

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

Petition No. 32 of 2023
Date of Hearing: 10.04.2024
Date of Order: 25.04.2024

Approval of Capital Expenditure for the “REVAMPED DISTRIBUTION SECTOR SCHEME” (RDSS) to be implemented by PSPCL with aim to improve the operational efficiencies and financial sustainability, by providing financial assistance to PSPCL for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

AND

In the Matter of: Punjab State Power Corporation Limited., The Mall, Patiala - 147001

....Petitioner

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

PSPCL: Ms. Harmohan Kaur, CE/ARR&TR
 Sh. Harjeet Singh, ASE/TR-2
 Ms. Rajwinder Kaur, Sr.Xen
 Ms. Anshuli Gupta, RA,MIS, Cell
 Sh. Sukhjit Singh Chahal, Addl.SE
 Sh. Sunil Jindal, ASE/Distribution
 Sh. Simranjit Singh, AEE

ORDER

PSPCL has filed the petition for Approval of Capital Expenditure for the “REVAMPED DISTRIBUTION SECTOR SCHEME” (RDSS) scheme of Rs.9641.87 crore including grant amount of Rs. 3198.99 crore and additional incentive of Rs. 84.82 crore. PSPCL has submitted that the duration of the Scheme is 5 years (FY 2021-22 to FY 2025-26). The Scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and the ACS-ARR gap to zero by 2024-25. Monitoring Committee/MoP has approved the action plan and DPR for Infrastructure-loss reduction works and Prepaid Smart Metering Works. Further, PSPCL vide letter No. 7606 dated 01.12.2023 submitted the total capital investment under RDSS as under:

Total Proposed Expenditure for Capital Investment under RDSS

Particular	FY 2023-24	FY 2024-25 (20% work)	FY 2025-26 (40% work)	FY 2026-27 (40% work)	Total (in Rs. Cr.)
RDSS Scheme	0	1928.37	3856.75	3856.75	9461.87

The Commission observed that the RDSS implementation schedule has been delayed by a year. Further, point 27 of Annexure-E (General terms conditions for availing financial assistant under RDSS) of PFC letter dated 02.11.2022 submitted by PSPCL vide letter dated 01.12.2023 reveals that the sunset date for the scheme is 31.03.2026 and the works executed beyond this date will not be eligible for Central Government grant. During the hearing on 06.12.2023, PSPCL representative informed the Commission that the requisite approval for extension in implementation schedule of RDSS scheme has been received a day before. Accordingly, the Commission vide order dated 07.12.2023 directed PSPCL to clarify whether extension in implementation time schedule has been allowed by the Competent Authority of RDSS and to provide a copy thereof. The Commission further directed PSPCL to submit reduction in distribution losses to be achieved with the implementation of RDSS scheme qua the trajectory laid by the Commission.

PSPCL vide letter No. 5352 dated 11.03.2024 submitted that it has requested PFC vide letter dated 12.02.2024 to consider its request for extension in completion period till 31.03.2027. The Commission observes that the submission of PSPCL representative in the hearing dated 06.12.2023 regarding receipt of approval was wrong. Also, PSPCL has not submitted the reduction in distribution losses from the trajectory laid down by the Commission. The Commission has approved distribution loss trajectory for PSPCL and approved capital investment sought by PSPCL in this regard vide Order dated 11.01.2023 in petition No. 49 of 2022. PSPCL is also directed to work out further reduction in distribution loss trajectory than already approved by the Commission with the additional huge capital investment of RDSS scheme to be made along with the already approved capital investment for the benefit of the consumers of the State.

The request for extension has yet not been allowed to PSPCL by the Government of India. So, the petition filed by PSPCL is pre-mature and is not fit to be admitted at this stage. PSPCL may consider to file a fresh petition after its request for extension in competition period for the projects is approved by the competent authority.

The petition stands disposed of accordingly.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated:25.04.2024