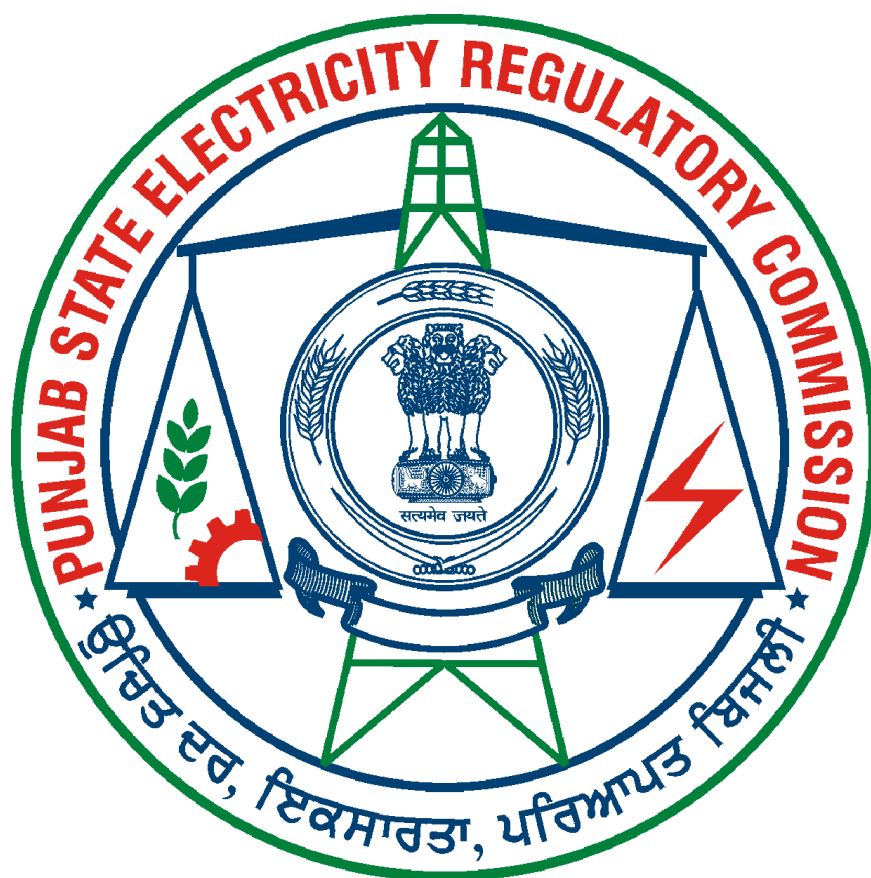


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PUNJAB STATE ELECTRICITY REGULATORY COMMISSION



PSPCL

TARIFF ORDER FOR FY 2023-24

AND

ARR FOR 3rd MYT CONTROL PERIOD

FY 2023-24 to FY 2025-26

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



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

PETITION NO. 74 OF 2022 FILED BY PUNJAB STATE POWER CORPORATION LIMITED FOR TRUE UP OF FY 2021-22, ANNUAL PERFORMANCE REVIEW FOR FY 2022-23 and APPROVAL OF ARR FOR THE CONTROL PERIOD FROM FY 2023-24 TO FY 2025-26 AND DETERMINATION OF TARIFF FOR FY 2023-24.

COMMISSION: **Sh. Viswajeet Khanna, Chairperson**
 Sh. Paramjeet Singh, Member

Date of Order: 15th May, 2023

ORDER

The Punjab State Electricity Regulatory Commission (Commission), in exercise of the powers vested in it under the Electricity Act, 2003 (Act), passes this order for the True up of ARR for FY 2021-22, Annual Performance Review (APR) for FY 2022-23, Approval of ARR for the 3rd MYT Control Period from FY 2023-24 to FY 2025-26 and Determination of Tariff for FY 2023-24 for generation and supply of electricity by the Punjab State Power Corporation Limited (PSPCL) to the consumers of the State of Punjab. The petition filed by PSPCL, facts presented by PSPCL in its various submissions, objections received by the Commission from consumer organizations and individuals, issues raised by the public in the public hearings held at Ludhiana, Jalandhar, Gobindgarh, and Chandigarh, the observations of the Government of Punjab (GoP) and the responses of PSPCL to the objections in this respect have been considered. The State Advisory Committee constituted by the Commission under Section 87 of the Act has also been consulted and all other relevant facts and material on record have been considered before passing this Order.

1.1 Background

The Commission has in its previous Tariff Orders determined tariff in pursuance to the ARR and Tariff Applications submitted by erstwhile Punjab State Electricity Board (the Board) for the years 2002-03 to 2006-07, 2008-09 to 2010-11 and by PSPCL for FY 2011-12 to FY 2022-23. The Tariff Order for FY 2007-08 had been passed by the Commission in suo-motu proceedings.

PSPCL has submitted that the Government of Punjab vide notification No. 1/9/08-EB (PR) 196 dated 16.04.2010 restructured and unbundled the

erstwhile Punjab State Electricity Board (PSEB), into two successor companies, viz, Punjab State Power Corporation Limited to undertake generation and distribution business and Punjab State Transmission Corporation Ltd. to undertake transmission of electricity alongwith operation of SLDC functions. Hence, PSPCL is left with the Distribution, Generation and allied activities of the erstwhile PSEB.

The Commission notified the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail supply Tariff) Regulations, 2019 which are in force w.e.f from 1st April, 2020. The Commission notified the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail supply Tariff) Regulations, 2022 (PSERC MYT Regulations 2022) vide notification no. PSERC/Secy/Regu.165 dated 27.10.2022. These regulations have been followed while passing the present Tariff Order for the relevant years.

1.2 True up for 2021-22, Annual Performance Review for FY 2022-23 and ARR for the 3rd MYT Control Period from FY 2023-24 to FY 2025-26 and determination of tariff for FY 2023-24.

PSPCL has filed the present petition for approval of True up of ARR for FY 2021-22, Annual Performance Review for FY 2022-23, under Section 62,64 & 86 of the Electricity Act, 2003 read with Regulation 12 & 13 of PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations 2019 as amended from time to time and approval of ARR for the 3rd MYT Control Period from FY 2023-24 to FY 2025-26 and determination of Tariff for FY 2023-24 under Section 62,64 and 86 of the Electricity Act, 2003 read with Regulation 10 of the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail supply Tariff) Regulations, 2022. The petitioner has prayed the Commission to:

- Admit the Petition seeking approval of MYT Petition for its Generation and Distribution business for the 3rd MYT Control Period from FY 2023-24 to FY 2025-26 in accordance with Regulation 10 of the PSERC MYT Regulations, 2022;

- Allow True Up of FY 2021-22 along with the carrying cost and revised estimate of expenses projected for FY 2022-23;
- Allow the progressive funding of the Terminal Benefit Trust, in line with the judgment of Hon'ble APTEL;
- Approve the subsidy amounts for the true up year of FY 2021-22 and also for the pending year of FY 2020-21, so that the balance amount due from the State Government can be determined. It is also prayed that the subsidy amounts for FY 2022-23 and FY 2023-24 be estimated;
- Approve the MYT Petition for its Generation and Distribution Business for Control Period from FY 2023-24 to FY 2025-26 as proposed by the Petitioner in the Petition;
- Condone any inadvertent omissions/errors/shortcomings and permit PSPCL to add/change/modify/alter this filing and make further submissions as may be required during the course of these proceedings;
- Pass such Order, as the Commission may deem fit and appropriate keeping in view the facts and circumstances of the case submitted by the Petitioner.

The petition was admitted vide Order dated 21.12.2022. The deficiencies observed in the petition by the Commission were conveyed to PSPCL vide Order dated 21.12.2022, letter No. PSERC/Reg./177 dated 13.01.2023, order dated 18.01.2023 and letter PSERC/Reg./331 dated 08.02.2023. The reply to the deficiencies was furnished by PSPCL vide memo No. 768 dated 30.12.2022, memo No. 34 dated 05.01.2023, memo No. 174 dated 24.01.2023, memo No. 175 dated 24.01.2023, memo No. 194 dated 31.01.2023, memo No. 317 dated 10.02.2023, memo No. 332 dated 13.02.2023, mem No. 380 dated 17.03.2023 and memo No. 389 dated 21.03.2023. Various meetings were taken with PSPCL on the data submitted in the ARR. The relevant correspondence between the Commission and PSPCL has been placed on the website of the Commission.

1.3 Objections and Public Hearings

A public notice was published by PSPCL in The Tribune (English), Punjab Kesari (Hindi), Jagbani (Punjabi), Rozana Chardikala (Punjabi) on 27.12.2022 and Dainik Jagran (Hindi) on 28.12.2022 inviting objections from the general public and stake holders on the said petition filed by PSPCL. Corrigendum to