

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

**Review Petition No. 5 of 2021
In Petition No. 45 of 2020
Date of Hearing: 14.07.2022
Date of Order: 25.08.2022**

Review Petition under Section 94 (1) (f) of The Electricity Act, 2003 read with Order 47 Rule 1 of the code of Civil Procedure, 1908 and read with Regulation 64 of The Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 for the review of the Order dated 28.05.2021 passed in Petition no.45 of 2020.

AND

In the matter of: Punjab State Power Corporation Limited, PSEB Head Office,
the Mall, Patiala. Punjab –147 001
..... Review Petitioner

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

PSPCL: Sh. Anand K. Ganesan, Advocate
Sh. Amal Nair, Advocate
Sh. Rupinderjeet Singh Randhawa, CE/ARR&TR
Sh. Sachin Kapoor, Dy.CAO
Sh. Ravi Luthra SE/TR-2
Sh. Gurvinder Singh Sr.Xen/TR-5
Sh. Baljinder Pal Singh AE/TR-5
Sh. Vivek Sharma, Consultant PSPCL

ORDER

Punjab State Power Corporation Limited (PSPCL) filed the present petition seeking review of the Tariff Order dated 28.05.2021 passed by the Commission in Petition No. 45 of 2020. The Review petition was admitted vide Order dated 09.11.2021. It was directed to issue Public notice under Section 67 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 inviting objections/comments from the Public/Stake holders. The Public notice was published on 19.11.2021 in Jagbani (Punjabi), Hindustan Times, The Tribune (English) and Punjab Kesri (Hindi). The petition was taken up for hearing as well as

public hearing on 15.12.2021. Sh. Harish Anand appeared for Steel Furnace Association of India (Punjab Chapter) in the public hearing and submitted in details the comments on the Review Petition. The counsel for PSPCL requested for time to file its reply to the comments submitted on behalf of Steel Furnace Association of India within 10 days and next date of hearing was fixed for 25.01.2022. PSPCL filed its reply on 29.12.2021. During hearing on 25.01.2022 the counsel for PSPCL pointed out that appeals with regards to the tariff orders for FY 2014-15 to FY 2019-20 were fixed for hearing before Hon'ble APTEL and final order may be passed in the second week of February, 2022. The counsel further submitted that orders passed by Hon'ble APTEL may have a bearing on the issues raised in the present review petition, therefore next date of hearing was fixed for 09.03.2022. During hearing on 09.03.2022 the counsel for PSPCL submitted that appeals with regards to the tariff orders for FY 2014-15 to FY 2019-20 have been heard and Hon'ble APTEL has reserved the orders. The counsel for PSPCL sought adjournment as Hon'ble APTEL orders were awaited. Normally a review petition is required to be disposed off within the period stipulated in the regulations 64(6) of PSERC (Conduct of Business) Regulations, 2005, however on the request of the counsel for PSPCL, the hearing was adjourned to 20.04.2022 and then to 25.05.2022 since orders of Hon'ble APTEL were still not available. The counsel for PSPCL, during hearing on 25.05.2022 sought two weeks time for filing a detailed affidavit in view of Hon'ble APTEL's order dated 29.04.2022 in Appeal no. 264 of 2014, 173 of 2015 and 277 of 2015. The hearing was thus adjourned to 29.06.2022 and then to 14.07.2022 due to lack of the Commission's quorum. Additional affidavit was filed by PSPCL on 24.06.2022. After hearing PSPCL on 14.07.2022, PSPCL was directed to file an additional affidavit detailing their response to UI charges and the order was reserved.

1. Observations and Decision of the Commission.

The Commission has examined the review petition, submissions made during the hearing and documents adduced on the record. The issue wise summary of submissions made by PSPCL for review, objections/comments received, PSPCL's reply thereto and the Commission's analysis are discussed in the following paragraphs:

2. Energy Requirement and Power Purchase Cost

PSPCL's submission:

FY 2019-20

- a) The Commission has considered the total energy requirement of PSPCL as 55,392.38 MWh, as against the actual requirement of 57,143.82 MWh. The power purchase requirement and costs are uncontrollable and have been actually incurred by PSPCL and ought not to be reduced. The energy requirement is to meet the demand of the consumers in the State and ought not to be reduced.
- b) The Commission has disallowed power purchase to the tune of 1,751.04 MWh. The total power purchase as per the Audited annual accounts of the Petitioner is 45,985.26 MWh against which the Commission has allowed only 44,234.22 MWh.
- c) The Commission has erroneously, considered all the NRSE power (1,426.09 MU) purchased from NRSE generating companies within Punjab during FY 2019-20 as being available at 66/11 kV, which is factually incorrect. Only five RE generating plants are connected at 132 KV, out of the total 1,426.09 MUs, the energy supplied by these five generating plants was 322.80 MU.
- d) i) The Commission has disallowed power purchase cost to the tune of Rs 18.83 Crores on account of disallowance on additional UI charges for frequency beyond 49.5 Hz. These additional UI charges levied/ are paid under CERC's UI Regulations for over-drawl of power when frequency is below 49.5 Hz (and is payable to NRLDC). During day-to-day operations of the grid system, no utility has total control over the frequency and there is always a slight over/under drawl however, the system gets under control after sudden/slight variations. To provide quality power to its consumers, and to maintain grid stability in the region, UI charges are unavoidable and as such charges paid to NRLDC should be allowed by the Commission on actual basis as this is a legitimate expense borne by PSPCL. Due to sudden practical load variations, PSPCL is constrained to make and pay for such drawal. It is relevant to mention that there is no consistent over-drawal of

electricity by PSPCL and the UI mechanism is not used as a source of power purchase by PSPCL. It is only due to the load variations and marginal over-drawals, that these charges are payable. In the circumstances mentioned above, PSPCL ought to be allowed to recover the same. The decision may be reviewed and PSPCL allowed the actually incurred expenditure of Rs. 18.83 Crore.

ii) The Commission in the order has not analyzed the reasons for such marginal over-drawl and has proceeded on the basis that the charges for such over-drawl should not be allowed to PSPCL. Considering the nature of the over-drawl charges and the circumstances in which they arose the said decision of the Commission may be reviewed and PSPCL be allowed the incurred cost of Rs. 18.83 Crore.

iii) PSPCL vide additional submission dated 24.06.2022 stated that the above issue is fully covered by the order of Hon'ble Appellate Tribunal, particularly Para 109 of their judgment. It is further stated that there are no Regulations different from the period as considered by the Hon'ble Tribunal.

iv) In response to the Commission's direction regarding justification of PSPCL's claim of additional UI on account of urgent need for maintaining the state grid and requirement of the consumers specifically clarifying the frequency variation included in para 8 of the additional affidavit as against that shown in the original petition. PSPCL vide letter dated 24.06.2022 submitted that the additional UI charges are also part of unintended UI for over drawl/ under drawl which has been intended by PSPCL for purchase of power through UI by overdrawing and sale of power by under drawing through UI. Over drawl and under drawl are part of the system because Punjab being a heavy power consuming State where load variations are frequent and caused by a number of reasons such as day & night fluctuating demand, different crop seasons, extreme weather conditions, winter & summer-domestic load variations and sudden loss of generating /transmission elements.

v) Further, there are a lot of uncertainties associated with Power Systems. Historically, from Power System statistics, it has been observed that large generators and transmission lines can and do suddenly fail. The

deviation limit as specified in the DSM regulations is very small as compared to the volume of power handled by Punjab i.e. 150 MW (currently 200 MW) against demand of 13000 MW to 14000 MW. PSPCL has also quoted examples as under:

The Sustained Deviation and Additional Deviation were contributed by sudden over-drawl occurred due to forced outages of TSPL unit No. 3 and NPL Unit No. 1 at 05:00 hrs and 07:43 hrs respectively on 23.06.2019. Also, Additional Deviation amount was charged due to forced outage of TSPL unit No. 1 and TSPL unit No. 3 on 16.07.2019 causing over-drawl. Similarly there was an occurrence of heavy under-drawal due to Windstorm/Thunderstorm/ wide spread rain/load crash in the state control area on dated 17-06-2020, 18-06-2019 and 29-09-2019. Due to load crash, heavy under-drawal was caused and additional Deviation amount was charged.

- vi) In spite of such multifarious power system, by putting best efforts PSPCL has managed to keep net UI energy to be negligible in comparison to total power exchanged by PSPCL. So, any part of cost (Additional UI) arising out of this, as per actual cost, may please be considered.
- e) The Commission has not allowed an amount of Rs. 0.10 Crores paid to the Northern Regional Power Committee as part of the Power Purchase Cost but has allowed it as part of A&G expenses which is erroneous as the same is otherwise allowed on normative basis. The payments to NRPC is not for the administrative functions of PSPCL, but towards coordinating for power purchases and power flow in the northern region and therefore ought to be allowed on actual basis under the power purchase cost head.
- f) The Commission has disallowed an amount of Rs. 53.46 Crore incurred by PSPCL towards late payment surcharge of power purchase bills. The Commission has held that since Working Capital is allowed and the utility is expected to pay the bills in time, the late payment surcharge is to be disallowed. The late payment surcharge has arisen only due to the severe financial crisis and the consequent delay in the payment of the bills in time. The Commission has also appreciated and allowed past dues to PSPCL. PSPCL was then not in a position to pay all the charges immediately due to

which the interest cost was incurred. The working capital is allowed only on normative basis and only for a limited period of time. The delay was only due to resource crunch with PSPCL. In the circumstances the late payment surcharge /interest paid need to be allowed as it is beyond the control of PSPCL

- g) The Commission has disallowed a sum of Rs. 578.98 Crore towards alleged excess power purchase quantum. PSPCL had claimed the power purchase as per the audited accounts. The Commission has disallowed the said amounts on account of alleged non-achievement of the normative T&D loss level. PSPCL has reduced the T&D losses to a great extent over the years. This level is substantially lower as compared to the other States in the country. In the circumstances and considering the improvement over the years, the Commission may allow the entire power purchase cost as per the audited accounts of PSPCL.
- h) The Commission has disallowed the power purchase on account of under-achievement of distribution losses and computed the actual distribution losses of 14.35% for FY 2019-20, however, for next APR & ARR financial years, the Commission has pegged the target of distribution losses of PSPCL for FY 2020-21 & FY 2021-22 at level of 12.94% and 12.34%. On one hand, the Commission is continuing the disallowances in power purchase requirement and on the other hand not providing any relaxation in distribution loss trajectory based on actual losses of PSPCL.
- i) The quantum of power claimed by PSPCL to be procured is as per audited accounts and has been actually incurred by PSPCL. The entire power has been used only for the supply of electricity to the consumers in the State of Punjab. The Commission has not fully considered the AP consumption in the State of Punjab, and consequently the T&D losses have not been fully allowed. The said issue is also sought for review before the Commission. The actual cost of power purchase of PSPCL be fully allowed by the Commission. PSPCL is already in severe financial crunch and when the actual cost of power purchase is not recovered, it only results in further deterioration of the financial health.
- j) For the year 2021-22, the Commission has not considered the power

availability from the Meja, Pragati, Durgapur, Raghunathpur & Bokaro generating stations. The Commission had decided this based on its previous decision dated 01.02.2021 wherein the power purchases were not approved. A review petition has been preferred against the above order dated 01.02.2021, which has been admitted by the Commission. The power from the said generating stations is being procured and is within the merit order of PSPCL. In the circumstances, the said power availability may be considered by the Commission.

Comments of Steel Furnace Association of India:

- **Lower energy requirement approved than audited data, full power purchase as per audited balance sheet not allowed, non-achievable of T&D loss and agriculture consumption.**

In para A of the petition, PSPCL has mentioned energy requirement approved is lower than actual, T&D losses are approved on normative basis, agriculture consumption is not fully considered leading to lower approval of power purchase cost.

In this regard, it is to be stated that energy requirement is arrived at based on actual sale realized in quantity in true up/review and relevant power factor and then normative approved T&D losses are factored along with approved agriculture consumption.

- (I) Sales as given by PSPCL for FY 2019-20 in true up is considered and adopted with power factor consideration after detailed deliberations with PSPCL. In other words, sales as reported by PSPCL is accepted and marginal difference of less than 2% in approved figure is due to power factor calibration by PSERC. (Ref. table 4, Page 11, T.O. dated 28/5/2021). This is in conformity with PSERC MYT Regulations (2019) where energy sales is taken as uncontrollable (reference para 8.2 of PSERC MYT Regulations 2019). Thus, MYT regulations fully complied with.
- (II) T&D loss as approved by PSERC are 11.54% for FY 2019-20 and same are retained in true up also while PSERC has claimed actual T&D losses at 14.35% (table 11, T.O. 28/5/21). Now as per PSERC MYT regulations, para 8.2, T&D losses are taken as controllable as

such the same cannot be claimed based on actual. The position of PSPCL is preposterous on this account. Hence, there is no fault in T&D losses approved either of any facts or of any principles.

(III) Agriculture consumption:

PSPCL view that agriculture consumption is not fully considered is also without any justification or detailed calculation. For more than 15 years, PSERC has a methodology to approve the agriculture consumption in consultation with PSPCL, field studies and continuously improvement has been made in the process of calculating agriculture consumption. Accordingly, PSPCL has been claiming approved agriculture subsidy from the Government of Punjab. The detailed justification of approved agriculture consumption for FY 2019-20 in Tariff Oder dated 28/5/2021 is given on page no 13-16, para 2.2.2 of the aforesaid Tariff Order. No reference to any fault in the justification for approving agriculture consumption is drawn by PSPCL in the petition. Now objecting the agriculture consumption and related T&D losses for claiming actual energy requirement is not correct and should not be accepted.

- **Additional UI charges disallowed –Rs.18.83 Crore**

This matter is dealt in very detailed fashion and based on various judgments of APTEL in Tariff Order dated 28/5/2021. Therefore, just because expenses are actually incurred cannot be accepted as justification for approving the same in the review petition. (Reference para 2.10, page 31-32).

- **Amount paid to Northern Regional Power Committee –Rs.0.10 Crore**

As per PSERC MYT Regulations 2019, approved power purchase quantum and price of power purchase is considered as uncontrollable and hence are fully allowed by Commission normally. Further details of such expenses generally given in annexures show that it comprises of actual energy bills raised by the power suppliers within or outside the state. It does not cover any payment made to any committee meant for better coordination purpose as also admitted by PSPCL in its review petition. Therefore, the same is rightly treated as A& G expenses and deserve no review.

- **Late payment surcharge disallowed-Rs. 53.46 Crore**

The matter is fully deliberated and decided in the Tariff order dated 28/5/2021 in para 2.10, pages 32-33. It needs no further consideration and thus no review is required in the absence of any tangible or new facts/arguments. There is no provision in PSERC MYT Regulations for addressing financial resource crunch arising beyond approved Annual revenue requirement.

- **For power disallowed from Meja, Pragati etc. for FY 2021-22**

PSPCL in its review petition, para B, has mentioned that Commission has disallowed power from the referred generating stations in tariff order based on decision given on 1/2/2021. However, PSPCL has filed petition for the same. (Page 7 of the review petition).

In this regard, it is worth mentioning that the review petition is also dealt with and rejected by the Commission through order dated 6/9/2021 in review petition no 1 of 2021. Thus, there is no justification for seeking the cost of purchase of power from such generating stations for FY 2021-22 also as asked by PSPCL.

PSPCL's Reply:

PSPCL submitted that the Objector has placed reliance on Regulation 64 of the PSERC Conduct of Business Regulations, 2005 to aver that the present review petition does not meet the threshold of a review proceeding. This is wrong and denied. It is submitted that one of the prerequisites for seeking review of an order is there being a mistake in the Order under review. It is respectfully submitted that there are mistakes in the tariff order under review which PSPCL has pointed out to while seeking a review of the tariff order.

The contention that PSPCL has failed to point out to any error on the face of record is erroneous. PSPCL has duly pointed out that the audited balance sheets placed by it have not been considered by the Commission while determining the tariff. Agreeing that there may be discrepancies in the tariff order, the Objector has mentioned that PSPCL instead of seeking for review should have taken up the matter in the next tariff year. This is erroneous. It

is submitted that tariff components which could be addressed by way of review, if stretched to the next financial year creates undue financial burden on PSPCL and also add to the carrying cost to the consumers.

It is also denied that through the review petition, PSPCL is seeking to challenge the MYT Regulations. On the one hand the Objector has stated that PSPCL has not challenged any MYT Regulation in the present review petition while on the other hand it is contending that PSPCL should not have challenged the MYT Regulations before the Commission and instead approached the Hon'ble High Court. Such contradictory stand taken is erroneous

Further, as per settled principles of accounting, expenses are validated through books maintained and auditing of the same, therefore it is not correct on the part of the Objector to aver that PSPCL ought not to rely on its audited accounts. All other contentions and averments of the Objector in this regard are wrong and denied.

- **Energy Requirement, Power Purchase, T&D losses and AP consumption**

It is submitted that the Commission has erred in not considering the audited accounts while quantifying actual energy requirement of PSPCL at the time of truing up. The review is sought on the mistake on the part of the Commission in not considering the fact that the purchase cost has been actually incurred by PSPCL.

With respect to the T&D losses, it is submitted that PSPCL is not alleging non-adherence of the MYT Regulations. What PSPCL is seeking a review is for non-consideration of the audited accounts while quantifying the T&D losses. It is submitted that the non-consideration of the audited accounts is the mistake which PSPCL is seeking a review for. The Objector is looking at the present review petition through the lens of an appeal which is impermissible. Similarly in case of AP consumption, PSPCL is seeking a review averring that the Commission has not considered the audited accounts to come to a finding vis-à-vis quantum of power consumption. It is for rectifying this mistake that PSPCL has approached the Commission

seeking a review. All other contentions and averments of the Objector to the contrary are wrong and denied.

- **Additional UI charges disallowed –Rs.18.83 crore**

With respect to the review sought on the disallowance of additional UI charges it is stated that the Objector has failed to demonstrate as to how same is not a fit case of review. It is submitted that the UI charges are unavoidable and that PSPCL never deliberately draws power when the frequency is below 49.5 Hz. It is the case of PSPCL that the Commission has mistaken in not taking into account the reason that UI mechanism has not been used as a source by PSPCL for power purchase and it is for this reason that PSPCL has sought for a review of the same. All other contentions and averments of the Objector to the contrary are wrong and denied.

- **Amount paid to Northern Regional Power Committee –Rs.0.10 crore**

With respect to the review sought on the amounts paid to NRPC for grid management it is stated that the Objector has failed to demonstrate as to how the same is not a fit case of review. It is submitted that the review is sought on the ground that the Commission has mistaken in considering the amounts paid to NRPC as A&G expenses whereas the same is in fact an extension of power purchase activities of PSPCL. All other contentions and averments of the Objector to the contrary are wrong and denied.

- **Late payment surcharge disallowed-Rs. 53.46 Crore**

It is the Objector's case that since there is no provision of addressing financial woes in the MYT Regulations therefore Late Payment Surcharge accrued due to the said woes ought not to be allowed. It is submitted that PSPCL is not seeking a review on the ground that the Commission has deviated from the MYT Regulations while disallowing the Late Payment Surcharge. It is the case of PSPCL that the Commission has mistaken in not considering that when past dues have been acknowledged and have been belatedly allowed by the Commission then as a corollary Late Payment Surcharge accruing out of non-payment also ought to have been allowed. All other contentions and averments of the Objector to the contrary are wrong and denied.

- **For power disallowed from Meja, Pragati etc. for FY 2021-22**

It is submitted that against the Order of the Commission disallowing power purchase from MejaUrja Nigam Limited, Pragati Power Corporation Limited and Damodar Valley Corporation, appeals had been preferred before the Hon'ble Appellate Tribunal. It is stated that the Hon'ble Appellate Tribunal vide Order dated 02/11/2021 has granted a stay on the order of the Commission and has directed PSPCL to continue procuring power from the three generating stations. Therefore, this is a fit case of review. A copy of the Order dated 02/11/2021 passed by the Hon'ble Appellate Tribunal is attached herewith and marked as Annexure A.

Commission's Analysis:

- a) The Commission in its Tariff Order for FY 2021-22, while doing the true-up of FY 2019-20 in paras 2.2.1 to Para 2.2.4, had worked out sales in detail, Transmission and Distribution (T&D) Loss and Energy Requirement for FY 2019-20. The variation (reduction) in metered sales was on account of power factor which was observed by the Commission to be less than normal or abnormally higher for some of the consumer categories. The Commission has considered power factor based on PSPCL's submissions including the once submitted for Rajpura for FY 2019-20 to work out category wise sales. Variation in approved sales for FY 2019-20 has resulted in increase in distribution losses to 14.35% against approved distribution losses of 11.54%. Further, in case of AP Consumption metered category PSPCL could not furnish readings (data) for all the metered AP consumers and could only supply the data for 7276 consumer against total of 8087 consumers. Also, 5.95 LU were disallowed due to the wrong booking of non AP consumption. Due to the above energy requirement got reduced from of 57143.82 MU as submitted by PSPCL to 55392.38 MU i.e. by 1751 MU and the same was approved by the Commission during true-up.
- b) The Commission has given complete details/rationale in Para 2.2 to 2.7 of the Tariff Order for excess power purchase made by PSPCL on account of difference in sales projected by PSPCL and approved by the Commission ($57143 - 55392 = 1751$ MU) as explained in Para above. The esteemed consumers of the State cannot be burdened with the cost of excess power

purchased to the inefficiencies of the licensee and are thus not allowable.

- c) The Commission observes that PSPCL has considered NRSE generation of 2089 MkWh as being available at 66/11 kV. Further, PSTCL vide memo No. 594 dated 27.01.2021 and PSPCL vide memo No. 359 dated 02.03.2021 submitted that NRSE energy exported from PSPCL to PSTCL system was 663 MkWh which included 322.80 MkWh power at 132kV & above while NRSE power at 11/66kV was 1426 MkWh (2089-663) and accordingly the same has been considered during the truing up of FY 2019-20.
- d) With regards to disallowance of additional UI charges, the Commission observes that, the issues of additional UI has been dealt in detail in the para 2.10(i) of the Tariff Order, specifying the rationale for not allowing the said charges.

Further, Hon'ble APTEL in the judgment dated 29.04.2022 in Appeal No. 264 of 2014, Appeal No. 173 of 2015 and Appeal No. 277 of 2015 has observed as under:

“106. The drawl of UI power at frequency below 49.5 should be discouraged and only allowed under UI mechanism in case of emergencies and require to be penalized with additional charges for forcing Grid discipline due to unforeseen events occurring, it is desirable that such drawl should be discouraged to the extent possible. Similarly delay in payment to pool is regarded as default which is penalized with interest and should not be allowed.

108. At the same time, the surcharge due to drawl at low frequencies and the interest on delayed payments should be disallowed to bring in efficiency, reasonableness, economics and in the interest of consumers.

109. In view of above the appeal has merit to the extent that the State Commission ought to allow the cost for short term power purchase, to the limit as decided/ notified in advance whereas the UI drawl below the frequency of 49.5 Hz shall be allowed to the extent that it is classified as the urgent need for maintaining the State Grid and requirement of the consumers.

110. We again reiterate that disallowance of surcharge on UI and the interest on delayed payment are the penalties which cannot be allowed to be pass through and the State Commission is justified in rejecting such claims.”

The Commission observes that Regulations 7(1), 7(3) & 7(6) of the CERC Deviation Settlement Mechanism Regulations, 2014 specifies as under:

“(1) The over-drawals / under drawals of electricity by any buyer during a time block shall not exceed 12% of its scheduled drawal or 150 MW, whichever is lower, when grid frequency is “49.70 Hz and above

Provided that no overdrawal of electricity by any buyer shall be permissible when grid frequency is “below 49.70 Hz”

(3) In addition to Charges for Deviation as stipulated under Regulation 5 of these regulations, Additional Charge for Deviation shall be applicable for over-drawal as well as under-injection of electricity for each time block in excess of the volume limit specified in Clause (1) and (2) of this regulation when average grid frequency of the time block is “49.70 Hz and above” at the rates specified in the table A & B below in accordance with the methodology specified in clause (7) of this regulation

(6) In addition to Charges for Deviation as stipulated under Regulation 5 of these Regulations, Additional Charge for Deviation shall be applicable for over-drawal or under-injection of electricity when grid frequency is “below 49.70 Hz” in accordance with the methodology specified in clause (8) of this regulation and the same shall be equivalent to 100% of the Charge for Deviation of 824.04 Paise/kWh corresponding to the grid frequency of “below 49.70 Hz”.

Further, vide Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 dated 20.11.2018, CERC amended the above frequency as 49.85 Hz and 50.05 Hz instead of 49.70 Hz and 50.10 Hz respectively. From the above CERC Regulations it is observed that additional UI are the charges levied in addition to the normal UI charges paid for over-drawal or under-injection of electricity when grid frequency is “below 49.85 Hz”.

The Commission further observes that Hon’ble APTEL in its judgment dated 30.09.2019 in Appeal No. 246 of 2014 and I.A. No. 56 of 2015, in the matter of Tata Power Delhi Distribution Limited and Delhi Electricity Regulatory Commission, has clearly observed that additional UI charges ought not to be passed on to the consumers. The relevant extract of the aforesaid Judgment is asunder:

*“Having regard to the contentions of both the parties, we note that **penal/additional UI charges are applicable only due to severe indiscipline in drawal of power affecting grid frequency/stability which is entirely undesirable.** Therefore, we opine that the **State Commission has correctly held to not allow such penal charges which are ultimately passed through to the***

consumers who are at no fault. Hence, the issue is, as such, decided against the Appellant.

It is important to know that the Hon'ble APTEL in its judgment dated 29.04.2022 has observed that UI drawl below the frequency of 49.5 Hz shall be allowed to the extent that it is classified as the urgent need for maintaining the State Grid and requirement of the consumers. Further, the APTEL in the aforesaid judgment at para 110 has explicitly pointed out that surcharge on UI cannot be allowed to be pass through and the State Commission is justified in rejecting such claims. The Commission in its Tariff Orders have been allowing the UI charges incurred by PSPCL on account of UI drawls (overdrawal/underdrawal) irrespective of the frequency as also pointed by the APTEL in its judgment and has only disallowed additional UI charges which are penal charges incurred by PSPCL over and above the UI charges for violating the grid discipline in line with Hon'ble APTEL's judgment dated 30.09.2019.

Further, PSPCL itself vide reply dated 13.01.2021 in petition no. 45 of 2019 has itself admitted that Net Deviation (DSM) Charges consist of additional UI charges in addition to General/Normal UI charges and that the general/normal UI charges may be payable or receivable as per weekly DSM/UI Account issued by NRPC. However, additional UI charges is only payable by the entity.

The Commission also noticed that PSPCL in its Review Petition has claimed the additional UI charges for overdrawal of power when frequency is below 49.5 Hz. However, vide additional submission dated 24.06.2022 PSPCL revised the said frequency to 49.85Hz and even after repetitive directions from the Commission for explaining the reasons for variation in frequency in the original review petition and additional submission, PSPCL failed to provide any justification for the same. PSPCL needs to be cautious of the submissions it makes on documents having legal sanctity and it is advised that in future PSPCL must ensure that it furnishes factually correct data on affidavits. In view of the above the Commission opines that it has rightly disallowed the additional UI charges in the original petition No. 45 of 2021.

- e) Regarding Northern Regional Power Committee charges of Rs. 0.10 Crore,

the Commission in the Tariff Order of FY 2021-22 while doing the truing up of FY 2019-20 has allowed NRPC charges on actual basis over & above the normative R&M and A&G expenses as evident from Table 40 of the Tariff Order. PSPCL has raised the issue without proper checking.

- f) Regarding late payment surcharge, the Commission in Para 2.10 (ii) of the Tariff Order for FY 2021-22 during the truing up of FY 2019-20 has observed as under:

“The Commission observes that it has been allowing working capital to PSPCL in the Tariff Orders. The revenue gap along with carrying cost, if any, is also being allowed in the Tariff Order in a timely manner without creating any regulatory asset. The basic financial principle also says that it is the responsibility of the utility to arrange funds and to make timely payments to the generators based on contracts/regulations, especially when all prudent expenses are being allowed by the Commission on regular basis. Thus, passing of delayed payment surcharge on to the consumers shall be unfair to the consumers. Moreover, by its very nature late payment surcharge is a charge for default in making timely payments and the expenditure incurred on such penal charges cannot be passed on to consumers. Hence the Commission disallows payment of LPS of Rs. 53.46 Crore made on account of delayed payment of power purchase bills by the utility”

The above has been explicitly discussed in the Tariff order.

- g) The Commission in Para 2.10.1 of the Tariff Order of FY 2021-22 has observed as under:

“As discussed in para 2.4, PSPCL has under-achieved the Distribution loss level visà-vis the target approved by the Commission. Further, as brought out in para 2.7, the under achievement of target distribution losses/normative parameters has resulted in additional power purchase of 1751.04 M kWh.”

The Commission observes that, Regulation 30 of PSERC Tariff Regulations specifies that, the entire loss on account of underachievement of the target set by the Commission is to be borne by the licensee. Accordingly, the Commission decides to disallow 1751.04 M kWh of excess power purchased on account of under achievement of target/ normative parameters at the average rate of short-term power i.e. Rs. 3.31/kWh. Accordingly, a sum of Rs. 578.98 Crore of power purchase is disallowed.”

As explained in earlier paras also the Commission has disallowed 1751M kWh on account of disincentive for under-achievement of target set

by the Commission. The excess power purchased was disallowed at average rate of short-term power i.e. Rs. 3.31/kWh which comes out to be Rs. 578.98 Crore.

- h) With regards to PSPCL's submission on disallowance due to higher distribution losses it is worthwhile to mention that PSPCL had achieved distribution loss of 12.94% in FY 2018-19 which increased to 14.35% for FY 2019-20. Considering the huge Capital Investment allowed by the Commission towards various schemes of network strengthening, augmentation and loss reduction etc. PSPCL has not only not been able to bring down the losses to the desired target loss levels, its losses are actually showing an upward trend i.e. from 12.94% to 14.35%. It would be unjust to pass on the losses which increased in FY 2019-20 over what the PSPCL had already achieved in FY 2018-19.

As such the Commission is not inclined to pass on the inefficiency observed onto the consumers of the State. Also, with regard to the reduction in the target distribution loss levels, the Commission has revised the distribution loss trajectory for the second control period (FY 2020-21 to FY 2022-23) after considering the actual distribution loss of 12.94% for FY 2018-19 as the baseline figure. The Commission has already relaxed the projected loss from the earlier approved distribution loss trajectory of the 1st year of the 2nd MYT from 11.54% to 12.94% for FY 2020-21 with 0.30% reduction every year of the 2nd MYT Control period based on the actuals of 12.94% achieved in FY 2018-19. The detailed explanation to the same has been provided in Para 3.3.1 of the said Tariff Order for FY 2021-22.

- i) Further, it is pointed out that the major deduction in AP sales was on account of AP metered category consumers. PSPCL has submitted 141.27 MWh as metered AP consumption. However, during the proceedings of the petition no. 45 of 2021, PSPCL could supply meter readings of 7276 No. of consumers out of 8087 consumers. Accordingly, based on the same, the Commission had determined AP consumption from urban feeders as 72.19 kWh while truing up for FY 2019-20.
- j) With regard to PSPCL's submission on power availability from Meja, Pragati,

Durgapur, Rangunathpur & Bokaro generating stations and the status of review petition against the Commission's Order dated 01.02.2021 it is pointed out that the Commission has considered and dismissed the review petition No. 01 of 2021 in petition No. 28 of 2019 vide Order dated 06.09.2021. PSPCL vide its reply to objection submitted that against the Order of the Commission for disallowing power purchase from MejaUrja Nigam Limited, Pragati Power Corporation Limited and Damodar Valley Corporation, appeals had been preferred before the Hon'ble Appellate Tribunal and the Hon'ble Appellate Tribunal vide order dated 02/11/2021 has granted a stay on the order of this Commission and has directed PSPCL to continue procuring power from the three generating stations. In this regards the Commission is of the view that since the true-up of FY 2021-22 is yet to be done, the issue shall taken up while doing the truing of FY 2021-22.

The Commission observes that all the issues raised for FY 2019-20 were duly considered in Tariff order for FY 2021-22. PSPCL has neither produced any new evidence (which was not within the knowledge of the PSPCL at the time when the decision/order was passed by the Commission) nor is there any mistake or error apparent on the face of the record. As such the prayer with regards to review of the earlier Order on the issue of energy requirement and power purchase cost is disallowed. The original order is reaffirmed.

3. Operational Parameters of Generating Stations (Para B a) to w))

PSPCL's submission:

- a) The Commission has allowed the fuel cost for the generating stations of PSPCL on the basis of the normative Station Heat Rate, Auxiliary Consumption, Specific Fuel Oil Consumption etc. PSPCL had claimed the fuel cost parameters on actual basis, considering the ground situation of the working of the thermal generating units and the grid situation.
- b) Station Heat Rate, Auxiliary Consumption and other performance parameters as approved are incapable of being achieved in the present scenario, in view of on-going scenario of frequent backing downs and

shutdown/start-up of units. There are numerous backing down of the generating stations, coupled with seasonal demand curves in the state of Punjab. The generating stations, running at less than optimum load factor, cannot achieve the normative parameters.

- c) CERC has also allowed relaxation to the central sector generating stations running at sub-optimal load factor
- d) The generating stations of PSPCL are of a vintage and cannot operate at the latest normative parameters which are designed for new generating stations. In addition to the above, the grid conditions, the backing down instructions, the operation of the generating stations at lower PLF only increases the operating parameters.
- e) The running of units at partial load increases the Station Heat Rate. Under these circumstances, the Commission ought to have allowed the Station Heat Rate as per actuals to the PSPCL

GHTP, Lehra Mohabbat

- f) The Commission has allowed Station Heat Rate of 2430 Kcal/kWh for GHTP Units-I, II & III and 2387 Kcal/kWh for GHTP Unit-IV for FY2021-22. The accurate computation of heat rates separately for Unit-I to III and Unit-IV is not possible due to the reason that some amount of energy is consumed commonly for all the Units, such as FO tank heating, PRDS charging, running of Circulating Water Pumps etc. In these circumstances, it is submitted that a single value of Station Heat Rate be approved for the station as a whole.
- g) Further, with large IPPs in the State of Punjab, the share of PSPCL's thermal plants has reduced considerably. With operation of these plants at low plant load factor (PLF), it is almost impossible to meet with the approved heat rate norms for GHTP Units. The actual heat rates for GHTP Units-I, II & III and GHTP Unit- IV for FY2020-21 have been 2613 & 2612 kCal/kWh respectively on the basis of GCV of received coal minus compensation of 85 kCal/Kg.
- h) Also, GHTP Units-I & II are about 23 years old & Units-III & IV are about 13

years old since commissioning. It is a universal fact that performance of any mechanical equipment does not remain constant over the useable life of equipment due to wear and tear of normal operation and other factors like ageing. Therefore, a relaxation in Station Heat Rate on the basis of low PLF and ageing ought to be given. The Commission may determine the Station Heat Rate at 2500 kCal/kW as single value of Heat Rate for GHTP station as a whole, instead of separate heat rates for different Units

- i) Further, the most important factor affecting the Station Heat Rate of thermal units is the calorific value of coal used for generation. Maintaining the Station Heat Rate to specified value requires using of coal having '*Specified Calorific Value*' as per the designed parameters of the thermal unit. Since, GHTP receives coal from 3 CIL subsidiaries namely CCL, BCCL and SECL, scattered at a distance from each other, the calorific value of the coal received from these sources differs from each other. It is a fact that the quality of coal received from CCL, BCCL and SECL is not generally as per the declared grade of the colliery. Further, due to stoppage of good quality coal from Pachwara Central coal mine, the Calorific Value of coal used at PSPCL thermal power stations has been reduced, which has adversely affected the Station Heat Rate.
- j) The Commission may determine the Station Heat Rate at 2500 kCal/kWh as single value of Heat Rate for GHTP station as a whole instead of separate heat rates for its different units.
- k) The Commission has approved the specific oil consumption for GHTP as 0.5 ml/kWh for FY2021-22. Due to frequent backdown, start/ stops and load shedding as per system requirement, the actual specific oil consumption for GHTP station during FY2020-21 was 2.432 ml/kWh.
- l) As there is no substantial improvement in the system demand, the trend of frequent backdown, start/ stops and load shedding is likely to continue in the coming years, which is beyond the control of GHTP. In the circumstances mentioned above, the Commission may allow the specific oil consumption of at least 1.0 ml/kWh, as was earlier allowed by the Commission for GHTP Station before FY 2014-15. The present target of 0.5 ml/kWh is impossible

to achieve and ought not to be enforced against PSPCL.

- m) The Commission has directed the GCV of receipted coal to be used with a drop of 85Kcal/kg in GCV due to variation during storage. GHTP being at the farthest end from the collieries, a normative stock of 10 days requirement has to be kept at the plant.
- n) Due to weathering of coal, fixed carbon, elemental carbon and hydrogen decreases and Sulphur of coal increases. Rise in Sulphur content contributes to spontaneous heating of coal (smoldering) in the stockpile. As such, the exposure of coal to these condition leads to oxidation of coal that results in deterioration of coal's GCV during storage. The high ambient temperature of state of Punjab during a majority of the months throughout the year also leads to local combustion and smoldering of coal stored in the stock yard. Further, the increase in moisture content of coal due to rain during the monsoon season on the coal stock stored at thermal power stations also leads to decrease in GCV of stored coal. All the factors mentioned above contribute to decrease in GCV of coal stored in the stockyards of thermal power stations and leads to increase in difference between GCV of Received coal and Bunkered coal. This leads to some loss of GCV due to weathering. As the Station Heat Rate is directly linked with the actual coal fired into the boiler, therefore for computing true Station Heat Rate of a plant, only GCV of bunkered coal should be allowed; or alternatively, a drop of at least 150 kCal/Kg in GCV may be allowed between receipted coal & bunkered coal.

GGSTP, Ropar

- o) Station Heat Rate is badly affected due to ageing of units, partial load operation of the units and number of Start/Stops of units. For the period ending March 2021 the Reserve Outage remained at 81.98% and the remaining percentage includes Planned outage as well.
- p) Due to cyclic power demand in the state, huge variation is faced in power demand during day and night hours. GGSTP Units are required to operate at partial load or even shut down due to low power demand. These operating conditions badly affect plant performance and Station Heat Rate

which is evident from the extracts of the '*Performance Guarantee Test Report*' of BHEL.

- q) During backing down, the units have to run at as low as 150 MW of load and at this level of partial load operation, the heat rate is further deteriorated than those mentioned for 170 MW.
- r) The main equipment at GGSSTP is of BHEL design and make. BHEL acknowledges the variation in heat rate of turbine due to ageing (as specified under DIN 1943 (*Deutsches Institut Fur Normung E.V*(*German National Standard*)) and the relevant extract of '*Performance Guarantee Test Report*' of BHEL is reproduced is as under:

Primary factors involved in ageing are:-

- 1. Salt deposition on blades.*
- 2. Deterioration of surface finish of blades.*
- 3. Increase in the clearances in the blading flow path.*
- 4. Deposits in Heat Transfer Areas.*
- 5. Increase in losses of valves seats.*

The Deterioration in Heat Rate on account of the ageing of Units worked out as per DIN 1943 specifies the increase ranging from 20.24 % to 23.84% above the Guaranteed Heat Rate values putting the average station Heat Rate to the value of 2749 kCal/kWh for age up to March-21. This is further deteriorated by approximately 2% to 3% due to partial load operation of units.

- s) GGSSTP units are running since 1984 for more than 36 years and no major R&M has been carried out so far. By giving due consideration for ageing of GGSSTP Units and their operation on account of cyclic power demand conditions of the state of Punjab the Station Heat Rate ought to be allowed on the higher side
- t) It is respectfully submitted that considering all of the above, the norms for performance should be based on the national average rather than based on the top performers.
- u) Similarly for the Specific Oil Consumption which is consumed mainly for start-up of the units and sometimes for flame stability when the units are run at part load and some problem arises like poor coal quality, equipment

failure etc., the same is directly proportional to the number of starts of the units and more the stoppage time more quantity of oil is required for startup.

- v) In FY 2020-21, Oil consumption due to generation was 0.42 ml/kWh out of the total of 2.77 ml/kWh up to March-21 which is far less than the norm of 0.50 ml/kWh.
- w) The Commission may provide the oil consumption on actual basis. The same principle would apply to the auxiliary consumption, which may be considered by this Commission.

Comments of Steel Furnace Association of India.

PSPCL has relied upon the facts that generation parameters set for old plants are not achievable and same must be approved as submitted by PSPCL. However, the issue of old age of such generating stations and other related issues are fully dealt with in the Tariff order dated 28/5/2021 in para 3.7, page 82-90. As no new fact is brought forward by PSPCL and just old facts already submitted and duly considered by PSERC are referred, there is no valid reason to reconsider the same, which need to be rejected.

PSPCL's Reply.

PSPCL denied that issue of old age of the generating stations has been dealt with in the tariff order under review. It is submitted that the Commission has mistaken in applying the CERC Regulations without considering the vintage of PSPCL' plants. All other contentions and averments of the Objector to the contrary are wrong and denied.

Commission's Analysis:

The Commission observations in this issue are as under:

- i. The Commission has already dealt the issue of relaxed parameters raised by PSPCL in detail under para 2.8 and 2.9 in the Tariff Order and the relevant extract of the same is reiterated below:

2.8 Norms for Operation of Generating Station

2.8.1 Auxiliary Consumption, Station Heat Rate (SHR) and Secondary fuel consumption

....

Commission's Analysis:

- i) *The Commission observes that, Proviso (vi) to the Regulation 6.3 B of IEGC provides that —the compensation so computed shall be borne by the entity that has caused the plant to be operated at schedule lower than corresponding to Normative Plant Availability Factor up to technical minimum based on the compensation mechanism finalized by the RPCs”. Since, PSPCL has tied up 100% of the generation of its plants for its own use and PSPCL also manages both the businesses of generation and distribution in the State, as such, PSPCL itself is responsible for the coordinated operation of its plants as well as scheduling of power from the same.*
- ii) *Also, PSPCL has entered into PPAs with other generators including IPPs being well aware of its own generation capacity and consumer demand. PSPCL also purchases power from outside sources (including short-term power) even at the cost of backing / shutting down its own units after evaluating all commercial aspects including deterioration of operating parameters of its own units.*
- iii) *Moreover, it is observed that PSPCL's own thermal plants being low on MOD are used as peaking units only i.e. they are required to run continuously at almost full load during the Paddy season only and remain shut down during the remaining part of the year.*
- iv) *The Commission also observes that Regulation 6.3B of CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 is an amendment in the Indian Electricity Grid Code Regulations not in the Tariff Regulations and the same has not been adopted by the Commission in its State Grid Code. The Hon'ble APTEL in its Judgment dated 22.08.2016 in Appeal No. 34 of 2016 in the matter of Jaiprakash Power Ventures Limited versus Madhya Pradesh Electricity Regulatory Commission and others has held that there is no legal mandate as per IEGC for a Intra-State Generating Station to maintain the Technical Minimum as per the provisions of IEGC and in the absence of any such mandatory provisions the obligation to schedule power is traceable only to PPA entered between the parties. The relevant extract is as under:*

“...In the absence of any mandatory provision either under the IEGC notified by the Central Commission or the State Grid Code notified by the State Commission or under any other statutory Regulation, the obligation of Respondent No. 3 to schedule power is traceable only to the PPA executed between Respondent No. 3 and the Appellant. Clause 6.3B (4)

of the IEGC also affirms the above in respect of the generating stations other than the Central Sector Generating Stations and Inter State Generating Stations. The provisions of the PPA do not contain any mandate on Respondent No. 3 to schedule a specific quantum of electricity, though it provides for payment of fixed charges for any unscheduled available capacity within the contracted capacity. On the other hand, Clause 7.1.1 of the PPA specifically provides that the Appellant shall be responsible to operate and maintain the generating station in accordance with the legal requirements and in particular, the Grid Code.

As per IEGC 2016, in order to claim compensation because of lower schedule, provision under Clause 6.3 B (4) provides that

“In case of a generating station whose tariff is neither determined nor adopted by the Commission, the concerned generating company shall have to factor the above provisions in the PPAs entered into by it for sale of power in order to claim compensations for operating at the technical minimum schedule”

In view of above in the absence of any statutory requirement or PPA conditions mandating the Respondent No. 3 to schedule minimum quantum of power from the generating unit of the Appellant, the Respondent No. 3 cannot be compelled to schedule at near constant load or the quantum of power to reach the Technical Minimum of 140 MW for the generating unit of the Appellant to operate. The Appellant must have made necessary arrangements for sale of balance power (other than the contracted capacity of 70 % with the Respondent No 3) so as to avoid any such situations where the unit has to operate below technical minimum causing difficulties in the operation of the Unit and causing financial distress to the Appellant.

We do not find any error on the related issues raised by the Appellant in the Impugned Order issued by the State Commission.

Hence all the issues as above are decided against the Appellant...”

v) With regards to PSPCL’s request to invoke powers under Regulation 66 and 67 of the PSERC MYT Regulations, 2014 for relaxation of norms, the Commission notes that the Hon’ble APTEL vide its Judgment dated 18.09.2015 in Appeal No. 196 of 2014 and 326 of 2013 in the matter of Haryana Power Generation Corporation Ltd. versus Haryana Electricity Regulatory Commission and others

has observed as under:

“..... Further if the relaxation of the norms is not in public interest the same is bound to be rejected. Further, if the said contention of the appellant is accepted it will result in further increase in tariff which will cause additional burden on the respondents and ultimately the end consumers of the electricity. ...In the case in hand the State Commission has rightly and legally refused to exercise the power to relax in favour of the appellant on this aspect while passing the impugned order.... No doubt discretionary power is vested with the State Commission but the discretion should be exercised judicially and judiciously that needs recording of special reasons in writing for the exercise of such power to relax.”

vi) The Commission refers to PSERC Tariff Regulations, 2014 specifies as under:

36. NORMS FOR PERFORMANCE PARAMETERS

The norms for performance parameters for a generating company i.e. availability, load factor, station heat rate, specific oil consumption, auxiliary consumption etc. Shall be as per the CERC norms or as determined by the Commission...”

Thus, the Commission is considering the normative parameters for Auxiliary Consumption, Station Heat Rate (SHR) and Secondary fuel consumption as per norms specified by CERC in its Tariff Regulations, 2019...

...

2.8.2 Transit Loss of Coal

...

Commission’s Analysis:

The 2nd Amendment to the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) coming into force with effect from 01.10.2018, provides for transit loss to be considered on normative basis as specified in the CERC Tariff Regulation. Accordingly, the Commission decides to consider the normative transit loss of 0.8% for FY 2019-20.

a. Fuel Cost

....

Commission’s Analysis:

Fuel cost being a major item of expense, the Commission thought it prudent to get the same validated. During validation, it was observed that, PSPCL has included the following O&M cost in the Fuel costs of GGSSTP and GHTP:

A. GGSSTP

- *Rs. 1.47 Crore on account of expenditure on Loco Shunters and other CHP machinery*

B. GHTP

- *Coal handling contract cost of Rs. 8.41 Crore.*

The Commission observes that the above costs do not form part of fuel cost and need to be booked under fixed costs....:

....

The Commission, thus, approves Rs. 586.02 Crore as the fuel cost for 1738.50 MWh net generation from PSPCL's thermal units for true-up of FY 2019-20.

- ii. PSPCL has tied up 100% of the generation of its plants for its own use and manages both the businesses of generation and distribution in the State, as such, PSPCL itself is responsible for the coordinated operation of its plants as well as scheduling of power from the same.
- iii. It is further reiterated that Regulation 6.3B of CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 is an amendment in the Indian Electricity Grid Code Regulations and not in the Tariff Regulations and the same has not been adopted by the Commission in its State Grid Code.
- iv. Regulation 35 of the PSERC MYT Regulations, 2019 specifies that norms for performance parameters shall be in accordance with CERC norms. Units 4 of GHTP had its COD on 25.01.2010 which is after 01.04.2009, so its normative heat rate is considered as 2387 kCal/kWh. The other units are having COD before 01.04.2009 hence they have been allocated normative heat rate of 2430 kCal/kWh. As the fuel cost is allowed on normative basis, there is no difference in fuel cost whether calculated on single weighted average value or different value.
- v. CERC fixes the normative parameters for Heat rate in respect all the central generating units of the country. The units commissioned before 01.04.2009

have been allocated higher normative heat rate than the design heat rate. It is suggested that PSPCL may study the effect of ageing on heat rate and may provide statistical data to back up their claim.

- vi. Regarding difference in coal quality, PSPCL should take up the matter with coal companies. PSPCL has not substantiated the effect of coal quality on heat rate in the petition. It is suggested that PSPCL may study the effect of coal quality on heat rate also and may provide statistical data evidence to support their claim.
- vii. Regarding GCV, it is noted that the Commission has considered the GCV on 'as received basis in line with CERC Tariff Regulations, 2019 which provides for Gross calorific value of coal as received, less 85 Kcal/Kg on account of variation during storage at generating station. The same norm has been adopted by the Commission in line with its MYT Regulations. Further, on the issue of GCV, the Hon'ble APTEL in judgment dated 29.04.2022 has also observed as under:

"82. It is clear, that the State Commission is bound by its own Regulations and therefore, shall act in accordance with the principle laid down there. Any methodologies, may be different, followed earlier, have to be corrected and modified accordingly. We, therefore, reject the Appeal on this issue and the Impugned Order on this count is upheld

- viii. Further, with regards to APTEL judgment dated 29.04.2022 it is observed that the judgment provides relief on account of SHR only to the extent that Heat rate norms should not have been revised during true-up and as such the same is not applicable in the current review petition wherein the petitioner has claimed SHR to be allowed on actual basis instead of normative basis. Accordingly, the said judgment raises no financial implications qua the current review petition. PSPCL vide its additional submission dated 24.06.2022 has also agreed that the Hon'ble APTEL has allowed the said appeal only to the extent of interpreting whether the parameters can be altered in the truing up exercise or not.

The Commission observes that no new evidence has been produced (which was not within the knowledge of PSPCL at the time when the

decision/order was passed by the Commission) nor is there any mistake or error apparent on the face of the record. As such the prayer for review of the earlier Order on this issue is disallowed.

4. Operation and Maintenance expenses including Repair & Maintenance (R&M) and Administrative & General (A&G) expenses for FY 2019-20

PSPCL's Submissions

- a) PSPCL submitted that while approving the ARR of the Petitioner for FY 2019-20 the State Commission has erred in computing the R&M and A&G Expenses for FY 2019-20. The estimated requirement as submitted by it was Rs 554 Crore against which this Commission has allowed only Rs 519.34 Crore.
- b) PSPCL further submitted that it claimed the expenses on actual basis. However, this Commission allowed the same on normative basis for the purposes of truing up. PSPCL submitted that the expenditure has been actually incurred and therefore ought to be considered on actual basis subject to prudence check.
- c) PSPCL submitted that this Commission has not considered the Gross Fixed Assets (GFA) for GNTDP in generation business and the GFA of GNDTP other than Plant and Machinery has been considered in the distribution business. Consequently, the R & M and A & G Expenses for GNDTP have been disallowed by this Commission.
- d) PSPCL further submitted that while calculating normative R&M and A&G, the K factor has been applied on the GFA. Further, in GFA 'Addition' during the year 2019-20 for Generation has not been considered as claimed and in case of Distribution only Rs. 649 Crore have been added. In the circumstances, the R&M and A&G expenses ought to be allowed after considering addition in GFA atleast on the basis of the capex allowed by this Commission.
- e) PSPCL stated that it is pertinent to mention that this Commission has already provisionally approved capital expenditure plan of Rs. 850 Crores (@ Page no. 80 of the tariff order). Under the circumstances, the R&M and A&G expenses ought to be allowed after considering addition in GF, atleast on the basis of the capex allowed by this Commission. Without prejudice to

the above, Regulations of this Commission provide for the Operation and Maintenance (O&M) Expenses to be allowed on normative basis. The O&M Expenses include expenses towards R&M, A&G and also employees' cost.

- f) PSPCL submitted that Regulation 8.3 of the tariff regulations provides for the O&M expenses to be allowed on normative basis, subject to the ceiling of the actual expenses. The said condition is for O&M expenses and not for individual elements of the O&M expenses. However, while implementing the Regulations, this Commission has been treating each element of the O&M expenses separately and applying the principle of normative or actual, whichever is lower. This, it is respectfully submitted, is an error apparent on the face of the record and is contrary to the Regulations framed by this Commission.
- g) PSPCL further submitted that while the total O&M expenses on normative basis is Rs. 2927.95 Crores and the actual is Rs. 2597.65 Crores, this Commission has allowed the O&M expenses of only Rs. 2548.62 Crores. This is by applying the normative value for the R&M and A&G expenses but applying the actual expenditure of the employees' cost. Consequently, Rs. 49.03 Crores have been disallowed to PSPCL, which is an error apparent on the face of the record. The said issue would also arise in the subsequent years, where the O&M expenses ought not to be segregated for the purpose of applying the principle of actual or normative, whichever is lower.
- h) PSPCL vide its submission dated 24.06.2022 stated that the Hon'ble Tribunal has upheld the principle that actual or normative whichever is lower, ought not to be applied. Further, in MYT Regulations, 2014, in Regulation 8.3, it is provided that if actual O&M expenses are lower, the allowable expenditure shall be limited to the actual. This is by way of note, after the table in Regulation 8.3. PSPCL further submitted that considering the principle laid down by the Hon'ble APTEL the provision of the Tariff policy, which provides that normative or actual whichever is lower, ought not to be applied. The expenditure ought to be allowed on normative basis. PSPCL further submitted that it has also raised an issue that the individual elements ought not to be separately considered for actual values, but O&M ought to be taken as a whole.

Comments of Steel Furnace Association of India

- i) Steel furnace Association of India(Punjab Chapter) vide its submission dated 15.12.2021 stated that the issues raised in para B relating to operation and maintenance expenses has been fully dealt with in the tariff order dated 28/5/2021 in para 2.14 page 47-50. Further, in this regard, PSERC MYT regulations clearly provided that such expenses would be given based on normative basis(refer para 8.2 of PSERC MYT Regulations) and only to be trued up to the account of variation in Wholesale Price Index and Consumer Price Index and subject to maximum of actual incurred. In para B (g, h and I), it is mentioned that O&M to be approved should be actual or normative whichever is lower on group basis and not on item-wise basis. This is mentioned as error apparent. In this regard, it is submitted that O&M is a category of different expense heads clubbed together. In no case, expenses can be reimbursed more than actually incurred though there can be a case of approved expenses lower than actual based on normative. This is the basic accounting principle and also provided in the PSERC MYT regulations. PSPCL cannot interpret the same for its own convenience. PSERC MYT Regulation 66 provides that in case a question arises relating to interpreting of any provision of these regulations, the decision of the Commission shall be final. Hence PSPCL can challenge any regulation of PSERC MYT but cannot challenge any tariff order which follows the PSERC MYT regulations.

PSPCL' s Reply

- j) PSPCL vide its submission dated 29.12.2021 submitted that It is not the case of PSPCL that the issue of operation and Maintenance Expenses has not been considered by this Commission in the tariff order. PSPCL stated that the review is sought for on the methodology being applied by this commission. PSPCL further submitted that this commission has been mistaken in not taking into account actual expenses and clubbing various heads of expenses which is an error apparent on the face of the record. Further this Commission has mistakenly not considered GFA for GNDTP in generation business and instead considered it under distribution business. PSPCL stated that the Objector has failed to make out its case as to how

adjudication on the instant issue is not a fit case of review. All other contentions and averments of the objector to the contrary are wrong and denied.

Commission's Analysis

- k) The Commission in its tariff order dated 01.06.2020 took conscious decision to consider GFA of GNDTP in distribution business. The relevant para 2.14(Page43/44) of Tariff order for FY 2020-21 is as under:

“ The Closing GFA approved in the true up for FY 2017-18 was Rs.24527.81 Crore for Generation business .As GNDTP has been closed down permanently with effect from 01.01.2018,the opening GFA of GNDTP(as on 01.04.2018) i.e Rs.4195.67 Crore is deducted from the opening GFA of generation business for the true up of FY 2018-19.The opening GFA for the generation business now works out to Rs.20332.14 Crore. The GFA in respect of GNDTP Bathinda other than the GFA of Plant & Machinery which has been retired/transferred (Rs.3350.59 Crore) is included in the opening GFA of distribution business for True up of FY 2018-19.Therefore,the opening GFA for distribution business works out to Rs.30300.63 Crore(Rs.26950.04 Crore approved as closing GFA in the true up of FY 2017-18 plus Rs.3350.59 Crore).”

The Commission has rightly considered the GFA of GNDTP excluding retired/transferred assets under distribution business amounting to Rs.3350.59 Crore which includes Rs.3265.65 Crore being the value of land and Rs.84.94 Crore as plant & machinery. However, ancillary employee expenses and A&G & R&M expenses amounting to Rs.4.50 Crore and Rs.2.23 Crore respectively of GNDTP were allowed as prior period expenses relating to FY 2017-18 in the true up of FY 2019-20 in order under review. The Commission in its order dated 31.03.2022 in Petition no.68 of 2021 has redetermined the capital expenditure and capitalization for the 1st Control Period and allowed additional R&M and A&G of Rs.2.56 Crore expenses along with carrying cost for true-up for FY 2019-20.

Hon'ble APTEL vide its order date 29.04.2022 in appeal no 264 of 2014,173 of 2015 and 277 of 2015 has allowed actual employee cost to PSPCL for FY 2010-11 and FY 2011-12 and normative Repair & Maintenance and Administrative & General expenses for FY 2010-11 and FY 2011-12.The Commission has also allowed employee cost on actual basis and R&M and A&G expenses on normative basis in true up for FY 2019-20 in Petition No. 45 of 2020.

However, this above issue and issue regarding treating each element of O&M expenses individually and application of the principle of normative or actual whichever is lower has already been challenged by PSPCL before Hon'ble APTEL in DFR No.335 of 2020 against order dated 01.06.2020 in Petition no 30 of 2019. As such the prayer for review of the earlier Order on this issue is not admissible.

5. Interest and Finance charges

PSPCL's Submissions

FY 2019-20

- a) PSPCL submitted that this Commission has not fully allowed the interest and finance charges as claimed by PSPCL and has reduced the same. The claim for interest and finance charges by PSPCL was on the basis of the actual costs incurred and paid by PSPCL, which it is respectfully submitted ought to be recognized and allowed.
- b) PSPCL stated that it has claimed interest and finance charges of Rs 3089 Crores, as against which this Commission has considered only Rs. 247.84 Crores as the long term loan requirement and has given the corresponding interest cost of only Rs 1150.10Crores. The actual loans taken by it was Rs. 1673.75 Crores, which is utilized for the regulated business and the same ought not to be reduced.
- c) PSPCL further stated that this Commission has also not allowed the interest on loans which are converted under the UDAY Scheme, by considering the same as capex and working capital loans. PSPCL submitted that the interest on loans converted under UDAY scheme needs to be allowed without any disallowance in line with the spirit of UDAY scheme to ensure operational and financial turnaround of the utility. This Commission has erroneously disallowed an amount of Rs. 1304 Crores under long term loans including GOP loans (UDAY BONDS).
- d) PSPCL submitted that the very purpose of the UDAY Scheme was to reform the sector and to ensure that the distribution licensees function in a viable manner. The disallowance would only result in the same financials continuing without the loans being able to be serviced.

Comments of Steel Furnace Association of India

- e) Steel Furnace Association of India stated that PSPCL in para F (d and e) has mentioned that working capital funds seem to have been diverted towards meeting capital expenditure for the period of FY2010-2011 to 2018-19. Interest on working capital is given based on norms prescribed in Regulation 33 and 43. Accordingly, the interest on working capital has been allowed in Tariff Order in para 3.18, page 118. Thus, there is no reason for reviewing the same as no additional fact has been as seated showing as to how PSERC MYT Regulations 33 and 43 are not applicable or should not be applied by PS ERC.

Commission's Analysis

- e) The Commission in the order under review has correctly worked out the long-term loan requirement of Rs.247.84 Crore for FY 2019-20 as per Regulation and not on the actual loan of Rs.1673.75 Crore as claimed by PSPCL. The Commission has determined Interest & Finance Charges as per Regulation 24 of PSERC MYT Regulation 2014. In the order under review ,the Commission determined capital expenditure of Rs.850.56 Crore and reduced it by the Consumer contributions & grants of Rs.602.72 Crore received by PSPCL as per Table No.45.PSPCL has claimed interest & Finance charges as per the Annual Audited Accounts of Rs.3089.20 Crore for FY 2019-20as per detail given below:

Interest on UDAY Loans:	Rs.1304.25 Crore
Interest on Working Capital Loans:	Rs. 725.66 Crore
Interest on Consumer Securities	Rs. 146.36 Crore
Interest on Long Term Loans	Rs. 744.47 Crore
Interest on GPF	Rs. 87.47 Crore
Finance Charges	Rs. 39.59 Crore
Other interest including other charges	Rs. 41.40 Crore
Total	Rs.3089.20 Crore

The Commission has correctly determined Interest cost of Rs.1150.10 Crore (Table no. 49 to 53 of the order under review) which includes Interest on long term loans Rs.579.07 Crore, Interest on working capital loans amounting to Rs.276.41 Crore on normative basis, Interest on consumer

securities Rs.146.36 Crore, Interest of GPF Rs.87.47 Crore and Finance charges of Rs.12.25 Crore on proportionate basis against Rs.3089.20 Crore claimed by PSPCL.

- g) Interest on Long term loans utilised for funding capital expenditure amounting to Rs 2246.77 Crore which were part of UDAY loans (Rs.15628.26 Crore as submitted by PSPCL) has been correctly allowed and the balance of Rs.13381.49 (15628.26-2247.77) Crore were working capital loans and not included. Working capital loan requirement and interest thereon has been determined as per Regulation 25 of PSERC MYT Regulation 2014.
- h) The Commission in its order dated 31.03.2022 in Petition no.68 of 2021 has redetermined the capital expenditure amounting to Rs. 1435.72 Crores against Rs.850.57 Crore determined in petition under review and re-worked the long term loan requirement of Rs.833.00 Crore against Rs. 247.84 Crore earlier allowed in order under review thereby allowing additional interest & finance charges of Rs 74.64 Crore along with carrying cost for true-up for FY 2019-20.

PSPCL has also filed DFR No.335 of 2020 against order dated 01.06.2020 in Petition no 30 of 2019 on issue of disallowance of interest on UDAY loans . As such the prayer for review of the earlier Order on this issue is not tenable.

6. Depreciation charges for FY 2019-20

PSPCL's Submissions

- a) PSPCL submitted that while determining the Depreciation charges for the Aggregate Revenue Requirement for FY 2019-20 it had requested charges to the tune of Rs 1308.04 Crores against which this Commission has allowed only Rs 1305.19 Crores.
- b) PSPCL further submitted that the Opening and Closing GFA for FY 2019-20 has been worked out by this Commission by adjusting GNDTP GFA to distribution business. This Commission has considered opening GFA for Generation Business and Distribution Business is considered as Rs. 20,536.89 Crores and Rs. 31,984.85 Crores respectively as against the actuals as per audited accounts of FY 2019-20.

- c) PSPCL stated that this Commission has erred in allowing GFA addition during FY 2019-20 in the tariff order. This Commission has provisionally approved capital expenditure of Rs. 850 Crores for FY 2019-20 against which GFA addition of only Rs. 649.51 Crores is being allowed by this Commission which leads to a disallowance in depreciation for FY 2019-20. In view thereof, PSPCL requested that the GFA addition to be allowed in accordance with the capital expenditure approved by this Commission for FY 2019-20.

Comments of Steel Furnace Association of India

- d) Steel Furnace Association of India stated that PSERC MYT regulations 21.6 deals with depreciation which provides that depreciation shall be chargeable on actual basis. As such, even if the capital expenditure is approved provisionally as stated by PSPCL on page 18 of the petition (para c), the depreciation would be possible only on those assets which are put to use. Similarly regulation 21.1 states that depreciation would be provided on admitted capital cost. It cannot be construed as capital cost as per Balance sheet. Further, this matter is dealt fully in the aforesaid Tariff Order and no review of the same is required.

PSPCL's Reply

- e) PSPCL vide its submission dated 29.12.2021 stated that this Commission has provisionally approved capital expenditure of Rs. 850 Crores for FY 2019-20 against which GFA addition of only Rs. 649.51, Crores has been allowed which leads to disallowance in depreciation. It has sought for a review of the same. The Objector itself has pointed out that depreciation ought to have been allowed on actual basis, however, this Commission has failed to do so. It is denied that the said issue has been fully dealt with in the tariff Order. All other contentions and averments of the objector to the contrary are wrong and denied.

Commission's Analysis

- f) **The Commission vide tariff order dated 31.03.2022 in Petition no.68 of 2021 has trued up capital expenditure and Capitalization for 1st Control Period(FY 2017-18 to FY 2019-20) wherein capital expenditure has been**

approved for Rs 1435.72 Crore against provisional capital expenditure of Rs.850.57 Crore and capitalization of Rs.1149.19 Crore against provisional capitalization of Rs.649.51 Crore(Table No.9). Accordingly, the balances of GFA have been redetermined. Thus, the Commission has allowed additional depreciation of Rs 2.85 Crore (Table No.13 ,P-18) along with carrying cost for FY 2019-20 in Petition no. 68 of FY 2021 as prayed in this review petition.

7. Return on Equity

APR Review of FY 2020-21 and FY 2021-22 and for Truing up of FY 2019- 20 PSPCL's Submissions

- a) PSPCL submitted that this Commission has erred in computing the Return on Equity for FY 2020-21 and FY 2021-22.PSPCL submitted a claim of Rs. 3,423 Crores on the equity base of Rs. 21710 Crores against which this Commission has approved Rs. 974.74 Crores as return on equity, disallowing a sum of Rs, 2448.26 Crores. For the FY 2021-22 also, PSPCL submitted a claim of Rs. 3423 Crores and the Commission again approved Rs. 975 Crores as Return on Equity thus making a variation of Rs. 2448 Crores against PSPCL.
- b) PSPCL further submitted that this Commission has not considered the bonds issued under the UDAY Scheme which have been converted to equity on 31.03.2020 under the said Scheme to the extent of Rs. 15628.26 Crores. PSPCL stated that the conversion of UDAY Bonds to equity is as per the scheme and the same ought to have been considered as such.
- c) PSPCL stated that under Clause 1.2 of the MoU under the UDAY Scheme, 75% of the debt as on 30.09.2015 amounting to Rs. 15628.26 Crores is to be taken over by the Government of Punjab. In compliance of the above, the amount of loan taken over by GoP have further been converted to equity, which does not entail any repayment. The same ought to have been considered by this Commission.
- d) PSPCL further stated that the amount of Rs. 15628.26 Crores comprises of Rs. 2246.77 Crores of Capital Expenditure loans and Rs. 13381.49 Crores of Working Capital loans. This Commission has allowed interest on Rs. 2246.77 Crores upto 2019-20 on capital expenditure loans but has

disallowed the interest on Working Capital loans used for capital expenditure from FY 2010-2011 to 2018-19. Out of Rs. 13381.49 Crores (Rs. 15628.26 Crores – Rs. 2246.77 Crores) Working Capital loans, Rs. 2346.19 Crores of working capital has actually been used for Capital Expenditure and duly approved by this Commission.

- e) PSPCL submitted that this Commission may kindly allow at least the RoE on Rs. 4592.96 Crores (Rs. 2246.77 + 2346.19 Crores) along with the return on Rs. 6081 Crores and balance equity capital may be adjusted as equity contribution on normative basis in accordance with Regulation 19 and 20. In reply to point no. 3.9 of the deficiencies as raised by the Registrar of this Commission, PSPCL had placed the above stated position on record vide letter dated 27.01.2021.
- f) PSPCL further submitted that the very purpose of the UDAY Scheme was to reform the sector and to ensure that the distribution licensees' function in a viable manner. The disallowance would only result in the same financials continuing without the loans being able to be serviced. In these circumstances, the Return on Equity as requested ought to have been allowed by this Commission.

Comments of Steel Furnace Association of India

- g) Steel Furnace Association of India stated that this matter has been dealt with in para 3.19, page 120-121, which deals with return on equity. The Commission has unequivocally stated that UDAY loans were not utilized for meeting the capital expenditure of new projects. Hence no fresh infusion of equity has happened. Thus, there is no need to review the same as desired in the review petition.

PSPCL's Reply

- h) PSPCL vide its submission dated 29.12.2021 stated that the Objector has merely reiterated the decision of this Commission to demonstrate that the issue of reduced Return on Equity is not a fit case for review. PSPCL further submitted that this Commission has failed to consider that bonds issued under the UDAY scheme have been converted into equity and that the same is an error apparent on the face of record. Debt taken over by the Government of Punjab under the UDAY Scheme amounts to Rs. 15628.26

Crores. Rs.15628.26 Crores comprises of Rs. 2246.77 Crores of Capital Expenditure Loans and Rs. 13,381.49 Crores of Working Capital Loans. As such there has been a deficit in considering the Working Capital.

Commission's Analysis

- i) Equity of Rs.6081.43 Crore has been allowed to PSPCL by Government of Punjab during Punjab Power Sector Reforms Transfer Scheme on 16.04.2010. The Commission has been determining return on this equity as per Regulation of PSERC MYT Regulations,2019. No additional equity on UDAY loans have been considered by the Commission for FY 2020-21. Conversion of UDAY loans of Rs.2246.77 Crore and working capital loans of Rs.2346.19 Crore has also not being considered as these were not utilized for meeting the capital expenditure for new project as per Regulation 19.2(d) of PSERC MYT Regulation ,2019.

No new record or evidence has been produced (which was not within the knowledge of the PSPCL at the time when the issue was considered and order passed by the Commission) nor is there any mistake or error apparent on the face of the record. Further, the Commission observes that issue regarding disallowances of Return on Equity for FY 2020-21 has been challenged by PSPCL before APTEL in DFR No. 335 of 2020 against order dated 01.06.2020 in Petition no 30 of 2019. As such the prayer for review of the earlier Order on this issue is denied/disallowed.

8. REVENUE OF PSPCL

- a) This Commission has erred in over-stating the revenue from the existing tariff of PSPCL. This Commission has erred in not taking into account the actual audited accounts of PSPCL in regard to its revenue which are based on statutory audit by the statutory auditors of PSPCL and also by the CAG of India and consequently the Commission has artificially over-stated the revenues of PSPCL. While filing True-Up Petition for FY 2019-20, PSPCL had submitted category-wise revenue to the tune of Rs. 30,385.64 Crores as per actual audited accounts of FY 2019-20 against which this Commission had approved a overstated revenue of Rs. 31,126.04 Crores. Therefore, it is respectfully submitted that this Commission may consider the revenue of PSPCL as per the actual audited accounts.

Comments of Steel Furnace Association of India

- b) Steel Furnace Association of India stated that that PSERC has over stated the revenue of PSPCL by approving Rs.31126.04 crore against audited balance sheet figure of 30385.64 for FY 2019-20. The approved figure is based on actual billing and audited figure are based on payments received. The difference was also well known at the time of true up. This issue was dealt with in para 2.29 page 63. Thus, there is no new fact shared by PSPCL in this regard and need to be rejected by the Commission.

PSPCL's Reply

- c) PSPCL vide its submission dated 29.12.2021 submitted that there is an error apparent on the face of record since this Commission has not considered the audited accounts audited under the aegis of the CAG. All other contentions and averments of the objector to the contrary are wrong and denied

Commission's Analysis

- d) Hon'ble APTEL in its Judgment dated 29.04.2022 in Appeal No. 264 of 2014, 173 of 2015 and 277 of 2015 has directed this Commission to look into the matter of Revenue afresh based on the submissions of the Appellants and decide on the issue afresh. As per para 2.29 of the Tariff Order for FY 2021-22, the Commission has trued up Revenue from Sale of Power for FY 2019-20 as Rs 31126.04 Crore. The relevant part of order is as under:

“The Commission directed PSPCL to give the actual billing data. PSPCL submitted the same vide e-mail dated 11.01.2021. It was observed that the revenue from sale of power in the audited accounts was less than shown in the actual billing data. The Commission decided to consider the metered category-wise revenue from fixed charges, energy charges, FCA, surcharge/incentives and sundry charges as per the actual billed data. The details regarding revenue from theft and unbilled revenue were submitted by PSPCL vide Memo No. 18/ARR/ .CAO./ 262/ Deficiencies /Vol-I dated 04.01.2021. The revenue from AP has been assessed on the basis of energy sales approved for AP in para 2.2.2. The revenue from Common Pool and outside state sales have been considered as per the Audited Annual Accounts.”

The Commission observes that there was a gap between revenue from sale of power as per Annual Audited Accounts and revenue worked-out with reference to sales units as per actual billing data intimated by

PSPCL at the approved tariff rate of various categories. PSPCL reasoned in various meetings that many a times, when a consumer complains of excess/wrong billing, the field office generally corrects/modifies the bill thereby amending the amount due in his account. However, such corrections in units are not rectified/adjusted in the billing data, resulting in recording of excess/less units in comparison to the sales booked. This has resulted in differences in accounting figures and billing data. Thus, keeping in view this gap in financial reconciliation, the Commission concludes that the difference is due to non-reconciliation of financial and technical data within PSPCL's organisation.

Once the reconciliation of billing is done and correctly reflected in the Annual Audited Accounts and the financial gap is closed with technical data, the perceived revenue difference challenged by PSPCL in their submissions based on billing during the year would be duly adjusted in the audited accounts of the forthcoming years. The extra billing/underbilling adjustment would find appropriate space in the reconciled billing data in the audited accounts, thus making this issue revenue neutral.

Thus, no new record or evidence has been produced (which was not within the knowledge of PSPCL at the time when the data was furnished by PSPCL and order was passed by the Commission) nor any mistake or error apparent on the record at present to justify any review. As such the prayer for review of the earlier Order on this issue is not admissible.

The Petition is disposed off accordingly.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: 25.08.2022