU	SLDC	PSTCL
9	Cultural Cess Funds of Govt. of Punjab	5.00	0.00	5.00
10	A&G for FY 2013-14	19.50	0.67	20.16

- 3.10.11. Petitioner submits that it had to pay an amount of Rs 5.0 Cr as Payment towards Cultural Cess Funds to Govt. of Punjab, Department of Cultural Affairs under the Punjab Ancient, historical Monuments, Archaeological sites and Cultural Heritage Maintenance Board Act, 2013 being a statutory payment. Further it had to pay an amount of Rs 0.31 Cr as Payment towards Progressive Punjab investment summit promotion campaign by Govt. of Punjab as onetime payment to attract investment into state. Power being a critical input for any business activity it will require establishment of additional transmission network to meet the power requirement of the potential investors. Being extraordinary expenses these may be allowed over and above PSERC norms.
- 3.10.12. In view of the above position Petitioner requests Hon'ble Commission to approve actual A&G expenses of Rs 21.42 Cr and Rs 0.74 Cr for STU and SLDC respectively for FY 2013-14.

3.11. Investment

- 3.11.1. The Petitioner submits that it had made Investment of Rs 771.77 Cr out of which Rs 749.87 Cr was converted to Gross Fixed Assets during FY 2013-14. The remaining investment was carried over as Capital Work in Progress to the next year. Details of Capital Work in Progress (CWIP) is provided as below:

Table 59: Capital Work in Progress (CWIP) for FY 2013-14

All figures in Rs Cr.

S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Capital work in progress	1628.85	6.80	1635.65
2	Add: Addition during the year including capitalization of interest, employee cost & other expenses	775.70	-3.93	771.77
3	Less: Transferred to fixed assets during the year	749.87	0.00	749.87

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S. No.	Particulars	STU	SLDC	PSTCL
4	Closing Capital Works in progress	1654.68	2.87	1657.55

3.12. Depreciation Charges

3.12.1. The Hon'ble Commission through its Tariff Regulations notified that:

"Regulation 25 Depreciation

For the purpose of tariff, depreciation shall be computed in the following manner:

a. The value base for the purpose of depreciation shall be the historical cost of the assets, that is actual expenses limited to approved capital cost where such capital cost has been approved by the Commission.

Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation.

b. The historical cost of the asset shall include additional capitalisation.

c. The historical cost shall include foreign currency funding converted to equivalent rupees at the exchange rate prevalent on the date when foreign currency was actually availed but not later than the date of commercial operation.

d. Depreciation for generation and transmission assets shall be calculated annually as per straight-line method over the useful life of the asset at the rate of depreciation specified by the Central Electricity Regulatory Commission from time to time.

e. Depreciation for distribution and other assets not covered by CERC shall be as per the rates notified in the Companies Act as revised from time to time.

Provided that the total depreciation during the life of the asset shall not exceed 90% of the original cost."

3.12.2. The Petitioner, in its revised Tariff Petition for approval of ARR for FY 2013-14, revised the projected depreciation charges which were further approved by the Hon'ble Commission in its Tariff Order for FY 2014-15 as given in the following table:

Table 60: Depreciation Charges submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Depreciation	166.14	137.27	0.93	0.93

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3.12.3. For the true-up of ARR for FY 2013-14, the Petitioner submits the details of depreciation as per the annual audited accounts for FY 2013-14 as per the details provided below:

Table 61: Depreciation Charges for FY 2013-14 (Audited)⁹

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Depreciation	138.77	0.38	139.15

3.12.4. The Petitioner thus requests the Hon'ble Commission to approve the depreciation of Rs 138.77 Cr for STU and Rs 0.38 Cr for SLDC as per the audited account for FY 2013-14.

3.13. Interest Charges

3.13.1. The Hon'ble Commission in its Tariff Regulation has notified:

"26. INTEREST AND FINANCE CHARGES ON LOAN

- 1. For Existing Loan Capital, Interest & finance charges shall be computed on the outstanding Loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower*
- 2. For New investments, Interest & finance charges shall be computed on the loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower.*
- 3. The interest rate on the amount of equity above 30% treated as loan shall be the weighted average rate of interest on loan capital of the generating company / licensee;
Provided that interest and finance charges of renegotiated loan agreements shall not be considered, if they result in higher charges.*

⁹ Note: This includes prior period depreciation expenses of Rs 33,81,375 for FY 2010-11, Rs 1,06,12,528 for FY 2011-12 and Rs 1,12,65,661 for FY 2012-13.



Provided further that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost.

- 4. Interest charges on security deposits, if any, made by the consumers with a generating company/licensee, shall be considered at the rate specified by the Commission from time to time.*
- 5. In case any moratorium period is availed of, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.*
- 6. The Commission shall allow obligatory taxes on interest, commitment charges, finance charges (including guarantee fee payable to the Govt.) and any exchange rate difference arising from foreign currency borrowings, as finance cost.*
- 7. Any saving in costs on account of subsequent restructuring of debt shall be shared between the consumers and the generating company / licensee in such ratio as may be decided by the Commission."*

- 3.13.2. The Petitioner, in the revised Tariff Petition for ARR for FY 2013-14, has submitted the revised estimation of Interest charges which were approved by the Hon'ble Commission in its Tariff Order for FY 2014-15 and tabulated hereunder as:

Table 62: Revised Interest Charges submitted and approved for FY 2013-14

All figures in Rs Cr.

Particulars	STU		SLDC	
	Revised	Approved	Revised	Approved
Interest & Finance Charges	311.99	264.18	0.51	0.09

- 3.13.3. The Petitioner submits that, as per the audited annual accounts, the source wise total long term loans outstanding for PSTCL for FY 2013-14 as on 31st March 2014 are given as per the table below:



Table 63: Loan schedule for FY 2013-14

All figures in Rs Cr.

S. No.	Name of Source	Opening Balance as on 01.04.13	Received	Re-paid	Closing Balance as on 31.03.2014
1	REC	1931.43	707.87	74.40	2564.90
2	OBC	154.34	0.00	57.04	97.30
3	SBOP	38.89	0.00	13.88	25.01
4	LIC	179.55	0.00	40.92	138.63
5	Loan from PSPCL	792.92	0.00	99.12	693.80
6	GPF liability	219.55	0.00	21.95	197.60
	Total	3316.68	707.87	307.31	3717.24
	Working Capital Loans				
7	C.C. Limit	48.52	12.71	0.00	61.23
8	REC (STL)	0.00	0.00	0.00	0.00
	Total	48.52	12.71	0.00	61.23
	Total loans for STU	3365.20	720.58	307.31	3778.47
9	Loan for SLDC	0.77	0.00	0.00	0.77
	Total loan for PSTCL	3365.97	720.58	307.31	3779.24

3.13.4. The Petitioner submits that it has incurred the Interest Charges as given in the table below:

Table 64: Interest and Finance Charges for FY 2013-14 (Audited)

All figures in Rs Cr.

S. No.	Interest on Loans (Rs Cr.)	STU	SLDC	PSTCL
	Interest on Loans:			
1	Life Insurance Corporation	17.10	0.00	17.10
2	Rural Electrification Corporation	268.61	0.09	268.70
3	Commercial Banks	19.34	0.00	19.34
4	Loan from PSPCL	88.81	0.00	88.81
5	General Provident Fund	18.04	0.00	18.04
	Total	411.89	0.09	411.98

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S. No.	Interest on Loans (Rs Cr.)	STU	SLDC	PSTCL
6	Other interest & finance charges:			
I	Miscellaneous interest/finance charges ¹⁰	1.65	0.00	1.65
	Total	1.65	0.00	1.65
	Grand Total	413.54	0.09	413.63
7	Less : Interest capitalized	149.40	0.00	149.40
8	Add: Prior period expenses/losses	0.00	0.00	0.00
	Net Total	264.14	0.09	264.23

3.13.5. The Petitioner requests the Hon'ble Commission to allow the interest and finance charges of Rs 264.14 Cr for STU and Rs 0.09 Cr for SLDC as per its Audited Accounts for FY 2013-14.

3.13.6. The Petitioner submits that the investments in the past years were more than the loans drawn during the corresponding period. The details of loans and capital expenditure for the previous years are submitted as per the table below:

Table 65: Details of Loans and Capital Expenditure

All figures in Rs Cr.

Financial Year	Loan	Capital Expenditure	Difference
FY 2010-11	288.35	505.09	216.74
FY 2011-12	839.40	922.79	83.39
FY 2012-13	923.16	965.07	41.91
FY 2013-14	707.87	771.77	63.90
Cumulative	2759.55	3164.72	405.94

3.13.7. The Petitioner submits that Loans were not drawn in the initial years due to late finalization of balance sheet which was notified on 24.12.2012 by the Govt. of Punjab vide Amended Transfer Scheme, 2012. Till that date PSTCL retained the excess amount i.e. difference of transmission charges as per the Tariff Order for FY 2010-11 and reviewed transmission charges for FY 2010-11 from PSPCL. Now, as true up of FY 2010-11 and FY 2011-12 have been finalized, PSTCL owes to PSPCL

¹⁰ Note: It includes Rs 119,89,066/- as charge paid on deposit work, Rs 6,78,240/- as bank charges and Rs 38,17,316/- as interest on NPS



this excess amount received which is being repaid in the subsequent years So, there was less borrowings as compared to the capital expenditure in the initial years

3.13.8. It is pertinent to mention that the outstanding difference between capital expenditure and loans up to FY 2013-14 was Rs 405.17 Cr. The Petitioner has met this difference partly by the amount received from PSPCL and partly from its internal accruals amounting to Rs 325.27 Cr (405.17 – 79.90 - already considered as equity in FY 2012-13). This internal accrual has been reckoned as paid up equity capital for the purpose of computing return on equity as it is actually utilized for meeting the capital expenditure in accordance with 'Regulation 25 (3) Return on Equity' of the PSERC Tariff Regulations.

3.13.9. The Petitioner submits that the excess amount received from PSPCL will be repaid through loans in the future years and interest will be claimed only in those years

3.14. Interest on Working Capital

3.14.1. The Hon'ble Commission through its Tariff Regulations has notified:

"Regulation 30- Working Capital & Interest rate on Working Capital

For transmission licensee (s) and SLDC, the working capital shall be the sum of the following:

(i) Operation and Maintenance expenses for one month

(ii) Receivables equivalent to two months

(iii) Maintenance spares @ 15% of Operation and Maintenance expenses"

3.14.2. The Petitioner, in its revised Tariff Petition for approval of ARR of FY 2013-14, has computed the Interest on Working Capital which were approved by the Hon'ble Commission as per the table given below:

Table 66: Interest on Working Capital submitted and approved for FY 2013-14

All figures in Rs Cr.

S . N o	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Working Capital	261.29	224.11	14.63	5.51
2	Interest on Working Capital	37.76	25.84	2.16	0.37

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3.14.3. Interest on Working Capital for FY 2013-14 is determined as per the table below

Table 67: Interest on Working Capital for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Receivable equivalent to two months	174.74	0.31	175.05
2	Maintenance spares @ 15% of operation and maintenance expenses	62.47	1.29	63.76
3	Operation and maintenance expenses for one month	34.71	0.72	35.42
4	Total working capital	271.91	2.31	274.23
5	Rate of Interest calculated as per Format I	11.72%	12.00%	
6	Interest on Working capital	31.87	0.28	32.15
7	Interest on Working capital - Total	31.87	0.28	32.15

3.14.4. The Hon'ble Commission is requested to allow the Interest on Working Capital of Rs 31.87 Cr for STU and Rs 0.28 Cr for SLDC as determined by the Petitioner in accordance with the provisions of the relevant Regulations.

3.15. Return on Equity (RoE)

3.15.1. The Hon'ble Commission in its Tariff Regulations has notified:

"25. RETURN ON EQUITY

- 1. Return on Equity shall be computed @ 15.5% on the paid up equity capital determined in accordance with Regulation 24.*
- 2. Equity invested in foreign currency shall be allowed a return up to the prescribed limit under clause (1) of this Regulation in the same currency and the payment on this account shall be made in Indian Rupees based on the exchange rate on the date of declaration of dividends. The difference in actual exchange rate and the provisional exchange rate considered while determining the ARR and Tariff shall be taken into consideration at the time of Truing Up.*
- 3. The premium raised by the generating company or the licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up equity capital for the purpose of*



computing return on equity, subject to limit prescribed in Regulation 24, provided such premium amount and internal resources are actually utilised for meeting capital expenditure.

4. For allowing Return on Equity, the Commission shall consider the actual amount of equity employed in creation of assets.”

3.15.2. The Petitioner had claimed revised RoE for ARR of FY 2013-14, with details given as the following table. The RoE was claimed by grossing up by the tax rate. The Hon’ble Commission approved the RoE as per the table given below:

Table 68: Return on Equity submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Return On Equity	93.91	93.91	0.00	0.00

3.15.3. The Petitioner booked a profit of Rs 487.12 Cr during FY 2013-14 as per the Audited Accounts. An amount of Rs 106.59 Cr was paid as tax on the profit earned. The profit after Tax amounting Rs 380.52 Cr was accrued to the Reserves and Surplus account of the Petitioner. The surplus amount of Rs 380.52 Cr being the internal accruals has been utilized to fund the gap between loan and capital expenditure as discussed in the subsection 3.13.8.

3.15.4. The Petitioner has determined the RoE at the rate of 15.5% in accordance with the effective date of notification of the Amendment to the Tariff Regulations. The Petitioner computed the RoE for FY 2013-14 with details as provided below:

Table 69: Return on Equity for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	PSTCL
1	Equity at the opening of FY 2013-14	685.78
2	Internal accruals/ free reserves reckoned as paid up equity	325.27
3	Pre tax % RoE	15.50%
4	RoE	131.50

3.15.5. Thus, the Petitioner humbly requests the Hon’ble Commission to allow the RoE of Rs

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131.50 Cr determined for FY 2013-14.

3.16. Tax on Income

3.16.1. The Hon'ble Commission in its Tariff Regulation has notified:

"32: Tax on Income

1. Obligatory taxes, if any, on the income of the generating company or the licensee from its core / licensed business shall be computed as an expense and shall be recovered from the customers/consumers

Provided that tax on any income other than the core / licensed business shall not constitute a pass through component in tariff and tax on such other income shall be payable by the generating company or the licensee.

2. Tax on income, if actually liable to be paid, shall be limited to tax on return on equity allowed, excluding incentives.

3. The Tax on income shall be considered at income tax rate including surcharge, cess, etc as applicable during the relevant year in accordance with the provisions of Income Tax Act, 1961 duly amended from time to time.

4. The benefits of tax holiday and the credit for carrying forward losses applicable as per the provisions of the Income Tax Act, 1961 shall be fully passed on to the customers / consumers"

3.16.2. The Petitioner submits that it had paid tax amounting to Rs 106.59 Cr for its income of FY 2013-14.

3.16.3. The Petitioner submits before the Hon'ble Commission that it has incurred this tax on its Income during FY 2013-14 on account of higher revenue recovered by the Petitioner due to pass through of the past years revenue gap including carrying cost of Rs 91.15 Cr on which Petitioner has paid income tax of Rs 19.15 Cr.

3.16.4. Petitioner has also earned revenue of Rs 77.76 Cr against the estimated amount of Rs 5.76 Cr through miscellaneous Non-tariff income and income on account of open access charges which were uncontrollable and beyond the control of Petitioner and has contributed to profit more than RoE and Petitioner has to pay Rs 15.09 Cr as income tax on this amount.

3.16.5. Petitioner would also like to submit that it had requested Hon'ble Commission to amend the Tariff Order by reducing its ARR by Rs 219.36 Cr vide petition no. 1 of 2014 filed before the closer of the FY 2013-14 citing reasons for lesser expenditure than the projected figures as approved by the Hon'ble Commission. However the Hon'ble Commission rejected the petition. Had the petition been accepted by the Hon'ble Commission, the Petitioner would have not paid extra income tax amounting to Rs 46.66 Cr. Petitioner has determined a revenue surplus of Rs 219.36 Cr in this Petition, hence it would like to submit that it has to pay an income tax of



Rs 46.66 Cr due to the surplus income. Hence total allowable income tax for PSTCL is calculated as Rs 108.20 Cr.

3.16.6. The Petitioner, therefore, prays to the Hon'ble Commission to allow the total tax paid towards MAT amounting to Rs106.59 Cr as tax on the income for FY 2013-14 to be passed through in the true up as discussed in aforementioned paragraphs.

3.17. ULDC charge

3.17.1. The revised ULDC charges submitted by the Petitioner for FY 2013-14 and further as approved by the Hon'ble Commission through Tariff Order for FY 2014-15 are shown in the table below:

Table 70: ULDC charges submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	ULDC Charge	0.00	0.00	15.12	15.12

3.17.2. The Petitioner now submits the ULDC charges as per the Audited Accounts for FY 2013-14 as per the table below:

Table 71: ULDC charges (Audited)

All figures in Rs Cr.

Sr. No	Particulars	PSTCL
1	ULDC Charges - SLDC own share	2.16
2	ULDC Charges - BBMB share	2.42
3	ULDC Charges - Central Sector share	1.93
4	NRLDC Charges	2.90
5	Total	9.41

3.17.3. The Petitioner prays the Hon'ble Commission to approve the ULDC charges of Rs 9.41 Cr as per the Audited Accounts for FY 2013-14.

3.18. Non-tariff income

3.18.1. The Hon'ble Commission in its Tariff Regulation has notified:

"Regulation 34 Non Tariff Income



Following components of income shall be treated as non tariff income for the generating company or the licensee (s) as applicable:

- Meter/metering equipment/service line rentals
- Service charges
- Customer charges
- Revenue from late payment surcharge
- Miscellaneous receipts
- Incentives from CGS's
- Miscellaneous charges (except PLEC charges)
- Interest on staff loans and advances
- Interest on advances to suppliers
- Income from trading
- Income from staff welfare activities
- Excess found on physical verification
- Interest on investments, fixed and call deposits and bank balances
- Net recovery from penalty on coal liaison agents
- Prior period income
- Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc.”

3.18.2. The Petitioner in its revised Tariff Petition for approval of ARR for FY 2013-14, re-estimated non tariff income which was approved by the Hon'ble Commission as per the given table:

Table 72: Non tariff income submitted and approved for FY 2013-14

All figures in Rs Cr.

S. No	Particulars	STU		SLDC	
		Revised	Approved	Revised	Approved
1	Non Tariff Income	8.41	10.72	2.49	3.32

3.18.3. Now as per the audited annual accounts, Non-tariff income for transmission function of PSTCL, without considering the revenue from open access consumers is as given below:

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Table 73: Non tariff income for FY 2013-14 (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Non Tariff Income	14.03	10.24	24.27

3.18.4. Thus, the Petitioner respectfully requests the Hon'ble Commission to consider Non-tariff income as of Rs 14.03 Cr for STU and Rs 10.24 Cr for SLDC per the audited account.

3.19. Transmission Charges from Open Access Consumers

3.19.1. The Petitioner submits to the Hon'ble Commission that it has received Rs 53.49 Cr. as transmission charges from open access customers as per the audited annual accounts for FY 2013-14 and thus requests the Hon'ble Commission to approve the same of Rs 46.83 Cr for STU and Rs 6.66 Cr for SLDC for FY 2013-14.

Table 74: Transmission charges from open access consumers (Audited)

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Transmission Charges from Open Access Customers	46.83	0.00	46.83
2	Operating charges from open access customers	0.00	6.66	6.66
3	Total	46.83	6.66	53.49

3.20. Incentive on Transmission system availability

3.20.1. In accordance with PSERC regulation (also discussed in section 2.20.1) the Petitioner is eligible for incentive for over achieving the availability targets for transmission system availability which has been verified and certified by SLDC.

3.20.2. The net transmission charges inclusive of incentive on the basis of fixed charges for STU are given as per the table below. The incentive has been determined from the date of notification of the PSERC (Terms and Conditions for Determination of Tariff), Second Amendment, Regulations, 2012-in the Gazette on 18th September

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Table 75: Incentive on Transmission System Availability for FY 2013-14

All figures in Rs Cr.

S. No.	Month	Monthly Transmission Charge	Transmission charges inclusive incentive	Incentive
1.	Apr-13	86.17	87.84	1.67
2.	May-13	89.04	90.81	1.76
3.	Jun-13	86.17	87.84	1.67
4.	Jul-13	89.04	90.73	1.68
5.	Aug-13	89.04	90.44	1.40
6.	Sep-13	86.17	87.85	1.68
7.	Oct-13	89.04	90.81	1.76
8.	Nov-13	86.17	87.90	1.72
9.	Dec-13	89.04	90.67	1.63
10.	Jan-14	89.04	90.71	1.66
11.	Feb-14	80.43	82.01	1.58
12.	Mar-14	89.04	90.76	1.72
	Total	1048.43	1068.37	19.94

3.20.3. The Petitioner submits to the Hon'ble Commission to approve the incentive of Rs 19.94 Cr for transmission system availability as determined above for FY 2013-14.

3.21. Annual Revenue Requirement

3.21.1. The summary of the approved ARR and the expenses for FY 2013-14 in accordance with the PSERC Tariff Regulations 2005 and its subsequent amendments is presented as per the table given below:

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Table 76: Annual Revenue Requirement (ARR) for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	Initially Approved			Allowable Expense		
		STU	SLDC	PSTCL	STU	SLDC	PSTCL
1	Employee Cost	365.32	3.82	369.14	349.59	6.44	356.03
2	R&M expenses	113.79	0.29	114.08	45.46	1.41	46.87
3	A&G expenses	26.24	0.05	26.29	21.42	0.74	22.17
4	Depreciation	218.91	0.57	219.48	138.77	0.38	139.15
5	Interest charges	299.25	0.97	300.22	264.14	0.09	264.23
6	Interest on Working Capital	33.14	0.60	33.74	31.87	0.28	32.15
7	ULDC Charges		27.40	27.40	0.00	9.41	9.41
8	Return on Equity	93.90	0.00	93.90	131.50	0.00	131.50
9	Tax on Income as per Regulation	0.00	0.00	0.00	27.56	0.00	27.56
10	Additional Tax on Income	0.00	0.00	0.00	79.03	0.00	79.03
11	Total	1150.55	33.70	1184.25	1089.35	18.75	1029.07
12	Less: Non tariff income	5.76	0.00	5.76	14.03	10.24	24.27
13	Less: Charges from short term open access consumers	0.00	0.00	0.00	46.83	6.66	53.49
14	Annual Revenue Requirement	1144.79	33.70	1178.49	1028.49	1.85	1030.34
15	Incentive	0.00	0.00	0.00	19.94	0.00	19.94
16	Gross ARR	1144.79	33.70	1178.49	1048.43	1.85	1050.28
17	Revenue Gap for FY 2012-13 carried forward	89.18	0.00	89.18	0.00	0.00	0.00
18	Carrying cost for Revenue Gap	1.97	0.00	1.97	0.00	0.00	0.00
19	Cumulative Revenue Requirement	1235.94	33.70	1269.64	1048.43	1.85	1050.28

3.21.2. The Petitioner requests the Hon'ble Commission to allow the true up of ARR determined as per the table given above for FY 2013-14.

3.22. Revenue Surplus / (Gap) for PSTCL

3.22.1. The following table computes the Revenue Surplus / (Gap) based on the allowable revenue required by the Petitioner and approved revenue from tariff for FY 2013-14:

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Table 77: Revenue Surplus / (Gap) for FY 2013-14

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Allowable ARR	1048.43	1.85	1050.28
2	Revenue from approved Tariff	1235.94	33.70	1269.64
3	Revenue Gap- Surplus (+)/ Deficit (-) for FY 2013-14	187.51	31.85	219.36

3.22.2. Thus the Petitioner requests the Hon'ble Commission to allow the revenue gap/surplus for PSTCL for FY 2013-14 as per the above given table.



TRUE UP OF FOR FY 2014-15

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4. TRUING UP OF FY 2014-15 FOR PSTCL

4.1. True up for FY 2014-15

4.1.1. The Petitioner would also like to respectfully submit that since the audit of the annual accounts for FY 2014-15 are not yet completed; it is not submitting the petition for the true up of ARR for FY 2014-15. Clause-9 (2) of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 also states that,

"9. REVIEW AND TRUING UP ... After audited accounts of a year are made available, the Commission shall undertake similar exercise as above with reference to the final actual figures as per the audited accounts. This exercise with reference to audited accounts shall be called Truing Up." (Emphasis supplied)

4.1.2. PSTCL submits that the Truing-up exercise may be undertaken only on the basis of audited annual accounts. Since the accounts for FY 2014-15 are not audited, it is respectfully submitted that the Truing-up exercise may be undertaken by the Hon'ble Commission for the FY 2014-15 after the finalization of audited annual accounts.

4.1.3. Pending truing up of the financials of FY 2014-15, the Petitioner submits to the Hon'ble Commission to consider the provisional figures of capital expenditure, expenditure capitalized, fixed assets, loans raised relating to FY 2014-15 in order to arrive at the interest charges and depreciation for FY 2015-16 as produced below.

Table 78: Capital expenditure FY 2014-15

S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Capital work in progress	1654.68	2.87	1657.55
2	Add: Addition during the year including capitalization of interest, employee cost & other expenses	578.19	0.74	578.93
3	Less: Transferred to fixed assets during the year	1492.22	2.54	1494.76
4	Closing Capital Works in progress	740.66	1.07	741.73

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Table 79: Loan Details FY 2014-15

S. No.	Name of Source	Opening Balance as on			Closing Balance as on
		01.04.14	Received	Re-paid	
1	REC	2564.89	396.62	116.47	2845.04
2	OBC	97.31	0.00	28.61	68.70
3	SBOP	25.01	0.00	8.34	16.67
4	LIC	138.63	0.00	40.92	97.71
5	Loan from PSPCL	693.80	0.00	99.11	594.69
6	GPF liability	197.59	0.00	21.95	175.64
7	SBOP, MTL	0.00	60.00	0.00	60.00
8	NABARD	0.00	43.52	0.00	43.52
	Total	3717.23	500.14	315.40	3901.97
9	Loan for SLDC	0.77	0.66	0.00	1.43
	Total loan for PSTCL	3718.00	500.80	315.4	3903.40

**Calculation of interest on working capital for FY 2014-15 has been provided in Format I*

Table 80: Depreciation FY 2014-15

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Depreciation	228.27	0.49	228.76



REVIEW OF ARR FOR FY 2015-16

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5. REVIEW OF ARR FOR FY 2015-16 FOR PSTCL

5.1. Background

- 5.1.1. In this section, the Petitioner submits the revised estimates for FY 2015-16 for STU and SLDC functions of the PSTCL.
- 5.1.2. The Hon'ble Commission in its Tariff Order dated 05th May 2015 had approved the ARR for FY 2015-16 for transmission and load despatch business of PSTCL as Rs 1074.87 Cr Out of this, Rs 1056.48 Cr was approved for STU and Rs 18.39 Cr for SLDC respectively. Cumulative revenue requirement approved after adjusting revenue gap till FY 2014-15 was Rs 967.62 Cr.
- 5.1.3. The Petitioner submits that it has now computed the revised estimates of ARR for FY 2015-16 based on the actual numbers of first half year and projection for remaining half of FY 2015-16. The Petitioner has also considered the basis of past trends, regulatory norms and activities planned and proposed to be taken up during the remaining period of FY 2015-16 for projecting the expenses for various heads for FY 2015-16.
- 5.1.4. The Petitioner submits that it has prepared this Petition on the basis of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 and its subsequent amendments thereof.

5.2. Description of the Transmission System

- 5.2.1. Details of the actual addition during H1 of FY 2015-16 and estimated addition during H2 of the FY 2015-16 to the transmission system of PSTCL is tabulated below:

Table 81: Transmission system of PSTCL during FY 2015-16

S. No.	Particulars	Opening (As on 1 st April 2015)	Additio n during H1	Additio n during H2	Closing (As on 31 st March 2016)
Transmission Lines (Circuit kms)					
1	400 kV	1599.76	0.00	0.00	1599.76
2	220 kV	5696.69	265.48	342.00	6304.16
3	132 kV	3114.66	5.56	0.00	3120.22
	Total	10,411.11	271.04	342.00	11,024.14
Substations (Nos)					
1	400 kV	4	0	1	5
2	220 kV	88	1	3	92
3	132 kV	74	-1	0	73



S. No.	Particulars	Opening (As on 1 st April 2015)	Additio n during H1	Additio n during H2	Closing (As on 31 st March 2016)
	Total	166	0	4	170
Transmission Substation Bays (Nos)					
1	400 kV	30	20	0	50
2	220 kV	515	59	43	617
3	132 kV	518	4	3	525
4	66 kV	830	0	22	852
	Total	1893	83	68	2044
Substation Capacity(MVA)					
1	Substation Capacity	29980.67	2392.50	2370.00	34743.17

5.3. Transmission System Capacity

5.3.1. The Petitioner submits to the Hon'ble Commission that in Tariff Petition for approval of ARR for FY 2015-16, the Petitioner projected the net transmission capacity of the system for FY 2015-16 as 11462 MW (net) and 12041 MW (Gross) and the Hon'ble Commission in its Tariff Order had approved transmission capacity of 11579.37 MW (net) for FY 2015-16.

5.3.2. The Petitioner submits to the Hon'ble Commission that based on the actual transmission capacity of Punjab along with the proposed capacity addition plan as intimated by CE/PPR, PSPCL, estimated Gross Transmission Capacity as on 31st March 2016 would be 11,499 MW. Detailed source wise breakup of the same is provided below:

Table 82: Projected Generation capacity in MW for FY 2015-16 as on 31 March 2016

Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
GNDTP, Bathinda	460	409
GGSSTP, Ropar	1260	1153
GHTP, Lehra Mohabbat (Unit # 1 & 2) (Stage-I)	420	384
GHTP, Lehra Mohabbat (Unit # 3 & 4) (Stage-II)	500	458

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
TOTAL THERMAL	2640	2404
Shanan	110	109
UBDC-I	45	45
UBDC-II	46	46
UBDC TOTAL	91	91
**RSPP	600	
Less 20% J&K and 4.6% HP share from RSD	-148	
Net RSD share of Punjab	452	452
ASHP	134	133
MHP-1&2	90	90
MHP-3&4	117	117
Mukerian Hydel Project State II	18	18
MHP Total	225	225
TOTAL HYDRO	1012	1009
TOTAL (HYDRO+THERMAL)	3652	3413
PEDA & NRSE Projects	812	729
Micro Hydel	6	6
Rajpura TPP	1400	1400
Talwandi Sabo TPP	1320	1320
BBMB	1161	1155
Farakka STPS	22	20
Kahalgaon-I	51	45
Tala	30	29
Kahalgaon-II STPS	120	110
Singrauli STPS	200	181
Rihand STPS-I	110	98
Rihand STPS Stage-II	102	93
Unchahar-I	36	32
Unchahar-II	60	53
Unchahar-III	17	15
Anta GPS	49	46
Auraiya GPS	83	79

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Dadri NCGPS	132	125
NAPS	51	45
RAPP B	100	87
RAPP C	46	40
Bairasiul HPS	84	81
Salal HPS	184	178
Rampur HEP	23	22
Nathpa Jhakri HPS	152	147
Tehri Stage-I	77	74
Dulhasti HEP	32	31
Tanakpur HPS	17	16
Chamera HPS-I	55	53
Parbati III HEP	41	39
Dhauliganga HEP	28	27
Chamera HPS-II	30	29
Sewa-II HEP (3 Units)	10	10
Uri-I HPS	66	64
Uri-II HPS	20	19
Koteshwar HEP	25	25
Rihand-III	83	76
Chamera-III	18	18
IPPs		
Durgapur DVC TPS	200	181
Pragati-III(Bawana)PPCL	137	130
Malana-2 (PTC)	86	83
Sasan Ultra Mega Project	558	540
Mundra Ultra mega project	475	464
New Projects		
Koldam	62	60
Central Sector (Firm Share)	3671	3471
TOTAL INSTALLED CAPACITY	12023	11499

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5.4. Transmission System Availability

- 5.4.1. The Petitioner submits that it has maintained the Transmission System Availability well above the normative annual transmission availability factor up to September 2015, as mandated by Hon'ble Commission in PSERC Regulations.
- 5.4.2. The average transmission system availability from April to September 2015 (H1) was 99.89%.
- 5.4.3. The following table provides the month wise system availability up to September 2015:

Table 83: Transmission System Availability for FY 2015-16 upto September 2015

S. No.	Month	Availability (%)
1.	Apr-15	99.86%
2.	May-15	99.88%
3.	Jun-15	99.88%
4.	Jul-15	99.92%
5.	Aug-15	99.90%
6.	Sep-15	99.90%

5.5. Transmission Losses

- 5.5.1. In its Tariff Petition for FY 2015-16, PSTCL had projected the transmission loss at 4.0% for FY 2015-16. The Hon'ble Commission fixed the transmission loss level at 2.5% for FY 2015-16. The Hon'ble Commission assured that it would revisit the issue of transmission loss in the review for FY 2015-16 after the boundary meters are provided and energy audit is conducted.
- 5.5.2. The Petitioner submits that PSTCL losses for the months of June and July, 2015 are 2.19% and 2.88% respectively which have been arrived at by considering the net energy inter-exchange measured through ABT meters installed at boundary interface points of PSTCL with interstate substations, with generating plants (of PSPCL & IPPs) and with PSPCL- distribution side.

M/s EDMI, Chennai, i.e., system integrator/contractor implementing the project has stopped the work due to some issue regarding Hon'ble Commissioning of the project and at present meters data for subsequent months since Aug-2015 is not available in the SLDC remotely. However, efforts are being made to resolve the

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issue with the firm.

5.6. Capital Expenditure Plan and Capital Works in Progress

5.6.1. The Petitioner submits that the revised details of the approved capital plan of transmission line and sub-station is attached at Annexure I of this petition. This plan has the details for the existing schemes which are already in progress and the new schemes which are being planned to be taken up during this financial year.

5.6.2. Status of 400 kV works

Talwandi Sabo Thermal Plant Transmission Works:-

Transmission Works related with Talwandi Sabo Thermal Project have been completed & commissioned in all respects. The defect removal is in process. During H1 of 2015-16, expenditure of Rs 20.72 Cr has been incurred & during H2 of 2015-16, expenditure of Rs 20 Cr (approx.) is anticipated.

Rajpura Thermal Plant Transmission Works:-

Transmission works related with Rajpura Thermal Plant Project are in progress. Two Nos. transformers of 500MVA, 400/200kV ratings are likely to be commissioned during H2 of 2015-16. During H1 of 2015-16, expenditure of Rs 7.85 Cr has been incurred & during H2 of 2015-16, expenditure of Rs 36.50 Cr (approx.) is anticipated.

5.6.3. Status of 220 kV/ 132 kV

The work for construction of new Sub-stations, new lines, addition and augmentation of transmission system is in progress as per system requirements. An expenditure of Rs114.86 Cr has been incurred during H1 of 2015-16 and expenditure of Rs 198.32 Cr is anticipated during H2 of 2015-16.

The work for automation of 5 Nos. 220KV Sub-stations (Mohali-I, Mohali-II, Kharar, Lalru and Dera Bassi) will also be taken up during 2015-16. Work order for this work has been placed on M/s Siemens Ltd. Gurgaon on 16.10.2015. An expenditure of Rs 3 Cr is likely to be incurred during 2015-16.

The work for construction of new Sub-stations, new 132 kV lines, addition, and augmentation of transmission system is also in progress as per system requirements. An expenditure of Rs5.75 Cr has been incurred during H1 of 2015-16 and

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expenditure of Rs30.90 Cr is anticipated during H2 of 2015-16.

5.6.4. **Others**

Roof Top Photo Voltaic system

Installation of 100 kWp grid connected roof top Solar Photo Voltaic System at Shakti Sadan will be taken up during FY 2015-16 with anticipated cost of Rs 1 Cr. During FY 2015-16, H2 expenditure of Rs 80 Lakh (approx.) is anticipated.

Status of ERP

Tender opening for ERP implementation has been scheduled on 01.12.2015. During the first half of FY 2015-16 Rs 17.45 Lakh has been incurred and during H2 expenditure of Rs 30 Lakh is proposed to be spent.

Miscellaneous

The Petitioner plans to invest Rs 20 Cr in equipments required for oil and diagnostic lab set up, miscellaneous tools, plants required and office equipment/furniture for operation and maintenance of transmission system.

The details of the capital investment plan are as under:

Table 84: Revised Capital Investment Plan for STU for FY 2015-16

All figures in Rs Cr.

Sr. No.	Description of Work	Opening CWIP for FY 2015-16 H1	Capex in FY 2015-16 H1	Estimated Capex FY 2015-16 H2	Capitalisation during FY 2015-16	Closing CWIP for FY 2015-16
1	400 kV Transmission Works	128.30	28.58	56.50	73.21	140.17
2	220 kV and 132 kV Transmission Works	612.35	120.46	230.17	551.37	411.62
3	Others	0.00	0.00	20.80	20.00	0.80

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Sr. No.	Description of Work	Opening CWIP for FY 2015-16 H1	Capex in FY 2015-16 H1	Estimated Capex FY 2015-16 H2	Capitalisation during FY 2015-16	Closing CWIP for FY 2015-16
4	ERP/IT	0.00	0.17	0.30	0.00	0.47
	Total	740.66	149.21	307.77	644.58	553.05

5.6.5. Capital investment plan for SLDC

Procurement of 47 nos RTUs for SCADA/EMS Scheme against

In order to cover the left out/new 220 KV sub-stations under SCADA, PSTCL ordered 47 nos RTUs during 2011 to strengthen the existing SCADA system. Payment amounting to approx Rs 3.86 Cr has been made and balance payment amounting to Rs 2.12 Cr shall be paid during 2015-16 (H2) as the balance works are in advanced stage of completion.

Implementation of Intrastate Boundary Metering cum Transmission Level Energy Audit Scheme in PSTCL:

To meet with the regulatory directive for calculation of transmission losses, SLDC/PSTCL has taken up the implementation of Intrastate Boundary Metering cum Transmission Level Energy Audit Scheme. The order was placed upon M/s Wallaby Metering Systems Pvt. Ltd, Chennai in Oct, 2012 (now M/s EDM India Pvt. Ltd, Chennai). Around 724 Nos Availability Based Tariff (ABT) meters and 436 Conventional Energy Meters (CEMs) have been installed at 194 locations all over the Punjab.

An amount of Rs 4.00 Cr shall be required for payments against supply/commissioning of the project during 2015-16 (H2).

Keeping in view the above on-going projects, PSTCL has

- i. Incurred a cost of Rs 0.88 Cr in first half of FY 2015-16.
- ii. Estimated Capital expenditure of Rs 6.14 Cr for its SLDC business for the second half of FY 2015-16.



Table 85: Revised Capital Investment Plan for SLDC for FY 2015-16

All figures in Rs Cr.

Sr. No	Description of Work	Opening CWIP in FY 2015-16	Capex in FY 2015-16 H1	Estimated Capex FY 2015-16 H2	Capitalisation during FY 2015-16	Closing CWIP for FY 2015-16
1	Procurement of 47 RTUs for SCADA Scheme	0.34	0.88	2.12	3.34	0.00
2	Implementation Intrastate Boundary Metering cum Transmission Level Energy Audit Scheme in PSTCL	0.73		4.00		4.73
3	Others	0.00	0.00	0.02	0.02	0.00
	Total	1.07	0.88	6.14	3.36	4.73

5.7. Employee expenses (Salary and other expenses)

5.7.1. The Petitioner submitted the employee expenses for FY 2015-16 during ARR petition for FY 2015-16. The Hon'ble Commission approved employee expenses in Tariff Order of FY 2015-16 as per the table given below:

Table 86: Estimate and Approved Salary & other Expenses for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
Other Employee expenses	184.08	112.22	4.19	4.08

5.7.2. The Petitioner has determined its employee expenses for STU and SLDC for FY 2015-16 on normative basis for salary and other expenses including impact of pay revision, in reference to the Hon'ble Commissions notification for Fifth Amendment of Tariff Regulations dated 15th October 2015, reproduced below,

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“Sub-clause (a) of clause (3) shall be substituted as under:

(a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:

(i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and

(ii) all other expenses accounted for under different subheads of employee cost taken together.

The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis. All other expenses under different subheads of employee cost shall be determined by the Commission limited to actual expenses after prudence check as per formula given below:-

Employee cost other than terminal benefits
(EMP_n) = (EMP_{base}) * (INDEX_n/INDEX_{base})

Where,

EMP_n – Employee Cost approved by the Commission for nth year.

EMP_{base}– Employee Cost approved by the Commission for base year.

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*CPI_n + 0.50*WPI_n)

INDEX_{base} - 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 base year and shall be worked out as under:-

INDEX_{base}=(0.50*CPI_{base}+0.50*WPI_{base})

CPI = Consumer Price Index (Industrial Workers)

WPI= Wholesale Price Index (All Commodities)”



- 5.7.3. Following the methodology, the Petitioner has considered FY 2011-12 as base year and FY 2015-16 as nth year. Estimated index factor ($\text{Index}_{(FY\ 2015-16)} / \text{Index}_{(FY\ 2011-12)}$) factor based on method provided by Hon'ble Commission comes out to be 1.28. Which is calculated for first 4 months of FY 2015-16 as data is available only for first four months.
- 5.7.4. Petitioner has considered pre-capitalization employee cost approved by the Hon'ble Commission for FY 2011-12 (base year) as Rs 143.64 Cr for STU and Rs 5.72 Cr for SLDC as explained in section 2.6.7. Petitioner has applied index factor of 1.28 to estimate employee cost in FY 2015-16.
- 5.7.5. The Petitioner is also entitled for the additional employee cost pertaining to new installations/network for the asset added during the year in accordance with Regulation 28 (3) (c) which allows additional employee cost in case of New installations on case to case basis keeping in view the principles and methodologies enunciated in these regulations. In the absence of any specific methodology in the regulation, the Petitioner submits that the addition in employee cost needs to be nothing less than but a factor to the asset added for the respective year. Hence, estimation of additional employee cost would have to be equated to the asset added during the year.
- 5.7.6. To estimate the year on year effect of new asset addition/installation, Petitioner has considered half of the additional employee cost for additional GFA in the year of installation of Asset considering the Assets remained averagely installed during the year. Further Petitioner has applied corresponding index factor to estimate employee cost in FY 2015-16.
- 5.7.7. The Petitioner submits the revised employee expenses for FY 2015-16 as per the table below:

Table 87: Employee expense for new installations during FY 2015-16 (STU)

All figures in Rs Cr

S. No.	Asset addition	Corresponding employee cost	Employee expenses considered	Corresponding expenses in nth year
2012-13	590.74	16.12	8.06	10.31
2013-14	746.96	21.88	19.00	22.32
2014-15	1492.22	46.32	34.10	37.01
2015-16	644.58	20.41	33.36	34.03

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Table 88: Employee expense new installations during FY 2015-16 (SLDC)

S. No.	Asset addition	Corresponding employee cost	Employee expenses considered	Corresponding expenses in nth year
2012-13	0.24	0.25	0.12	0.16
2013-14	0.03	0.03	0.14	0.17
2014-15	2.54	3.01	1.52	1.65
2015-16	3.36	2.89	2.95	3.01

After estimating employee cost for employee expense as well as effect of addition of new installation/network, normative employee cost for FY 2015-16 is shown in table below,

Table 89: Normative revised Employee expense during FY 2015-16

Sr. No.	Particulars	STU	SLDC	PSTCL
a	Other Employee Cost for FY 2011-12	143.64	5.72	149.36
b	Employee Cost after indexation (1x1.28)	183.81	7.32	191.13
c	Additional cost for new installation /network	103.66	4.98	108.64
d	Employee Cost after indexation (b+c)	287.47	12.30	299.77
e	Less: capitalisation in FY 2015-16	47.00	0.00	47.00
f	Salary and other Employee Cost for FY 2015-16	240.47	12.30	252.77

- 5.7.8. Petitioner submits that it has calculated employee expenses considering the actual employee expense of HI for FY 2015-16. Petitioner further submits that actual employee expense for the first half of FY 2015-16 does not includes allowance paid or to be paid on account of revision of dearness allowance. The outsourcing cost of the employees is also mainly booked in the last month of financial year. Considering all the estimated employee expenses as shown in table below:

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Table 90: Revised employee expenses during FY 2015-16

Sr. No.	Particulars	STU			SLDC			PSTCL
		H1	H2	Year	H1	H2	Year	
1	Other employee expenses	93.18	93.18	186.36	3.03	3.03	6.06	192.42
2	Impact of DA allowance (6% of basic)		4.83	4.83		0.16	0.16	4.99
3	Outsourcing expenses	5.79	11.64	17.43	0.05	0.13	0.18	17.61
4	Less: Employee Cost Capitalisation	3.94	43.06	47.00	0.00	0.00	0.00	47.00
	Total	95.03	66.59	161.62	3.08	3.32	6.40	168.02

5.7.9. Petitioner requests Hon'ble Commission to approve employee expenses of Rs 168.02 Cr consisting of Rs 161.62 Cr for STU and Rs 6.40 Cr for SLDC which is lesser than the normative employee expenses of Rs 252.77 Cr calculated above.

5.8. Terminal Benefits

5.8.1. The Terminal Benefits submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 91: Revised terminal benefits submitted and approved for FY 2015-16
All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
Terminal Benefits	236.55	225.57	0.00	0.00

5.8.2. The Petitioner submits that as per the Transfer scheme payment is being made on account of Terminal Benefits for the erstwhile PSEB employees in the defined ratio between PSPCL and PSTCL. The estimated share of PSTCL on account of terminal benefits is Rs 211.82 Cr.

5.8.3. It is submitted that the employees recruited by PSTCL are covered under New Pension Scheme (NPS) and are entitled to gratuity under the provisions of the Payment of Gratuity Act, 1972 and the leave salary under the Leave Rules of the Corporation. For discharging the said terminal liabilities, PSTCL has gone for actuarial valuation as on 31.3.2016 towards gratuity and leave salary. The justification for claiming terminal liabilities have been provided in section 3.7.4 . The details of actuarial valuation are given as the following table:

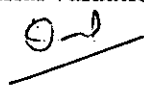




Table 92: Terminal benefits for PSTCL employees for FY 2015-16

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC*	PSTCL
1	Gratuity	1.49	0.00	1.49
2	Leave Encashment	3.07	0.00	3.07
3	Terminal Benefits	4.56	0.00	4.56

**Terminal benefits for SLDC staff is included in STU*

- 5.8.4. The Petitioner submits the revised estimate of terminal benefits for PSTCL for FY 2015-16 as per the table below:

Table 93: Revised Terminal benefits for FY 2015-16

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Terminal benefits for employees of erstwhile PSEB			
a	Leave Encashment	15.45	0.00	15.45
b	Gratuity	24.42	0.00	24.42
c	Pension Payment	171.95	0.00	171.95
2	Total	211.82	0.00	211.82
3	Terminal benefits for new employees recruited by PSTCL	4.56	0.00	4.56
	Terminal Benefits	216.38	0.00	216.38

- 5.8.5. The Petitioner also submits that it is not projecting any amount for progressive funding of terminal benefits for FY 2015-16, as the same was not approved by the Hon'ble Commission in its Tariff Order for FY 2015-16. This is without prejudice to our rights and contentions in our Appeal No. 262 of 2014 submitted before the Hon'ble APTEL. However, PSTCL would approach the Hon'ble Commission for progressive funding if required after the outcome of the appeal filed to the Hon'ble APTEL's.

5.9. Total employee expenses

- 5.9.1. Total Employee expenses including salary and other expenses and Terminal Benefits for STU and SLDC are given as per the table below:

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Table 94: Total Revised Employee expenses for FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Other Expenses			
a	Salary expenses for FY 2015-16	161.62	6.40	168.02
2	Terminal Benefits	216.38	0.00	216.38
3	Total Employee Cost	378.00	6.40	384.40

5.9.2. The Hon'ble Commission is requested to approve the total revised employee cost of Rs 378.00 Cr for STU and Rs 6.40 Cr for SLDC as determined by the Petitioner. Petitioner would like to submit that impact of seventh pay commission has not been considered for calculating employee expenses of FY 2015-16.

5.10. Repair & Maintenance (R&M) Expenses

5.10.1. The R&M expenses submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 95: R&M expenses submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
R&M expenses	123.58	57.98	13.48	4.55

5.10.2. As determined in section 3.9.10 to section 3.9.14 and Table 54, The Petitioner has arrived at R&M expenses for STU and SLDC as approved by Hon'ble Commission for FY 2013-14 as Rs 36.34 Cr and Rs 2.30 Cr respectively. The Petitioner further added Rs 0.88 Cr as R&M expenses capitalized to arrive at pre-capitalized R&M asset as discussed in Table 54.

5.10.3. The WPI increase for FY 2014-15 was 2.00%. Applying the WPI increase to the R&M expenses as determined for FY 2013-14 considering the R&M expenses for assets capitalized during FY 2013-14 on full year basis, and further adding the R&M expenses for assets capitalized (as per provisional accounts) during FY 2014-15 on half year basis, the R&M expenses are determined as Rs 37.22 Cr and 2.34 Cr





for STU and SLDC respectively for FY 2014-15.

Petitioner submits that increase in WPI @ -3.16% during FY 2015-16, does not reflect the true inflation in labour cost. Further, the ground situation differs entirely from the WPI trend shown as above as not only the labour cost for undertaking R&M activities has increased but also the material cost has been increased. Therefore, the Petitioner seeks the attention of the Hon'ble Commission in this matter and also prays to consider a practical approach for approval of R&M expenses in FY 2015-16. It is requested to ignore the aberration and moderate the escalation to 5.49% arrived by CPI.

5.10.4. Details of R&M determination are given as per the table below:

Table 96: Revised R&M expenses for FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	R&M expenses for FY 2014-15	37.22	2.34	39.56
2	Add: Capitalized R&M expenses in FY 2014-15	0.74	0.00	0.74
3	R&M expenses for assets added during FY 2015-16	1.51	0.47	1.99
4	R&M expenses after applying increase in CPI@ 5.49%	41.64	2.97	44.61
5	Less: Capitalized R&M expenses in FY 2015-16	0.25	0.00	0.25
6	R&M expenses for FY 2015-16	41.39	2.97	44.37

5.10.5. Further, Petitioner draws the Hon'ble Commission's attention to the deteriorating state of operations of transmission system due to containment of R&M expenses to the Hon'ble Commission's approved expenses. A brief fact of drop in transmission availability can be captured from the fact that availability has decreased from 99.93% in FY 2012-13 to 99.87% in FY 2013-14.

5.10.6. The Petitioner highlights that in case the approval of R&M expenses is not revised to the level of actual expenses, the Petitioner may not be able to achieve efficiency/stability parameters, The State Government has been taking huge initiatives for "Invest Punjab", so to provide quality and uninterrupted power which is also the duty of the Petitioner under the statute, Therefore, the transmission

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system needs to be maintained at its best, which is possible only if additional R&M is undertaken even beyond the amount allowed as per norms. The Petitioner requests the Hon'ble Commission to take a holistic approach and to approve the R&M expenses on actual basis at the time of true up.

5.10.7. The Petitioner requests the Hon'ble Commission to approve the R&M expenses as determined by the Petitioner.

5.11. Administrative & General (A&G) Expenses

5.11.1. The A&G expenses submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 97: A&G expenses submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
A&G expenses	28.53	26.77	4.96	1.31

5.11.2. As determined in section 3.10.10 to section 3.10.12 and table 58, the Petitioner has arrived at Hon'ble Commission approved A&G expenses for STU and SLDC for FY 2013-14 as Rs 14.19 Cr and Rs 0.67 Cr respectively. The Petitioner further added Rs 9.51 Cr as A&G expenses capitalized to arrive at pre-capitalized A&G asset as discussed in table 58.

5.11.3. The WPI increase for FY 2014-15 was 2.00%. Applying the WPI increase to the pre-capitalised A&G expenses as determined for FY 2013-14 considering the A&G expenses for assets capitalized during FY 2013-14 on full year basis, and further adding the A&G expenses for assets capitalized (as per provisional accounts) during FY 2014-15 on half year basis, the A&G expenses are determined as Rs 24.15 Cr and 0.68 Cr for STU and SLDC respectively for FY 2014-15. The A&G expenses for FY 2014-15 have been escalated by 5.49% as explained in section 5.10.3. The Petitioner would also like to highlight the issues raised in section 5.10.3 above before the Hon'ble Commission and requests to have a considered view.

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5.11.4. It is also submitted that the audit fee and license fee for FY 2015-16 has been estimated same as for FY 2014-15.

5.11.5. Details of the calculations for A&G expenses are as given below:

Table 98: Revised A&G Expenses for FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	A&G expenses for FY 2014-15	14.66	0.68	15.34
2	Add: Capitalized A&G in FY 2014-15	9.51	0.00	9.51
3	A&G for assets added during FY 2015-16	0.96	0.14	1.10
4	A&G expenses after applying increase in CPI @ 5.49%	26.52	3.27	29.79
5	Less: Capitalized A&G in FY 2015-16	5.14	0.00	5.14
6	Add: Audit Fee	0.09	0.00	0.09
7	Add: License and ARR fee	0.50	0.00	0.50
	A&G expenses for FY 2015-16	21.96	3.27	25.23

5.11.6. The Petitioner requests the Hon'ble Commission to approve the A&G expenses of Rs 21.93 Cr for STU and Rs 3.27 Cr for SLDC as determined by the Petitioner.

5.12. Depreciation Charges

5.12.1. The details of the depreciation expenses initially submitted and approved by the Hon'ble Commission as per Tariff Order for FY 2015-16 are given as per the table below:

Table 99: Depreciation charges submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
Depreciation	232.96	223.01	1.60	1.60

5.12.2. The revised depreciation charges for FY 2015-16 have been computed considering the average of opening and closing GFA for FY 2015-16 on account of asset addition during FY 2015-16. Depreciation rates have been taken as per average

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tariff rate of previous year (FY 2014-15). The computation of the same has been depicted in Formats F9 and F9 (SLDC) for STU and SLDC respectively attached along with this Petition. The depreciation charges on GFA for STU and SLDC has been summarized in the table below:

Table 100: Depreciation charges for FY 2015-16

All figures in Rs Cr.

Particulars	STU	SLDC	PSTCL
Depreciation	283.42	0.61	284.02

- 5.12.3. The Petitioner requests the Hon'ble Commission to approve depreciation of Rs 283.42 Cr for STU and Rs 0.61 Cr for SLDC as per revised estimate for FY 2015-16.

5.13. Interest and Finance Charges

- 5.13.1. The interest and finance charges submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 101: Interest on loans submitted and approved for FY 2015-16

All figures in Rs Cr.

S. No.	Particulars	STU		SLDC	
		Submitted	Approved	Submitted	Approved
1	Interest on Loan	455.63	329.12	4.01	2.09
2	Interest on GPF	14.40	14.40	0.00	0.00
3	Capitalisation of Interest charge	39.92	39.92	0.00	0.00
4	Interest and Finance charges	430.11	303.60	4.01	2.09

- 5.13.2. In order to compute the revised interest and finance charges for FY 2015-16, Interest Charges have been calculated on the basis of actual interest rates and opening and closing of various loans for H1 and H2 of FY 2015-16 for STU and SLDC:
- 5.13.3. Thus, as discussed above, the loan schedule and total interest charges for H1 of FY 2015-16 for STU and SLDC is determined as per the given table:

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Table 102: Loan Schedule and Interest on loans for H1 of FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars (Source)	Opening Balance as on 01.04.15	Received	Re-paid	Closing Balance as on 30.09.2015	Amount of Interest due
1	OBC	68.70	0.00	14.30	54.40	3.74
2	LIC	97.71	0.00	31.16	66.55	3.14
3	REC	2845.04	144.80	83.60	2906.24	169.64
4	Loan from PSPCL	594.69	0.00	49.56	545.13	33.53
5	GPF liability	175.64	0.00	10.98	164.66	0.00
6	NABARD	43.52	27.30	0.00	70.82	1.25
7	SBOP, MTL	16.67	0.00	5.56	11.11	0.84
8	SBOP, MTL	60.00	0.00	0.00	60.00	3.47
	Total STU	3901.97	172.10	195.16	3878.91	215.61
1	SLDC (REC)	1.43	1.54	0.00	2.97	0.13
	Total PSTCL	3903.40	173.64	195.16	3881.88	215.74

5.13.4. The loan schedule and total interest charges for H2 of FY 2015-16 for STU and SLDC is determined as per the given table:

Table 103: Loan Schedule and Interest on loans for H2 of FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars (Source)	Opening Balance as on 01.10.15	Receivable	Repayment	Closing Balance as on 31.03.2016	Amount of Interest due
1.	OBC	54.40	0.00	14.30	40.10	2.85
2	SBOP,MTL	11.11	0.00	5.56	5.55	0.56
3	LIC	66.55	0.00	9.75	56.80	4.97
4	REC	2906.24	209.89	100.94	3015.19	179.83
5	Loan from PSPCL	545.13	0.00	49.56	495.57	31.00
6	GPF liability	164.66	0.00	10.98	153.68	13.00
7	SBOP, MTL	60.00	0.00	0.00	60.00	3.45

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Sr. No.	Particulars (Source)	Opening Balance as on 01.10.15			Closing Balance as on 31.03.2016		Amount of Interest due
		Receivable	Repayment				
8	NABARD	70.82	75.00	0.00	145.82	6.82	
	Total STU	3878.91	284.89	191.09	3972.71	242.48	
9	SLDC (REC)	2.97	5.48	0.00	8.45	0.34	
	Total PSTCL	3881.88	290.37	191.09	3981.16	242.82	
	Guarantee charges payable to GoP						8.50
	Interest and finance charges for H2						251.32
	Interest and finance charges for H1						215.74
	Gross Interest and finance charges for FY 2015-16						467.06
	Less: Capitalisation of Interest charges						39.90
	Net Interest and Finance charges for PSTCL for FY 2015-16						427.16

5.13.5. The Petitioner hereby requests the Hon'ble Commission to approve net Interest Charges of Rs 426.69 Cr for STU and Rs 0.47 Cr for SLDC FY 2015-16.

5.14. Interest on Working Capital

5.14.1. The interest on working capital submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 104: Interest on loans for submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
Interest on working capital	55.68	32.58	1.67	0.66

5.14.2. The Petitioner has computed the revised working capital requirement for FY 2015-16 for STU and SLDC business of PSTCL. Accordingly, the Interest on Working Capital is determined as the per given table:

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Table 105: Interest on Working Capital for FY 2015-16

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Receivable equivalent to two months	220.60	5.12	225.72
2	Maintenance spares @ 15% of operation and maintenance expenses	66.20	1.90	68.10
3	Operation and maintenance expenses for one month	36.78	1.05	37.83
4	Total working capital	323.58	8.07	331.65
5	Rate of Interest	11.72%	12.00%	
6	Interest on Working capital	38.51	0.97	39.47

5.14.3. The Petitioner requests the Hon'ble Commission to approve Interest on Working Capital of Rs 38.51 Cr for STU and Rs 0.97 Cr for SLDC for FY 2015-16 @11.72% calculated as per the Format I.

5.15. Return on Equity

5.15.1. The Petitioner submitted the estimated return on equity in its Tariff Petition for FY 2015-16 as per the given table:

Table 106: Return on Equity submitted for FY 2015-16

All figures in Rs Cr.

S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Balance-Equity Capital	685.78	0.00	685.78
2	Equity addition during the year through Internal Accruals	0.00	0.00	0.00
3	Closing balance-Equity Capital	685.78	0.00	685.78
4	Return on Equity%	15.50%	15.50%	15.50%
5	RoE	106.30	0.00	106.30

5.15.2. The Hon'ble Commission approved Rs 93.91 Cr as return on equity for STU as allowing equity only Rs 605.88 Cr against Rs 685.78 Cr claimed by the Petitioner.

5.15.3. The Petitioner has computed revised RoE as per the table provided below,





Table 107: Return on Equity projected for FY 2015-16

All figures in Rs Cr.

S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Balance-Equity Capital	1011.05	0.00	1011.05
2	Equity addition during the year through Internal Accruals	0.00	0.00	0.00
3	Closing balance-Equity Capital	1011.05	0.00	1011.05
4	Return on Equity (%)	15.50%	15.50%	15.50%
5	RoE	156.71	0.00	156.71

5.15.4. The Petitioner humbly requests the Hon'ble Commission to allow the RoE of Rs 156.71 Cr for FY 2015-16 as determined by the Petitioner.

5.16. Income Tax

5.16.1. In accordance with the PSREC Tariff Regulation, the Petitioner is not claiming income tax in review petition and tax on income, if any, will be claimed at the time of true up on actual basis.

5.17. ULDC Charges

5.17.1. The ULDC charges submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 108: ULDC charges submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
ULDC charge	0.00	0.00	9.00	9.00

5.17.2. It is submitted that the ULDC charges are on account of expenses made by the SLDC. PGCIL has asked for additional ULDC charges of Rs 6.50 Cr on account of installation of OPGW charges which has been considered into H2 expenses. The Petitioner submits the revised ULDC charges for FY 2015-16 as per the given table:



Table 109: Revised ULDC charges for FY 2015-16

All figures in Rs Cr.

Sr. No	Particulars	H1	H2	Annual
1	ULDC Charges Phase-1	1.38	9.62	11.00
2	ULDC Charges Phase-2	0.39	0.61	1.00
3	ULDC Charges-Central Sector share	0.00	2.50	2.50
4	NRLDC Fees & Charges	1.22	1.78	3.00
	Total	2.99	14.51	17.50

5.17.3. The Petitioner thereby requests the Hon'ble Commission to approve ULDC charges of Rs 17.50 Cr for FY 2015-16 as per the revised estimates submitted by the Petitioner.

5.18. Non-tariff income

5.18.1. The Non Tariff income submitted by the Petitioner and further as approved by the Hon'ble Commission through Tariff Order for FY 2015-16 are shown in the table below:

Table 110: Non-tariff income submitted and approved for FY 2015-16

All figures in Rs Cr.

Particulars	STU		SLDC	
	Submitted	Approved	Submitted	Approved
Non tariff income	5.00	19.16	1.50	4.90

5.18.2. The Petitioner now submits the revised estimate of Non Tariff income for FY 2015-16 as per the following table and requests the Hon'ble Commission to approve the same as Rs 2.10 Cr for STU and Rs 0.24 Cr for SLDC:

Table 111: Non-tariff income for FY 2015-16

All figures in Rs Cr.

Particulars	STU			SLDC		
	H1	H2	Annual	H1	H2	Annual
Non Tariff Income	1.05	1.05	2.10	0.12	0.12	0.24

5.19. Revenue from Open Access Consumers

5.19.1. Petitioner submits that it had estimated revenue from open access consumers as Rs 5.00 Cr in the petition of FY 2015-16. The Petitioner in this review petition submits

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the revised estimated revenue from open access consumers based on the actual data for first half of FY 2015-16. The Petitioner has considered Rs 21 Cr revenue on account of the open access charges for H1 and has not considered any revenue on this account due to infirm nature of open access in H2.

- 5.19.2. The Petitioner requests the Hon'ble Commission to approve the revenue from open access charges of Rs 21.00 Cr for STU and Rs 1.22 Cr for SLDC as submitted in the following table.

Table 112: Revenue from Open Access consumers for FY 2015-16

All figures in Rs Cr

Particulars	STU			SLDC		
	H1	H2	Annual	H1	H2	Annual
Open Access Revenue	21.00	0.00	21.00	1.22	0.00	1.22

5.20. Annual Revenue Requirement

- 5.20.1. The following table summarizes the revised estimate of aggregate revenue required for FY 2015-16 for transmission function of PSTCL:

Table 113: Annual Revenue Requirement for FY 2015-16 for STU

All figures in Rs Cr

Sr. No.	Particulars	Submitted	Approved by the Commission	Revised Estimate
1	Employee cost	427.07	337.79	378.00
2	R&M expenses	123.58	57.98	41.39
3	Administrative and General expenses	28.53	26.77	21.96
4	Depreciation	269.72	223.01	283.42
5	Interest charges	430.10	303.60	426.69
6	Interest on working capital	55.68	32.58	38.51
7	Return on Equity	106.30	93.91	156.71
8	ULDC Charges	0.00	0.00	0.00
9	Tax on Income	22.28	0.00	0.00

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Sr. No.	Particulars	Submitted	Approved by the Commission	Revised Estimate
10	Annual Revenue Requirement	1463.27	1075.64	1346.68
11	Less:			
	i. Non-Tariff income	9.00	19.16	2.10
	ii. Revenue from Open Access Customers			21.00
12	Net Annual Revenue Requirement	1454.27	1056.48	1323.58

5.20.2. The following table summarizes the revised estimate of aggregate revenue required for FY 2015-16 for SLDC:

Table 114: Annual Revenue Requirement for FY 2015-16 for SLDC

All figures in Rs Cr

Sr. No.	Particulars	Submitted	Approved by the Commission	Revised Estimate
1	Employee cost	4.19	4.08	6.40
2	R&M expenses	13.48	4.55	2.97
3	Administrative and General expenses	4.96	1.31	3.27
4	Depreciation	1.60	1.60	0.61
5	Interest charges	4.01	2.09	0.47
6	Interest on working capital	1.67	0.66	0.97
7	Return on Equity	0.00	0.00	0.00
8	ULDC Charges	9.00	9.00	17.50
9	Tax on Income	0.00	0.00	0.00
10	Annual Revenue Requirement	38.91	23.29	32.18
11	Less:			
	i. Non-Tariff income	2.50	4.90	0.24
	ii. Revenue from Open Access Customers			1.22
12	Net Annual Revenue Requirement	36.41	18.39	30.72

5.20.3. The following table summarizes the revised estimate of aggregate revenue required

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for FY 2015-16 for PSTCL.

Table 115: Annual Revenue Requirement for FY 2015-16 for PSTCL

All figures in Rs Cr

Sr. No.	Particulars	Submitted	Approved by the Commission	Revised Estimate
1	Employee cost	431.26	341.87	384.40
2	R&M expenses	137.06	62.53	44.37
3	Administrative and General expenses	33.49	28.08	25.23
4	Depreciation	271.32	224.61	284.02
5	Interest and Finance charges	434.11	305.69	427.16
6	Interest on working capital	57.35	33.24	39.47
7	Return on Equity	106.30	93.91	156.71
8	ULDC Charges	9.00	9.00	17.50
9	Tax on Income	22.28	0.00	0.00
10	Annual Revenue Requirement	1502.18	1098.93	1378.87
11	Less:			
	i. Non-Tariff income	11.50	24.06	2.34
	ii. Revenue from Open Access Customers	0.00	0.00	22.22
12	Net Annual Revenue Requirement	1490.68	1074.87	1354.31

5.21. Estimated Revenue Surplus / (Gap) for PSTCL

5.21.1. The following tables computes the Revenue Surplus / (Gap) for FY 2015-16 based on the total estimated actual fixed costs incurred and the estimated revenue to be earned by the Petitioner:



Table 116: Projected Revenue Surplus / (Gap) for FY 2015-16

All figures in Rs Cr

S. No.	Particulars	STU	SLDC	PSTCL
1	Net Annual Revenue Requirement	1323.58	30.72	1354.31
2	Revenue from Tariff	1056.48	18.39	1074.87
3	Surplus/ (Gap) carried forward	-267.10	-12.33	-279.44

5.22.2 The Petitioner submits that the revenue gap of Rs 279.44 Cr as calculated by the Petitioner on review of FY 2015-16 may be allowed to be adjusted in FY 2015-16 itself. The ARR of Rs 1074.87 Cr as approved by the Hon'ble Commission in its Tariff Order of FY 2015 -16 dated 5th May, 2015 upon review may be re-determined at Rs 1354.31 Cr as applicable for the said FY 2015-16 which shall form the ARR for the said year 2015-16. The said amount of Rs 1354.31Cr shall be the liability of and payable by PSPCL to PSTCL towards the ARR on accrual basis as the transmission tariff payable by PSPCL to PSTCL for FY 2015-16 in modification of the Tariff Order of PSTCL for FY 2015-16.



ARR FOR FY 2016-17

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6. PROJECTION OF ARR FOR FY 2016-17 FOR PSTCL

6.1. Background

- 6.1.1. The Petitioner submits that this section corresponds to the projection of Annual Revenue Requirement for transmission and load dispatch business of PSTCL for FY 2016-17.
- 6.1.2. The Petitioner submits that it has projected various components of ARR for FY 2016-17 on the basis of past trends, regulatory norms and activities that are planned and programmed to be taken up during FY 2016-17.
- 6.1.3. The Petitioner submits that it has prepared this Petition on the basis of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 and its subsequent amendments thereof.

6.2. Description of the Transmission System

- 6.2.1. The Petitioner submits that the transmission system estimated by PSTCL as on 31st March 2017 is as given below:

Table 117: Projected Transmission system of PSTCL during FY 2016-17

S. No.	Particulars	Opening (As on 1 st April 2016)	Addition during the year	Closing (As on 31 st March 2017)
Transmission Lines (Circuit kms)				
	400 kV	1599.76	0.00	1599.76
	220 kV	6304.16	690.00	6994.16
	132 kV	3120.22	0.00	3120.22
	Total	11024.14	690.00	11714.14
Substations (Nos)				
1	400 kV	5	1	6
2	220 kV	92	7	99
3	132 kV	73	0	73
	Total	170	8	178
Transmission Substation Bays (Nos)				
1	400 kV	30	0	30
2	220 kV	565	13	578

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S. No.	Particulars	Opening (As on 1 st April 2016)	Addition during the year	Closing (As on 31 st March 2017)
3	132 kV	522	0	522
4	66 kV	852	6	858
	Total	1969	19	1988
Substation Capacity(MVA)				
1	Substation Capacity	34743	3875	38618

6.3. Transmission system

- 6.3.1. Transmission system will be augmented to meet the generation capacity of the sources which are listed as below:

Table 118: Projected Generation capacity in MW for FY 2016-17 as on 31 March 2017

Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
GNDTP, Bathinda	460	409
GGSTP, Ropar	1260	1153
GHTP, Lehra Mohabbat (Unit # 1 & 2) (Stage-I)	420	384
GHTP, Lehra Mohabbat (Unit # 3 & 4) (Stage-II)	500	458
TOTAL THERMAL	2640	2404
Shanan	110	109
UBDC-I	45	45
UBDC-II	46	46
UBDC TOTAL	91	91
**RSP	600	
Less 20% J&K and 4.6% HP share from RSD	-148	
Net RSD share of Punjab	452	452
ASHP	134	133
MHP-1&2	90	90
MHP-3&4	117	117

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Mukerian Hydel Project State II	18	18
MHP Total	225	225
TOTAL HYDRO	1012	1010
TOTAL (HYDRO+THERMAL)	3652	3414
PEDA & NRSE Projects	817	733
Micro Hydel	6	6
Rajpura TPP	1400	1400
Talwandi Sabo TPP	1980	1980
Goindwal Sahib TPS	540	540
BBMB	1161	1155
Farakka STPS	22	20
Kahalgaon-I	51	45
Tala	30	29
Kahalgaon-II STPS	120	110
Singrauli STPS	200	181
Rihand STPS-I	110	98
Rihand STPS Stage-II	102	93
Unchahar-I	36	32
Unchahar-II	60	53
Unchahar-III	17	15
Anta GPS	49	46
Auraiya GPS	83	79
Dadri NCGPS	132	125
NAPS	51	45
RAPP B	100	87
RAPP C	46	40
Bairasiul HPS	84	81
Salal HPS	184	178
Rampur HEP	23	22
Nathpa Jhakri HPS	152	147
Tehri Stage-I	77	74
Dulhasti HEP	32	31

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Name of Project	Gross Installed Capacity / Share (MW)	Net Installed Capacity / Net Share (MW)
Tanakpur HPS	17	16
Chamera HPS-I	55	53
Parbati III HEP	41	39
Dhauliganga HEP	28	27
Chamera HPS-II	30	29
Sewa-II HEP (3 Units)	10	10
Uri-I HPS	66	64
Uri-II HPS	20	19
Koteshwar HEP	25	25
Rihand-III	83	76
Chamera-III	18	18
Koldam	62	60
IPPs		
Durgapur DVC TPS	200	181
Pragati-III(Bawana)PPCL	137	130
Malana-2 (PTC)	86	83
Sasan Ultra Mega Project	558	545
Mundra Ultra mega project	475	464
New Projects		
New Ganaga HEP	33	32
Central Sector (Firm Share)	3704	3503
TOTAL INSTALLED CAPACITY	13261	12730

6.4. Transmission System Availability

- 6.4.1. The Petitioner submits that it will maintain the Transmission System Availability above the normative annual transmission availability factor as mandated by Hon'ble Commission in PSERC Regulations for FY 2016-17.

6.5. Transmission Losses

- 6.5.1. The Petitioner submits that, it has installed boundary ABT meters at interface points between PSTCL and PSPCL (details as given in section 2.5) and the remaining works will be completed by May 2016. The Petitioner further submits that actual

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transmission losses are expected to be available by the end of May 2016.

- 6.5.2. The Petitioner requests the Hon'ble Commission to approve the transmission losses for FY 2016-17 at 4%, till the availability of actual transmission losses.

6.6. Capital Expenditure Plan for PSTCL

- 6.6.1. The Petitioner in this section is submitting the investments required to be made during FY 2016-17 for the existing schemes which are already in progress and the new schemes which are being planned to be taken up during this financial year. The revised details of the approved capital plan of transmission line and sub-station is attached at Annexure I of this petition.

6.6.2. Status of 400 kV works

Rajpura Thermal Plant Transmission Works:-

Transmission works related with Rajpura Thermal Plant Project will be finalized during 2016-17. An expenditure of Rs 2.00 Cr (approx.) is anticipated during this year.

Additional 500MVA Transformer at Dhuri and 2 No Bays at Nakodar:- The work of additional 1 x500MVA-400/220KV rating transformer at Dhuri and 2 No. Bays at Nakodar will be taken up during this year, as per system requirement. An expenditure of Rs 31 Cr is anticipated during this year.

Addl. 500MVA T/F at Mukatsar: - The work of additional 1x500MVA 400/220KV rating transformer will be taken up during 2016-17 and will be commissioned during 2017-18. Expenditure of Rs 4 Cr is anticipated during this year.

6.6.3. Status of 220 kV/ 132 kV

220KV Works

The work for construction of new Sub-stations, new lines, addition and augmentation of transmission system will be taken up as per system requirements. An expenditure of Rs 408.25 Cr is anticipated during 2016-17.

The work for automation of 5 Nos. 220KV Sub-stations (Mohali-I, Mohali-II, Kharar, Lalru and Dera Bassi) will be completed during 2016-17. An expenditure of Rs 6.12 Cr is likely to be incurred during 2016-17.



132 KV Works

The work for construction of new Sub-stations, new lines, addition, and augmentation of transmission system will be taken up as per system requirements. An expenditure of Rs 24 Cr is anticipated during 2016-17.

6.6.4. Status of ERP

The Petitioner has already initiated the work on ERP implementation, as detailed under Section 4.6.4, and will invest Rs 6.41 Cr on this project during FY 2016-17.

Table 119: Proposed ERP implementation expenditure for FY 2016-17

All figures in Rs Cr

Sr. No.	Description of Work	Estimated Capex in FY 2016-17
1	ERP software license, ATS, Implementation Services, Support Cost	5.96
2	Cost for PC and peripherals for the ERP center	0.20
3	Cost for the WAN communication link	0.25
	Total	6.41

6.6.5. Establishment of Training Center

The Petitioner also submits that in the petition for FY 15-16 it had projected the capital expenditure on training center amounting to Rs 4.50 Cr. The implementation of the project is under progress and it is likely that during FY 2015-16 there may not be any expenditure so the capital expenditure on account of training center during FY 2016-17 is proposed to be Rs 11.00 Cr.

6.6.6. Others

ERS Works

The works for emergency restoration system will be completed during 2016-17. An expenditure of Rs 18 Cr is likely to be incurred during this year.

Roof Top Solar System

Installation of 100 kW grid connected roof top Solar Photo Voltaic System at Shakti Sadan to be completed during 2016-17. An expenditure of Rs 20 Lakh is likely to be



incurred during this year.

- 6.6.7. The Petitioner submits that the total expenditure for FY 2016-17 will Rs 512.98 Cr for STU as per the given table:

Table 120: Proposed Capital Investment Plan for STU for FY 2016-17

All figures in Rs Cr.

Sr. No.	Description of Work	Opening CWIP for FY 2016-17	Capex in FY 2016-17	Capitalisation during FY 2016-17	Closing CWIP for FY 2016-17
1	400 kV Transmission Works	140.17	37.00	173.09	4.08
2	220 kV and 132 kV Transmission Works	411.62	438.37	627.66	222.33
3	Others	0.80	31.20	32.00	0.00
4	ERP/IT	0.47	6.41	6.88	0.00
	Total	553.05	512.98	839.63	226.41

The Ministry of Power GoI have recently issued guidelines to the State Governments/Power Utilities for payment of compensation as damages as stipulated under Indian Telegraph Act for erection of transmission towers and transmission lines at the voltage level of 66 kV and above in addition to the compensation towards normal crop and tree damages being paid for such erections. The capital expenditure as estimated above does not include the impact of such additional compensation as a decision on the same is yet to be taken. In the event the said guidelines are implemented during the pendency of present petition, the petitioner shall submit revised estimation of the capital expenditure for consideration of Hon'ble Commission.

- 6.6.8. The capital investment for SLDC during FY 2016-17 is summarized below:



Table 121: Proposed Capital Investment Plan for SLDC for FY 2016-17

All figures in Rs Cr.

Sr.No.	Description of Work	Opening CWIP in FY 2016-17	Capex in FY 2016-17	Capitalisation during FY 2016-17	Closing CWIP for FY 2016-17
1	Procurement of additional RTUs for remaining upcoming substations of PSTCL	0.00	6.30	6.30	0.00
2	Implementation Intrastate Boundary Metering cum Transmission Level Energy Audit Scheme in PSTCL	4.73	6.00	10.73	0.00
3	Implementation of Islanding Scheme in Punjab	0.00	2.00	2.00	0.00
4	Intermediary SCADA between solar, small IPPs & SCADA/EMS	0.00	2.00	2.00	0.00
	Total	4.73	16.30	21.03	0.00

6.6.9. Capital Works in Progress

The following table summarizes the projected status of opening and closing capital works in progress for STU and SLDC:

Table 122: Summary of Capital works in progress for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Opening CWIP	553.05	4.73	557.78
2	Addition to CWIP	512.98	16.30	529.28
3	Less: Transfer to Fixed Assets	839.63	21.03	860.66
4	Closing CWIP	226.41	0.00	226.41



- 6.7. Employee Cost (Salary and other expenses)**
- 6.7.1. As explained in section 2.6.7, the Petitioner has considered FY 2011-12 as base year and FY 2016-17 as (n)th year. Index factor for FY 2015-16 has been calculated as 1.28, which give a per year average index rate as 0.07. Thus index factor for FY 2016-17 ($\text{Index}_{\text{FY 2016-17}}/\text{Index}_{\text{FY 2011-12}}$), based on method provided by Hon'ble Commission comes out to be 1.35 (1.28+0.07).
- 6.7.2. Petitioner has considered pre-capitalisation employee cost approved by the Hon'ble Commission for FY 2011-12 (base year) as Rs 143.64 Cr for STU and Rs 5.72 Cr for SLDC as explained in section 2.6.7.
- 6.7.3. The Petitioner is also entitled for the additional employee cost pertaining to new installations/network for the asset added during the year in accordance with Regulation 28 (3) (c) which allows additional employee cost in case of New installations on case to case basis keeping in view the principles and methodologies enunciated in these regulations. In the absence of any specific methodology in the regulation, the Petitioner submits that the addition in employee cost needs to be nothing less than but a factor to the asset added for the respective year. Hence, estimation of additional employee cost would have to be equated to the asset added during the year.
- 6.7.4. In keeping with similar approach, the Petitioner submits that the capitalization of fixed assets during FY 2016-17 was Rs 860.66 Cr (Rs 839.63 Cr for STU and Rs 21.03 Cr for SLDC). The opening value of GFA as on 01.04.2016 is determined as Rs 8739.65 Cr for STU and Rs 11.67 Cr for SLDC. The employee expenses for these assets added during the year are being considered assuming that these assets remained in service of the STU and SLDC for six month during FY 2016-17.
- 6.7.5. The Petitioner submits the employee expenses for FY 2016-17 as per the table below:

Table 123: Normative employee expenses for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
a	Other Employee expense for FY 2011-12	143.64	5.72	149.36
b	Employee expense after indexation (1x1.35)	193.85	7.72	201.57
c	Additional expense for new installation /network	132.60	10.84	143.44
d	Employee expense after indexation (b+c)	326.45	18.56	345.01
e	Less: capitalisation in FY 2016-17	47.00	0.00	47.00
f	Salary and other Employee expense for FY 2016-17	279.45	18.56	298.01

- 6.7.6. Petitioner submits that it has projected employee expenses of FY 2016-17 based on estimated employee expenses of FY 2015-16. Petitioner has projected other employee expenses and outsourcing expenses by escalating the estimated basic employee expenses of FY 2015-16 by 12% on account of impact of annual increment @ 3% and effect of dearness allowance @ 9% for 9 months. Considering all the estimated employee expenses comes out to be Rs 178.67 Cr, which is lesser than normative value of Rs 298.01 Cr. Employee cost estimation for FY 2016-17 are provided in table below,

Table 124: Employee expense during FY 2016-17

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Other employee expenses	191.19	6.22	197.41
2	Impact of DA allowance (12% of basic)	9.80	0.33	10.13
3	Outsourcing expenses	17.95	0.19	18.14
4	Less: Employee Cost Capitalisation	47.00	0.00	47.00
	Total	171.94	6.73	178.67

- 6.7.7. Petitioner requests Hon'ble Commission to approve employee expenses as Rs 171.94 Cr for STU and Rs 6.73 Cr for SLDC. This is lower than the normative employee expenses of Rs 279.45 Cr for STU and 18.56 Cr for STU.





6.8. Terminal Benefits

6.8.1. The Petitioner submits that as per the Transfer scheme payment is being made on account of Terminal Benefits for the erstwhile PSEB employees in the defined ratio between PSPCL and PSTCL. The estimated expenditure is Rs 227.53 Cr for PSTCL for FY 2016-17.

6.8.2. It is submitted that the employees recruited by PSTCL are covered under New Pension Scheme (NPS) and are entitled to gratuity under the provisions of the Payment of Gratuity Act, 1972 and the leave salary under the Leave Rules of the Corporation. For discharging the said terminal liabilities, PSTCL has gone for actuarial valuation as on 31.3.2017 towards gratuity and leave salary. The principle of allowing terminal liabilities on pay as you go-on basis as provided under 33 of the Tariff Regulation of 2005 is towards funding of past liabilities of pension and gratuity to the employees covered under the pension scheme. The above liability has been created for meeting the current terminal liabilities of gratuity and leave encashment in respect of employees recruited by PSTCL in compliance of AS 15 issued by the ICAI and is not to be treated as unfunded past liabilities of pension and gratuity as envisaged under clause 33 of the Tariff Regulations

6.8.3. The Petitioner submits that it got actuarial valuation conducted to determine the amount of gratuity and leave encashment for FY 2016-17 for employees recruited by PSTCL. The details of actuarial valuation are given as the following table:

Table 125: Terminal benefits of PSTCL employees for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC*	PSTCL
1	Gratuity	2.15	0.00	2.15
2	Leave Encashment	4.27	0.00	4.27
3	Terminal Benefits	6.42	0.00	6.42

**Terminal benefits for employees of SLDC is included in STU*

6.8.4. Progressive Funding of Terminal Benefits

6.8.5. The Petitioner also submits that it is not projecting any amount for progressive funding of terminal benefits for FY 2016-17, as the same was not approved by the Hon'ble Commission in its Tariff Order for FY 2015-16. This is without prejudice

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to our rights and contentions in our Appeal No. 262 of 2014 submitted before the Hon'ble APTEL. However, PSTCL would approach the Hon'ble Commission for progressive funding if required after the outcome of the appeal filed to the Hon'ble APTEL's.

The amount of terminal benefits is given as per the table below:

Table 126: Terminal benefits for FY 2016-17

All figures in Rs Cr.

Sr. No	Particulars	STU	SLDC	PSTCL
1	Terminal benefits for employees of erstwhile PSEB			
a	Leave Encashment	16.02	0.00	16.02
b	Gratuity	26.47	0.00	26.47
c	Pension Payment	178.62	0.00	178.62
2	Total	221.11	0.00	221.11
3	Terminal benefits for new employees recruited by PSTCL	6.42	0.00	6.42
	Terminal Benefits	227.53	0.00	227.53

6.9. Total employee expenses

6.9.1. Total employee expenses including salary and other expenses and Terminal Benefits for STU and SLDC are given as per the table below:

Table 127: Total Employee expenses for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Other Expenses			
a	Salary and Other Employee Cost for FY 2016-17	171.94	6.73	178.67
2	Terminal Benefits	227.53	0.00	227.53
3	Total Employee Cost	399.47	6.73	406.20



- 6.9.2. The Hon'ble Commission is requested to approve the Total employee cost of Rs 399.47 Cr for STU and Rs 6.73 Cr for SLDC as determined by the Petitioner.
- 6.9.3. Petitioner would like to submit that impact of seventh pay commission is to be implemented from 1.1.2016. In case PSTCL allows revision of salary on the basis of seventh pay commission during the pendency of this petition, the impact of pay revision will be claimed to the Hon'ble Commission as the same is allowable as per PSERC regulations.

6.10. Repair & Maintenance (R&M) Expenses

- 6.10.1. The Petitioner submits the projected R&M expenses for FY 2016-17 on the basis of R&M expenses as determined for FY 2015-16. The R&M expenses for asset addition for FY 2015-16 have been considered on complete year basis. The R&M expenses for FY 2015-16 have been escalated by increase in CPI @ 5.49% as it the latest CPI capturing full year.
- 6.10.2. The proportion of escalated R&M expenses to the opening GFA has been applied on the capitalization in order to determine R&M expenses for assets added during FY 2016-17. This calculation has been done for both STU and SLDC separately, considering that the new assets would remain in service of the STU and SLDC for six months on an average during FY 2016-17.
- 6.10.3. Details of R&M determination are given as per the table below:

Table 128: R&M expenses for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	R&M expenses for FY 2016-17	41.39	2.97	44.37
2	Add: Capitalized R&M expenses in FY 2015-16	0.25	0.00	0.25
3	R&M expenses for assets added during FY 2016-17	2.00	2.68	4.68
4	R&M expenses after applying increase in CPI @ 5.49%	46.03	5.96	51.99
5	Less: Capitalized R&M expense in FY 2016-17	0.27	0.00	0.27
6	R&M expenses for FY 2016-17	45.76	5.96	51.72

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6.10.4. The Hon'ble Commission is requested to approve the R&M expenses for FY 2016-17 as Rs 45.76 Cr for STU and Rs 5.96 Cr for SLDC determined by the Petitioner.

6.11. Administrative & General (A&G) Expenses

6.11.1. The Petitioner submits the estimated A&G expenses for FY 2016-17 on the basis of A&G expenses as determined for FY 2015-16. The A&G expenses for asset addition for FY 2015-16 have been considered on complete year basis. The A&G expenses for FY 2015-16 have been escalated by increase in CPI @ 5.49%.

6.11.2. The proportion of escalated A&G expenses to the opening GFA has been applied on the capitalization in order to determine A&G expenses for assets added during FY 2016-17. This calculation has been done for both STU and SLDC separately, considering that the new assets would remain in service of the STU and SLDC for six months on an average during FY 2016-17.

6.11.3. It is also submitted that the audit fee, ARR and license fee has been kept same as for FY 2015-16.

6.11.4. Details of the calculations for A&G expenses are as given below:

Table 129: A&G Expenses for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	A&G expenses for FY 2015-16	21.96	3.27	25.23
2	Add: Capitalized A&G expenses in FY 2015-16	5.14	0.00	5.14
3	A&G expenses for assets added during FY 2016-17	1.30	2.95	4.25
4	A&G expenses after applying increase in CPI @ 5.49%	29.96	6.56	36.52
5	Less: Capitalized A&G expenses in FY 2016-17	5.66	0.00	5.66
6	Add: Audit Fee	0.10	0.00	0.10
7	Add: License and ARR fee	0.50	0.50	1.00
	A&G expenses for FY 2016-17	24.90	7.06	31.96

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6.11.5. The Petitioner requests the Hon'ble Commission to approve the A&G expenses for FY 2016-17 as Rs 24.90 Cr for STU and Rs 7.06 Cr for SLDC determined by the Petitioner.

6.12. Depreciation Charges

6.12.1. Depreciation charges for FY 2016-17 have been computed considering the average of opening and closing GFA for FY 2016-17 on account of asset addition during FY 2016-17. Depreciation rates have been taken as per CERC Tariff Regulations 2014. The computation of the same has been depicted in Format F9 and F9-SLDC of STU and SLDC respectively, attached along with this Petition. The depreciation charges on GFA for STU and SLDC has been summarized in the table below:

Table 130: Depreciation charges for FY 2016-17

All figures in Rs Cr.

Particulars	STU	SLDC	PSTCL
Depreciation	321.72	1.46	323.18

6.12.2. The Petitioner humbly requests the Hon'ble Commission to approve depreciation of Rs 321.72 Cr for STU and Rs 1.46 Cr for SLDC as determined by the Petitioner for FY 2016-17.

6.13. Interest and Finance Charges

6.13.1. In order to compute the interest and finance charges for FY 2016-17, Interest Charges have been calculated on the basis of actual interest rates and estimated opening and closing balance of various loans for FY 2016-17 for STU and SLDC:

6.13.2. Thus, as discussed above, the loan schedule and total interest charges for FY 2016-17 for STU and SLDC is determined as per the given table:

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Table 131: Loan Schedule and Interest on loans for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars (Source)	Opening Balance as on 01.04.16	Estimated Received	Estimated Repayment	Closing Balance as on 31.03.2017	Amount of Interest due
1	OBC	40.10	0.00	28.60	11.50	3.10
2	SBOP,MTL	5.55	0.00	5.55	0.00	0.16
3	LIC	56.80	0.00	22.83	33.97	4.46
4	REC	3015.19	412.98	215.76	3212.41	363.05
5	Loan from PSPCL	495.57	0.00	99.12	396.45	54.78
6	GPF liability	153.68	0.00	21.95	131.73	11.08
7	SBOP, MTL	60.00	0.00	16.00	44.00	6.24
8	NABARD	145.82	100.00	0.00	245.82	21.54
	Total STU	3972.71	512.98	409.81	4075.88	464.41
9	SLDC (REC)	8.45	16.30	0.00	24.75	1.43
	Total PSTCL	3981.16	529.28	409.81	4100.63	465.83
	Less: Capitalisation of Interest charges					43.89
	Net Interest and Finance Charges					421.94

6.13.3. The Petitioner requests the Hon'ble Commission to approve the interest charges of Rs 420.52 Cr as interest charges STU and Rs 1.43 Cr for SLDC for FY 2016-17.

6.14. Interest on Working Capital

6.14.1. The Petitioner submits that for computation of Interest on Working Capital for FY 2016-17, it has taken recourse to the methodology as adopted as per the PSERC (Terms and Conditions for Determination of Tariff), Second Amendment, Regulations, 2012. Based on the above Regulation, the Petitioner has computed the working capital requirement for FY 2016-17 for PSTCL.

6.14.2. It is also submitted that weightage average interest rate of 11.72% (calculations as per format I) has been considered to determine the interest on working capital for FY 2016-17. Detailed computation of the same is provided below:

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Table 132: Interest on Working Capital for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Receivable equivalent to two months	235.86	6.68	242.54
2	Maintenance spares @ 15% of operation and maintenance expenses	70.52	2.96	73.48
3	Operation and maintenance expenses for one month	39.18	1.65	40.82
4	Total working capital	345.55	11.29	356.84
5	Rate of Interest	11.72%	12.00%	
6	Interest on Working capital	40.50	1.35	41.85

6.14.3. Thus, the Petitioner humbly requests the Hon'ble Commission to approve the Interest on Working Capital of Rs 40.50 Cr for STU and Rs 1.35 Cr for SLDC as determined by the Petitioner.

6.15. Return on Equity

6.15.1. The Petitioner submits that it has considered the opening equity for FY 2016-17 same as closing equity for FY 2015-16.

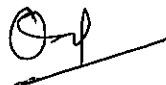
6.15.2. The Petitioner has computed RoE as per the table provided below:

Table 133: Return on Equity projected for FY 2016-17

All figures in Rs Cr.

S. No.	Particulars	STU	SLDC	PSTCL
1	Opening Balance-Equity Capital and free reserves	1011.05	0.00	1011.05
2	Additional Equity	0.00	0.00	0.00
3	Closing Equity and free reserves	1011.05	0.00	1011.05
4	Pre tax Rate	15.50%	15.50%	15.50%
	RoE	156.71	0.00	156.71

6.15.3. The Petitioner humbly requests the Hon'ble Commission to allow the RoE of Rs 156.71 Cr for FY 2016-17 as determined by the Petitioner.





6.16. Income Tax

In accordance with the PSREC Tariff Regulation, the Petitioner is not claiming income tax in this petition and tax on income, if any, will be claimed at the time of either on review or on true up on actual basis, as the case may be.

6.17. ULDC Charges

6.17.1. It is submitted that the ULDC charges are on account of expenses made by the SLDC. The Petitioner submits the estimated ULDC charges for FY 2016-17 as per the given table:

Table 134: ULDC charges for FY 2016-17

All figures in Rs Cr.

Sr. No	Particulars	Amount
1	ULDC Charges - SLDC own share	3.00
2	ULDC Charges - BBMB share	1.50
3	ULDC Charges - Central Sector share	2.50
4	NRLDC Fees & Charges	4.00
5	OPGW charges	5.00
6	URTDSM	0.10
	Total	16.10

6.17.2. The Petitioner thereby requests the Hon'ble Commission to approve ULDC charges of Rs 16.10 Cr as per the estimates submitted by the Petitioner.

6.18. Non Tariff Income

6.18.1. The Petitioner submits the Non Tariff income for FY 2016-17 as per the following table and requests the Hon'ble Commission to approve the same as Rs 5.00 Cr for STU and Rs 0.00 Cr for SLDC:

Table 135: Non-tariff income for FY 2016-17

All figures in Rs Cr.

Particulars	STU	SLDC	PSTCL
Non Tariff Income	5.00	0.00	5.00

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6.19. Revenue from Open Access Consumers

6.19.1. The Petitioner has not considered any revenue on this account due to infirm nature of open access for FY 2016-17.

Table 136: Revenue from Open Access consumers for FY 2016-17

All figures in Rs Cr.

Particulars	STU	SLDC	PSTCL
Open Access Charges	0.00	0.00	0.00

6.20. Interest on unrecovered amount from GoP as per Tariff Order 2014-15

6.20.1. It is submitted that the Hon'ble Commission in its Tariff Order for FY 2014-15 passed on carrying cost of Rs 39.05 Cr to be recovered from Govt of Punjab due to delay in the finalization of the Opening Balance Sheet of PSTCL by the Govt, which had been notified by GoP on 24.12.2012.

6.20.2. Since this amount is not paid by the GoP till date, Petitioner had to borrow/arrange funds to the tune of Rs 39.05 Cr during FY 2014-15. Further, this has led to additional financial stress apart from the impact of lesser revenue gap approved for FY 2014-15 by the Hon'ble Commission. Therefore, it has paid/has to pay Rs 2.44 Cr against interest cost for six month FY 2014-15, Rs 5.19 Cr for full year of FY 15-16 and Rs 2.92 Cr for first six months of FY 2016-17 with an interest at the rate of 12.50%. The Petitioner has no option to fulfill this commitment but to pass the interest cost in the ARR of FY 2015-16. Had it been allowed to be recovered in the tariff of FY 2014-15, the carrying cost against the same could have been saved. Petitioner submits that due to the reason stated above the interest cost of Rs 10.54 Cr. as explained above may be recovered from tariff of FY 2015-16.

6.20.3. Further, the uncertainty of release of the amount of Rs 39.05 Cr from the GoP would compel the Petitioner to pass on the carrying cost to the consumers through tariffs. In order to avoid burdening the customer with this carrying cost on a year-on-year basis till the release of the amount from GoP, it is requested that this amount of Rs 39.05 Cr is also allowed to be recovered from the consumers through tariff.

6.21. Annual Revenue Requirement without gap and carrying cost

6.21.1. The following table summarizes the projected aggregate revenue required for

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FY 2016-17 for PSTCL as per the PSERC Tariff Regulations 2005 and its subsequent amendments:

Table 137: Annual Revenue Requirement for FY 2016-17

All figures in Rs Cr.

Sr. No.	Particulars	STU	SLDC	PSTCL
1	Employee cost	399.47	6.73	406.20
2	R&M expenses	45.76	5.96	51.72
3	Administrative and General expenses	24.90	7.06	31.96
4	Depreciation	321.72	1.46	323.18
5	Interest charges	420.52	1.43	421.94
6	Interest on working capital	40.50	1.35	41.85
7	Return on Equity	156.71	0.00	156.71
8	ULDC Charges	0.00	16.10	16.10
9	Tax on Income	0.00	0.00	0.00
10	Interest on unrecovered amount from GoP	10.54		10.54
10	Annual Revenue Requirement	1420.13	40.09	1460.22
11	Less:			
	i. Non-Tariff income	5.00	0.00	5.00
	ii. Revenue from Open Access Customers	0.00	0.00	0.00
12	Net Annual Revenue Requirement	1415.13	40.09	1455.22

6.22. Treatment of overall Revenue Gap

6.22.1. The detail of revenue surplus /(gap) upto FY 2016-17 is tabulated below:

Table 138: Revenue Surplus/(Gap) upto FY 2016-17

All figures in Rs Cr.

Particulars	Allowed/ Allowable	Received	Difference	Revenue (Surplus) already allowed	Revenue Gap to be allowed
FY 2012-13	801.15	830.01	-28.86	0.00	-28.86
FY 2013-14	1050.28	1269.64	-219.36	0.00	-219.36
Surplus upto FY 2013-14 recovered in FY 14-15	0.00	0.00	0.00	-397.65	397.65
Cumulative surplus /(gap)	1851.44	2099.65	-248.21	-397.65	149.44

- 6.22.2. Based on the above computed cumulative carrying cost on actual revenue surplus/(gap) The Petitioner has determined the net carrying cost recoverable in FY 2016-17 hereunder:

Table 139: Computation of cumulative Carrying cost as per accounts upto FY 2016-17

All figures in Rs Cr.

FY	Revenue Surplus/ Gap	Carrying cost	Carrying cost already allowed	Net carrying cost
2012-13	-28.86	-13.57	2.08	-15.65
2013-14	-219.36	-77.52	0.00	-77.52
2014-15*	397.65	93.57	-47.92	141.49
2015-16	279.44	32.75	1.44	31.31
Total	428.87	35.23	-44.40	79.63

*Carrying cost for revenue (surplus)/gap in FY 2014-15

- 6.22.3. Carrying cost is allowable on the basis of cumulative interest rate but it has been claimed on the basis of simple interest without prejudice to decision of Hon'ble APTEL appeal no. 262.
- 6.22.4. Based on the net revenue gap and carrying cost as computed above, the adjusted ARR for FY 2016-17 is determined hereunder:





Table 140: Adjusted Revenue Requirement for PSTCL for FY 2016-17

All figures in Rs Cr

S. No.	Aggregate Revenue Requirement	PSTCL
1	ARR for FY 2016-17	1,455.22
2	Add: Net Revenue Gap till FY 2013-14	149.44
3	Add: Net Revenue Gap of FY 2015-16	279.44
4	Add: Net Carrying cost	79.63
	Adjusted ARR required for FY 2016-17	1,963.72

6.22.5. Thus, the Petitioner prays the Hon'ble Commission to approve the cumulative revenue requirement (including previous revenue surplus / (gaps) and carrying cost) determined by the Petitioner as per the above table for FY 2016-17 including:

- (a) ARR of Rs 40.09 Cr for SLDC
- (b) ARR of Rs 1415.13 Cr for STU
- (c) Total ARR of Rs 1963.72 Cr for PSTCL

6.21.6 The Petitioner requests the Hon'ble Commission to consider the revenue gap as estimated by the Petitioner for FY 2016-17. The Petitioner requests the Hon'ble Commission that the ARR of Rs 1963.72 CR. for FY 2016-17 may be allowed to be recovered from PSPCL during FY 2016-17. The ARR of Rs 1963.72 Cr for FY 2016-17 includes Rs 279.44 Cr as per section 5.22.2 being the revenue gap of FY 2015-16 which is proposed to be given effect as a revision to the ARR of FY 2015-16 in the said year.



7. TRANSMISSION AND LONG & SHORT TERM OPEN ACCESS CHARGES

7.1. Background

- 7.1.1. The Hon'ble Commission has notified the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011 under Section 42 read with Section 181 of the Electricity Act, 2003. Consumers availing open access shall be required to pay the transmission charges for use of the transmission systems of PSTCL.
- 7.1.2. Regulations 23 of Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011, states as under:
“ ...
Long term, Medium term and Short term Open Access customers availing supply at 132/220kv shall be liable to pay full transmission charges;
... ”

7.2. Open Access Charges in terms of Rs/MW/Month

- 7.2.1. Short term Open Access customer shall be liable to pay transmission charges determined by the Hon'ble Commission.
- 7.2.2. Surcharge and/ or any other charge on Long / Short Term Open Access, if any, as decided by the Hon'ble Commission will be applicable.
- 7.2.3. The transmission charge payable by a short-term customer will be levied on hourly basis in Rs/MWh.
- 7.2.4. The total State generation capacity including ISGS share which will flow through the transmission network of PSTCL, after netting off inter-state transmission losses is 12,730 MW during FY 2016-17. The Petitioner, therefore, proposes the LTOA charges and STOA charges as below:

Table 141: Proposed Transmission and open access charges for FY 2016-17

S. No.	Particulars	Units	FY 2016-17
1	ARR (Net)	Rs. Cr.	1,963.72
2	Transmission Capacity	MW	12730
3	Transmission Tariff	(Rs/MW/Month)	128549

- 7.2.5. Thus, the Petitioner requests the Hon'ble Commission to determine Open Access Charges as per Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2011.



7.3. Reactive Energy Charges

- 7.3.1. As per regulation 38 (C) of PSERC (Terms and Condition for determination of Tariff) Regulations, 2005, reactive energy charges would be variable charge reflecting voltage related draws/returns shall be payable at the rate prescribed by the CERC from time to time. The PSTCL requests the Hon'ble Commission to allow the reactive energy charges as per the Regulation.

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7.4. PRAYER

7.41. Based on the submissions in aforementioned chapters, PSTCL humbly prays the Hon'ble Commission to kindly approve the following:

- (a) Approval of truing up (based on audited annual accounts and relevant PSERC Tariff Regulations) of ARR for FY 2012-13 of Petitioner;
- (b) Approval of truing up (based on audited annual accounts and relevant PSERC Tariff Regulations) of ARR for FY 2013-14 of Petitioner;
- (c) Approval of Review of ARR for FY 2015-16 considering the justification and rationale submitted for transmission and SLDC functions and also consider approval of the revenue gap of Rs 279.44 Cr being liability of and payable by PSPCL to PSTCL during FY 2015-16 in modification of Tariff Order of PSTCL for the said FY 2015-16;
- (d) Approval of ARR and Tariff determination for FY 2016-17 considering the justification and rationale submitted for transmission and SLDC functions;
- (e) Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter/clarify this filing and make further submissions as may be required at a future date;
- (f) Pass such further orders, as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

7.1.1. The Petitioner undertakes to place all further details and justifications as may be necessary for the disposal of the present Petition.

BY THE APPLICANT

THROUGH

FINANCIAL ADVISOR,

Punjab State Transmission Corporation Limited, Patiala.



8. DIRECTIVE

8.1. Status of the directives given in Tariff Order for FY 2015-16

The Petitioner submits that the latest position of the Hon'ble Commission directives given in Tariff Orders for FY 2014-15 which were reviewed in the Tariff Order of FY 2015-16 are as given below:

Table 142: Compliance of Directives given in Tariff Order for FY 2015-16

Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
1	Boundary metering, Energy Audit and T&D loss Reduction	The completion of the boundary metering project has already been over-delayed and PSTCL has failed to implement the project in the committed revised timeframe. The Hon'ble Commission directs PSTCL to ensure submission of actual transmission losses data in the PSTCL system on monthly basis by 30.06.2015.	<p>PSTCL losses for the month of June-2015 and July-2015 (00:00 hrs of 1st day of month to 2400 hrs of last day of month) are 2.19% and 2.88% respectively which have been arrived at by considering the net energy inter-exchange measured through ABT meters installed at boundary interface points of PSTCL with interstate substations, with generating plants (of PSPCL and IPPs) and with PSPCL-distribution side.</p> <p>M/s EDMI, Chennai i.e. system integrator/ Contractor implementing the project has stopped the work due to some issue regarding commissioning of the Project and at present meters data for subsequent month since Aug-2015 is not available in the SLDC remotely.</p> <p>However, efforts are being made to resolve the issue with the firm.</p>

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
2.	Employee Cost	The PwC study report on manpower was submitted in Oct., 2010 and remained under the consideration of the Board of Directors for long time. Thereafter a committee was constituted (which was reconstituted in Jan. 2013) to put up the recommendations. Hon'ble Commission has repeatedly conveyed its concern on the delay by PSTCL in finalizing the roadmap regarding rationalization & increasing productivity of	The manpower restructuring plan has been prepared and is under active consideration of the management upon finalisation, it shall be intimated to the Hon'ble Commission. Work Order for the implementation of Substation Automation System on 5 Nos. of PSTCL's 220KV Substations has been issued on 16.10.2015 and the detailed engineering of the project is expected to be completed in about 4 months from the issuance of Work

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
		<p>the manpower. The Hon'ble Commission directs PSTCL to submit its action plan within three months of the issuance of this Tariff Order. PSTCL was directed to move in the direction of operating its switchgears from SLDC as per International Practices and submit „Action Plan“ to convert all its Substations as unmanned after conducting Techno Economic analysis along with ARR 2015-16. However, no action plan has been submitted. PSTCL is directed to submit Action Plan with due Techno Commercial Analysis at the earliest.</p> <p>The Commission directs PSTCL to ensure that manpower is adequately and timely trained for handling Automation of Substations already taken in hand by PSTCL. The copy of the “In-house” training report may be submitted.</p> <p>PSTCL has failed to take earnest steps to implement Enterprise Resource Planning (ERP). The Commission directs PSTCL to submit the status of implementation of ERP on bi-annual basis.</p>	<p>Order.</p> <p>a) At present PSTCL does not have any In-house Training facility. We are in the process to establish an Advanced Training Centre at Patiala.</p> <p>b) The following training programs have been planned for employees:</p> <ol style="list-style-type: none"> 1. Senior Xen's & Additional Superintending Engineers Four days residential training on "Management Development Programme- Leadership." 2. AEEs/ AEs Four days residential training on "Conflict Management and Team Building." 3. Junior Engineers Three day residential training on "Capacity Building Programme". <p>Tender No.02/CE/HPI: Request for proposal for implementation of ERP (Enterprise Resource Planning) in PSTCL had been published. The Bid opening date was kept as 21.09.2015. No bid was received on due date. Now the bid opening date has been extended to 10.11.2015 vide Corrigendum No.6 published on 08.10.2015.</p>
3	<p>Loading Status of PSTCL transmission lines and Sub stations.</p>	<p>As per the status report submitted by PSTCL, there are 16 number 220KV and 15 number 132KV lines</p>	<p>The latest status of 132/220 KV PSTCL Transmission lines and Substation is attached as Annexure-1.</p>

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
		which were overloaded during paddy season of 2014. It is a matter of concern that some lines were overloaded to the extent of 155%. Commission directs PSTCL to ensure de-loading of all the overloaded lines before start of paddy season of 2015.	
4	Mtc. of category wise details of fixed asset	There has been no tangible progress on the issue of preparation of Fixed Asset Register showing quantity wise detail of all assets with value by the consultants during the last one year. The Commission directs PSTCL to submit the progress report within 3 months of the issuance of the Tariff Order and ensure compliance of the directive at the earliest.	The Fixed Asset Register (FAR) upto 31.03.2014 year-wise, category-wise, location-wise with value has been prepared by PSTCL at corporate level. The matter regarding preparation of Fixed Asset Register quantity-wise as well as value-wise was taken up with the consultants in respect of one of the divisions i.e. P&M Division, Ablowal. The draft sample of FAR sent by consultants in respect of P&M Division Ablowal is under consideration. Once it is finalised, the same will be implemented in all the divisions.
5	Adequacy of existing switch-gear and Earthmat at PSTCL sub stations	PSTCL is directed to ensure completion of work at all sub-stations under P&M Circle, Amritsar before start of rainy/ paddy season. Also, PSTCL should continue to submit the status report to the Commission on bi-annual basis.	The earth resistance of all the sub-stations under P&M circle Amritsar is within permissible limits as per IEEE earthing guide 80, 132KV sub-station Naraingarh is under augmentation into 220KV sub-station. The 220KV mesh at 132KV sub-station Naraingarh has been laid down. The earthing resistance of 220KV mesh is within permissible limits. The earth resistance of all the substations under P&M organisation is within permissible limits as per IEEE Earthing guide 80 as on 30.06.2015.

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
6	Audited annual accounts for FY 2012-13 and FY 2013-14	PSTCL should submit CAG report for FY 2012-13 immediately on its receipt. PSTCL is directed to submit the Audited annual accounts for FY 2013-14 and FY 2014-15 along with the audit report of Statutory Auditors and CAG of India at the time of filing of ARR Petition for FY 2016-17.	<p><u>Audited annual accounts for FY 2012-13:-</u> CAG Report of India on Annual Accounts for FY 2012-13 has been submitted vide this office Memo No. 1272 dated 22.04.2015.</p> <p><u>Audited annual accounts for FY 2013-14:-</u> The Statutory audit of Annual Accounts for FY 2013-14 has been completed by the Statutory auditors on 30.07.2015. Copy of Audited annual accounts of FY 2013-14 with the request to commence the statutory audit, has been sent to C&AG on 03.07.2015 and C&AG report on the annual accounts of PSTCL for the FY2013-14 is still awaited, the same will be submitted when received.</p> <p><u>Audited annual accounts for FY 2014-15:-</u> The statutory audit for FY 2014-15 is in process.</p>
7	Reactive Compensation for FY 2014-15	PSTCL has failed to implement the directive of the Commission in right earnest. On one hand it is mentioned that job has been entrusted to the Planning organization but on the other hand it is brought out that available software with PSTCL does not have provision for reactive compensation determination at micro level. PSTCL should have taken care of these bottlenecks in order to	PSTCL had placed work order, for getting the study done at 220/132KV CPRI Bangalore. Interim Report has been submitted by CPRI. The same is being studied and has further been forwarded to SLDC and P&M organisations for their comments also. The comments and inputs of all the concerned organisations will be forwarded to CPRI for submission of final report. In the meanwhile, reactive compensation is being provided at new substations/augmentations as per the empirical formula based



Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
		implement the directive of the Commission. The installation of reactive compensation in PSTCL system on a thumb rule is not appreciated. This should have been done on the basis of detailed system studies. PSTCL is again directed to carry out system studies to identify requirement of Reactive Compensation in PSTCL system and ensure installation of requisite reactive compensation at its sub-stations. The status of implementation must be submitted within 3 months of the issuance of this Tariff Order.	system.
8	Transmission system for evacuation of power from IPPs	PSTCL is directed to complete all transmission works required for evacuation & dispersal of power from IPPs to avoid any constraint in smooth flow of power from IPPs under normal and outage conditions as per Transmission Planning criteria of CEA.	PSTCL has completed the full 400KV evacuation system related with IPP's of Punjab (i.e. Talwandi Sabo (TPS) & Rajpura(TPS)). The evacuation system related with Goindwal Sahib TPS which comprised of three double ckt. lines, out of which two number DC lines have been completed and the work on the remaining one number DC line is under progress and has to be slowed down in view of site constraints (i.e. river crossings) coming in their route, and the slow progress of commissioning of generating station Goindwal Sahib TPS. The system so erected is quite adequate for evacuation & dispersal

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
9	Calculation of depreciation as per straight line method	PSTCL is directed to claim the depreciation for transmission assets in the next ARR as per straight line method over the useful life of the asset at the rate of depreciation as specified by the CERC provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the line shall be spread over the balance useful life of the assets	of Power from IPPs. Calculation of depreciation as per straight line method: <ol style="list-style-type: none">1. PSTCL is following the below mentioned accounting policy for the depreciation upto 31.03.2014: "Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates specified in the Schedule XIV to the Companies Act,1956. In respect of depreciable assets for which no rates has been specified (including the assets of SLDC), rates notified by CERC are adopted."2. From 1st April 2014, the accounting policy to depreciation has been changed in companies with the provisions Part B of Schedule II to the Companies Act,2013: "Depreciation on fixed assets is provided as per PSERC Tariff Regulations,2005. In accordance with PSERC regulations, depreciation is calculated annually based on straight line method at rates specified in Appendix II of CERC Tariff Regulations, 2014.3. As per Regulations 27(1) (d) of the PSERC Regulation the "Depreciation for generation and transmission assets shall be calculated annually as per straight-line method over the useful life of the asset at the rate

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Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
			<p>of depreciation specified by the Central Electricity Regulatory Commission from time to time.</p> <p>Provided that the total depreciation during the life of the asset shall not exceed 90% of the original cost.</p> <p>So on the basis of above, PSTCL is charging depreciation upto 90% of the original cost of fixed assets by adopting PSERC Regulations.</p> <p>There is no mention of charging of depreciation after 12 years from date of commercial operation by the utility over the balance useful life of assets in PSERC (Terms and Conditions for determination of Tariff) Regulations 2005.</p> <p>The Clause of 12 year criteria has been inserted in PSERC Regulations 2014 (Terms and Conditions for determination of Generation, Transmission, Wheeling and Retail supply Tariff Regulations i.e. MYT Regulations) which are applicable from the FY 2017-18. Therefore the criteria mentioned in above new Directives will be applicable to PSTCL from FY 2017-18.</p>
10.	Replacement of defective energy meters	PSTCL is directed to ensure that all the energy meters installed at various grid substations record correct energy. Any meter reported defective must be replaced within 10 working days. Similarly any other defect	The Project of Boundary Metering cum Transmission Level Energy Audit scheme was awarded on turnkey basis. As per the contract, the firm has to operate and maintain the system for 7 years after commissioning.



Tariff	Issues	PSERC's Comments/ Directives for FY 2015-16	PSTCL's Reply
		<p>contributing to wrong recording of the energy must be rectified within 10 days. The defective meter shall be got tested from ME lab and the report should be submitted to the Commission. PSTCL is also directed to check multiplying factor of all energy meters and submit compliance within 3 months of issue of this Tariff Order.</p>	<p>The replacement of the defective meters which have been installed by the firm is included in its scope and in case of any eventuality its engineers take the necessary steps to test/replace the same in the presence of representatives of PSTCL/SLDC.</p> <p>The multiplication factors which are being used for calculation for each meter have been verified by respective P&M Circles.</p>
11	Regular updation of website	<p>PSTCL is directed to ensure regular updation of its website.</p>	<p>The official website of PSTCL is updated regularly, as per PSTCL website updation policy i.e. every Friday or next working day. Any time sensitive information is uploaded on the same day.</p>
12	<p>Implementation of Commission's order dated. 04.12.14 in case of petition no.54 of 14, in the matter of Technical Audit of works executed by PSTCL & PSPCL for development of Transmission & Sub-Transmission system from 01.04.2010 to 31.03.2013.</p>	<p>PSTCL is directed to submit the action taken report on quarterly basis on various directives issued in the Commission's order dated 04.12.2014 in case of petition no. 54 of 2014. The first such quarterly report ending June, 2015 is to be submitted by 31.07.2015 and next quarterly reports should be submitted by 31.10.2015, 31.01.2016 and 30.04.2016.</p>	<p>The requirement of data/information has been sought from SLDC and P&M Organisations. The overall compiled information will be furnished on receipt from respective quarters</p>

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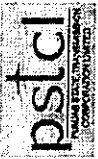
ARR FORMATS

On



S. No	Form Reference	Details of Form
1	ARR Summary	ARR Summary of Transmission and SLDC Business
Forms related to STU		
2	Form F1	Employee Expenses
3	Form F4	Repair & Maintenance Expenses
4	Form F5	Administration & General Expenses
5	Form F8	Expenses Capitalised
6	Form F9	Depreciation
7	Form F11	Provision for Bad & Doubtful Debts
8	Form F12	Income from Investments and Non-Tariff Income
9	Form F14	Consumer Contribution
10	Form F15	Equity
11	Form F16	Return on Equity
12	Form F17	Line Length (ckt-km)
13	Form F18	Capital Expenditure Details
14	Form F19	Number of Sub-Stations
15	Form F20	Interest on Working Capital
16	Form F21	Interest & Finance Charges
17	Form F22	Transmission Availability (%)
18	Form F23	Transmission Loss (%)
19	Form F24	Revenue
Forms related to SLDC		
20	Form F1	Employee Expenses
21	Form F4	Repair & Maintenance Expenses
22	Form F5	Administration & General Expenses
23	Form F9	Depreciation
24	Form F12	Income from Investments and Non-Tariff Income
25	Form F18	Capital Expenditure Details
26	Form F20	Interest on Working Capital
27	Form F21	Interest & Finance Charges
28	Form	ULDC charges
29	Form F24	Revenue

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ARR Summary

S.No	Particulars	Transmission Business						SLDC Business						Transmission and SLDC business												
		Final True up FY 2012-13		Final True up FY 2013-14		Review FY 2015-16		Final True up FY 2012-13		Final True up FY 2013-14		Review FY 2015-16		Final True up FY 2012-13		Final True up FY 2013-14		Review FY 2015-16								
		Order	Actuals	Order	Actuals	Petition	Order	Estimated	Projections	Order	Actual	Order	Actual	Petition	Order	Estimated	Projections	Order	Actual	Order	Actual	Petition	Order	Estimated	Projections	
		Column Reference																								
1	Net Employee costs	211.12	302.24	365.32	349.59	427.07	337.79	378.00	399.47	4.54	6.08	3.82	6.44	4.19	4.08	6.40	6.73	215.66	308.32	369.14	356.03	431.26	341.87	384.40	466.20	
2	Net R&M expenses	68.89	52.19	113.79	45.46	123.58	57.98	41.39	45.76	0.18	2.04	0.29	1.41	13.48	4.55	2.97	5.96	69.07	54.23	114.08	46.87	137.06	62.53	44.37	51.72	
3	Net A&G expenses	13.79	10.42	26.24	21.42	28.53	26.77	21.96	24.90	0.03	1.07	0.05	0.74	4.96	1.31	3.27	7.06	13.82	11.49	26.29	22.17	33.49	28.08	25.23	31.96	
4	Depreciation	147.90	108.29	218.91	138.77	269.72	223.01	283.42	321.72	0.40	0.49	0.57	0.38	1.60	1.60	0.61	1.46	148.30	108.78	219.48	139.15	271.32	224.61	284.02	323.18	
5	Interest charges	244.85	207.82	299.25	264.14	430.10	303.60	426.69	470.52	1.65	0.01	0.97	0.09	4.01	2.09	0.47	1.43	246.50	207.83	300.22	264.23	434.11	305.69	427.16	421.94	
6	Interest on Working Capital	25.15	28.37	33.14	31.87	55.68	32.58	38.51	40.50	0.77	0.55	0.60	0.28	1.67	0.66	0.97	1.35	25.92	28.91	33.74	32.15	57.35	33.24	39.47	41.85	
7	ULDC Charges								0.00	21.00	13.91	27.40	9.41	9.00	9.00	17.50	16.10	21.00	13.91	27.40	9.41	9.00	9.00	9.00	17.50	16.10
8	Return on Equity	50.92	112.47	93.90	131.50	106.30	93.91	156.71	156.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.92	112.47	93.90	131.50	106.30	93.91	156.71	156.71	
9	Income tax	0.00	11.21	0.00	27.56	22.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.21							0.00
10	Interest on unrecovered amount from Govt								10.54																	0.00
	Add: Additional Income tax	0.00	18.57	0.00	79.03																					0.00
11	Total revenue requirement	762.62	851.57	1150.55	1089.35	1463.26	1075.64	1346.68	1470.13	28.57	24.14	33.70	18.75	38.91	23.29	32.18	40.09	791.19	875.71	1184.25	1108.10	1502.17	1098.93	1378.87	1460.22	
12	Less: Non Tariff Income	36.98	14.98	5.76	14.03	9.00	19.16	2.10	5.00	0.00	3.37	0.00	10.24	2.50	4.90	0.24	0.00	36.98	18.35	5.76	24.27	11.50	24.06	2.34	5.00	
13	Less: Charges from STOA	0.00	55.46	0.00	46.83	0.00	0.00	21.00	0.00	0.00	9.18	0.00	6.66	0.00	0.00	1.22	0.00	0.00	64.64	0.00	53.49	0.00	0.00	22.22	0.00	
14	Aggregate Revenue Requirement	725.64	781.13	1144.79	1028.49	1454.26	1056.48	1323.58	1415.13	28.57	11.59	33.70	1.85	36.41	18.39	30.72	40.09	754.21	792.72	1178.49	1030.34	1490.67	1074.87	1354.31	1455.22	
	Incentive	0.00	8.43	0.00	19.94					0.00	0.00	0.00	0.00													
	Gross ARR	725.64	789.56	1144.79	1048.43	1454.26	1056.48	1323.58	1415.13	28.57	11.59	33.70	1.85	36.41	18.39	30.72	40.09	754.21	801.15	1178.49	1050.28	1490.67	1074.87	1354.31	1455.22	
15	Revenue gap carry-forward (with carrying cost)									0.00	0.00	0.00	0.00					75.80	0.00	91.15	0.00	0.00	0.00	0.00	0.00	
16	Cumulative Revenue Requirement	801.44	789.56	1235.94	1048.43	1454.26	1056.48	1323.58	1415.13	28.57	11.59	33.70	1.85	36.41	18.39	30.72	40.09	830.01	801.15	1269.64	1050.28	1490.67	1074.87	1354.31	1455.22	
17	Revenue from Tariff	801.44	801.44	1235.94	1235.94		1056.48	1056.48		28.57	0.00	33.70				18.39		801.44	830.01	1235.94	1269.64				1074.87	
18	Revenue Gap		-11.88		-187.51			267.10			-16.98		-31.85			12.33		0.00	-28.86	0.00	-219.36				279.44	

04



Form-F4: R&M Expenses for STU

S. No	Particulars	Form - F4 Repair and Maintenance Expenses												(Rs in Crore)	
		FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)				Ensuing Year (FY 2016-17)			
		Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected		
	Column Reference	3	4	5	3	4	6						6		
1	Plant & machinery			48.53			41.54			9.27					
2	Building including renovation			2.69			2.61			0.88					
3	Hydraulic works & civil works			0.46			0.71			0.18					
4	Line cable & network			0.36			0.40			0.38					
5	Vehicles			0.69			0.79			0.29					
6	Furniture & fixtures			0.01			0.00			0.00					
7	Office equipments			0.00			0.01			0.00					
8	Operating expenses			0.00			0.00			0.00					
9	Total	54.58	71.45	52.73	53.04	36.80	46.06	123.58	57.98	11.00	30.64	41.64	46.03		
10	Less: Expenses Capitalised	0.17	0.00	0.57	1.45	0.00	0.88	0.00	0.00	0.12	0.13	0.25	0.27		
10	R& M recoverable on execution of 66KV works			0.03								0.00	0.00		
	R& M expenses capitalized	0.17		0.54	1.45							0.00	0.00		
11	Net expenses	54.41	71.45	52.17	51.59	36.80	45.18	123.58	57.98	10.89	30.51	41.39	45.76		
12	R&M for Assets Addition during the year	14.98	17.15		0.00	3.66		0.00	0.00						
13	Add: Prior period expenses/losses			0.03											
14	Total expenses charged to revenue	69.39	88.60	52.19	51.59	40.46	45.46	123.58	57.98	10.89	30.51	41.39	45.76		

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Form F8: Expenses Capitalized for STU

Form - F8 Expenses Capitalized														(Rs in Crore)		
S. No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)					Ensuing Year (FY 2016-17)			
		Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected			
	Column Reference			4			4							6		
1	Interest & Finance charges Capitalized			133.82			149.40	39.92	39.92						39.90	43.89
2	Other expenses capitalized:															
	a. Employee expenses	24.00		43.62			45.88								47.00	47.00
	b. R&M Expenses	0.17		0.54			0.88								0.25	0.27
	c. A&G Expenses	1.58		7.00			9.48								5.14	5.66
	Total	25.75		51.17			56.24								52.39	52.93
	Grand Total	25.75		184.99			205.64								92.29	96.82

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Form-F9: Depreciation Charges for STU

Form - F9 Depreciation															
S.No	Particulars	FY 2012-13				Previous Year (FY 2013-14)				Current Year (FY 2015-16)				Ensuing Year (FY 2016-17)	
		Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Provision	Order	H1	H2	Total	Projected		
	Column Reference			3			4						3		
1	Depreciation (Excluding prior period adjustment)	188.60	147.90	108.29	166.14	137.27	138.77	232.96	223.01				283.42	321.72	
2	Opening GFA (Net of Land and Land Rights)			2338.70			2929.44						5168.62	5813.20	
3	Assets additions during the Year			590.74			746.96						644.58	839.63	
4	Assets replacement/ retirement			0.00			0.00						0.00	0.00	
5	Closing GFA			2929.44			3676.40						5813.20	6652.83	
6	Depreciation as % of Opening and Closing GFA			4.11%			4.20%						5.16%	5.16%	

Day



Form-F12: Income from investments and other Non-tariff income for STU

S.No	Particulars	Form - F12 Income from investments and other non-tariff income										(Rs. In Crore)	
		FY 2012-13		Previous Year (FY 2013-14)			Current Year (FY 2015-16)						Enabling Year (FY 2016-17)
		Revised values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	H1	H2		Total
	Column Reference			4			4	1	2	3	4	5	6
1	Meter/measuring equipment/service line rentals												
2	Service charges												
3	Customer charges												
4	Revenue from late payment surcharge												
5	Miscellaneous receipts												
6	Incentives from CGS's												
7	Miscellaneous charges (except PLEC charges)												
8	Interest on staff loans and advances			0.02			0.00			0.00			
9	Interest on advances to suppliers			0.00			0.00			0.00			
10	Income from trading			2.45			1.69			0.01			
11	Income from staff welfare activities			0.01			0.01			0.01			
12	Rental charges for staff quarters, water charges, Hospital ward, guest house etc.			0.40			0.39			0.20			
13	Sale of Tender forms			0.21			0.22			0.07			
14	Excess found on physical verification						0.01			0.00			
15	Interest on investments, fixed and call deposits and bank balances			0.00									
16	Net recovery from penalty on coal liaison agents												
17	Other Non Tariff Income including prior period									0.01			
18	Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc.												
19	Sale of Scrap												
20	Any other income not included above			11.90			11.71			0.75			
	Total	5.76	61.21	14.98	8.41	10.72	14.03	5.00	19.16	1.05	1.05	2.10	5.00

(Signature)



Form-F14: Contributions, Grants and Subsidies towards Cost of Capital Assets for STU

Form - F14													(Rs. In Crore)	
Contributions, Grants and subsidies towards Cost of Capital Assets														
in Crore)														
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)				Ensuing Year (FY 2016-17)		
		Revised values	Review Order	Actuals	Actuals revised value	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected	
	Column Reference			4				1	2	3	4		6	
1	Consumer Contribution Towards Cost Of Capital Assets													
2	Subsidies Towards Cost Of Capital Asset													
3	Grant Towards Cost Of Capital Assets													
4	Revenue subsidies & grants													
	Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	

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Form-F15: Equity for STU

Form - F15 Equity														(Rs. In Crore)	
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)					Ensuing Year (FY 2016-17)		
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected		
	Column Reference			4	2		4	1	2	3	4		6		
1	Opening Balance of Equity	328.50	605.88	605.88	605.88	605.88	685.78	685.78	605.88			1011.05	1011.05		
2	Equity Addition during the Year			79.90	0.00	0.00	325.27	0.00	0.00			0.00	0.00		
3	Deduction in Equity on account of retirement of assets														
4	Closing balance of Equity	328.50	605.88	685.78	605.88	605.88	1011.05	685.78	605.88	0.00	0.00	1011.05	1011.05		

Gay



Form-F16: RoE for STU

Form - F16 Return On Equity													
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)					Basing Year (FY 2016-17) Projected
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	
	Column Reference	1	2	3	1	2	3	1	2	3	4	5	
1	Opening Balance-Equity Capital	328.50	605.83	605.88	605.88	605.88	685.78	685.78	605.88			1011.05	1011.05
2	Equity additions during the year through Internal Accruals			79.90	0.00	0.00	325.27	0.00	0.00			0.00	0.00
3	Closing balance-Equity Capital	328.50	605.83	685.78	605.88	605.88	1011.05						
4	Return on Equity	75.39	93.90	112.47	93.91	93.91	131.50	106.30	93.91			156.71	156.71
5	ROE rate (%)	22.95%	15.50%		15.50%	15.50%	15.50%	15.50%	15.50%			15.50%	15.50%

Day



Form-F17: Description for Transmission Function - Line Length (ckt-km)

Format - F17 Line Length (ckt-km)							
S.No	Particulars	As on 31.03.12	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 31.03.16	As on 31.03.17
		Actuals	Actuals	Actuals	Actuals	Estimated	Projected
1	400 KV	-	-	367.75	1599.76	1599.76	1599.76
2	220 KV	5035.32	5146.46	5520.77	5696.69	6304.16	6994.16
3	132 KV	3111.10	3087.20	3112.20	3114.66	3120.22	3120.22
4	Total	8146.42	8233.66	9000.72	10411.11	11024.14	11714.14

Day



Form-F18: Capital Investment Details

		Form - F18					Capex expenditure details				
SNo	Particulars	Opening CWP for FY 2015-16 H1	Capex th FY 2015-16 H1	Estimated Capex FY 2015-16 H2	Capitalisation during FY 2015-16	Closing CWP for FY 2015-16	Capex in FY 2016-17	Capitalisation during FY 2016-17			
		1	2	3	4	5	6	7			
1	400 kV Transmission Works	128.30	28.58	56.50	73.21	140.17	37.00	173.09			
2	220 kV and 132 kV Transm	612.35	120.46	230.17	551.37	411.62	438.37	627.66			
3	Others	0.00	0.00	20.80	20.00	0.80	31.20	32.00			
4	ERP/IT	0.00	0.17	0.30	0.00	0.47	6.41	6.88			
5	Total	740.66	149.21	307.77	644.58	553.05	512.98	839.63			

Cap



Form-F19: Description of Transmission Function-No. of Substations

		Format - F19 Number of Substations for Transmission function						
S.No	Particulars	As on 31.03.12	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 31.03.16	As on 31.03.17	
		Actuals	Actuals	Actuals	Actuals	Estimated	Projected	
1	400 KV	-	1	2	4	5	6	
2	220 KV	62	70	83	88	92	99	
3	132 KV	77	78	76	74	73	73	
4	Total	139	149	161	166	170	178	

Ord

Form-F20: Normative Interest on Working Capital

Form - F20												
Normative Interest on Working Capital												
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)			(Rs. In Crore)	
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	Total		
	Column Reference			4			4	1	2	4		
1	Receivables equivalent to two months of fixed cost.	133.55	134.95	131.59	169.25	139.42	174.74	242.38	176.08	220.60		235.86
2	Maintenance spares @ 15% of O&M expenses	50.09	67.35	54.73	59.17	54.44	62.47	86.88	63.38	66.20		70.52
3	Operation and Maintenance expenses for one month.	27.83	37.41	30.40	32.87	30.25	34.71	48.27	35.21	36.78		39.18
4	Total Working Capital (Normative)	211.47	239.71	216.72	261.29	224.11	271.91	377.53	274.67	323.58		345.55
5	Additional Working Capital Requirement On Capital Spares											
4	Total Working Capital							377.53	274.67			345.55
5	Rate of Interest applied	14.75%	10.93%		14.45%	11.53%	11.72%	14.75%	11.86%	11.72%		11.72%
6	Interest on Working Capital	31.19	26.20	28.37	37.76	25.84	31.87	55.69	32.58	38.51		40.50

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Form-F21: Interest & Finance Charges for STU

Form - F21													
Interest & Finance Charges													
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)				Ending Year (FY 2016-17)	
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year's Petition	Order	HU	HZ	Total	Projected
1	Opening Balance	1623.23	1623.23	2540.59		2267.97	3316.68	3749.45	2691.68	3901.97	3878.91	3901.97	3972.71
2	Loan addition during FY	1060.13	790.44	922.39		449.33	707.87	503.37	503.37	172.10	284.89	456.99	512.98
3	Loan Repayment during FY	145.70	145.70	246.31		255.44	307.31	383.29	383.29	195.16	191.09	386.25	409.81
4	Closing Balance	2537.67	2267.97	3216.67		2461.86	3717.24	3869.53	2811.76	3878.91	3972.71	3972.71	4075.88
5	Interest	241.36	225.72	341.42		276.77	413.54	455.63	329.12	215.61	242.48	458.09	464.41
6	Interest in GP fund							14.40	14.40				
7	Interest Capitalised	40.00	24.13	133.82		30.85	149.40	39.92	39.92		39.90	39.90	43.89
8	Interest disallowed on account of diversion of funds		24.39										
9	Net Interest	201.36	177.20	207.60		245.92	264.14	430.11	303.60	215.61	202.58	418.19	420.52
10	Rate of Interest	12.50%	12.50%			12.50%		11.96%	11.96%				
11	Guarantee Charges	4.00	2.98			18.26					8.50	8.50	
12	Add: Prior Period Expenses			0.22			0.00						
13	Interest & Finance Charges	205.36	180.18	207.82		264.18	264.18	430.11	303.60	215.61	211.08	426.69	420.52

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Form-F21 (Detailed): Interest Cost for STU

Interest Cost Form - F 21 Detailed							
2012-13 (Actuals)							
(Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	1140.93		827.57	37.07	1931.43	189.18
2	Commercial Bank	261.55		0	68.32	193.23	26.00
3	LIC	220.47		0.00	40.92	179.55	21.55
4	Loan from PSPCL	715.86		77.06	0.00	792.92	85.62
5	GPF liability	201.79		17.76	0.00	219.55	17.52
		2540.60		922.39	146.31	3316.68	339.87
	Less: captilziation						133.82
	Add: Prior period expenses/losses						0.22
	Add: Miscellaneous finance charges						1.56
	Net Interest						207.83
P.S.:Interest and Finance Charges if any for taking the loan like loan gurantee charges are also required to be mentioned							
2013-14 (Actuals)							
(Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	1931.43		707.87	74.40	2564.90	268.61
2	Commercial Bank	193.23		0	70.92	122.31	19.34
3	LIC	179.55		0.00	40.92	138.63	17.10
4	Loan from PSPCL	792.92		0.00	99.12	693.80	88.81
5	GPF liability	219.55		0.00	21.95	197.60	18.04
		3316.68		707.87	307.31	3717.24	411.89
	Less: captilziation						149.40
	Add: Prior period expenses/losses						0.00
	Add: Miscellaneous finance charges						1.65
	Net Interest						264.14
2015-16 (H1)							
(Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	2845.04		144.80	83.60	2906.24	169.64
2	Commercial Bank	188.89		27.30	19.86	196.33	9.30
3	LIC	97.71		0.00	31.16	66.55	3.14
	Loan from PSPCL	594.69		0.00	49.56	545.13	33.53
	GPF liability	175.64		0.00	10.98	164.66	0.00
		3901.97		172.10	195.16	3878.91	215.61
	Less: captilziation						0.00
	Net Interest						215.61
2015-16 (H2)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	2906.24		209.89	100.94	3015.19	179.83
2	Commercial Bank	196.33		75.00	19.86	251.47	13.68
3	LIC	66.55		0.00	9.75	56.80	4.97
	Loan from PSPCL	545.13		0.00	49.56	495.57	31.00
	GPF liability	164.66		0.00	10.98	153.68	13.00
		3878.91		284.89	191.09	3972.71	242.48
	Less: captilziation						39.90
	Guarantee charges payable to GoP						8.50
	Net Interest						211.08
2016-17							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	3015.19		412.98	215.76	3212.41	363.05
2	Commercial Bank	251.47		100.00	50.15	301.32	31.04
3	LIC	56.80		0.00	22.83	33.97	4.46
	Loan from PSPCL	495.57		0.00	99.12	396.45	54.78
	GPF liability	153.68		0.00	21.95	131.73	11.08
		3972.71		512.98	409.81	4075.88	464.41
	Less: captilziation						43.89
	Net Interest						420.52

09/



Form-F22: Transmission Availability (%)

Form - F22				
Transmission Availability (%)				
S. No.	Month	FY 2012-13	FY 2013-14	FY 2015-16
1	April	99.92%	99.90%	99.86%
2	May	99.92%	99.94%	99.88%
3	June	99.86%	99.90%	99.88%
4	July	99.90%	99.85%	99.92%
5	August	99.97%	99.54%	99.90%
6	September	99.96%	99.91%	99.90%
7	October	99.96%	99.94%	
8	November	99.92%	99.96%	
9	December	99.96%	99.79%	
10	January	99.86%	99.83%	
11	February	99.90%	99.93%	
12	March	99.97%	99.89%	
	Average	99.93%	99.87%	

024



Form-F23: Transmission Loss (%)

Form - F23 Transmission Loss (%)												
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)			Ensuing Year (FY 2016-17)	
		Last years petition	Review Order	Actuals	Last years petition	Review Order	Actuals	Last Year Petition	Order	Revised Estimate		
1	Column Reference	4.50%	2.50%	4	4.50%	2.50%	4	4.00%	2.50%	4.00%	4.00%	
	Transmission Loss%										6	4.00%

07

Form-F24: Revenue from Transmission Tariff

Form - F24 Revenue from Transmission Tariff												(Rs. In Crore)	
S.No	Particulars	Previous Year (FY 2012-13)			Current Year (FY 2013-14)			Current Year (FY 2015-16)			Ensuing Year (FY 2016-17)		
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	Actuals	Projected		
	Column Reference	1	2	3	1	2	3	1	2	3	6		
1	Revenue from Transmission Tariffs	833.31	801.44	801.44	973.09	836.52	1235.94	1454.27	1056.48	1056.48	1415.13		
2	Revenue on account of Transmission from Open Access			55.46			46.83						
	Total	833.31	801.44	856.90	973.09	836.52	1282.77	1454.27	1056.48	1056.48	1415.13		

Op



9.1. ARR Formats for SLDC

Form F1: Employee expenses for SLDC

S. No	Particulars	FY 2012-13						FY 2013-14						FY 2015-16						(Rs. In Crores)	
		Revised values	Review order	Actuals	Revised values	Review order	Actuals	Last Year Position	Order	H1	H2	Total	Envisaged Year (FY 2016-17)	Projected							
1	Other expenses																				
2	Basic pay			3.37			3.34	1	2	3	3	3	4	5	6						
3	Over time payment			0.00			0.00														
4	Dearness allowance			1.95			2.20														
4.1	HRA			0.48			0.48														
4.2	Fixed Medical Allowance			0.05			0.05														
4.3	Conveyance Allowance			0.07			0.07														
4.4	Telephone Allowance			0.01			0.01														
5	Bonus			0.00			0.00														
6	Sub-form			5.93			6.13														
7	Medical Expenses reimbursement			0.02			0.04														
8	Leave travel assistance/connection			0.01			0.01														
9	Payment under workmen			0.03			0.05														
10	Sub Total			0.03			0.03														
11	Electricity Concession to PSTCL employees						0.00														
12	Staff Welfare expenses																				
13	Sub Total																				
14	Less: Reimbursement cost recoverable on execution of 66 KV works																				
15	Total Salary and other Employee Cost																				
16	Less: Employee Cost Capitalized																				
17	Net Salary and Other Employee Cost	6.91	2.95	5.95	7.02	6.46	6.22	4.19	4.08	3.37	6.40	6.73	6.40	6.73							
18	Arrears	0.65	0.65		0.00	0.00															
19	Prior period adjustments																				
20	Impact of pay revision	0.00	0.00		0.00	0.00															
21	Out Sourcing Cost	0.00	0.00	0.11	0.00	0.00	0.17														
22	Grand Total	7.56	3.60	6.06	7.02	6.46	6.39	4.19	4.08	3.37	6.40	6.73	6.40	6.73							
S. No	Particulars	FY 2012-13						FY 2013-14						FY 2015-16						(Rs. In Crores)	
11	Particulars	Revised values	Review order	Actuals	Revised values	Review order	Actuals	Last Year Position	Order	H1	H2	Total	Envisaged Year (FY 2016-17)	Projected							
	Column Reference	1	2	3	1	2	3	1	2	3	4	5	6	6							
	Particulars	0.00	0.00	0.03	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
	Column Reference																				
	Particulars	0.00	0.00	0.03	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
	Column Reference																				

Def



Form F-4: R&M Expenses for SLDC

S.No	Particulars	Form - F4 (SLDC) Repair and Maintenance Expenses										(Rs.in Crore)	
		FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)				Ensuing Year (FY 2016-17)	
		Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected
	Column Reference	1	2	3	1	2	3	1	2	3	4	5	6
1	Plant & machinery			2.00			1.38			0.04			
2	Building including renovation			0.03			0.03			0.01			
3	Hydraulic works & civil works			0.00			0.00			0.00			
4	Line cable & network			0.00			0.00			0.00			
5	Vehicles			0.00			0.00			0.00			
6	Furniture & fixtures			0.01			0.01			0.00			
7	Office equipments			0.00			0.00			0.00			
8	Operating expenses			0.00			0.00			0.00			
9	Total	2.32	0.19	2.04	2.56	3.44	1.41	13.48	4.55	0.05	2.92	2.97	5.96
10	Less: Expenses Capitalised	0.00	0.00		0.00	0.00	0.00	0.00	0.00			0.00	0.00
10	R& M recoverable on execution of 66KV works			0.03								0.00	0.00
	R& M expenses capitalized	0.17		0.54	1.45							0.00	0.00
11	Net expenses	2.32	0.19	2.04	2.56	3.44	1.41	13.48	4.55	0.05	2.92	2.97	5.96
12	R&M for Assets Addition during the year	1.76	0.04		0.00	0.20		0.00	0.00				
13	Add: Prior period expenses/losses												
14	Total expenses charged to revenue	4.08	0.23	2.04	2.56	3.64	1.41	13.48	4.55	0.05	2.92	2.97	5.96

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Form-F5: A&G Expenses for SLDC

S. No	Particulars	Form - F5 (SLDC) Administration and General Expenses												(Rs. in Crores)	
		FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)			Ensnring Year (FY 2016-17)			Total	Projected
		Revised values	Review order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	II1	II2	III	IV		
1	Rent, Rates & Taxes	1	2	3	1	2	3	1	2	3	4	5	6		
2	Insurance			0.00			0.00			0.00					
3	Telephone, Postage, Telegramme and Telex			0.00			0.00			0.00					
4	Legal Charges			0.08			0.06			0.01					
5	Audit Fees			0.02			0.00			0.00					
6	Consultancy/Technical Charges			0.00			0.00			0.00					
7	Conveyance & Travel Charges			0.10			0.17			0.03					
8	Fees & Subscription			0.02			0.01			0.00					
9	Books & Periodicals			0.00			0.00			0.00					
10	Printing & Stationery			0.01			0.01			0.01					
11	Advertisement/Publicity expenses			0.00			0.01			0.00					
12	Electricity/Water Charges			0.47			0.30			0.08					
13	Expenses on Training			0.00			0.00			0.00					
14	Hospitality			0.00			0.00			0.00					
15	Conference Expenses			0.21			0.00			0.00					
16	Contingency Expenses			0.06			0.06			0.02					
17	Outsourcing expenses for engagement of Personnel on Contract basis			0.10			0.00			0.05					
18	Other expenses			0.00			0.00			0.00					
19	Freight			0.00			0.00			0.00					
20	Other purchase related expenses			0.00			0.12								
21	Other expenses														
22	Freight														
23	Other purchase related expenses														
24	Other donations														
25	Total	0.99	0.04	1.07	1.52	0.99	0.74	4.96	1.31	0.21	3.06	3.27	7.06		
26	Add: Additional A&G expenses on the asset addition	0.76	0.01		0.00	0.06									
27	Add: Audit + licence and ARR fee	0	0.00	0.00	0.00	0.00									
28	Total expenses	1.75	0.05	1.07	1.52	1.05	0.74	4.96	1.31	0.21	3.06	3.27	7.06		
29	A&G expenses recoverable on execution of 66kV works														
30	Administration & General exps. capitalized														
31	Net expenses	1.75	0.05	1.07	1.52	1.05	0.74	4.96	1.31	0.21	3.06	3.27	7.06		
32	Add prior period Expenses/Losses														
33	Other Debits/Staff Outsourcing Expenses														
34	Total expenses charged to revenue	1.75	0.05	1.07	1.52	1.05	0.74	4.96	1.31	0.21	3.06	3.27	7.06		

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Form-F9: Depreciation Charges for SLDC

		Form - F9 (SLDC) Depreciation												(Rs in Crore)	
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)					Ensuing Year (FY 2016-17)		
		Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected		
	Column Reference			3			4						3		
1	Depreciation (Excluding prior Perior period adjustment)	0.63	0.40	0.49	0.93	0.93	0.38	1.60						0.61	1.46
2	Opening GFA (Net of Land and Land Rights)			5.50			5.74							7.04	10.40
3	Assets additions during the Year			0.24			0.03							3.36	21.03
4	Assets replacement/ retirement			0.00			0.00							0.00	0.00
5	Closing GFA			5.74			5.77							10.40	31.43
6	Depreciation as % of Opening and Closing GFA			8.72%			6.60%							6.97%	6.97%

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Form-F12: Income from investments and other Non-tariff income for SLDC

S.No	Particulars	Form - F12 (SLDC)												(Rs. in Crores)
		Income from investments and other non-tariff income												
		FY 2012-13			FY 2013-14			FY 2015-16			FY 2016-17			
Revised values	Review Order	Actuals	Revised values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected			
	Column Reference	1	2	3	4	5	6	7	8	9	10	11	12	
1	Meter/retailing equipment/service line rentals													
2	Service charges													
3	Customer charges													
4	Revenue from late payment surcharge													
5	Miscellaneous receipts													
6	Incentives from CGS's													
7	Miscellaneous charges (except PLEC charges)													
8	Interest on staff loans and advances			0.00			0.00							
9	Interest on advances to suppliers			0.00			0.00							
10	Income from trading			0.00			0.00							
11	Income from staff welfare activities			0.00			0.00							
12	Rental charges for staff quarters, water charges, Hospital ward, guest house etc.			0.02			0.03			0.01				
13	Sale of Tender forms			0.00			0.00							
14	Excess found on physical verification			0.00			0.00							
15	Interest on investments, fixed and call deposits and bank			0.02			0.02							
16	Net recovery from penalty on coal liaison agents													
17	Other Non Tariff Income including prior period						7.32							
18	Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc.			0.02			0.01							
19	Sale of Scrap													
20	Misc. Income - NOC charges open access customers			3.04			2.61							
21	Any other income not included above			0.26			0.25			0.11				
	Total	5.85	5.85	3.37	2.49	3.32	10.24	1.50	4.90	0.12	0.12	0.24	0.00	

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Form F18: Capital Investment Details for SLDC

Format - F18
Capex expenditure details

SNo	Particulars	Opening CWP for FY 2015-16 (H)	Capex in FY 2015-16 (H)	Estimated Capex for 2015-16 (H)	Capitalization during FY 2015-16	Closing CWP for FY 2015-16	Capex in FY 2015-16	Capitalization during FY 2015-16
		1	2	3	4	5	6	7
1	Procurement of 47 RTUs for SCADA Scheme	0.34	0.88	2.12	3.34	0.00	6.30	6.30
2	upcoming substations of PSTCL	0.00	0.00	0.00	0.00	0.00	6.00	10.73
3	cur cum Transmission Level Energy Audit Scheme	0.73	0.00	4.00	0.00	4.73	2.00	2.00
4	Implementation of Islanding Scheme in Punjab	0.00	0.00	0.02	0.02	0.00	2.00	2.00
5	& SCADA/EMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	1.07	0.88	6.14	3.36	4.73	16.30	21.03

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Form F20: Interest on Working Capital for SLDC

Form - F20 (SLDC)											
Normative Interest on Working Capital											
S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)			(Rs. In Crore)
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	Total	
	Column Reference			4			4	1	2	4	Projected
1	Receivables equivalent to two months of fixed cost.	4.76	1.97	1.93	9.77	2.91	0.31	6.07	3.06	5.12	6.68
2	Maintenance spares @ 15% of O&M expenses	2.23	0.58	1.38	3.12	1.67	1.29	3.39	1.49	1.90	2.96
3	Operation and Maintenance expenses for one month.	1.24	0.32	0.77	1.73	0.93	0.72	1.89	0.83	1.05	1.65
4	Total Working Capital (Normative)	8.23	2.87	4.08	14.62	5.51	2.31	11.35	5.38	8.07	11.29
5	Rate of Interest applied	14.75%	10.93%		14.75%	6.77%	12.00%	14.75%	12.25%	12.00%	12.00%
6	Interest on Working Capital	1.21	0.31	0.55	2.16	0.37	0.28	1.67	0.66	0.97	1.35

Out



Form-F21: Interest & Finance Charges for SLDC

S.No	Particulars	FY 2012-13			Previous Year (FY 2013-14)			Current Year (FY 2015-16)					Ensuing Year (FY 2016-17)	
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	H1	H2	Total	Projected	
		1	2	3	1	2	3	1	2	3	4	5	Projected	
1	Opening Balance		0.00	0.00		0.77	0.77	17.68	2.77	1.43	2.97	1.43	8.45	
2	Loan addition during FY		1.00	0.77		1.00	0.00	17.00	21.75	1.54	5.48	7.02	16.30	
3	Loan Repayment during FY		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Closing Balance		1.00	0.77		1.77	0.77	34.68	24.52	2.97	8.45	8.45	24.75	
5	Interest		0.06	0.01		0.09	0.09	4.01	2.09	0.13	0.34	0.47	1.43	
6	Interest in GP fund								0.00					
7	Interest Capitalised		0.00	0.00		0.00	0.00		0.00		0.00	0.00	0.00	
8	Interest disallowed on account of diversion of funds		0.00	0.00		0.00	0.00							
9	Net Interest		0.06	0.01		0.09	0.09		2.09	0.13	0.34	0.47	1.43	
10	Rate of Interest													
11	Guarantee Charges		0.00			0.00						0.00	0.00	
12	Add: Prior Period Expenses			0.00			0.00							
13	Interest & Finance Charges		0.06	0.01		0.09	0.09		2.09	0.13	0.34	0.47	1.43	

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Form-F21 Detailed: Interest Cost for SLDC

Interest Cost Form - F 21 Detailed							
2012-13 (Actuals) (Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	0.00		0.77	0.00	0.77	0.01
2	Commercial Bank						
3	LIC						
4	Loan from PSPCL						
5	GPF liability						
		0.00		0.77	0.00	0.77	0.01
	Less: captilziation						
	Add: Prior period expenses/losses						
	Net Interest						0.01
P.S.:Interest and Finance Charges if any for taking the loan like loan gurantee charges are also required to be mentioned							
2013-14 (Actuals) (Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	0.77		0.00	0.00	0.77	0.09
2	Commercial Bank						
3	LIC						
4	Loan from PSPCL						
5	GPF liability						
		0.77		0.00	0.00	0.77	0.09
	Less: captilziation						
	Add: Prior period expenses/losses						
	Net Interest						0.09
2015-16 (H1) (Rs in Crore)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	1.43		1.54	0.00	2.97	0.13
2	Commercial Bank						
3	LIC						
4	Loan from PSPCL						
5	GPF liability						
		1.43		1.54	0.00	2.97	0.13
	Less: captilziation						
	Net Interest						0.13
2015-16 (H2)							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	2.97		5.48	0.00	8.45	0.34
2	Commercial Bank						
3	LIC						
4	Loan from PSPCL						
5	GPF liability						
		2.97		5.48	0.00	8.45	0.34
	Less: captilziation						
	Guarantee charges payable to GoP						
	Net Interest						0.34
2016-17							
Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	REC	8.45		16.30	0.00	24.75	1.43
2	Commercial Bank						
3	LIC						
4	Loan from PSPCL						
5	GPF liability						
		8.45		16.30	0.00	24.75	1.43
	Less: captilziation						
	Net Interest						1.43

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Form 22: ULDC charges for SLDC

S. No	Particulars	ULDC Charges					Current Year (FY 2015-16)					Ensnung Year (FY 2016-17)	
		Revised values	Review order	Actuals	Revised values	Review Order	Provisional Accounts	Last Year Petition	Order	H1	H2	Total	Projected
	Column Reference	1	2	3	1	2	3	1	2	3	4	5	
1	ULDC Charges	17.30	13.30	13.91	15.12	15.12	9.41	9.00	9.00	2.99	14.51	17.50	16.10

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Form-F24: Revenue for SLDC

Form - F24 (SLDC) Revenue from SLDC Tariff												(Rs. In Crore)	
S.No	Particulars	Previous Year (FY 2012-13)			Current Year (FY 2013-14)			Current Year (FY 2015-16)			Ensuing Year (FY 2016-17)		
		Revised Values	Review Order	Actuals	Revised Values	Review Order	Actuals	Last Year Petition	Order	Actuals	Projected		
	Column Reference	1	2	3	1	2	3	1	2	3			
1	Revenue from Tariffs	28.86	12.10	28.57	21.01	17.46	33.70	36.41	18.39	18.39		40.09	
2	Revenue on account of operating charges from Open Access			9.18			6.66						
	Total	28.86	12.10	37.75	21.01	17.46	40.36	36.41	18.39	18.39		40.09	

Or



Summary of Capital Investment Plan

All figures in Rs lakhs

Sr. No	Scheme Code	FY 2015-16				FY 2016-17			
		Opening CWIP as on 31.3.2015	Investment made during H1	Investment made during H2	Transfer to asset	Net Closing CWIP	Investment made during the year	Transferred to asset during the year	Net WIP as on 31.3.17
1	2	3	4	5	6	7	8	9	10
1	400 kV	12830.15	2857.77	5650.00	7321.14	14016.77	3700.00	17308.92	407.85
2	220 kV and 132 kV	61235.47	12046.22	23017.15	55137.26	41161.57	43837.43	62765.75	22233.25
3	Others	0.00	0.00	2080.00	2000.00	80.00	3120.00	3200.00	0.00
4	ERP/IT	0.00	17.00	30.00	0.00	47.00	641.00	688.00	0.00
	Total	74065.614	14903.985	30747.15	64458.403	55258.346	50657.43	63274.67	22641.103
Other Activities									
1	Procurement of 47 RTUs for SCADA Scheme	34.00	88.00	212.00	334.00	0.00	0.00	0.00	0.00
2	Procurement of additional RTUs for remaining upcoming substations of PSTCL	0.00	0.00	0.00	0.00	0.00	630.00	630.00	0.00
3	Implementation Intrastate Boundary Metering cum Transmission Level Energy Audit Scheme in PSTCL	73.00	0.00	400.00	0.00	473.00	600.00	1073.00	0.00
4	Implementation of Islanding Scheme in Punjab	0.00	0.00	2.00	2.00	0.00	200.00	200.00	0.00
5	Intermediary SCADA between solar, small IPPs & SCADA/EMS	0.00	0.00	0.00	0.00	0.00	200.00	200.00	0.00
	Subtotal	107.00	88.00	612.00	334.00	473.00	1230.00	1703.00	0.00
	Grand Total	168174.09	22120.59	30359.15	179449.29	41195.85	50337.43	66946.20	24587.10

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Format I: Working Capital Interest calculation

RATE
Working Capital Interest Calculations

2012-13				
S. No.	Particular	Average monthly Utilisation	Total Interest	Rate of interest (%)
1	Capital Loans	2928.64	339.87	11.61%
2	Cash Credit limit	17.79	2.26	12.70%
3	STL	66.52	8.62	12.96%
	Total	3012.95	350.75	11.64%
2013-14				
S. No.	Particular	Average monthly Utilisation	Total Interest	Rate of interest (%)
1	Capital Loans	3516.96	411.88	11.71%
2	Cash Credit limit	32.47	4.05	12.47%
3	STL	0.00	0.00	0.00%
	Total	3549.43	415.93	11.72%
2014-15				
S. No.	Particular	Average monthly Utilisation	Total Interest	Rate of interest (%)
1	Capital Loans	3810.70	451.62	11.85%
2	Cash Credit limit	115.69	14.46	12.50%
3	STL	174.60	21.86	12.52%
	Total	4100.99	487.94	11.90%
2015-16				
S. No.	Particular	Average monthly Utilisation	Total Interest	Rate of interest (%)
1	Capital Loans	3907.40	456.26	11.68%
2	Cash Credit limit	626.90	75.05	11.97%
3	STL	0.00	0.00	0.00%
	Total	4534.30	531.31	11.72%

On



Format II (a): WPI and CPI values

WPI

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2011-12	152.10	152.40	153.10	154.20	154.90	156.20	157.00	157.40	157.30	158.70	159.30	161.00	156.13
FY 2012-13	163.50	163.90	164.70	165.80	167.30	168.80	168.50	168.80	168.80	170.30	170.90	170.10	167.62
FY 2013-14	171.30	171.40	173.20	175.50	179.00	180.70	180.70	181.50	179.60	179.00	179.50	180.30	177.64
FY 2014-15	180.80	182.00	183.00	185.00	185.90	185.00	183.70	181.20	178.70	177.30	175.60	176.10	181.19
FY 2015-16	176.40	178.00	179.10	177.60	176.50	176.60	176.70	0.00	0.00	0.00	0.00	0.00	177.52
FY 2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CPI

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2011-12	186.00	187.00	189.00	193.00	194.00	197.00	198.00	199.00	197.00	198.00	199.00	201.00	194.83
FY 2012-13	205.00	206.00	208.00	212.00	214.00	215.00	217.00	218.00	219.00	221.00	223.00	224.00	215.17
FY 2013-14	226.00	228.00	231.00	235.00	237.00	238.00	241.00	243.00	239.00	237.00	238.00	239.00	236.00
FY 2014-15	242.00	244.00	246.00	252.00	253.00	253.00	253.00	253.00	253.00	254.00	253.00	254.00	250.83
FY 2015-16	256.00	258.00	261.00	263.00	264.00	266.00	0.00	0.00	0.00	0.00	0.00	0.00	259.50
FY 2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Format II (b): SBI PLR

S. No.	Date	Interest
1	5.10.2015	14.05
2	8.06.2015	14.45
3	10.04.2015	14.6
4	07.11.2013	14.75
5	19.09.2013	14.55
6	04.02.2013	14.45
7	27.09.2012	14.5

OP



Format II (c): Detailed calculation of carrying cost

FY	Revenue Surplus/ Gap	Rate of Interest	Period	Duration	Interest	Carrying cost	Carrying cost already allowed	Net carrying cost
2012-13	-28.86	11.64%	2012-13	6 months	-1.68			
		11.72%	2013-14	1 year	-3.38			
		11.90%	2014-15	1 year	-3.43			
		11.72%	2015-16	1 year	-3.38			
		11.72%	2016-17	6 months	-1.69	-13.57	2.08	-15.65
2013-14	-219.36	11.72%	2013-14	6 months	-12.85			
		11.90%	2014-15	1 year	-26.10			
		11.72%	2015-16	1 year	-25.71			
		11.72%	2016-17	6 months	-12.85	-77.52		-77.52
2014-15	397.65	11.90%	2014-15	6 months	23.66			
		11.72%	2015-16	1 year	46.60			
		11.72%	2016-17	6 months	23.30	93.57	-47.92	141.49
2015-16	279.44	11.72%	2015-16	6 months	16.37			
		11.72%	2016-17	6 months	16.37	32.75	1.44	31.31
TOTAL						35.23	-44.40	79.63

OP