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

Review Petition No. 03of 2021
In Petition No.44 of 2020
Date of Order: 10.12.2021

Review Petition under Section 94 (1) (f) of The Electricity Act, 2003 read with Order 47 Rule 1 ofthe code of Civil Procedure, 1908 and read with Regulation 64 of The Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005for the review of the Order dated28.05.2021passed in Petition no.44 of 2020.

AND

In the matter of**:** Punjab State Transmission Corporation Limited,PSEB Head Office, the Mall, Patiala Punjab –147001

Review Petitioner

Versus

Punjab State Power Corporation Limited,Through the Chief Engineer (ARR & TR),The Mall, Patiala Punjab – 147001.

Respondent

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

ORDER

Punjab State Transmission Corporation Limited (PSTCL) filed the present petition seeking review of the Tariff Order dated 28.05.2021passed by the Commission in Petition No. 44 of 2020. The Review petition was admitted vide Order dated 23.08.2021.PSTCLwas directed to publish a public notice as required under Regulation 67 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations,2005 inviting objections/comments from the Public/Stake holders.ThePublic noticewaspublishedon26.08.2021inJagbani (Punjabi),Hindustan Times, The Tribune (English) and PunjabKesri(Hindi). Punjab State Power Corporation Limited filed its reply vide memo no.4511 dated 04.10.2021 on the review Petition submitted by PSTCL.The petition was taken up for hearing as well as public hearing on 06.10.2021. During the public hearing no one from the public appeared and after hearing submission of PSTCL and PSCPL,the Commission directed PSPCL and PSTCL to reconcile the claim of PSTCL amounting to Rs.56.40 Crore under "Other expenses" within three weeks in Commission's office and to submit consolidated report to the Commission.The petition was fixed for hearing on03.11.2021, however on the request of PSTCL the hearing was adjourned to 17.11.2021.During hearing on 17.11.2021 PSTCL and PSPCL showed inability to submit a consolidated report.PSTCL and PSPCL were directed to file their written arguments ,if any,immediately and Order was reserved vide interim order dated 18.11.2021. PSTCL filed the written arguments on 22.11.2021 and 24.11.2021.However,no submission or reply has been received from PSPCL.

2.0 Observations and Decision of theCommission.

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

3.0 Employee Cost of SLDC for FY 2019-20

PSTCL's Submissions

i. PSTCL submitted that this Commission in Tariff Order dated 28.05.2021 has approved the Employee cost of SLDC on the basis of normative cost as the normative cost was lower than the actual cost.

ii. That this Commission approved the normative employee cost of SLDC at Rs. 7.00 Crore and actual employee cost was Rs. 7.48Crore. Since the normative employee cost of SLDC is lower than the actual employee cost, this Commission allowed the normative employee cost of Rs. 7.00 Crore in True-up of FY 2019-20 and disallowed Rs. 0.48 Crore of actual employee cost of SLDC.

iii. That with effect from September 2019, communication wing, which was earlier a part of Transmission business, becamepartof SLDC business. Accordingly, the base employee expenses of SLDC need to be adjusted against the cost of employees of the communication wing.

iv. That this Commission has adopted a mismatch approach in approving the employee cost of Transmission and SLDC Business. The Employee cost of Transmission business is approved on the basis of actual while the employee cost of SLDC business is approved on the basis of normative. Due to this mismatch, PSTCL is losing out on the actual expenses of the communication wing, which became part of SLDC business since September 2019.PSTCL has separately worked out the employee cost of communication wing for the period from September 2019 to March 2020.

The employee cost of this wing is coming out to be Rs. 1.58 Crore for FY 2019-20.

v. That since the employee cost of communication wing is not covered in the base normative SLDC expenses, which is used to arrive at the normative employee cost of SLDC for FY 2019-20, the normative employee cost of SLDC is coming out to be lower.

vi. That had this Commission allowed the employee expenses of both the Transmission and SLDC business on actual basis or allowed the employee expenses of both the Transmission and SLDC business on normative basis, such an issue would not have arisen, as the employee cost of communication wing would be part of the approved cost in either case.

vii. That there is an error apparent on the face on record wherein this Commission has approved the employee cost of Transmission business on the basis of actual while that of SLDC business on normative basis, this has led to disallowance of actual cost of inter-units transfers such as the communication wing, which were earlier part of Transmission business but has becomepart of SLDC business during FY 2019-20.

viii. Since such expenses were earlier part of base normative employee expenses of Transmission business, the normative expenses of Transmission business have worked out to be higher than the actual employee cost, while since these expenses were never part of base expenses of SLDC, the normative expenses of SLDC are lower than the actual expenses.

ix. PSTCL requested this Commission to allow the employee cost of communication wing separately over and above the normative employee cost of SLDC approved for FY 2019-20.

x. PSTCL further requested this Commission to allow Rs. 0.48 Crore as an additional employee cost of SLDC over and above the normative employee cost approved by this Commission.

xi. PSTCL in its submissions dated 22.11.2021 submitted that Rs 7.48 Crore includes employee cost of communication wing, which was earlier a part of Transmission business. This Commission has approved the normative SLDC employee cost asRs. 7.00 Crore against the actual employee cost. Since, the normative employee cost of SLDC is lower than the actual employee cost, this Commission allowed the normative employee cost of Rs. 7.00 Crore in True-up of FY 2019-20 and disallowed Rs. 0.48 Crore of actual employee cost of SLDC.Now again communication wing is in STU. Hence the normative employee cost of SLDC for FY 2021-22 will be based on the enhanced base if this is not corrected now.PSTCL requested to allow Rs.0.48 Crore on account of actual Employee Expenses of PSTCL and approve the revised base cost of employee cost of SLDC and STU.

PSPCL's Submissions

PSPCL has not offered any comments on this issue.

Commission's Analysis:

PSTCL in its review petition has shown/claimed the employee cost of Rs. 1.58 Crore for Communication wing for FY 2019-20 and submitted that this cost is not covered in the base

normative SLDC expenses for MYT period FY 2017-18 to FY 2019-20.

The Commission had considered other employee cost of communication wing in Transmission Business at the time of fixing norms for baseline values for 1st MYT Control Period i.e FY 2017-18 to FY 2019-20 and allowed other employee cost of Transmission and SLDC Business on actual and normative basis respectivelyin the true up of FY 2019-20.PSTCL has not brought out this fact in its original petition filed before PSERC and has not given any reasons for its non-disclosure in the original petition.

PSTCL vide its submission dated 22.11.2021 stated that communication wing is again shifted to STU i.e Transmission Business. The Commission considering the submission of PSTCL allows Rs.0.48 Croreas other employee cost of SLDC business for FY 2019-20 without any change in baseline values for 2nd MYT Period as the employees in Communication wing have been transferred back to transmission business.The impact of Rs.0.48 Crore along with carrying costfor SLDC Business will be considered in the subsequent Tariff Order.

4.0 Depreciation for FY 2019-20
PSTCL's Submissions

i. PSTCL submitted that in the Order dated 28.05.2021, this Commission has allowed the depreciationon as per Regulation 21 of PSERC MYT Regulations2014 (as amended from time to time).

ii. PSTCL further submitted that this Commission has computed the weighted average rate of Depreciation for FY2019-20 for Transmission and SLDC business and applied the same on the regulatory GFA approved in previous Tariff Order and addition and deletion to GFA approved in this Order.The relevant extracts are as follows

"Commission's Analysis:

3.8.5 The Depreciation has been determined as per Regulation 21 of PSERC MYT Regulations-2014 (as amended from time to time).

3.8.6 The Commission has considered the Fixed Asset Register submitted by PSTCL fordetermining weighted average rate of depreciation based on Fixed Asset Register of FY 2019-20 as under:

Table 41: Computation of weighted average rate of depreciation for FY 2019-20

(Rs. Crore)

Sr. No.	*Particulars*	*Transmission*	*SLDC*
1.	*Opening GFA netof land and land rights and consumer contribution and grant)*	*6,821.78*	*12.68*
2.	*Add: Additions during the year (net of land and land rights and consumer contribution and grant)*	*279.69*	*6.33*
3.	*Less: Net transfer from Asset not in use*	*(21.80)*	*-*
4.	*Closing GFA (net of land and land rights)*	*7,123.27*	*19.02*
5.	*Average Gross Fixed Assets*	*6,972.57*	*15.85*
6.	*Depreciation*	*290.65*	*1.24*
7.	***Average rate of depreciation***	***4.17%***	***7.83%***

3.8.7 The closing GFA of FY 2018-19as approved by the Commission in Tariff Order dated 01.06.2020 is considered as the opening GFA for FY 2019-20.

3.8.8 The Commission has also deducted Rs.17.55Crore of land acquired by PSTCL (as mentioned in FAR) during the year and not considered the assets of Rs.6.53Crore added through consumer contribution and grant.

Table 42: Depreciation approved by the Commission for FY 2019-20
(Rs.Crore)

Sr. No.	*Particulars*	*Transmission*	*SLDC*	*PSTCL*

1.	*Opening GFA (net of land and land rights and consumer contribution)*	*6786.40*	*12.77*	*6799.17*
2.	*Add: Additions during the year*	*303.77*	*6.33*	*310.10*
3.	*Add: Net transfer from Asset not in use*	*21.80*	*-*	*21.80*
4.	*Less land and land rights during the year*	*17.55*	*-*	*17.55*
5.	*Less: GFA due to Contributory Works and PSDF grants*	*6.53*	*-*	*6.53*
6.	*Closing GFA (net of land and land rights)*	*7087.89*	*19.10*	*7107.00*
7.	*Average GFA*	*6937.15*	*15.94*	*6953.08*
8.	*Average rate of depreciation*	*4.17%*	*7.83%*	
9.	***Depreciation to be allowed by the Commission***	***289.17***	***1.25***	***290.42***

3.8.9 The Commission approves depreciation of Rs.289.17Crore for Transmission Business and Rs.1.25 Crore for SLDC Business for FY 2019-20.

iii. That this Commission has erred in computation of weighted average rate of depreciation for FY 2019-20 for Transmission and SLDC business. The opening balance of GFA considered by this Commission in Table 41 for computation of weighted average rate of depreciation for Transmission and SLDC business is different from the opening balance of GFA considered in Table 42 for computation of depreciation.

iv. That this Commission in Tariff Order dated 01.06.2020 for Truing-up of FY 2018-19 had considered the same opening and closing GFA for computation of average rate of deprecation (i.e., Table 21 of that Order) and for computation of depreciation allowed (i.e., Table 22 of that Order). However, in Tariff Order for Truing-up of FY 2019-20, this Commission has inadvertently considered different opening

GFA in Table 41 for computation of depreciation rate and in Table 42 for computation of depreciation.

v. That as per the previous Tariff Order for Truing-up of FY 2018-19, this Commission had considered the closing balance of GFA (net of land and land rights) as Rs. 6,786.40 Crore for Transmission and Rs. 12.77 Crore for SLDC.

vi. That as per the settled methodology, the closing balance of GFA approved for FY 2018-19 in previous Tariff Order is considered by this Commission as opening balance of GFA for FY 2019-20 in this Tariff Order for computation of average rate of depreciation and depreciation to be allowed for FY 2019-20. This Commission therefore has erred in considering the opening GFA of Rs. 6,821.78 Crore for Transmission and Rs. 12.68 Crore for SLDC in Table 41 of the Tariff Order dated 28.05.2021 instead of considering Rs. 6,786.40 Crore for Transmission and Rs. 12.77 Crore for SLDC.

vii. That this Commission has also erred in considering the addition to GFA of Rs.279.69 Crore instead of Rs.279.73 Crore (inclusive of software assets), which is the actual addition during the year as submitted by PSTCL in its Petition.

viii. That it has now computed the revised weighted average rate of deprecation for FY 2019-20 considering the approved closing balance of GFA in Truing-up of FY 2018-19 and is shown in the Table below:

Table 1: Computation of weighted average rate of depreciation for FY 2019-20 for Transmission business

(Rs. Crore)

Sr.	Particulars	Approved in	Submitted

No.		Order dated 28.05.2021	in Present Review petition
1	Opening GFA net of land and land rights and consumer contribution and grant)	6,821.78	6,786.40
2	Add: Additions during the year (net of land and land rights and consumer contribution and grant)(including software)	279.69	279.73
3	Less: Net transfer from Asset not in use	(21.80)	(21.80)
4	Closing GFA (net of land and land rights)	7,123.27	7,087.93
5	Average Gross Fixed Assets	6,972.57	6,937.17
6	Depreciation	290.65	290.42
7	**Average rate of depreciation**	**4.17%**	**4.19%**

Table 2: Computation of weighted average rate of depreciation for FY 2019-20 for SLDC business

(Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 28.05.2021	Submitted in Present Review petition
1	Opening GFA net of land and land rights and consumer contribution and grant)	12.68	12.77
2	Add: Additions during the year ((net of land and land rights and consumer contribution and grant))	6.33	6.33
3	Less: Net transfer from Asset not in use	-	-
4	Closing GFA (net of land and land rights)	19.02	19.10
5	Average Gross Fixed Assets	15.85	15.94
6	Depreciation	1.24	1.24
7	**Average rate of depreciation**	**7.83%**	**7.78%**

ix. PSTCL further stated that based on the average rate of depreciation for Transmission and SLDC business, PSTCL has computed the Depreciation to be allowed for FY 2019-20.

Table 3: Depreciation to be allowed for FY 2019-20

(Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1.	Opening GFA (net of land and land rights and consumer contribution)	6,786.40	12.77	6,799.17
2.	Add: Additions during the year (including software)	303.82	6.33	310.15
3.	Add: Net transfer from Asset not in use	21.80	-	21.80
4.	Less land and land rights during the year	17.55	-	17.55
5.	Less: GFA due to Contributory Works and PSDF grants	6.53	-	6.53
6.	Closing GFA (net of land and land rights)	7,087.94	19.10	7,107.04
7.	Average GFA	6,937.17	15.94	6,953.08
8.	Average rate of depreciation	4.19%	7.78%	-
9.	**Depreciation to be allowed by the Commission**	**290.42**	**1.24**	**291.66**

x. PSTCL requested this Commission to allow the depreciation of Rs. 290.42Crorefor Transmission business and Rs.1.24 Crore for SLDC business along with associated carrying cost.

xi. PSTCL in its final submissions dated 22.11.2021submitted that the opening balance of GFA considered by this Commission in Table 41 for computation of weighted average rate of depreciation for Transmission and SLDC business is different from the opening balance of GFA considered in Table 42 for computation of depreciation. The GFA as per the Fixed Assets Register is Rs.9796.16 Crore. The reconciliation of Fixed assets as considered by PSERC and as per PSTCL is as below: -

Difference of GFA as per Commission and as per FAR

(Rs.Crores)

Particulars	Amount
Opening Balance as per FAR	9796.16
Less Land	2926.80
Net	6869.35
Software Assets GH18	0.11
Total Net of land	**6869.46(As per Table 40 of T.O)**
Less Cont. Assets 2017-18	45.55
Cont. Assets 2018-19	20.29
PSDF Assets(90%)	3.36
	6800.26
Add Assets Not in use	34.31
Total	6834.57
Less Software Assets (as in GH 18)	0.11
Total	**6834.46 (As per Table 41 of TO)**
Assets not in use should not be added	**34.31**
Difference of PSDF Assets (100% & 90%) (3.73 - 3.36 = 0.37)	0.37
Net as per Tariff Order Table 42	**6799.78**

PSTCL further submitted that as the balance of Assets as on 01.04.2019 exactly reconciles with the balance of assets allowed by PSERC, so it is requested to consider correct opening balance as on 01.04.2019 for calculation of depreciation as per the table 41, table 42 of TO dated 28.05.2021 for calculation of Depreciation and for future years also.As the balances of FAR and PSTCL's submission in Petition No. 44 of 2020 have been reworked and reconciled, the Commission is requested to consider FAR balances for calculation of Depreciation.

xii PSTCL further requested in the submissions videe-mail dated 24.11.2021 to consider GFA(Net of Land) Rs.6869.46 Crore and Net Assets (excluding contributory Assets,PSDF Assets(100%)) Rs.6834.57 Crore as on 31.3.2019.

PSPCL's Submissions

PSPCL has not offered any comments on this issue.

Commission's Analysis:

The Commission has determined the rate of depreciation as per the Fixed Assets Register(FAR) submitted with the Petition to arrive at the correct rate of depreciation to be charged. The opening balance of FY 2019-20 in the fixed assets register submitted by PSTCL is Rs. 6821.78 Crore and does not tally with theclosing balance of Gross fixed assets for FY 2018-19. Therefore,the Commission considered the opening balance for FY 2019-20 as per FAR. The Commission had therfore determined the rate of depreciation as 4.17% for Transmission business and 7.83% for SLDC Business on the basis of the fixed asset register.

During hearing PSTCL was asked to reconcile GFA figures appearing in FAR with figures submitted in the original Petition.PSTCL submitted reconciled figures of GFA,the Commission considers the reconciled figures including addition to GFA of Rs.279.73 Crore during FY 2019-20 in place of Rs.279.69 Crore considered earlierand allows the average rate of depreciation for Transmission Business as 4.19% and SLDC Business as 7.78%. Thereby, allowing depreciation of Rs. 290.42 Croreinstead of Rs.289.17 Crorefor Transmission business.The impact on depreciation for SLDC has been negligible due to change in rate. The impact of difference of Rs.1.25 (290.42-289.17)Crorealongwith carrying costwill be considered in the subsequent Tariff Order.

5.0 Interest on Loan for FY 2017-18 to FY 2021-22

PSTCL's Submissions

i. PSTCL submitted in its Review Petition that as regards to funding of Capital Expenditure for the First Control Period, this Commission in Tariff Order dated 28.05.2021 had approved the following capital expenditure and funding for FY 2017-18 to FY 2019-20.

Table 10: Funding of Capital Expenditure for FY 2017-18 to FY 2019-20 for Transmission Business as approved by the Commission

(Rs. Crore)

Particulars	***FY 2017-18***			***FY 2018-19***			***FY 2019-20***	
	Approved in tariff order dated 27.5.2019	***Approved in this order***	***Difference***	***Approved in tariff order dated 1.06.2020***	***Approved in this order***	***Difference***	***Approved in tariff order dated 1.6.2020***	***Approved in this order***
Total Capital Expenditure (A)	*321.48*	***375.28***	*53.80*	*257.29*	***258.47***	*1.18*	*224.02*	***239.55***
Less: Expenditure on Contributory Works (B)	*0.00*	*44.13*	*44.13*	*24.62*	*24.62*	*0.00*	*0.00*	*53.26*
Less: Expenditure made from grant on PSDF Works (C)	-		-		*10.68*	*10.68*	*0.00*	*2.48*
Net Capital Expenditure for Transmission (D=A-B-C)	***321.48***	***331.15***	***9.67***	***232.67***	***223.17***	***(9.50)***	***224.02***	***183.81***
Funding through Loan	*225.04*	*231.80*	***6.76***	*232.67*	*223.17*	***(9.50)***	*224.02*	*183.81*
Funding through Equity	*96.44*	*99.35*	***2.91***	-	-	-	-	-

ii. That as seen from the above Table,this Commission has already reduced Rs. 44.13 Crore as Expenditure on Contributory Works from the total actual Capital Expenditure of FY 2017-18 for Transmission business and accordingly arrived at the impact of difference in loan and equity additions to be allowed in final Truing-up of FY 2017-18.

iii. That in Tariff Order dated 27.05.2019, it had inadvertently claimed interest on loans for purchase of assets funded through contributory works of Rs.22.78 Crore in previous years of transmission business. Since this amount was pertaining to FY 2017-18, this Commission rectified the submission of PSTCL and accordingly allowed the opening balance of loan for FY 2017-18 as Rs.3717.19 Crore after reducing the approved opening balance of Rs.3,739.97 Crore as on31.3.2017 for Transmission business. The relevant extracts are as below

"2.9.8 The Commission had determined closing balance of loans of Rs.3739.97 Crore as on31.3.2017 in para 2.8.3 of Tariff Order dated 19.4.2019 for FY 2018-19. Afterdeducting loans for assets funded through consumer contribution of Rs.22.78 Crore,which has been wrongly claimed as loan by PSTCL during FY2016-17, the openingbalance of loan as on 01.04.2017 works out to Rs.3717.19 Crore."

iv. That as seen from the above extracts, this Commission had already reduced Rs. 22.78 Crore in the opening balance of loan for FY 2017-18 for Transmission business in Tariff Order dated 27.05.2019 as Contributory works and arrived at the revised opening balance of Rs.3,717.19Crore.However, the same amount is reduced again in Table 10 of Tariff Order dated 28.05.2021, while computing the net capital expenditure after adjusting for assets created out of Contributory works in FY 2017-18 for Transmission business.The Commission has erred in computation of Interest onLoan for FY 2017-18 for Transmission business by reducing the same amount of Contributory works twice from both the opening balance of Loan as well as from the capital expenditure amount as Contributory works. The amount of Rs. 22.78 Crore deducted from opening balance of loan is part of the amount of Rs. 44.13 Crore deducted from addition of capital expenditure during the year.In view of the above, it had added back the value of Rs. 22.78 Crore in opening balance of loan of transmission business for correct computation of Interest on Loan for FY 2017-18. The relevant extracts of the Tariff Petition are as below.

"PSTCL would like to submit that the opening balance of loan outstanding as on01.04.2017 approved by this Commission is derived after deducting Rs. 22.78Crores of Contributory Works. The relevant extracts are provided in Section 2.9.8 ofTariff Order dated May 27, 2019. Since the Contributory works of Rs. 22.78 Croreisalready deducted from funding of Capital Expenditure during FY 2017-18 as shownin the above Tables, further reducing the same amount from the opening balance ofloans will result in dual reduction of the same amount. Accordingly, PSTCL hasincreased the approved amount of opening balance of loans as on 01.04.2017 by Rs.22.78 Crore"

v. That PSTCL had considered the opening loan of Rs.3,739.97 Crore for computation of Interest expenses for FY 2017-18 and onwards for Transmission business. However, this Commission has completely ignored this fact and has considered the lower opening balance of loan of Rs. 3,717.19 Crore as approved in Tariff Order dated 27.05.2019.

vi. That there was an error apparent on the face of record, wherein the amount of Rs. 22.78 Crore was deducted twice. This has resulted into lower approval of Interest on Loan for FY 2017-18 and onwards for Transmission business as compared to the legitimate amount to be allowed to PSTCL.The effect of considering lower opening balance of loan for FY 2017-18 has a resultant effect on the interest expenses allowed for FY 2017-18 to FY 2021-22 in Tariff Order dated 28.05.2021

vii. That PSTCL has re-computed the Interest onLoan for FY 2017-18 and onwards after considering the opening balance of loan of Rs. 3,739.97 Crore as on 01.04.2017 for Transmission business and accordingly computed the Interest on Loan to be allowed. PSTCL has kept all the other amount such as loan additions, repayments, interest rate etc. as approved by this Commission in Tariff Order dated 28.05.2021 for respective years. The following Table shows the Interest on Loan for FY 2017-18 to FY 2021-22

Table 4: Interest on Loan for Transmission Business

(Rs. Crore)

Sr.No	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
1.	Opening Loan	3,739.97	3,690.00	3,615.68	3,511.43	3,337.66
2.	Addition during the year	231.80	223.17	183.81	123.00	132.51
3.	Repayment during the year	281.78	297.49	288.06	296.77	300.33
4.	Closing Loan	3,690.00	3,615.68	3,511.43	3,337.66	3,169.84
5.	Average Loan	3,714.98	3,652.84	3,563.55	3,424.54	3,253.75
6.	Interest Rate	10.59%	10.00%	10.15%	10.15%	10.15%
7.	**Interest amount**	**393.39**	**365.34**	**361.70**	**347.59**	**330.26**

viii. PSTCL requested this Commission to allow Interest on Loan for FY 2017-18 to FY 2021-22 for Transmission business as shown in the Table above along with the associated carrying cost.

ix. PSTCL in its final submission dated 22.11.2021 stated thatit **had inadvertently submitted in Petition No. 3 of 2019 thatRs. 22.78 Crore pertained to previous to FY 2017-18 but actually it was a part of contributory works of FY 2017-18 amounting to Rs.44.13 Crore.** Therefore, opening balances for FY 2017-18 may be taken as Rs.3739.97 Crore instead of Rs. 3717.19 Crore. This Commission has also considered the addition to GFA of Rs. 279.69 Crore instead of Rs. 279.73 Crore, which is the actual addition during the year as submitted by PSTCL in its Petition.

PSTCL requested to approve the opening balance of Rs. 3739.97 Crore as on 31-03-2017 for transmission business and also to allow addition of Rs.0.04 Crore of GFA during FY 2019-20.

PSPCL's Submission

PSPCL has not offered any comments on this issue.

Commission's Analysis

The Commission in its tariff order dated 27.05.2019for FY 2019-20 hadreducedRs.22.78 Crore fromthe opening balance of long term loans as on 01.04.2017 on account of assets funded through Contributory works over past years (prior to FY 2017-18) as per PSTCL's submission in Petition for FY2019-20 dated 27.11.2018.(Para 2.7,page 28&29) as reproduced below:

"Further, PSTCL submits that in FY 2017-18, the assets funded through Contributory Works of Rs. 45.55 Crore were added to fixed assets. The Capital Expenditure of Rs. 22.77 Crore for these assets was funded through Contributory Works in FY 2017-18 and remaining Capital Expenditure for these assets, i.e. Rs. 22.78 Crore, was funded through Contributory Worksover past years. However, PSTCL had inadvertently claimed the funding of Capital Expenditure of Rs. 22.78 Crore for these assets through Loans in previous years, which was this Commission had disallowed."

In the Tariff order dated 28.05.2021,the Commission has considered the contributory works of Rs.44.13 Crore for the 1st MYT period as per the Annexure I of the PSTCL's petition dated 25.11.2020. The Commission had correctly considered the opening balance of loans as on 01.04.2017 and determined the interest charges as per PSERC Regulations correctly.

PSTCL in para no.5(iii) and (ix) above submitted that it had inadvertently mentioned that Rs.22.78 Crore pertains to previous years, when it actually relates to FY 2017-18.Afterconsidering the revised submission of PSTCL,the Commission re-determinesopening balance of loans for Transmission Business as Rs. 3739.97 Crore (by adding Rs.22.78 Crore earlier reduced from the opening balance of long term loans in true up of FY 2017-18)on 01.04.2017 instead of Rs.3717.19 Crore.The Commissionin Para 4 of this order has already allowed addition of Rs.0.04 Crore in Gross Fixed Assets(GFA) during FY 2019-20. However, the impact of Rs.22.78Crore along with carrying cost will be considered in the subsequent Tariff Order.

6.0 Other Expenses for FY 2019-20

PSTCL's Submissions

i. PSTCL submitted in the Review Petition that as regards to Other Expenses, this Commission had ruled thefollowing in Tariff Order dated 28.05.2021.

"3.15.5 In the True-up of FY 2017-18 (Tariff Order of FY 2019-20), The Commission had considered the amount of sundry creditors written back reflecting in the Audited Accounts i.e. Rs. 99.84 Crore under non-tariff income as it was observed that the aforesaid amount was lying unclaimed for more than 3 years in identified heads i.e. contributory works and deposit works in the books of accounts before it was transferred to the revenue heads. It is observed that Rs. 56.40 Crore pertains to net outstanding amount in FY 2019-20 on account of non-reconciliation of various inter-unit transfers among the divisions of erstwhile PSEB. Accordingly, the Commission is of the view that this issue is to be settled between PSPCL and PSTCL and the same cannot be allowed as 'Other Expenses' in the ARR."

ii. That this Commission has considered the amount claimed by PSTCL under 'Other Expenses' as an amount arising due to non-reconciliation of various inter-unit transfers among the divisions of erstwhile PSEB.This Commission hence directed PSTCL to settle the issue with PSPCL.PSTCL would like to submit that this Commission has completely misread the claim of 'Other Expenses' made by PSTCL in its Petition.

iii. That the amount of Rs. 56.40 Crore is reflecting in the books of accounts of PSTCL in FY 2019-20 since the outstanding balance of sundry debtors as on 16.04.2010, which was present in the books of erstwhile PSEB and which was directly transferred to the books of PSTCL at the time of restructuring, was written off after due reconciliation. Through reconciliation of outstanding sundry debtors, PSTCL recognized the fact that sundry debtors to the extent of Rs. 56.40 Crore does not exist and therefore needs to be written off in the accounts for appropriate reporting. Accordingly, this amount was recorded as an expense in the Accounts of FY 2019-20.Similar exercise was carried out in Accounts of FY 2017-18, wherein PSTCL has written back sundry creditors after due reconciliation of accounts and had shown the amount under Non-Tariff Income. ThisCommission at that time had considered the amount as Non-Tariff Income and adjusted the amount in Tariff.

Regulation 49.2 of PSERC MYT Regulations, 2014 provides for the following.

“49.2 Other debits including miscellaneous losses and write offs, sundry debts, material cost variance, losses on account of flood, cyclone, fire etc. shall be considered by the Commission. “

iv. That this Commission shall consider other debits including miscellaneous losses and write offs, sundry debts, material cost variance, losses on account of flood, cyclone, fire etc for consideration in Tariff.This Commission has erred in disallowing the ‘Other Expenses’ stating that the amount is due to non-reconciliation of inter-unit transfer among divisions of erstwhile PSEB.This Commission has not only ignored Regulation 49.2 which states that write off as part of other debits is to be allowed, but also changed its approach from the methodology adopted in Truing-up of FY 2017-18 with respect to amount being written off in the books of Accounts.

v. That this Commission has adopted different approach for written back of sundry creditors and written off of sundry debtors. In the past the written back of sundry creditors have been treated as non tariff income without such reconciliation with PSPCL whereas now this Commission has disallowed written off of sundry debtors on the plea that amount be settled between PSPCL and PSTCL. The decision of written off of sundry debtors was taken by the BoDs of PSTCL after deliberating all the facts including reconciliation between PSPCL and PSTCL whereas ThisCommission has considered written back only on the basis entries carried out in the books of accounts of PSTCL. ThisCommission is requested to apply the same principle for written back and written off of sundry creditors and sundry debtors.

vi. PSTCL requested this Commission to allow the amount of **Rs. 56.40 Crore** written off in the books of Accounts of FY 2019-20 as specified in Regulation 49.2 of PSERC MYT Regulations, 2014, as a part of True-up of FY 2019-20 along with the associated carrying cost.

vii. PSTCL in its final submissions dated 22.11.2021 stated that as per Commercial Accounting System of PSEB, Inter Unit Transfers between different accounting units is accounted for as follows:-

Whenever a division carries out any work on account of revenue or capital on behalf of another division, an IUT bill is issued by the division who initiates the work to the other division on whose behalf the expenditure was incurred. For any transaction between different accounting units, Originating Accounting Unit (i.e. which transfer any asset to other accounting unit) raise IUT bill to other accounting unit (which receive the asset or anything) using the account code consisting of code allocated to that particular asset and location code of receiving unit. In settlement of IUT bill raised receiving accounting unit will issue Un-cashable Cheque to originating accounting unit. Following entry is passed by the issuing unit and receiving unit

Sr. No.	Event	Debit	Credit
1	Raising of IUT bill	Various Inter unit Accounts (Account codes 30 to 38 and Location codes)	Account Head where the expenditure was parked earlier
2	Settlement of IUT bill issuing of U-cheque by recipient Division	Account head concerned	Inter unit Accounts – Blank Account code 37.000
3.	Receipt of U-cheque by initiating Accounting unit	Inter unit Accounts Bank Account code 37.000	Various Inter unit Accounts (Account codes 30 to 38 and Location codes)

Erstwhile PSEB, as on 16.04.2010, has Rs.18.32 Crore (Debit Balance) as outstanding un-reconciled against balances of IUT heads (30-37, 37.000 & 39.1) i.e. transfer of assets, materials, liabilities between different divisions of erstwhile PSEB. The balance should have been zero, as per Commercial Accounting System PSEB - IUT Manual. This amount was vested/parked to PSTCL as debit balance of Rs. 58.12 Crore and PSPCL as minus debit balance of Rs. 39.80 Crore in opening balance sheet of both the corporations. Before unbundling of PSEB, a special cell in PSPCL was dealing with the reconciliation of IUT heads, so the details of these IUT heads may be available with that cell. Ideally Rs.

18.32 Crore outstanding on the date of unbundling was required to be parked between both the corporations.

Further it is submitted that out of Rs. 58.12 Crore debit balance of IUT heads, Rs. 1.72 Crore relating to PSTCL divisions was settled by PSTCL at its own level and this outstanding amount was decreased to Rs. 56.40 Crore under IUT heads and was outstanding as debit balance in the books of PSTCL.

During hearing on dated 17-11-2021, PSPCL submitted to this Commissionthat Rs.39.80 Crore minus debit balance parked to PSPCL under IUT heads on 16.04.2010 have been adjusted/reconciled amongst their divisions.

It is also submitted that against above Debit balance of Rs.56.40 Crore liabilities/credit balances were also parked to PSTCL. PSTCL has paid the liability vested on 16.04.2020 from time to time.

PSTCL further stated that it has written-back credit balances outstanding amounting to Rs. 99.84 Crore inFY 2017-18. Out of Rs. 99.84 Crore amount of Rs. 78.74 Crore relates to period prior to date of unbundling of erstwhile PSEB i.e. outstanding as on 16.04.2010. PSERC, while truing up the ARR & Tariff for FY 2017-18, has considered these credit balances written-back as income for FY 2017-18 and hence reduced the ARR of FY 2017-18 by the above said amount. PSTCL has written-off the outstanding debit balance of Rs.56.40 Crore in the Financial Accounts for FY 2019-20 and claimed this amount of Rs.56.40 Crore as expenditure in the True up petition for FY 2019-20. However,this Commission has disallowed the claim of Rs.56.40 Crore.

PSTCL stated that although it has submitted an appeal in the APTEL for non-consideration of non-tariff income of Rs.99.84 Croreand if the above amount is allowed by the Tribunal to exclude from NTI, then PSTCL will claim only Rs 43.44 Crore only at that time.

PSTCL requested to allow the other expenditure amounting to Rs. 56.40 Crore.

PSPCL's Submissions

i. PSPCL vide memo no 4511/TR-4/210 dated 04.10.2021 submitted that in the Section D of the petition " Other Expenses" for FY 2019-20, this Commission had ruled the following in Tariff Order dated 28.05.2021.

> *"3.15.5 In the True-up of FY 2017-18 (Tarff Order of FY 2019-20), The Commission had considered the amount of sundry creditors written back reflecting in the Audited Accounts i.e. Rs. 99.84 Crore under non tariff income as it was observed that the aforesaid amount was lying unclaimed .for more than 3 years in identified heads i.e. contributory works and deposit works in the books of accounts before it was transferred to the revenue heads. It is observed that Rs. 56.40 Crore pertains to net outstanding. amount in FY 2019-20 on account of non reconciliation of various inter-unit transfers among the divisions of erstwhile PSEB. Accordingly, the Commission is of the view that this issue is to be settled between PSPCL and PSTCL and the same cannot be allowed as 'Other Expenses' in the ARR."*

ii. Thatthis Commission has already considered the amount claimed by PSTCL as an amount arising due to non-reconciliation of various inter-unit transfers among the divisions of erstwhile PSEB and hence directed PSTCL to settle the issue with PSPCL.

iii. Thatthere is no error apparent in the order so the matter does not qualify for a review. PSTCL, instead of reconciling the amount with PSPCL, as directed through the order, has taken up the issue for review. Further, the plea taken by PSTCL for allowing the expenditure through tariff, citing the consideration of Rs 99.84 Crore as non tariff income by this Commission is not maintainable as PSTCL,disagreeing with the same, has already filed an appeal before APTEL, NewDelhi .

iv. PSPCL further stated that the claim of PSTCL needs to be rejected.

v. PSPCL vide its memo no 4579/80 TR-4/210 dated 02.11.2021 requested PSTCL to provide the details of un-reconciled amount so that same can be reconciled from field units.PSPCL retreated its request vide memo no.4598 TR-4/210 dated 15.11.2021for providing details of unreconciled amount .

Commission's Analysis

The Commission in its interim order dated 12.10.2021 directed PSTCL and PSPCL to reconcile the figures as claimed by PSTCL amounting to Rs.56.40 Crore under the head "Other Expenses" within three weeks in Commission's office by deputing the concerned officers alongwith relevant record and to submit consolidated report to the Commission. A meeting of concerned officers of PSPCL and PSTCL was held on 27.10.2021 in Commissions' office wherein officers of

PSPCLdesired PSTCL to provide details of unreconciled amount so that same can be got reconciled from field units of PSPCL.However, no detail has been provided to PSPCL by PSTCL, hence reconciliation could not take place. Even during hearing on 17.11.2021, PSTCL and PSPCL failed to submit a consolidated report since no record was furnished by PSTCL.

No new facts,record or evidence has been produced (which was not within the knowledge of PSTCL 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 not admissible.

7.0 Non-Tariff Income of FY 2019-20

PSTCL's Submissions

i. PSTCL submitted that as regards, Non-Tariff Income, this Commission has ruled the following with respect to rebate on early payment of NRLDC.

"The Payment to NRLDC is not a payment of power purchase. PSTCL has added Non-Tariff Income on account of rebate Rs. 0.07 Crore out of Rs.0.13Crore. The Commission has considered the entire Rs.0.13 (0.07+0.06) Crore as Non-Tariff Income as per the audited accounts.Accordingly, the Commission determines the Non-Tariff Income as under:"

ii. That this Commission has considered the entire Non-Tariff Income of Rs. 0.13 Crore as against the claim of Rs. 0.07 Crore made by PSTCL, stating that the amount of rebate on early payment to NRLDC does not pertain to power purchase.PSTCL submitted that the payment made to

NRLDC by PSTCL was with respect to System Operation Charges (SOC) of Power System Operation Corporation Limited (POSOCO). The SOC is levied in accordance with the provisions of CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009.

iii. That these charges were paid to NRLDCas per the terms and conditions specified in the Power Purchase Agreements (PPAs) entered by the Generating Companies with PSPCL.In view of the above, it is submitted that the rebate on early payment made to NRLDC is with respect to System Operation Charges, which in turn is part of power purchase cost of PSPCL. Therefore, such amount pertains to the power purchase cost of PSPCL.This Commission has erred in stating that the rebate on early payment made to NRLDC is not with respect to power purchase cost of the Licensee. This is an error apparent on the face of record.The amendment to Reg. 28 sub clause (q) of PSERC MYT Regulations, 2014 states as below.

"Following components of income shall be treated as non tariff income for the generation, transmission and distribution business, as applicable: (q) Any other income not included above. Provided that only 50% of the "rebate for timely payment of power purchase" received by the licensee shall be considered as non –tariff income."

iv. PSTCL requested this Commission to consider only 50% of the amount (i.e. Rs. 0.07 Crore) reflecting inNon-Tariff Income as rebate to NRLDC payment instead of considering the entire amount of Rs. 0.13 Crore.

v. PSTCL further requested this Commission to consider only Rs.0.07 Crore as Non-Tariff Income with respect to rebate on payment to NRLDC in line with the amendment to Reg. 28 sub clause (q) of PSERC MYT Regulations, 2014.

PSPCL's Submissions

PSPCL has not offered any comments on this issue.

Commission's Analysis

PSTCL has brought out that payment made to NRLDC with respect to System Operation Charges (SOC) of Power System Operation Corporation Limited (POSOCO) relates to power purchase. According to Regulation 28 of PSERC Regulation 2014, payment to NRLDC is not a payment for power purchase. Therefore, the Non-tariff income has been correctly computed by the Commission.

No new record or evidence has been produced (which was not within the knowledge of the PSTCL 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 not admissible.

8.0 Base A&G Expenses for FY 2020-21

PSTCL's Submissions

i. PSTCL submitted that for computation of A&G expenses for FY 2020-21 and FY 2021-22, this Commission has considered the following base values of A&G as shown in the Tables below:

Table 94: A&G expenses as approved by the Commission for transmission 2020-21 and FY 2021-22

(Rs.Crore)

Sr. No.	*Particulars*	*FY 2020-21*	*FY 2021-22*
	Transmission Business		
1.	*Opening A&G*	*24.97*	*25.61*
2.	*Inflation Factor*	*3.1094%*	*3.1094%*
3.	*A&G expenses*	*25.74*	*26.54*
4.	*Audit fee*	*0.06*	*0.06*
5.	*Add: Licence/ARR Fee*	***0.51***	***0.51***
6	***Total A&G Expenses***	***26.32***	***27.12***
	SLDC Business		
1.	*Opening A&G*	*0.78*	*0.80*
2.	*Inflation Factor*	*3.1094%*	*3.1094%*
3.	***A&G expenses***	***0.80***	***0.83***

ii. That in the extract to the above Table of the Tariff Order, this Commission stated the following.

“The Commission has determined the A&G expenses considering the actual A&G expenses as per the audited account of FY 2019-20 and index as per Table 92. Audit fee and Licence/ARR fee has been considered as per true up of FY 2019-20 provisionally.”

iii. PSTCL statedthat it had submitted the actual A&G expenses as Rs. 25.54 Crore for Transmission Business and Rs. 0.78 Crore for SLDC Business i.e., a total A&G expense of Rs. 26.32 Crore for Transmission and SLDC Business for FY 2019-20 as reflecting in the Audited Accounts. The same is reflecting in Table 36 and Table 37 of the Tariff Order.This Commission while computing the A&G expenses for FY

2020-21 has stated that it has considered the actual A&G expenses of FY 2019-20 as base expenses as per the above extract.However, while computing the A&G expenses for FY 2020-21, this Commission has not considered the lease Charges of Rs. 0.81 Crore in the base expenses, which were denied by this Commission during the Financial Year 2019-20 under Interest & Finance Charges being A&G expenses. So the base of A&G expenses should be taken as Rs. 25.78 (24.97 + 0.81) Crore instead of Rs. 24.97 Crore for FY 2020-21 for Transmission Business.

iv. That this Commission has erred in considering the incorrect base expenses for Transmission Business for projecting A&G expenses of FY 2020-21 and thereafter FY 2021-22, while stating in para 4.6.20 of the Tariff Order that it has considered the actual expenses of FY 2019-20 as base for projecting the expenses in APR and ARR.ThisCommission has also erred in considering the base expenses for FY 2021-22 for Transmission Business and has worked out the A&G expenses of Rs. 25.74 Crore for FY 2020-21 in the Table 94 but while computing the A&G expenses for FY 2021-22, this Commission has considered the base expenses of Rs. 25.61 Crore, which is different from the normative expenses arrived in FY 2020-21.

v. That PSTCL had worked out the A&G expenses to be allowed for FY 2020-21 and FY 2021-22 considering the correct base expenses i.e., the actual expenses of FY 2019-20 for Transmission Business, while keeping the escalation factor and other expenses as approved by this Commission in Tariff Order. The following Table shows the A&G expenses computed by PSTCL as stated above

Table 5: A&G Expenses for Transmission Business for FY 2020-21 and FY 2021-22

(Rs. Crore)

Sr. No.	Particulars	FY 2020-21	FY 2021-22
1	Opening A&G expenses	25.78	26.58
2	Inflation factor	3.1094%	3.1094%
3	A&G Expenses	26.58	27.41
4	Audit fee	0.06	0.06
5	License/ARR Fee	0.51	0.51
6	**Total A&G Expenses**	**27.15**	**27.98**

vi. PSTCL requested this Commission to allow **Rs. 27.15Crore** for FY 2020-21 and **Rs. 27.98Crore** for FY 2021-22 for Transmission Business as computed in the Table above.As the Tariff for FY 2020-21 and FY 2021-22 is on provisional basis and will be trued up on the basis of actual audited figures, so disallowance on account of A&G may be reviewed during truing up for FY 2020-21 and Review of FY 2021-22.

vii. PSTCL in its submission dated 22.11.2021has requested to consider Rs.0.81 Crore on account of interest on lease assets as A&G expenses in base expenses of A&G while truing up of FY 2020-21.

PSPCL's Submissions

PSPCL has not offered any comments on this issue.

Commission's Analysis

The Commission while determining the baseline values of A&G expenses for FY 2020-21 to 2022-23 had inadvertently not considered interest on lease assets of Rs.0.81 Crore

incurred during FY 2019-20 in the base value of A&G expenses for 2nd Control Period i.e FY 2020-21 to FY 2022-23. The Commission allows Rs.0.81 Crore as interest on lease assets in the baseline values of A&G expenses for FY 2020-21.The norms for A&G expenses will be revised in the subsequent tariff order and its impact along with carrying cost will also be considered.

9.0 Computation of Carrying Cost on previous years

PSTCL's Submissions

i. PSTCL stated that this Commission had computed the carrying cost on the impact of True-up of capex for FY 2017-18 considering six months of FY 2017-18, entire year of FY 2018-19 and FY 2019-20 and six months of FY 2020-21. Similarly for computation of carrying cost on the impact of True-up of capex for FY 2018-19, this Commission has considered six months of FY 2018-19, entire year of FY 2019-20 and six months of FY 2020-21.

ii. That for Truing up of FY 2019-20, the carrying cost was computed on the revenue gap after considering six months of FY 2019-20 and six months of FY 2020-21. In view of the above, this Commission in Tariff Order dated 28.05.2021 has hence computed the carrying cost on the revenue gap/surplus till FY 2020-21, while the amount is being passed on in Tariff in FY 2021-22.

iii. That this Commission has worked out the carrying cost considering six months of the True-up year and for six months of the APR year i.e., FY 2019-20 and FY 2020-21 respectively, instead of computing the carrying cost on revenue gap/surplus of True-up year (FY 2019-20) for six months, twelve months of APR year and six months of ARR year.

iv. That this Commission has also worked out the carrying cost impact on True-up of capex for FY 2017-18 and FY 2018-19, till the APR year only (i.e. FY 2020-21) instead of the ARR year in which the gap/surplus is passed on to the consumers (i.e. FY 2021-22).PSTCL submitted that Hon'ble APTEL has clearly ruled for the computation of carrying cost in its judgement to Appeal No. 160 of 2012 issued on 08.04.2015. The relevant extracts of this judgement are as follows.

"42. We find that for carrying cost the State Commission has considered the revenue gap to be applicable from the end of the year of the occurrence of revenue gap upto the middle of the year in which the same is proposed to be recovered. This is not correct. ***The interest should be calculated for the period from the middle of the financial year in which the revenue gap had occurred upto the middle of the financial year in which the recovery has been proposed. Thus, for the revenue gap of FY 2010-11, the Commission has to consider interest from middle of FY 2010-11 to middle of FY 2013-14 in which the recovery is proposed****. This is because the expenditure is incurred throughout the year and its recovery is also spread out throughout the year. (****Emphasis added****)"*

v. PSTCL stated that in view of the above APTEL judgement, it has claimed the carrying cost in line with the above approach in its Tariff Petition filed for FY 2021-22. PSTCL has continued to claim the amount in line with the same approach in this Review Petition as well.The impact due to incorrect consideration of carrying cost for Transmission and SLDC Business is worked out by PSTCL in the Tables below:

Table 6: Additional amount of carrying cost to be allowed for Transmission business

(Rs. Crore)

Sr.No	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1.	Carrying cost allowed	0.18	0.13	(0.26)	(1.70)
2.	Carrying cost as per proposedComputation	0.24	0.20	(0.26)	(1.70)
3.	Additional Impact	0.06	0.07	-	-
4.	**Total Impact**				**0.13**

Table 7: Additional amount of carrying cost to be allowed for SLDC business

(Rs. Crore)

Sr.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1.	Carrying cost allowed	-	0.01	0.19	(0.48)
2.	Carrying cost as per proposed computation	-	0.03	0.19	(0.48)
3.	Additional Impact	-	0.02	-	-
4.	**Total Impact**				**0.02**

PSPCL's Submission

PSPCL has not offered any comments on this issue.

Commission's Analysis

The Commission is allowing carrying cost at the time of APR and True up . The Commission has trued up the CAPEX of 1st MYT control period in the order dated 28.05.2021. Since carrying cost in APR and true-up has already been allowed in the previous years, the carrying cost was to be allowed on the difference in trued-up figures and figures originally approved in order dated 27th May,2019 and 1st June,2020. There has been a typographic error in Table no. 12 and Table no.13 of the Tariff order. The years have wrongly been mentioned in Table no.12 as FY 2017-18, 2018-19, FY 2019-20 and FY 2020-21 instead of FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22. Therefore, the same be read in table No. 12 of the Tariff

Order as FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22. Similarly in table no. 13 of the Tariff order, the years mentioned for carrying cost be read as FY 2019-20, FY 2020-21 and FY 2021-22 instead of FY 2018-19, FY 2019-20 and FY 2020-21. The typographical error in table No. 12 and 13 of the Tariff Order stands corrected accordingly.Thus, the carrying cost has been allowed till FY 2021-22.However,the impact due to change in interest rates in Table no.12 and Table no.13 is negligible.

The Petition is disposed of accordingly.

-Sd/-	**-Sd/-**
(ParamjeetSingh) Member	(Viswajeet Khanna) Chairperson

Chandigarh
Dated:10.12.2021