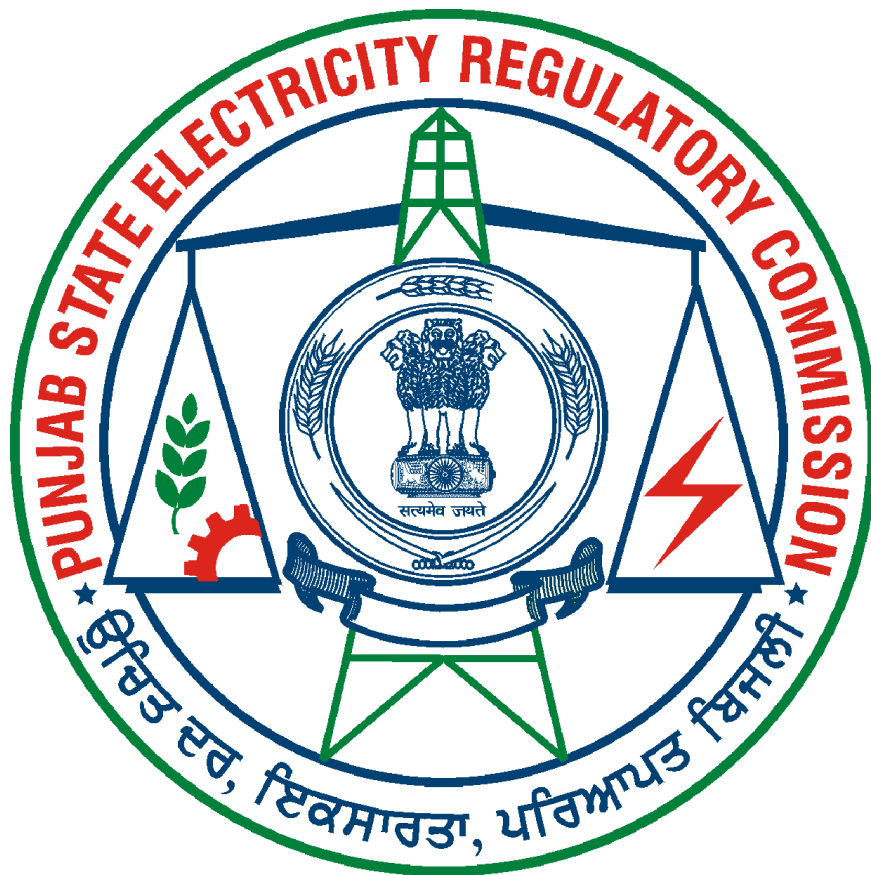


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PUNJAB STATE ELECTRICITY REGULATORY COMMISSION



PSPCL

TARIFF ORDER FOR FY 2026-27

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. 70 OF 2025 FILED BY PUNJAB STATE POWER CORPORATION LIMITED FOR TRUE UP OF ARR FOR FY 2024-25, APPROVAL OF ARR OF 4th CONTROL PERIOD FROM FY 2026-27 TO FY 2028-29 AND DETERMINATION OF TARIFF FOR FY 2026-27.

COMMISSION: Sh. Viswajeet Khanna, Chairperson
Sh. Ravinder Singh Saini, Member
Sh. Ravi Kumar, Member

Date of Order: 06th March, 2026

ORDER

The Punjab State Electricity Regulatory Commission (the Commission), in exercise of the powers vested under the Electricity Act, 2003 (Act), passes this order for the True up of ARR for FY 2024-25, for approval of forecast of the ARR of the 4th MYT Control Period and Determination of Tariff for FY 2026-27 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 Bathinda, Ludhiana, Amritsar 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 the tariff in pursuance to the ARR and Tariff Petitions 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 2025-26. 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 unbundled the erstwhile Punjab State Electricity Board (PSEB) into two companies namely, Punjab State Power Corporation Limited (PSPCL) - a Generation cum Distribution Company and Punjab State Transmission Corporation Ltd. (PSTCL) – a transmission company and PSPCL is left with the business of 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, 2022 (PSERC MYT Regulations, 2022) vide notification No. PSERC/Secy/Regu.165 dated 27.10.2022 for the 3rd MYT Control Period. The Commission vide notification no. PSERC/Secy/Regu.197 dated 20.08.2025 notified the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail supply Tariff) Regulations, 2025 (PSERC 4th MYT Regulations, 2025) for the 4th MYT Control Period. The provisions of the Electricity Act, 2003, PSERC 3rd MYT Regulations 2022, PSERC 4th MYT Regulations, 2025 and the other relevant Regulations and policies have been followed while passing the present Order for True-up of FY 2024-25, approval of forecast of the ARR of the 4th MYT Control Period and Determination of Tariff for FY 2026-27.

- 1.2** In determination of tariff, the Commission is guided by the principles enshrined under Section 61 and other applicable provisions of the Electricity Act, 2003, read with the Regulations framed thereunder. The statutory framework mandates the Commission to balance consumer interest with the requirement of recovery of the cost of electricity in a reasonable manner so as to ensure the financial viability and sustainability of PSPCL. In discharge of this mandate, the Commission undertakes detailed prudence checks of the Aggregate Revenue Requirement (ARR), admits only those expenditures that are found to be prudently incurred, and disallows inefficiencies and avoidable costs. The Commission has consistently ensured cost-reflective tariffs that remains competitive at the National Level in accordance with established regulatory principles and has consciously refrained from creation of regulatory assets or deferment of legitimate expenditure. By allowing recovery of all admissible prudent costs within the relevant tariff year, the Commission has safeguarded the financial integrity of the licensee and prevented the accumulation of revenue gaps and carrying costs. Further, strict adherence to the statutory timeline of 120 days for disposal of tariff petitions, except under exceptional or unforeseen circumstances, has provided regulatory certainty, ensured predictability of cash flows, and facilitated timely recovery of approved expenditures necessary for sustainable operations.

The Commission appreciates that PSPCL has secured the second position among Public Sector Discoms in the 14th Integrated Rating and Ranking of Power Distribution Utilities, achieving an A+ rating in the assessment conducted by Power Finance Corporation (PFC). Further, as per the audited financial statements, PSPCL has reported a profit of Rs. 2,634 Crore for FY 2024–25. The Commission is of the considered opinion that the structured tariff framework, timely true-up of accounts, non-creation of regulatory assets, and enforcement of efficiency parameters have collectively strengthened the financial position and balance sheet of the utility and

placed it on a sound financial footing to enable it to invest the required CAPEX for strengthening and upgrading its infrastructure to meet future challenges and to achieve even higher efficiency and productivity to ensure delivery of quality power and services for consumer satisfaction.

The Commission has, in the Capital Investment Order, approved substantial capital expenditure for system augmentation, network strengthening, modernization of distribution infrastructure, and loss reduction schemes, subject to prudence verification and performance monitoring. Simultaneously, the Commission has prescribed normative and progressively reducing distribution loss trajectories, thereby embedding efficiency incentives within the regulatory regime. The performance-based incentive and sharing mechanism incorporated in the Commission's Regulations has provided a measurable and enforceable framework for operational improvements, incentivizing investments in advanced metering infrastructure, energy accounting systems etc..

In alignment with the National Tariff Policy (NTP), the Commission has consistently endeavoured to bring the tariffs of all consumer categories within the mandated $\pm 20\%$ band of the Average Cost of Supply (ACoS) while at the same time ensuring that there is no gap in the ARR-ACoS. While the Commission has successfully moderated cross-subsidy levels in recent years, it is mindful of the socio-economic imperative to avoid tariff shock for subsidised categories. Consequently, the transition towards a universal cost-reflective tariff structure is being implemented gradually.

Also, the Commission has notified Regulations pertaining to the Resource Adequacy Framework to ensure scientific, forward-looking, and optimal power procurement planning. The provision for automatic pass-through of Fuel and Power Purchase Adjustment Surcharge (FPPAS) has institutionalized a transparent mechanism for recovery of uncontrollable variations in fuel and power purchase costs, thereby minimizing revenue volatility and liquidity stress. These regulatory instruments collectively ensure that PSPCL optimizes its power purchase portfolio while being insulated against legitimate and uncontrollable cost escalations.

The Commission opines that all the above have been significant contributing factors to PSPCL's improved financial metrics and attainment of the A+ rating. The Commission's consistent adherence to statutory principles, financial discipline, and transparent regulatory processes has thus played a pivotal role in strengthening the operational and financial sustainability of the power transmission and distribution sector in the State. In doing so the Commission feels elated to have been ranked as the best-performing and top power regulator State among all the States and UT's in India, in the first-ever national ranking of regulatory performance 2025 by the Power Foundation of India in collaboration with REC Limited.

1.3 True up of FY 2024-25, Forecast of ARR of the 4th MYT Control Period from FY 2026-27 to FY 2028-29 and Determination of Tariff for FY 2026-27.

PSPCL has filed the present petition for True up of ARR for FY 2024-25, approval of Forecast of ARR of the 4th MYT Control Period from FY 2026-27 to FY 2028-29 and Determination of Tariff for FY 2026-27 under Section 62, 64 & 86 of the Electricity Act, 2003 read with Regulation 12 of the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2022 as amended from time to time and Regulation 10 of the PSERC 4th MYT Regulations, 2025. The petitioner has prayed to the Commission to:

- a. Take the Petition on record and accept the Petition seeking true-up of FY 2024-25 and approval of ARR for the 4th MYT Control Period from FY 2026-27 to FY 2028-29;
- b. Allow True Up of FY 2024-25 as filed by PSPCL;
- c. Approve the MYT Petition for its Generation and Distribution Business for the 4th Control Period from FY 2026-27 to FY 2028-29 as proposed in the Petition;
- d. 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;
- e. Pass such Order, as the Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

The petition was admitted vide Order dated 05.12.2025. It was directed to upload the petition on the website of PSPCL as well as the website of the Commission. Further, PSPCL was directed to publish a public notice containing the highlights of the ARR for inviting the objections from the public/stakeholders. The deficiencies/queries observed in the petition by the Commission were conveyed to PSPCL vide Orders dated 05.12.2025, 29.12.2025 and 08.01.2026. PSPCL submitted its replies/clarifications to the deficiencies vide memo Nos. 826 dated 17.12.2025, 15 dated 07.01.2026, memo no. 138 dated 27.01.2026 and 270 dated 20.02.2026. Various meetings were taken with PSPCL on the data submitted in the ARR Petition. The relevant correspondence between the Commission and PSPCL was uploaded on the website of the Commission.

1.4 Objections and Public Hearings

A public notice was published by PSPCL in The Tribune (English), Hindustan Times (English), Ajit (Punjabi), Rozana Chardikala (Punjabi) Dainik Savera (Hindi) on 11.12.2025 inviting objections from the general public and stakeholders on the said petition filed by PSPCL. PSPCL submitted that the copies of the Petition including deficiencies pointed out by the Commission alongwith reply of PSPCL to the

deficiencies were made available in the offices of the Chief Engineer/ARR & TR, PSPCL, F-4 Shakti Vihar, Patiala, in the offices of all the Chief Engineer(s) (Operations) and all the Superintending Engineer(s) in-charge of the Operation Circles of PSPCL. Soft copies of the same were made available on the website www.pspcl.in of PSPCL & pserc.punjab.gov.in of the Commission. In the public notice dated 11.12.2025, the objectors were advised to file their objections with the Secretary of the Commission within 21 days of the publication of the notice, with an advance copy to PSPCL. The public notice also indicated that the Commission, after perusing the objections, may invite such objector(s), as it considers appropriate, for hearing on the dates to be notified in due course.

The Commission decided to hold public hearings at Bathinda, Ludhiana, Amritsar and Chandigarh as per details here under:

Venue	Proposed Date & time of public hearing	Category of consumers to be heard
BATHINDA Conference Room, Guest House, Thermal Colony, PSPCL, Bathinda.	January 12, 2026 (Monday) 11:30 AM	All consumers/organizations of the area
LUDHIANA Multi Purpose Hall, Power Colony, PSPCL, Opp. PAU Ferozepur Road, Ludhiana	January 15, 2026 (Thursday) 11:30 AM	All consumers/organizations of the area
AMRITSAR VIP Guest House, PSPCL, Batala Road, Verka at Amritsar.	January 16, 2026 (Friday) 11:30 AM	All consumers/organizations of the area.
CHANDIGARH Commission's office i.e. Site No 3, Sector 18-A, Madhya Marg, Chandigarh – 160018.	January 21, 2026 (Wednesday) 11.30 AM onwards	All consumers/ organizations
	01.00 PM onwards	Officers'/ Staff Associations of PSPCL and PSTCL

A public notice to this effect was published in various newspapers and was also uploaded on the website of the Commission. All the objectors who had filed their objections and other persons/organizations interested in presenting their views /suggestions were invited to participate in the public hearings.

- 1.5** The Commission held public hearings as per schedule from 12.01.2026 to 21.01.2026 at Bathinda, Ludhiana, Amritsar and Chandigarh. The views of PSPCL on the objections/comments received from the public and other stakeholders were also obtained by the Commission.
- 1.6** The Government of Punjab was approached by the Commission vide DO letter No. 39-40 dated 08.01.2026 and DO letter No. 139-140 dated 23.01.2026 seeking its views in Petition No. 70 of 2025 filed by Punjab State Power Corporation Limited. No reply has been received from the Government in this regard. Vide DO letter No. 23-24 dated 08.01.2026 the Government of Punjab was requested to convey its decision in respect of subsidies to various categories of consumers for FY 2026-27. The Government of Punjab conveyed its decision vide Memo No. 13/01/2023-EV2/442 dated 04.03.2026.

- 1.7** The Commission, in all, received 20 written objections. The Commission has considered all these objections. The number of objections/comments received from consumer groups, organizations and others are detailed below:-

Sr. No.	Category	No. of Objections
1.	PHD Chambers of Commerce & Industry.	2
2.	Industrial Associations	3
3.	Industry	7
4.	Others	8
5.	Total	20

The complete list of objectors is given in **Annexure- V** of this Tariff Order. PSPCL submitted its comments on the objections to the Commission. PSPCL was directed to send its response to the respective objectors also. A summary of issues raised in the objections, the response of PSPCL and the views of the Commission are contained in **Annexure-VI** to this Tariff Order.

1.8 State Advisory Committee

A meeting of the State Advisory Committee constituted under Section 87 of the Act was convened on 23.01.2026 for taking its views on the petition. The minutes of the meeting of the State Advisory Committee are enclosed as **Annexure-III** to this Order.

- 1.9** PSPCL furnished additional submissions vide memo No. 160 dated 04.02.2026 wherein the Distribution Loss Trajectory for the 4th MYT Control Period has been revised indicating projection of greater efficiency which resulted in the recalculation of energy balance and power purchase cost. Consequently, the ARR claimed in the petition for the 4th MYT Control Period was appropriately adjusted and revised. Vide Order dated 06.02.2026, the Commission directed the uploading of the additional submissions, the deficiencies observed by the Commission and reply thereto by PSPCL on the website of the Commission as well as the website of the PSPCL. PSPCL was directed to publish a public notice inviting objections/suggestion from the Public / Stakeholders on the additional submissions filed in the petition. The public notice was published in the Tribune (English), Hindustan Times (English), Ajit (Punjabi) Rozana, Chardikala (Punjabi) and Dainik Savera (Hindi) on 13.02.2026. The objections received in response to the public notice were taken on record and PSPCL, vide memo no. 226 dated 16.02.2026, submitted its reply to the information sought by the Commission vide its order dated 06.02.2026. The public hearing on the additional submissions was held on 18.02.2026 in the office of the Commission. PSPCL made a presentation before the Commission on 24.02.2026 which has been taken on the record.

1.10 In addition, all subsequent and relevant correspondence between the Commission and PSPCL was also uploaded on the website of the Commission. The Commission has, thus, taken the necessary steps to ensure that due process, as contemplated under the Act and the Regulations framed by the Commission was followed and adequate opportunity was given to all the stakeholders to present their views.

1.11 Compliance of Directives

In its previous Tariff Orders, the Commission had issued certain directives to PSPCL in the public interest. A summary of directives issued during the previous years, status of their compliance along with the directives of the Commission in this petition is given in **Chapter-5** of this Tariff Order.

Chapter 2

True up for FY 2024-25

2.1 Background

The Commission had approved the ARR of PSPCL for FY 2024-25 in the Tariff Order dated 14.06.2024 on the basis of expenses and income projected by the licensee for its Generation and Distribution businesses. In the present petition, PSPCL has submitted the True up for FY 2024-25 stating that it is based on the audited accounts for FY 2024-25

This Chapter contains the True up for FY 2024-25, based on a prudence check of the figures submitted by PSPCL in the Petition.

2.2 Energy Sales

2.2.1 The category wise energy sales within the State including AP Consumption approved by the Commission in the Tariff Order dated 14.06.2024 was 67,046 M kWh for FY 2024-25, whereas PSPCL has achieved actual energy sale within the State including AP consumption of 65,449 M kWh.

Metered Energy Sales

A. Metered Energy Sales within the State

PSPCL's Submissions:

PSPCL has submitted in the Petition that the metered energy sales within the State were approved as 51788 M kWh for FY 2024-25 in the Tariff Order dated 14.06.2024, whereas the actual metered energy sale in FY 2024-25 is 50506.20 M kWh including AP metered pumpset units of 3.87 M kWh and unadjusted units of 255.56 M kWh.

The category-wise sales submitted by PSPCL for the True up is as follows:

Table 2.1: Category-wise Meter Energy sales for FY 2024-25 (M kWh)

Sr. No.	Consumer Category	Approved by the Commission in T.O. for FY 2024-25	Submitted by PSPCL for True-up of FY 2024-25
I	II	III	IV
1	Domestic	20,778	19,899.95
2	Commercial (NRS)	4,821	5,051.37
3	Small Power	923	827.29
4	Medium Supply	2,606	2,375.29
5	Large Supply	20,874	20,405.11
6	Public Lightning	174	166.58
7	Bulk Supply	729	715.28
8	Railway Traction	38	90.06
9	AP high technology	0.02	3.87
10	Compost/Solid waste management & Rural/Urban Water Supply Schemes	277	440.50

Sr. No.	Consumer Category	Approved by the Commission in T.O. for FY 2024-25	Submitted by PSPCL for True-up of FY 2024-25
I	II	III	IV
11	Charitable Hospitals set-up under PwD Act	-	0.01
12	Sri Harmandir Sahib & Sri Durgiana Mandir	9	9.48
13	Start-up Power	226	73.26
14	Temporary Supply	333	192.59
15	Adjusted units (Theft/Short assessment/ unbilled)	-	255.56
16	Total Metered Sales within State	51,788	50,506.20
17	Common Pool Sale	309	308.18
18	Outside State Sale	380	716.80
19	Total Metered Sales	52,477	51,531.18

Commission's Analysis:

- The Commission observed that the energy consumption of AP High Technology/High Density farming consumers for FY 2024-25 has been shown as 0.01 M kWh in Format D25-B and 3.87 M kWh in the petition. PSPCL was asked to reconcile and resubmit the sales of AP High Technology/High Density farming. In response to the Commission's query, PSPCL vide reply dated 17.12.2025 clarified that in Table 2-1 at page 22 of the petition, the consumption of 3.87 M kWh is to be read as sum of 0.01 M kWh consumption of AP High Technology/High Density farming consumers and 3.86 M kWh consumption of AP metered consumers. **The Commission notes that AP High Technology/High Density farming is a different consumer category from AP consumption, hence, the consumption of both cannot be clubbed together. Accordingly, the Commission after considering PSPCL's reply, approves the sales of AP High Technology/High Density farming as 0.01 M kWh as submitted by PSPCL in the format.**
- Further, PSPCL has submitted metered AP consumption of 3.86 M kWh of 256 No. consumers whereas AP consumption of 14943.21 M kWh has been submitted separately in the petition for all AP feeders.
- PSPCL vide memo No. 826/ARR/Dy.CAO/271/Deficiencies dated 17.12.2025 submitted that 256 consumers have been billed according to commercial circular no. 39/2017 and as per the aforesaid circular, connections to such consumers ought to be released from the nearest AP feeders by installing AMR meters to assess the energy consumption. PSPCL submitted that the consumption of 3.86 M kWh is included in the total AP consumption of 14943.21 M kWh. Further, vide commercial circular no. 45/2021, the bills of these consumers have been subsidised by the Government of Punjab. **In view of the above, it is concluded that the consumption of 3.85 M kWh is included in the total**

AP consumption of 14943.21 MWh submitted by PSPCL, hence, the same is being excluded from the metered energy sale.

- Further, PSPCL, vide Memo No. 826/ARR/Dy.CAO/271/Deficiencies dated 17.12.2025, submitted the details of category/sub-category wise units adjusted for theft assessment and unbilled units as under:

Table 2.2: Category-wise theft detected and unbilled/adjusted units submitted by PSPCL

(MWh)					
Sr. No.	Category	Unbilled Revenue Adjustment	Theft	Short Assessment	Total Units
I	II	III	IV	V	VI
1.	Domestic	67.96	131.99	20.335	220.28
2.	NRS	-7.20	41.65	6.735	41.18
3.	Small Power	-6.62	5.36	2.319	1.05
4.	Medium Supply	-27.29	13.78	2.859	-10.65
5.	Large Supply	-27.17	11.64	12.461	-3.07
6.	Public Lighting	1.47	0.14	0.42	2.03
7.	Bulk Supply	-1.20	0.76	0.004	-0.43
8.	Railway	0.67	-	-	0.67
9.	Agriculture	-	4.50	-	4.50
10.	Total	0.62	209.81	45.13	255.56

PSPCL further submitted that the methodology adopted for the calculation of category/Sub-category, units adjusted for theft, short assessment and unbilled is as follows:

- On detection of any Theft/UUE by Enforcement/DS staff, the consumer is charged penalty/amount as per the checking report by the operation sub-division strictly according to the instructions of the Supply code. The charged amount is divided by the average unit rate of that particular category to calculate an approximate equivalent unit of energy leakage by concerned Enforcement wing / sub-divisional office.
- Detail of Revenue assessed against adjusted units:
 - Unbilled units: Revenue against these units has already been adjusted in the monthly account of March and is already included in the gross revenue in the books of accounts.
 - Short Assessment by Audit: Revenue against these units (short assessment detected by the audit wing) is charged through sundry charges, thereby booked in monthly account by the sub-division, hence already included in the gross revenue in the accounts.
 - Theft: Revenue of Rs. 123.61 Crore has been booked on account of theft/UUE units i.e., 209.81 MWh

Further, PSPCL vide Memo No. 15/ARR/Dy.CAO/271/Deficiencies dated 07.01.2025 submitted the detailed break-up of category wise opening and closing unbilled units as under:

Table 2.3: Category-wise opening and closing unbilled units submitted by PSPCL (MkWh)

Sr. No.	Category	Unbilled Units im MkWh		
		Ending 31.03.2025	Ending 31.03.2024	Difference
I	II	III	IV	V=IV-III
1.	DS	1161.32	1093.37	67.96
2.	CS	234.45	241.65	-7.20
3.	SP	60.06	66.68	-6.62
4.	MS	157.03	184.31	-27.29
5.	LS	617.58	644.75	-27.27
6.	PL	7.42	5.95	1.47
7.	BS	17.93	19.12	-1.20
8.	RT	2.62	1.95	0.67
9.	Total	2258.41	2257.79	0.62

With regard to the Commission's observation regarding low accounting of unbilled units of 0.62 MU in FY 2024-25 compared to 156.40 MU compared to FY 2023-24, PSPCL submitted that it creates category-wise provision for unbilled revenue and unbilled units based on the number of days for which the units remained unbilled at the end of each accounting year by collecting data from 481 sub-divisional offices under 101 divisional offices. Further, provision created for unbilled units and unbilled revenue at the end of the accounting year is not comparable with the provision created at the end of the previous year, as it depends upon the number of days for which billing could not be done at the closing of the financial year and it may vary from year to year, division to division and category to category.

Further, in reply to the Commission's query regarding fewer industrial consumers (Medium Supply) during the season as compared to that during off season, PSPCL vide reply dated 17.12.2025 submitted that the total number of industrial consumers during Season are 5206 as compared to the total number of 3064 Industrial consumers for Off-Season. Similarly, the total number of Ice Factories and Candies and Cold Storage consumers during April-July are 783 as compared to 689 Ice Factories and Candies and Cold Storage consumers during Aug-March. The Commission vide Order dated 08.01.2026 reiterated its query specifically with regard to variation in Medium Supply category consumers, however, PSPCL vide reply dated 27.01.2026 again reiterated its earlier reply justifying the total no. of seasonal and off seasonal consumers. PSPCL has avoided the query of the Commission with respect to more off season consumers in the MS category and provided a general reply concentrating specifically on the total no. of consumers (all inclusive of SP, MS and LS). It is noted that the issue had surfaced during the previous Tariff Orders also. In view of the same, the Commission, in the Tariff Order for FY 2024-25 had directed PSPCL to make provision of category wise breakup of off-season industrial consumers in order to assess the correct sales and revenue in respect of LS, MS and SP consumer categories. In reply to the directives, PSPCL has submitted that the provision has been made available in the SAP/ISU Billing System. Also, the same shall be available in the reports to be generated in the up-coming

Single Billing solution system positively by 31.03.2026. **PSPCL is again directed to ensure proper implementation of the directives of the Commission as per the target date submitted by it.**

As discussed above, the category-wise sales approved by the Commission for True-up of FY 2024-25 are tabulated below:

Table 2.4: Category-wise metered sales approved by the Commission for True up

Sr. No.	Consumer Category	Approved by the Commission for True up of FY 2024-25				
		Units Billed in kWh (MkWh)	kVAh Billing			Total Sales (MkWh)
			Units Billed in kVAh (MkVAh)	Power Factor	kWh for Units Billed in kVAh (MkWh)	
I	II	IV	V	VI	VII	VIII
1	Domestic	19574.46	337.41	0.96	325.49	19899.95
2	Non-Residential	2912.27	2252.61	0.95	2139.10	5051.37
3	Small Power Ind.	--	952.14	0.87	827.29	827.29
4	Medium Supply Ind.	--	2535.52	0.94	2375.29	2375.29
5	Large Supply Ind.	--	20763.92	0.98	20405.11	20405.11
6	Public Lighting	166.58			-	166.58
7	Bulk Supply	--	738.83	0.97	715.28	715.28
8	Railway Traction	--	99.74	0.90	90.06	90.06
9	AP High Tech/ High Density Farming**	0.01		-		0.01
10	Compost/ Solid waste Management Plants / Rural Water Supply	--	503.50	0.87	440.46	440.46*
11	Charitable Hospitals set-up under PwD Act	0.01				0.01
12	Start-up Power for generators/CPPs	--	74.70	0.98	73.26	73.26
13	Golden Temple & Durgiana Mandir, Sri Amritsar Sahib	9.48	-	-	-	9.48
14	Temporary Supply	138.42	57.16	0.95	54.17	192.59
15	AP metered Pumpset	--	--	--	--	-
16	Adjusted Units	255.56	-	-	-	255.56
17	Total metered Sales (within the State)	23056.79	28315.54		27445.51	50502.30

**In Petition Table No. 2-1, PSPCL has submitted Energy consumption of Compost/ Solid waste Management Plants / Rural Water Supply as 440.50 MkWh whereas in Format D25 PSPCL has submitted the same as 440.46 MkWh.*

***PSPCL in its reply has confirmed that AP metered consumption of 3.86 MkWh is already included in the overall AP consumption of 14943.21 MkWh. Hence, the Commission has excluded the same from Metered sales*

The Commission approves 50502.30 MkWh as metered energy sales within the state for Truing-up of FY 2024-25.

B. Common Pool/Outside State Sales

PSPCL has submitted the figures of Common Pool and Outside State Sales as 308.18 MkWh and 716.80 MkWh respectively for the True-up of FY 2024-25. In response to the query raised

by the Commission seeking breakup of source wise power sold outside the State, PSPCL, vide reply dated 17.12.2024 submitted the breakup of entity wise sales as under:

Table 2.5: Source-wise outside State sales submitted by PSPCL for FY 2024-25

Sr. No.	Source	FY 2024-25
		Energy (MkWh)
I	II	III
1	IEX Day Ahead Market	128.70
2	IEX Real Time Market	464.86
3	IEX Term Ahead Market	48.59
4	PXIL Day Ahead Market	1.18
5	PXIL Term Ahead Market	35.23
6	HPX Day Ahead Market	0.15
7	HPX Real Time Market	0.25
8	HPX Term Ahead Market	37.85
9	Total	716.80

Accordingly, the Commission accepts 308.18 MkWh and 716.80 MkWh as Common Pool and Outside State sales respectively for Truing-up of FY 2024-25.

2.2.2 AP Consumption

In the Tariff Order for FY 2024-25, the Commission has approved the projected AP consumption of 15,258 MkWh for FY 2024-25.

PSPCL's submissions:

PSPCL submitted that the Commission had approved the AP consumption of 15258 MkWh for FY 2024-25 in the Tariff Order dated 14.06.2024. As against this, PSPCL has submitted the total AP consumption of 14,943 MkWh, without prejudice to its earlier claims and appeals pending on this issue in the Hon'ble APTEL.

PSPCL submitted that the Ministry of Power, GoI has notified the Electricity (Amendment) Rules, 2022 on 29.12.2022, Rule 15 of which states as under:

"Subsidy Accounting- Accounting of due subsidy for the purpose of section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard operating procedure issued by the Central Government, in this regard."

Consequently, the Ministry of Power notified the Standard Operating Procedure (SOP) for subsidy accounting and payment on 03.07.2023. The SOP lays down the steps to enable proper energy and subsidy accounting and comprises of three major aspects namely 'Tariff Determination and Subsidy Declaration', 'Measurement of energy supplied to Subsidized categories' and 'Subsidy billing and collection by DISCOMs'. The provisions relating to 'Measurement of energy supplied to Subsidized categories' is reproduced below:

"2.2. Measurement of energy supplied to Subsidized categories

iv. No electricity connection should be released without metering as per extant law and accordingly assessment of energy supplied to subsidized category of consumers is to be computed on the basis of measured energy through proper

metering only. In case of agriculture category, where consumer level metering has not been adopted, energy may be measured at Distribution Transformers (DT) and feeder level through proper metering of DTs/feeders.

v. In case of dedicated agriculture feeder supplying energy to agricultural consumers, energy measured at feeder level through proper metering shall be considered. The consumption reflected in feeders shall be adjusted for normative T&D losses as determined by SERC/JERC for determination of subsidy.

vi. For mixed feeder, till such time the feeders are segregated, total energy shall be measured at feeder level and energy consumed by non-agricultural consumers shall be deducted to arrive at energy consumption of agricultural consumers. The consumption shall be adjusted for normative T&D losses as determined by SERC/JERC for determination of subsidy. (emphasis added)

vii. In no case shall the assessment of energy be computed on the basis of contracted load, per HP basis, flat tariff, lumpsum or any other such parameter.

viii. All DISCOMs/PDs shall migrate from flat rate billing to energy per unit rate billing for consumers other than agricultural category.”

PSPCL further submitted that it has taken cognizance of the above SOP and accordingly the energy consumed by non-agricultural consumers in case of mixed feeders, after adjustment for normative T&D losses, has been deducted from the total energy pumped at feeder level to arrive at the agricultural consumption of mixed feeders.

The AP consumption submitted by PSPCL for the true up of FY 2024-25 is given in the following table:

Table 2.6: AP Consumption submitted by PSPCL for True up of FY 2024-25

Sr. No	Category	MkWh
I	II	III
1	Energy pumped in case of 3 Phase 3 Wire AP feeders	15252.46
2	Energy pumped in case of 3 Phase 4 Wire AP feeders	0.37
3	Energy pumped in case of Kandi area mixed feeders (as per SOP on Subsidy Accounting and payment)	1004.18
4	Energy pumped in case of Kandi area pure AP feeders	263.36
5	Total Energy pumped	16520.37
6	Less: losses @10.45% upto 15.06.2024 and Loss @10.28% from 16.06.2024	1702.65
7	Net AP consumption for FY 2024-25	14817.72
8	Metered AP consumption	125.48
9	Total AP Consumption	14943.20

Commission's Analysis:

- i) The Commission estimates AP consumption based on the methodology of pumped energy. However, in order to minimize the error on account of human intervention, the Commission has issued a directive to PSPCL in the earlier Tariff Orders to ensure supply of monthly AMR data of AP feeders regularly to the Commission. However, PSPCL has not submitted the monthly AMR data for FY 2024-25. The Commission directs PSPCL to ensure that the AMR system for providing AMR data to the Commission be made functional at the earliest and progress in this regard be submitted within one month from the date of issuance of this Tariff Order. **Pending compliance of the Commission's directives, for the purpose of the current Tariff Order, the Commission decides to continue with the methodology of estimation of AP consumption on the basis of pumped energy data supplied by PSPCL, with a prudence check.**

Accordingly, the Commission constituted a validation committee for carrying out the prudence check of AP consumption. The Committee, vide email dated 06.01.2026, requested PSPCL to furnish the information with regards to claim of AP consumption in respect of kandi Mixed feeders alongwith claim of average units in the ledger data for prudence check. However, despite repeated reminders vide emails dated 09.01.2026, 14.01.2026, 19.01.2026, 22.01.2026 and vide letter No. 109 dated 28.01.2026 along with various telephonic reminders and requests in-person during the sidelines of the Public Hearings, the above-mentioned data was not submitted by PSPCL. PSPCL has provided raw data for only five cycles in respect of Non-AP consumer wise consumption on Kandi Mix feeders vide email dated 13.01.2026. The raw data provided by PSPCL via email on 13.01.2026 for five billing cycle was incomplete, vague and procedurally deficient. Furthermore, the inclusion of several non-Kandi feeders—specifically large-scale independent feeders serving consumers such as M/s DLF Universal Ltd. and M/s Omaxe Ltd.—represents a critical misclassification. The mixing of these high-load independent feeders with submitted Non-AP consumer data renders the entire submission inconsistent and factually incorrect. No further response has been received from PSPCL in this regard. The Commission notes it with serious concern and is thus constrained to evaluate the AP consumption as per the data available with it.

- ii. **3 Phase 3 wire feeders:** The 3 phase 3 wire consumption, as submitted by PSPCL is 15252.46 M kWh whereas as per the ledger data submitted, it comes out to **15255.21 M kWh** which the Commission accepts. Also, for 3-phase 4-wire AP feeders, the Commission considers AP consumption of **0.37 M kWh** as per the ledger data. A perusal of the soft copy of the ledger data submitted by PSPCL indicates that there are a huge number of instances when the pumped energy has been taken on an

average basis. The data indicates that a total of 427.27 MWh have been taken on an average basis which is 2.59% of the total energy pumped as submitted in the tariff petition. The Commission notes that the overall quantum of the pumped energy considered on an average basis is quite high and PSPCL must take remedial measures to comprehensively take into account the pumped energy on actual basis rather than on average basis i.e. the actual data should be the norm whereas the instances of resorting to average basis should only be a rare exception. Accordingly, PSPCL is directed to reduce the instances of accounting for AP energy on an average basis and in case there is any increase in the quantum of 'average' units over the previous year's baseline the same shall be subject to a mandatory 10% disallowance. Further, whenever, as an exception, AP energy has to be taken on an average basis, self speaking details thereof, including the methodology, base/past data etc. on which such average is based, must be given in the ledger data itself.

iii. Kandi Area Mixed Feeders:

- a. The validation committee of the Commission visited the 66 kV sub-stations Nangal, Noorpur Bedi, Bharatgarh, 132 kV substation, Ropar etc. and collected the relevant data from the grid as well as from the concerned field offices. For Kandi Mixed AP feeders, the percentage of non-AP and AP consumption as per data provided by the field offices is as under:

Sr. No.	Feeder Name	Grid	Division	Total Consumption (kWh)	Non-AP Consumption (kWh)	Non-AP Cons %	AP Cons %
1.	Bhibhor Sahib	Nangal	Nangal	5339220	4395211	82.32	17.68
2.	Indira Nagar	Nangal	Nangal	13317102	11235011	84.37	15.63
3.	Bhallan	Nangal	Nangal	10727650	8159508	76.06	23.94
4.	Giani Mkt.	Nangal	Nangal	10379730	8843187	85.20	14.80
5.	Gohini	Nangal	Nangal	10930760	8488330	77.66	22.34
6.	Mukari	NoorpurBedi	Anandpur	3484600	914096	26.23	73.77
7.	NurpurBedi	NoorpurBedi	Anandpur	9696580	7397279	76.29	23.71
8.	Swara	Nalhoti	Anandpur	4295220	2454583	57.15	42.85
9.	Nalhoti	Nalhoti	Anandpur	5779540	2811097	48.64	51.36
10.	Bhanglan	Nalhoti	Anandpur	11441400	8501567	74.31	25.69
11.	Saidpur	NoorpurBedi	Anandpur	4470000	2593094	58.01	41.99
12.	Plata	Nalhoti	Anandpur	4622020	298558	6.46	93.54
13.	Asmanpur	NoorpurBedi	Anandpur	11476940	6399690	55.76	44.24
14.	Dher	132 kV Anandpur Sahib	Anandpur	7903560	6000122	75.92	24.08
15.	Lamlehri	132 kV Anandpur Sahib	Anandpur	2870550	2788338	97.14	2.86
16.	City-1	132 kV Anandpur Sahib	Anandpur	15923560	13063057	82.04	17.96

Sr. No.	Feeder Name	Grid	Division	Total Consumption (kWh)	Non-AP Consumption (kWh)	Non-AP Cons %	AP Cons %
17.	City-2	132 kV Anand Sahib	Anandpur	11308056	10054909	88.92	11.08
18.	Agampur	132 kV Anandpur Sahib	Anandpur	11967560	10257044	85.71	14.29
19.	Chandesar	132 kV Anandpur Sahib	Anandpur	9626110	6965709	72.36	27.64
20.	Dhahe	132 kV Anandpur Sahib	Anandpur	7280560	5767758	79.22	20.78
21.	Chandpur	Chandpur	Ropar	11406840	9321707	81.72	18.28
22.	Alampur	Chandpur	Ropar	9433140	8045106	85.29	14.71
23.	Dugri	Chandpur	Ropar	7027760	3108256	44.23	55.77
24.	Mianpur	132 kV Kharar	Ropar	6274400	3733078	59.50	40.50
25.	MajriJattan	132 kV Kharar	Ropar	10037000	5959394	59.37	40.63
26.	Rangilpur	132 kV Kharar	Ropar	5993000	3852872	64.29	35.71
27.	Shekpura	Kurali	Kharar	9259540	1717451	18.55	81.45
28.	Padiala	Kurali	Kharar	5888240	1009096	17.14	82.86
29.	Akalgarh	Kurali	Kharar	9340440	1783668	19.10	80.90
30.	Chatoli	Kurali	Kharar	6837700	1871349	27.37	72.63
31.	Kotla Nihang	Purkhali	Ropar	3514700	1838182	52.30	47.70
32.	Babanikallan	Purkhali	Ropar	4774160	464218	9.72	90.28
33.	Saini majra	Mullanpur	Mohali	2879204	402298	13.97	86.03
34.	Jayanti Devi	Mullanpur	Mohali	9262040	6672651	72.04	27.96
35.	Mullanpur	Mullanpur	Mohali	14060120	9994565	71.08	28.92
36.	Ratwara sahib	Mullanpur	Mohali	11678060	7914240	67.77	32.23
37.	BadhMajra	Ph-1 Mohali	Mohali	18112800	15910887	87.84	12.16
38.	Balongi	Ph-1 Mohali	Mohali	15759540	13277284	84.25	15.75
39.	Green Enclave	Ph-1 Mohali	Mohali	14062800	11672124	83.00	17.00
40.	Desumajra	Ph-1 Mohali	Mohali	4859860	3953311	81.35	18.65
41.	Jandpur	Sunny Enclave	Mohali	24955600	22185114	88.90	11.10
42.	Manana	Sunny Enclave	Mohali	5581060	4697937	84.18	15.82
43.	Jhampur	Sunny Enclave	Mohali	15673060	12076909	77.06	22.94

A perusal of the above data indicates that the AP consumption as per the data collected from the field offices with respect to Kandi Mixed AP feeders shows large scale variation from 2.86% to 93.54% and average AP Consumption on the above feeders comes out to around 30%. Furthermore, as per the data provided by PSPCL for FY 2024-25, the AP load on all Kandi Mixed AP feeders is approx. 24% only.

- b. Further, in order to ensure more accurate assessment of agriculture consumption of Kandi Area feeders, directions were issued to PSPCL in the Tariff Order for FY

2013-14 that AP load of Kandi Area feeders fed from mixed feeders should be segregated and in case of any practical difficulty due to the difficult terrain in certain areas, all AP motors of such feeders should be metered. These directions were reiterated in the successive Tariff Orders of the Commission. Also, in the Tariff Order for FY 2015-16, the Commission directed PSPCL, specifically, to utilise the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for segregation of mixed Kandi Area feeders and/or achieve 100% metering on these feeders. PSPCL was directed to segregate the Kandi Mixed Feeders. However, PSPCL has segregated only 100 Kandi Mixed Feeders whereas it has a plan to further segregate 216 feeders only against the pending 262 No. feeders under the RDSS Scheme in the coming years. In spite of repeated directives, PSPCL has so far neither completed segregation of the mixed Kandi area feeders nor achieved 100% metering of AP consumers on such feeders.

- c. The contention that the share of AP energy can be deduced by reducing the amount of energy billed to metered consumers from the total pumped energy of the mixed feeder after accounting of losses of feeders may not be accurate as it would result in loading of theft by any other category onto the AP consumption.

In view of the checking of AP consumption on 43 sample Kandi Mixed Feeders by the Committee and submission of an incomplete, inconsistent and factually incorrect data for assessment of AP consumption fed from other Kandi Area mixed feeders by PSPCL, the Commission decides to consider the pumped energy for the agriculture load as 30% of the total pumped energy which comes out to **561.40 MWh**. Further, keeping in view the miniscule AP consumption of 2.86% on Lamlehri feeder, the Commission decides to consider AP consumption of this feeder on actual basis and reduce 0.78 kWh excess booked on this feeder.

Accordingly, the Commission allows 560.62 MWh (561.40 MWh – 0.78 MWh) of AP consumption in respect of Kandi Mix AP feeders.

iv. Kandi Area Pure AP Feeders:

The Commission observed that the pumped AP energy as per the ledger data from Kandi area's pure AP feeders comes out to 263.36 MWh. **Accordingly, the Commission approves Kandi Pure AP consumption of 263.36 MWh.**

- v. **AP load fed from urban feeders:** PSPCL in its Petition has submitted metered AP consumption of 125.48 MWh in respect of urban feeders metered AP consumers. PSPCL was directed to provide the consumer wise readings to justify its submission. In response to the Commission's query, PSPCL vide email dated 13.01.2026 submitted 98620 monthly readings with summation of readings

shown as 124.35 M kWh. Further on perusal of the AP consumption data on urban feeders, it was observed as under:

- a) 59,454 meter readings with 61.22 M kWh consumption were from the meters for which meter status was ok.
- b) For the balance 39,166 monthly readings, the meters were defective, not at site, burnt etc.

Therefore, 59,454 monthly readings having energy consumption of 61.22 M kWh have been considered. The monthly consumption works out to 1029.70 units per consumer per month. Applying this on the total 98,620 readings submitted by PSPCL, the AP consumption comes out to **101.55 M kWh** against the submission of 125.48 M kWh by PSPCL. Therefore, the Commission approves the AP consumption of **101.55 M kWh for AP load fed from urban feeders. Also, the Commission directs PSPCL to properly meter all AP consumers being fed from urban feeders without any further delay. As has already been pointed out in the earlier Tariff Orders also, the number of defective or non-operational meters is huge and PSPCL's failure to rectify this gross lapse is inexplicable. Accordingly, PSPCL is re-directed to rectify/replace these meters and ensure proper upkeep to prevent such recurrence.**

- vii. (a) **Assessment of T&D losses on AP feeders:** To arrive at a more accurate conclusion regarding the distribution losses in the AP sector, the Commission, in the Tariff Orders for FY 2015-16 and FY 2016-17, had issued directions to PSPCL to cover at least 5% of the AP feeders under 100% metering spread across the State and to calculate T&D losses of these feeders on a regular basis. However, in the Tariff Order for FY 2017-18, the Commission, on PSPCL's request, reduced the size of sample feeders to 1% and issued directions as under:

"The Commission directs PSPCL to ensure completion of the work of providing 100% meters on at least 1% AP feeders and computation of T&D losses by engaging an independent agency within time period allotted by the Commission. In case of delay in completing the job in the allotted time, the Commission shall assess the losses of AP sector for calculating AP consumption as the basis of data/information available with the Commission."

The above directive was also reiterated in Tariff Orders for FY 2019-20 to FY 2022-23. During the processing of ARR for FY 2020-21, PSPCL submitted that the installation of 100% meters on 1% AP Feeders has been completed and engagement of a 3rd party to compute T&D losses on these 1% feeders is under progress and will be finalized shortly. The Commission, in the Tariff Order for FY 2021-22 and FY 2022-23, has directed PSPCL that till the engagement of an independent agency for the subject cited assignment, monthly readings of AP

consumers on the 1% sample feeders covered under 100% metering should be recorded departmentally and the computation of losses based on the same be provided to the Commission along with the data of monthly pumped energy. In Tariff Order for FY 2024-25, the Commission noted that a third party was engaged by PSPCL but PSPCL has now submitted that the vendors of the third-party agency as well as its field offices have informed that the project is being opposed by the public. The meters installed are either being removed or destroyed/damaged and installation of new meters is not permitted by the public due to which the project is not getting executed. **As PSPCL has failed to implement the directions of the Commission and demonstrate T&D losses on the AP feeders, the Commission shall continue with the assumption of losses of AP feeders (11 kV and below) in accordance with Regulation 30(2) of the PSERC (Terms & Conditions of Intra-state Open Access) Regulations, 2011, which specifies that the customers availing supply at 33/66 KV shall bear 15% of the total distribution losses in addition to transmission losses while the remaining 85% of the distribution losses will be borne by 11kV. Accordingly, losses for AP Feeders (11kV and below) have also been considered as 85% of the target distribution losses.**

- (b) Further, PSPCL has considered the distribution losses which are to be reduced from pumped energy of the feeders as 10.45% (85% of 12.30%) from 01.04.2024 to 15.06.2024 and 10.28% (85% of 12.10%) for rest of the year.

The Commission has fixed distribution loss target of 12.10% for FY 2024-25 in the Tariff Order for FY 2024-25 whereas 12.30% distribution loss target was for FY 2023-24. Further, the Commission always allows losses in the Tariff Order for the complete year and never in parts of the year while only tariff rates / charges are implemented prospectively as per the issuance date of the Tariff Order. Accordingly, losses being considered by PSPCL from 01.04.2024 to 15.06.2024 separately as compared to the rest of FY 2024-25 are not correct. Losses have to be computed as per the trajectory approved by the Commission for the complete year.

Accordingly, distribution loss of 10.285% (85% of 12.10%) are being considered by the Commission for calculating the AP consumption.

In view of the above, the AP consumption determined by the Commission for Truing-up of FY 2024-25 is as under:

Table 2.7: AP consumption for FY 2024-25 (MkWh)

Sr. No.	Description	Submitted by PSPCL	Approved by the Commission for True-up
I	II	III	IV
1	Energy pumped during the year:		
	i) 3-phase 3-wire AP feeders	15252.46	15255.21
	ii) 3-phase 4-wire AP feeders	0.37	0.37
	iii) Kandi Area mixed feeders	1004.18	^a 560.62
	iv) Kandi Area pure AP feeders	263.36	263.36
	Total	16520.37	16079.56
2	Less losses @10.285% (85% of 12.10%)	1702.65	^b 1653.78
3	Net AP consumption (1-2)	14817.72	14425.78
4	Urban Feeders Metered AP consumption	125.48	101.55
5	Total AP consumption for FY 2024-25	14943.20	14527.33

^a Calculated by assuming the AP load on Kandi area mixed feeders feeding mixed load, as 30%

^b The loss @10.285% (11 kV and below) for FY 2024-25 has been worked out as per the target of distribution loss of 12.10% fixed in the Tariff Order for FY 2024-25.

Thus, the Commission approves the AP Consumption of 14527.33 MkWh for the True-up of FY 2024-25.

2.2.3 Total Energy Sales

The total energy sales submitted by PSPCL and that approved by the Commission for True up of FY 2024-25 is as under:

Table 2.8: Total Energy Sale for FY 2024-25 (MkWh)

Sr. No.	Particulars	Submitted by PSPCL	Approved by the Commission for True-up
I	II	III	IV
1.	Metered sale within State (Table 2.4)	50506.15*	50502.30
2.	AP consumption (Table 2.7)	14943.20	14527.33
3.	Total sale within State	65449.35	65029.63
4.	Common pool sale	308.18	308.18
5.	Outside State sale	716.80	716.80
6.	Total	66474.33	66054.61

**In Petition Table No. 2-1, PSPCL has submitted Energy consumption of Compost/ Solid waste Management Plants / Rural Water Supply as 440.50 MkWh whereas in Format D25 PSPCL has submitted the same as 440.46 MkWh.*

2.3 Transmission and Distribution (T&D) Loss Targets

PSPCL's submission:

PSPCL in the Petition for True-up of FY 2024-25 has submitted as under:

- The peak demand of the State has witnessed an increase of 5% during FY 2024-25 over FY 2023-24 and the energy requirement has grown by 11%. The overall energy sales have increased by 10%.

- During FY 2024-25, sales of Domestic category has increased by 12% and Commercial (NRS) consumers have increased by 10%. Further, in case of Agriculture consumers it has increased by 17%. Sales of Industrial consumers have increased by 6%. In addition, the actual losses for FY 2024-25 have increased from 11.81% during FY 2023-24 to 13.12% due to higher sales at LT level.

Commission's Analysis:

The Commission in the Tariff Order for FY 2024-25 dated 15.05.2023 had approved distribution loss trajectory for the 3rd MYT Control Period as 12.30%, 12.10% and 11.90% for FY 2023-24, FY 2024-25 and FY 2025-26 respectively. Further, the Commission had allowed transmission loss trajectory of 2.25%, 2.23% and 2.21% for FY 2023-24, FY 2024-25 and FY 2025-26, respectively vide PSTCL's Tariff Order for FY 2024-25 dated 14.06.2024.

PSTCL in its petition No. 71 of 2025 has given 1644.83 MWh as actual transmission loss for FY 2024-25. Both PSPCL and PSTCL have also reconciled and confirmed the transmission loss of 1644.83 MWh which have been approved by the Commission in PSTCL's Tariff Order for FY 2026-27. For working out the energy requirement of PSPCL, the Commission decides to consider the actual transmission losses of 1644.83 MWh while retaining the target distribution loss of 12.10% for Truing up of FY 2024-25. In response to the Commission's query regarding the quantum of NRSE generation available at 66/11 kV of its distribution system, PSPCL vide Memo No. 826/ARR/Dy.CAO/271/Deficiencies dated 17.12.2025 submitted the breakup of NRSE power available within Punjab during FY 2024-25 as under:

Table 2.9: NRSE power available within Punjab for FY 2024-25

(MWh)		
Sr. No.	Particulars	NRSE Power
I	II	III
1.	At 11 kV	271.96
2.	At 33 kV	8.92
3.	At 66 kV	1950.67
4.	At 132 kV& above	1878.10
5.	Total	4109.65

Accordingly, the Commission decides to consider 2231.55 MWh as NRSE Generation available at 66kV and below for FY 2024-25.

2.4 Energy Requirement of PSPCL

The energy requirement for FY 2024-25, as approved in the Tariff Order for FY 2024-25, submitted by PSPCL in the petition and that determined by the Commission with normative loss target of 12.10% after prudence check, is as under:-

Table 2.10: Energy Requirement of PSPCL determined by the Commission for FY 2024-25 (MkWh)

Sr. No.	Particulars		Approved by the Commission in T.O. for FY 2024-25	Submitted by PSPCL in the True-up of FY 2024-25	Determined by the Commission with target T&D losses	Actual losses computed by the Commission
I	II		III	IV	V	VI
1	Energy Sales within the State (Table 2.8)		67046	65449.35	65029.63	65029.63
2	Target Distribution Loss	%	12.10%	13.12%	12.10%	13.68%
		MkWh	9229.00	9883.70	8951.75	10309.06
3	Input Energy Required		76275.00	75333.05	73981.38	75338.69
4	NRSE Gen. available at 66/11 KV		2403	1844.57	2231.55	2231.55
5	Input Energy Required (excluding Gen. available at 66 KV and below)		73872	73488.48	71749.83	73107.14
6	Target Transmission Loss	%	2.23%	-	-	-
		MkWh	1685	1644.83	1644.83	1644.83
7	Total Energy Input Required (excluding NRSE Gen available at 66 KV and below)		75557	75133.31	73394.66	74751.97
8	Total Energy Input Required		77960	76977.88	75626.21	76983.52
9	Sales to Common pool consumers		309	308.18	308.18	308.18
10	Outside State		380	717.80	716.80	716.80
11	Total Requirement (Table 2.15)		69077	78002.86	76651.19	78008.50*

**Trued-up Energy Availability (Actual Energy Input) as per Table 2.15
Minor variation in PSPCL's submission due to rounding off*

Considering the approved sales of 65029.63 MkWh and distribution loss target of 12.10%, the energy requirement works out to 76651.19 MkWh. However, actual energy requirement as asked by PSPCL works out to 78002.86 MkWh which is different from the actual energy requirement of 78008.50 MkWh (as worked out in Table 2.15) on account of the following two reasons:

- Minor variation in true-up of hydel generation: The Commission while doing True-up of hydel generation has considered Transformation losses @0.5% and Auxiliary consumption @0.5% for hydel stations having static exciters and @0.2% for hydel stations having rotating excitor in line with the provisions of the Regulations due to which minor difference has been observed between the Auxiliary consumption and Transformation losses worked out by the Commission and those submitted by PSPCL.

b) PSPCL has revised the Power Purchase quantum to 61603.47 MWh in reply dated 17.12.2025 as against 61607.06 MWh considered in the Petition. However, PSPCL did not revise the corresponding distribution losses and energy requirement.

Further, considering the true-up figure of 65029.63 MWh as Sales within the State, actual distribution losses worked out by the Commission is 13.68% against PSPCL's claimed loss of 13.12%. The Energy Requirement at the State's periphery based on the approved loss target of 12.10% works out to be 76651.19 MWh, while the energy requirement based on actual distribution losses of 13.68% works out to 78008.50 MWh. Accordingly, the Commission approves the total energy requirement of PSPCL at State Periphery as 76651.19 MWh for True-up of FY 2024-25. Further, the impact of higher distribution losses vis-à-vis that approved by the Commission for True-up of FY 2024-25 is discussed in Para 2.7 and Para 2.10.1.

2.5 PSPCL's Net Thermal Generation

PSPCL's Submissions:

PSPCL has submitted the figures of actual net thermal generation during FY 2024-25 as 8573.25 MWh for True-up as follows: -

Table 2.11: Net Generation submitted by PSPCL for FY 2024-25

Sr. No.	Station	Installed Capacity (MW)	Generation Net (MWh)	PLF
I	II	III	IV	V
1.	GGSSSTP	210X4=840	4,120.83	61.88%
2.	GHTP	250X2 + 210X2= 920	4,452.42	60.38%
3.	Total	1760	8,573.25	

PSPCL has submitted that in order to cater to the additional demand during the paddy season, these thermal generating units are to be kept as back up units in view of the universal supply obligation under the Electricity Act, 2003 for uninterrupted power supply to the consumers of Punjab.

Commission's Analysis:

The Commission notes that the net energy validated by SLDC for GHTP vide its Memo No. 547/50 dated 04.12.2025 & Memo No. 594/97 dated 30.12.2025 was 4452.38 MWh as against PSPCL's submission of 4452.42 MWh. Further, the energy validated by SLDC for GGSSSTP vide Memo No. 8/11 dated 02.01.2026 was 4111.815 MWh as against 4120.83 MWh submitted by PSPCL in the Petition. Accordingly, the Commission has considered net generation of 4111.82 MWh and 4452.38 MWh for GGSSSTP and GHTP respectively for True-up of FY 2024-25.

Table 2.12: Net Generation approved by the Commission for FY 2024-25

Sr. No.	Station	Installed Capacity (MW)	Generation Net (MWh)
I	II	III	IV
1.	GGSSSTP	210X4=840	4111.82

Sr. No.	Station	Installed Capacity (MW)	Generation Net (MkWh)
I	II	III	IV
2.	GHTP	250X2 + 210X2= 920	4452.38
3.	Total	1760	8564.20

2.6 PSPCL's Hydel Generation

PSPCL's submissions:

PSPCL has submitted the details of station-wise net hydro generation for FY 2024-25 in its Petition.

Commission's Analysis:

In response to the Commission's observation regarding 583 MkWh lower generation from RSD in FY 2024-25 compared to the actual generation of FY 2023-24, PSPCL vide Memo No. 826/ARR/Dy.CAO/271/Deficiencies dated 17.12.2025 submitted that the annual generation targets are fixed by CEA in advance. RSD HEP being a pondage type power project, the generation from this project is regulated by PP&R, PSPCL. Daily irrigation Indent placed by Water Resources Department, Punjab is forwarded to PP&R wing of PSPCL. On the basis of power demand, power available (from own plants, IPP's, share from BBMB, Central pool etc.) and reservoir level at RSD, instructions are imparted by PP&R wing of PSPCL to RSD. As per the instructions received from Power Controller/PP&R (which may get revised several times a day), machines of RSD are operated. Reasons for lower generation of RSD in FY 2024-25 are as below:

1st QTR 2024-25 as compared to 1st QTR 2023-24:

- Reservoir level at RSD during the 1st QTR of 2024-25 was around 506 mtr. whereas in 2023-24 it was around 511 mtr.
- Avg. inflow during the 1st QTR of 2024-25 was 8589 Cs whereas in the 1st QTR of 2023-24 it was 8556 Cs.
- Generation during the 1st QTR of 2024-25 was 489.913 MkWh against the CEA target of 460 MkWh and 1st QTR of 2023-24 (481 317 MkWh).

2nd QTR 2024-25 as compared to 2nd QTR 2023-24:

- Reservoir level during the 2nd QTR of 2024-25 reached as low as 491.15 mtr. On 31/07/2024 whereas in the 2nd QTR of 2023-24, lowest reservoir level was 512.18 mtr. on 31/07/2023
- Avg. inflow during the 2nd QTR of 2024-25 was 9830 Cs whereas in the 2nd QTR of 2023-24 it was 16358 Cs.
- Therefore, generation during 2nd QTR of 2024-25 was 525.41 MU against 2nd QTR of 2023-24 (941 676 MkWh).

3rd QTR 2024-25 as compared to 3rd QTR 2023-24:

- Reservoir level in the 3rd QTR of 2024-25 remained low {mostly around 500

mtr.) whereas in the 3rd of QTR 2-23-24, reservoir level was mostly around 513 mtr. and reached 500 mtr. only at the end of Dec, 2023.

- b. Avg. inflow during the 3rd QTR of 2024-25 was 2368 Cs whereas in the 3rd QTR 2023-24 it was 2338 Cs.
- c. Due to important works related to Shahpurkandi Dam, RSD Powerhouse remain under completed closure from 15/10/2024 to 31/10/2024 as sought by WRD and notified by the Punjab Govt. irrigation Indent remain 0 (ZERO) from 15/10/2025 to 03/11/2025. Afterwards, discharge restriction of 5000 Cs was imposed by the WRD from 03/1 1/2024 till mid of Jan 2025.

4th QTR 2024-25 as compared to 4th QTR 2023-24:

- a. During the 4th QTR of 2024-25, reservoir level reached as low as 490 mtr. and at the end of FY 2024-25, it remained low around 495 mtr. whereas in 4th QTR 2023-24, reservoir level reached as low as 498.06 mtr. and at the end of FY 2023-24, it was 506.23 mtr.
- b. Avg. inflow during the 4th QTR of 2024-25 was 2787 Cs as compared to 3013 Cs in the 4th QTR 2023-24.

Further, for true-up of FY 2024-25, the Commission perused the station wise details submitted by PSPCL in Format G-22 and accordingly the station wise type of Excitation system considered by the Commission is as under:-

Table 2.13: Station Wise Type of Excitation System

Sr. No.	Hydel Station	Type of Excitation System	
		Submitted by PSPCL	Approved by the Commission
I	II	III	IV
1.	Shanan	Stage-I Rotary Stage-II Static	Stage-I Rotary Stage-II Static
2.	UBDC	Static	Static
3.	MHP	Static	Static
4.	ASHP	Self Rotating	Self Rotating
5.	RSD	Static	Static

In view of the submissions made by PSPCL, the station-wise installed capacity, generation approved in ARR by the Commission in the Tariff Order for FY 2024-25, now submitted by PSPCL for true-up and that approved by the Commission for True-up of FY 2024-25 is as under:

Table 2.14: PSPCL's Hydel Generation for FY 2024-25

Sr. No.	Hydel Station	Installed capacity in MW	Approved by the Commission in TO for FY 2024-25	Submitted by PSPCL for True- up	(MkWh) Approved by the Commission for True-up
I	II	III	IV	V	VI
1.	Own Generation				
	i) Shanan	110.00	480	512.66	512.66
	ii) UBDC	45.00	153	338.95	338.95
		46.35	230		

Sr. No.	Hydel Station	Installed capacity in MW	Approved by the Commission in TO for FY 2024-25	Submitted by PSPCL for True- up	Approved by the Commission for True-up
I	II	III	IV	V	VI
	iii) RSD	600.00	1580	1,259.44	1,259.44
	iv) MHP	207.00	1110		
		18.00	90	1,326.81	1,326.81
	v) ASHP	134.00	496	486.14	486.14
	vi) Micro hydel	5.60	4	3.49	3.49
	vii) Others	-	-	-	-
	Total	1165.95	4143.00	3927.49	3927.49
2.	Less: Auxiliary consumption and Transformation losses*		39	35.31	36.96
3.	Less: HP share in RSD		73	58.61	58.61
4.	Less: Royalty to HP from Shanan		53	52.86	52.86
5.	Net own generation		3978.00	3780.71	3779.06
	Share from BBMB (Net)				
	i) PSPCL's share	1161.00	3457	3733.39	3733.39
6.	ii) Common pool share		309	308.18	308.18
	Total Share from BBMB		3766.00	4041.57	4041.57
7.	Total hydro generation (Net) (Own + BBMB)		7744.00	7822.28	7820.63

*Auxiliary Consumption submitted by PSPCL is based on actuals while the Commission has worked out Auxiliary consumption @0.5% for hydel stations having static exciters and @0.2% for hydel stations having rotating excitor as per Regulation. Further Transformation losses has been worked out @0.5%

In view of the submissions made by PSPCL, the Commission approves PSPCL's net Hydel Generation including power from BBMB as 7820.63 MWh for True-up of FY 2024-25, as shown in the Table above.

2.7 Energy Balance/ Net Power Purchase Required

The Commission observed that PSPCL has shown Rs. 0.065 Crore as 'PSTCL Transmission charges' for M/s Winsome, M/s Nahar industries and M/s Mohan Dai Oswal Transmission Charges. PSPCL has considered the energy of 0.51 MWh available from these NRSE OA Generators in the total power purchase quantum of 61603.47 MWh for True-up of FY 2024-25.

With regard to the Commission's query on the quantum of energy received by PSPCL on account of net metering, PSPCL, vide reply dated 17.12.2025, submitted that the net metering units are 20.20 MWh. Accordingly, the Commission has considered 20.20 MWh of net-metering units in the energy availability of PSPCL for FY 2024-25.

In view of the energy requirement, worked out in Table 2.10, availability and purchase determined by the Commission in the Tariff Order of FY 2024-25, now submitted by PSPCL and that approved by the Commission for True-up of FY 2024-25, is as under:-

Table 2.15: Approved Energy Balance/Power Purchase for FY 2024-25 (MkWh)

Sr. No.	Particulars	Approved by the Commission in ARR of FY 2024-25 in TO FY 2024-25	Submitted by PSPCL for True-up	Worked out by the Commission @ distribution loss of 12.10%
I	II	III	IV	V
A.	PSPCL's Energy requirement (Table 2.10)	69077	78002.86*	76651.19
B.	Energy Available			
	i) PSPCL's own Thermal (Table 2.12)	4352	8573.25	8564.20
	ii) PSPCL's own Hydro (Including from BBMB) (Table 2.14)	7916	7822.28	7820.63
	Total B (i+ii)	12268	16395.53	16384.83
C.	Power Purchase (A-B)	56809	61623.67**	60266.36
D.	Additional power purchase made by PSPCL		(61623.67-60266.26) =1357.31	
E	Actual Energy Input (A+D)		76651.19+1357.31= 78008.50	

***the Energy requirement submitted by PSPCL in the Petition does not match with the Energy Available as PSPCL has revised the Power Purchase quantum to 61603.47 MkWh in reply dated 17.12.2025 as against 61607.06 MkWh considered in the Petition. However, PSPCL did not revise the corresponding distribution losses and energy requirement.*

Due to mismatch in energy requirement and energy availability submitted by PSPCL the Commission has considered revised power purchase quantum of 61603.47 MkWh. Further, after including 20.20 MkWh on account of energy available in Net-metering, the new power purchase requirement works out to be 61623.67 MkWh (61603.47+20.20)

The normative balance energy i.e. the (net) requirement for purchase of power from outside sources based on distribution loss target works out to 60266.36 MkWh for FY 2024-25 as against the actual outside purchase of 61623.67 MkWh made by PSPCL. The difference of 1357.31 MkWh is attributable to the under achievement of Distribution loss target (refer para 2.3 & 2.4). The issue of disallowance on account of under achievement of distribution losses is discussed in para 2.10.1.

2.8 Norms for Operation of Generating Station

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

PSPCL's Submissions:

Regulation 34 of the PSERC MYT Regulations, 2022 specifies that the performance parameters for PSPCL's Generating stations shall be as per the norms specified by the CERC in its Tariff Regulations or as determined by the Commission.

As regards Plant Availability Factor, PSPCL submitted that the actual Plant Availability for FY 2024-25 for GGSSTP Ropar was 82.66% while for GHTP Lehra Mohabbat it was 74.41%.

PSPCL submitted that the norms adopted by the Commission for the generating stations of PSPCL have resulted in under-recovery of legitimate costs and expenses as shown under:

Period	Submitted by PSPCL	Approved by the Commission
FY 2021-22	1,389	1,234
FY 2022-23	3,331	2,821
FY 2023-24	3,321	2,834

PSPCL submitted that it has been requesting the Commission for actual/relaxed norms for its generating stations in almost every tariff petition whereas the Commission has been approving the norms as per the CERC Tariff Regulations. The operating parameters like consumption of coal, oil & auxiliary power and Station Heat Rate are affected adversely mainly due to operation of the units at partial load & frequent start/stop and various reasons discussed in succeeding paras.

The running of both the stations is regulated by the State Load Dispatch Centre, Patiala to maintain the required frequency of the system as per demand. The units are forced to operate at partial loads or are shut down, which is beyond the control of the generating stations. The part load running & frequent unit start/stop results in low Plant Load Factor (PLF) which further effects the operating parameters such as Station Heat Rate, Auxiliary Power and Oil Consumption.

a) Station Heat Rate (SHR): The SHR gets badly affected due to the following reasons:

- i) **Ageing of units** – GGSSTP Units III & IV are about 36 years old and Units V & VI are about 32 years old since commissioned, whereas GHTP Units I & II are about 25 years old and Units III & IV are about 15 years old since commissioned. It is a universal fact that performance of any mechanical equipment does not remain consistent over a useable life of equipment due to wear and tear during normal operation. The main equipment at GGSSTP and GHTP are of BHEL design and make. BHEL acknowledges the variation in heat rate of turbine due to ageing as specified in Performance Guarantee Test Report of BHEL for both plants. On the basis of this report, the deterioration of SHR for both plants as on 31st March, 2025 is calculated below:

Table 2.16: Deterioration of Heat Rate on account of ageing of GGSSTP units

Sr. No.	Unit	UoM	U-3	U-4	U-5	U-6
I	II	III	IV	V	VI	VII
1	Date of Commissioning of units	-	31-03-88	29-01-89	29-03-92	30-03-93
2	Date of Commercial run	-	25-09-88	01-08-89	29-09-92	14-12-93
3	Design Turbine Heat rate	kCal/kWh	1985.00	1985.00	1985.00	1985.00
4	Design Boiler efficiency	%	88.18	88.18	88.10	88.10
5	Design Unit heat rate	kCal/kWh	2251.08	2251.08	2253.12	2253.12
6	No. of months after commissioning	Nos.	444	435	396	384
7	Total ageing tolerance	%	26.72	26.18	23.84	23.12
8	Heat Rate of unit calculated after ageing tolerance	kCal/kWh	2852.57	2840.41	2790.27	2774.04
9	Average Heat Rate	kCal/kWh	2814.32			

Table 2.17: Deterioration of Heat Rate on account of ageing of GHTP units

Sr. No.	Unit	UoM	U-3	U-4	U-5	U-6
I	II	III	IV	V	VI	VII
1	Date of Commissioning of units	-	08-07-98	06-12-98	27-02-08	13-11-08
2	Date of Commercial run	-	26-06-99	04-01-99	16-10-08	25-01-10
3	Design Turbine Heat rate	kCal/kWh	1985.00	1985.00	1951.00	1951.00
4	Design Boiler efficiency	%	88.65	88.65	88.35	88.35
5	Design Unit heat rate	kCal/kWh	2272.00	2272.00	2241.00	2241.00
6	No. of months after commissioning	Nos.	320	315	205	196
7	Total ageing tolerance	%	19.48	19.18	12.58	12.04
8	Heat Rate of unit calculated after ageing tolerance	kCal/kWh	2714.59	2707.77	2522.92	2510.82
9	Average Heat Rate	kCal/kWh	2605.57			

The deterioration in Heat Rate on account of the ageing of units as worked out above for all units' age up to 31st March, 2025, clearly states that the norms ought to be relaxed for these plants.

- ii) **Partial load operation of the units and number of start/stop of units** PSPCL submitted that the demand curve of Punjab is bell shaped, which means that the peak requirement occurs at the mid of the year.

GGSSTP and GHTP are usually scheduled the most during the peak period when the paddy plantation happens in Punjab and the demand of the State reaches at the level of 15000 MW to 16000 MW. For rest of the year, these plants are kept as back up since they fall at higher side of the Merit Order. Therefore, with the operation of these plants at low PLF, it is almost impossible to meet with the approved heat rate norms which are very stringent for these units.

- iii) The accurate calculation of single heat rate value for Unit - I to III and single value for Unit-IV of GHTP 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. Therefore, it would be better if a single value of SHR is approved for the station as a whole.
- iv) The 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 GGSSTP, during FY 2023-24, the reserve outage remained at 21.50% and planned outage remained at 8.20%. Further, GGSSTP units stopped and synchronized 45 times due to low system demand. Many a times 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. Due to running of units on part load conditions and number of start/stops on no demand, the average station heat rate for FY 2023-24 remained as 2829 kCal/kWh against the norms of 2430 kCal/kWh.
- v) The Commission has fixed norms as per the Central Commission's Tariff Regulations, but in other States relaxation is given in Station Heat Rate on the above said factors as shown below:

Table 2.18: SHR approved for different State Thermal plants

Sr. No.	Name of State Thermal Plant	Station Heat Rate (kCal/kWh)
I	II	III
1	KTPS (Units 1 to 7) 110/210/195 MW	2,561.70 - Approved for 2022-23 by Rajasthan Tariff Order 2022-23
2	Ukai (Units 3-5) 200/210 MW	2,625 - Approved for 2021-22 by Gujarat Tariff Order 2021-22
3	Gandhinagar (3-5) 210 MW	2,625 - Approved for 2021-22 by Gujarat Tariff Order 2021-22

In view of the above, PSPCL requested for fixing relaxed SHR value for both stations, giving due consideration for old units.

b) Secondary Oil consumption:

- i. Oil is consumed mainly for start-up of the units and sometimes for flame stability when the units are run at partial load and some problem arises like poor coal quality, equipment failure etc. Oil consumption is directly proportional to number of start-ups of the units and more the stoppage time more quantity of oil is required for start-up. Due to frequent backdowns, start/ stop and load shedding as per system requirement. Even during FY 2023-24, GGSSTP units stopped and synchronized 45 times due to low system demand which has contributed to higher oil consumption. Moreover, approved specific oil

consumption has never been achieved even during the operation of units when PLF was higher in the past.

- ii. The Commission has fixed norms as per the Central Commission's Tariff Regulations, but in other States relaxation is given in the oil consumption on the above said factors as shown below:

Table 2.19: Oil consumption approved for different state thermal plants

Sr. No.	Name of State Thermal Plant	Oil consumption (ml/kWh)
I	II	III
1	Ukai (Units 3 - 5) 200/210 MW	1.00 - Approved for 2021-22 by Rajasthan Tariff Order 2022-23
2	Gandhinagar (3-5) 210 MW	1.00 - Approved for 2021-22 by Rajasthan Tariff Order 2021-22
3	PTPS 210 MW	1.00 - Approved for 2022-23 by Haryana Tariff Order 2022-23

In view of the above, PSPCL requested for fixing higher specific oil consumption rate by giving due consideration to the above specified reasons.

c) Auxiliary power consumption (APC):

- i. In case of backing down of generation, though the load is reduced, but the units are operated at partial load and also the power is required to run the minimum essential standby auxiliaries of the stopped units to safeguard the main equipment of the station, thus auxiliary consumption in percentage terms is higher during the low load operation. During FY 2023-24, in the case of GGSSTP, the reserve outage remained at 21.50%, planned outage remained at 8.20% and actual auxiliary power consumption was 9.6%.
- ii. The Commission has fixed the norms as per the Central Commission's Tariff Regulations, but in other States relaxation is given in auxiliary power consumption on the above said factors as shown below:

Table 2.20: Auxiliary consumption approved for different state thermal plants

Sr. No.	Name of State Thermal Plant	Auxiliary consumption (%)
I	II	III
1	Ukai (Units 3 - 5) 200/210 MW	9.00% - Approved for 2021-22 by Gujarat Tariff Order 2021-22
2	Gandhinagar (3-5) 210 MW	9.00% - Approved for 2021-22 by Gujarat Tariff Order 2021-22
3	PTPS 210 MW	9.00% - Approved for 2022-23 by Haryana Tariff Order 2022-23
4	KTPS (Units 1 to 7) 110/210/195 MW	9.65% - Approved for 2022-23 by Rajasthan Tariff Order 2022-23
5	STPS (Units 1 to 6) 250 MW	9.80% - Approved for 2022-23 by Rajasthan Tariff Order 2022-23

In view of the above, PSPCL requested for fixing higher auxiliary power consumption rate by giving due consideration to the above reasons.

PSPCL further submitted that, the Commission follows the CERC Tariff Regulations, whereas other States have resorted to their own Regulations, attributable to their own specific conditions of generation/demand viz. Haryana State Electricity Regulatory Commission has its own norms. Similarly, the Commission should evolve its own Regulations, keeping in view its specific conditions particularly extreme variable load profile (7,000 - 16,000 MW), ageing of units and Grid system constraints.

PSPCL further added that PSPCL is responsible for meeting the diverse demand of electricity in Punjab, which it does from different sources. The major sources from which PSPCL procures power are:

- Central Generating Stations
- Own Thermal and Hydel Generating Stations
- IPP's
- Co-Generation Plants
- Banking Arrangements
- Traders

According to Merit Order Dispatch, power is purchased from the above sources and also from the PPA's signed with the IPPs in Punjab for cost effective & economic viability to PSPCL/Consumers which results in backing down of PSPCL's own generating stations that leads to higher operating parameters. However, when the plant is allowed to run at more than 80% PLF, the parameters improve as detailed below:

Table 2.21: Operation of GGSSTP from FY2009-10 to FY2012-13

Sr. No.	Operating Parameters	Unit	Year			
			2009-10	2010-11	2011-12	2012-13
I	II	III	IV	V	VI	VII
1	Plant load factor	%	91.11	88.04	86.41	83.05
2	Auxiliary Consumption	%	8.14	8.11	8.44	8.37
3	Specific overall oil consumption	ml/kWh	0.665	0.649	0.648	0.625
4	Heat Rate (GCV based)	kCal/kWh	2645	2566	2564	2538

Table 2.22: Operation of GHTP from FY 2009-10 to FY 2012-13

Sr. No.	Operating Parameters	Unit	Year			
			2009-10	2010-11	2011-12	2012-13
I	II	III	IV	V	VI	VII
1	Plant load factor	%	84.79	94.31	89.53	82.70
2	Auxiliary Consumption	%	8.08	7.87	7.93	8.21
3	Specific overall oil consumption	ml/kWh	0.580	0.369	0.270	0.325
4	Heat Rate (GCV based)	kCal/kWh	2417	2402	2324	2396

From the above tables it is clear that, even if GGSSTP units have higher PLF even then the performance parameters fixed by the Commission would not be achievable. It is also pertinent to mention that the Commission fixes unachievable norms for performance parameters like Station Heat Rate, Auxiliary Consumption and Specific Oil Consumption whereas norms for performance should be based on the national average rather than based on the top performers.

In every Tariff Order while truing up or approving the fuel cost, the Commission relies on the fact that PSERC MYT Regulations have adopted the CERC norms for the generating station's performance parameters but fail to adopt the provision for part load compensation. To clarify further, regulation 49 (C) of the CERC Tariff Regulations, 2019 is reproduced below:

"49. The norms of operation as given hereunder shall apply to thermal generating stations:

(A)...

(B)...

(C) Gross Station Heat Rate:

(a) Existing Thermal Generating Stations

(i) For existing Coal-based Thermal Generating Stations, other than those covered under clauses (ii) and (iii) below:

200/210/250 MW Sets	500 MW Sets (Sub-critical)
2,430kCal/kWh	2,390kCal/kWh

Note 1

In respect of 500 MW and above units where the boiler feed pumps are electrically operated, the gross station heat rate shall be 40 kCal/kWh lower than the gross station heat rate specified above.

Note 2

For the generating stations having combination of 200/210/250 MW sets and 500 MW and above sets, the normative gross station heat rate shall be the weighted average gross station heat rate of the combinations.

Note 3

The normative gross station heat rate above is exclusive of the compensation specified in Regulation 6.3 B of the Grid Code. The

generating company shall, based on unit loading factor, consider the compensation in addition to the normative gross heat rate above.
(emphasis added)
...”

The ‘Note 3’ in the above quoted regulation clearly provides for the part load compensation to a generating station. The mechanism is a part of the Grid Code due to the fact that part loading is caused by any kind of variation in the scheduling of power by the beneficiaries and because scheduling of power is the subject matter of the Grid Code, the compensation mechanism has also been made part of the same. Therefore, the Commission cannot deny part load compensation to the generating stations of PSPCL stating that only the provisions of Tariff Regulation have been adopted and not that of the Grid Code.

Notice is also brought towards clause 5.11 (f) of the Tariff Policy, 2016 which states as follows:

“f) Operating Norms

Suitable performance norms of operations together with incentives and disincentives would need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. Except for the cases referred to in para 5.11(h)(2), the operating parameters in tariffs should be at “normative levels” only and not at “lower of normative and actuals”. This is essential to encourage better operating performance. The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration the latest technological advancements, fuel, vintage of equipments, nature of operations, level of service to be provided to consumers etc. Continued and proven inefficiency must be controlled and penalized.

The Central Commission would, in consultation with the Central Electricity Authority, notify operating norms from time to time for generation and transmission. The SERC would adopt these norms. In cases where operations have been much below the norms for many previous years, the SERCs may fix relaxed norms suitably and draw a transition path over the time for achieving the norms notified by the Central Commission, or phase them out in accordance with the norms specified by the Authority in this regard.

Operating norms for distribution networks would be notified by the concerned SERCs. For uniformity, the Forum of Regulators should evolve model guidelines taking into consideration the state specific distinctive features.”

The above clause of the Tariff Policy clearly states that for the plants where operating parameters have been below the norms for a long time, should be allowed relaxed norms.

In view of the submissions made above, PSPCL has requested the Commission to similarly adopt regulations pertaining to performance parameters corresponding to

the past performance of the generating stations of PSPCL and also allow the compensation norms for part load operations of generating units.

Accordingly, PSPCL has requested the Commission to approve actual Auxiliary Consumption, Station Heat Rate and Secondary Fuel Oil Consumption for GGSSTP and GHTP for FY 2024-25.

Table 2.23: Performance Parameters submitted by PSPCL for FY 2024-25

Sr. No.	Station		Aux. Consumption.	SHR (kCal/ kWh)	Sp. Oil Cons. (ml/kWh)
I	II		III	IV	V
1	GGSSTP		9.51%	2740	1.05
2	GHTP	Unit 1 to 3 Unit 4	8.49%	2586	0.31

Commission's Analysis:

- i) Before doing the truing up of Fuel cost of FY 2024-25, the Commission would like to highlight the casual approach of PSPCL while filing of the Tariff Petition. Specifically, the Commission notes that the text from FY 2023-24 petition was copied and pasted without even updating the relevant year (FY 2024-25) references or details. Such clerical negligence undermines the credibility of PSPCL's claims and constitutes a failure to adhere to prior regulatory warnings regarding the submission's integrity.
- ii) The Commission observes that PSPCL has referred to clause 49 (C) of the CERC Tariff Regulations, 2019, wherein Note 3 provides for the part load compensation to a generating station. It is clarified that CERC Tariff Regulations, 2019 were applicable only till FY 2023-24 and have no relevance while doing the true-up of FY 2024-25. Even so, the Commission would like to point out that from the perusal of the clause 49(C)(a) of the CERC Tariff Regulations, 2019, it is clear that CERC has also specified Station Heat Rate for existing Coal-based Thermal Generating Stations as 2430 kCal/kWh (200/210/250 MW Sets), the same has been approved by the Commission in the ARR of the relevant years.

Further with regard to Note 3 of the Regulations, it refers to compensation specified in Regulation 6.3 B of the Grid Code. The Commission observes that Proviso (vi) to the Regulation 6.3 B of Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 provides that "the compensation so computed shall be borne by the entity that has caused the plant to be operated at a schedule lower than that corresponding to the Normative Plant Availability Factor up to a 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.

- iii) Having said that the Commission notes that PSPCL's reliance upon Regulation 6.3B of CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 for seeking compensation is not even relevant as the same had been repealed and the CERC, vide notification dated 11.07.2023, had issued the CERC IEGC Regulation, 2023 which specified that till the mechanism of part load compensation is notified by the Commission, the mechanism in this regard already in force under the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 shall continue to be in operation. Further vide notification dated 23.10.2024, the CERC issued the CERC (IEGC) (1st Amendment) Regulations wherein the amendment to clause (12) of Regulation 45 was made applicable from 01.04.2024. The relevant extract of the Regulation is as under:

“Provided further that the thermal generating stations whose tariffs are determined under Section 62 of the Act by the Commission, shall be compensated for part load operation as per the provisions of applicable Tariff Regulations.”

- iv) It is further noted that clause (G) of Regulation 70 of the CERC Tariff Regulation (1st Amendment), 2025 provides as under

“(1) The generating stations whose tariff is determined by the Commission under Section 62 of the Act shall be compensated for degradation of station heat rate and auxiliary energy consumption, consumption of additional secondary fuel oil due to loading below the normative plant availability factor specified under Regulation 70(A) of these regulations.

(2) The compensation for degradation under regulation (1) of this regulation shall be borne by the entity that has caused the plant to be operated at a schedule lower than the corresponding Normative Plant Availability Factor.

(3) The compensation for the station heat rate and auxiliary energy consumption shall be worked out in terms of energy charge rate...”

- v) Accordingly, CERC vide Order dated 14.07.2025 has also approved the **“Procedure for mechanism of compensation for degradation of Station Heat Rate, Auxiliary Energy Consumption and Secondary fuel oil consumption due to part load operation and multiple start/stops of the units”**.

From the perusal of the above Regulations, it is clear that there is no such provision in the current PSER/CERC Regulations for relaxation in Operating Norms. Rather, the Regulations provide for compensation for part load operation and multiple start/stop of the units. Instead of seeking any compensation in line with the procedure framed under the provisions of the CERC Tariff

Regulations, 2024, PSPCL has sought relaxation in operating norms as claimed in previous years.

- vi) 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.
- vii) PSPCL has also referred to clause 5.11(f) of the Tariff Policy, for establishing relaxed norms, however, the tariff policy specifies that the Central Commission would, in consultation with the Central Electricity Authority, notify operating norms from time to time for generation and transmission. The SERC would adopt these norms. Accordingly, the Commission has allowed norms as specified by the CERC. Further, for relaxation of norms the Commission, vide Order dated 25.08.2022 in Review Petition No. 05 of 2021 in Petition No. 45 of 2020 has observed as under:

“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. 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 Order 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.”

However, PSPCL has not placed any statistical data before the Commission in this regard till date.

- viii) In addition to above, the Commission observes that while on one hand PSPCL has been constantly seeking relaxation on performance parameters including SHR, Auxiliary consumption and specific oil consumption on the other hand from the perusal of Format G24, it is observed that the actual Auxiliary consumption and specific oil consumption achieved by GHTP for FY 2024-25 are 8.49% and 0.307 ml/kWh against the normative value of 8.50% and 0.5ml/kWh respectively. Also, the actual SHR for GHTP in FY 2024-25 is 2586 kcal/kWh which has improved over the SHR of 2706 kcal/kWh achieved in FY 2023-24.

- ix) The Commission finds PSPCL's request for relaxation of operating norms devoid of merit when it is already achieving better performance parameters and gaining incentive on the same. GHTP's ability to exceed these benchmarks, clearly demonstrates that the existing norms are realistic and achievable. The Commission is of the view that if GHTP can perform better, then GSSTP must also strive for similar operational efficiency. Moreover, the Commission has consistently approved capital expenditure for the Renovation & Modernization (R&M) of these plants; such investments must now translate into tangible improvements in the operational performance.
- x) Furthermore, PSPCL has submitted that BHEL (OEM) acknowledges the variation in the heat rate of the turbine due to ageing as specified in its Performance Guarantee Test Report and has calculated the deterioration of the heat rate for GGSSTP to 2814.32 kCal/kWh and 2605.57 kCal/kWh for GHTP based on the PG test report. The Commission notes that in Review Petition 02 of 2024, PSPCL has submitted that deterioration is due to Salt deposition on blades, Deterioration of surface finish of blades, increase in the clearances in the blading flow path, deposits in Heat Transfer Areas and increase in losses of valves seats. Further, the Commission in the Order dated 12.12.2024 has observed as under:

"The Commission has noted PSPCL's reply wherein PSPCL has submitted that the factors listed for deterioration of heat rate are attended to during the capital overhauling of the turbines. Such capital overhauling is carried out in a staggered way over a period of time according to completion of running hours of the turbines. Accordingly, the contention of the PSPCL that Station Heat Rate is continuously deteriorating as per ageing of the turbines is a contradiction with its own statements and thus does not qualify for the consideration of the Commission. Also, the Commission has allowed heat rate as per prescribed CERC norm in line with Regulation 34 of the PSERC MYT Regulations, 2022 wherein the units commissioned before 01.04.2009 have been allocated a higher normative heat rate than the designed heat rate. Keeping in view of the above, the prayer with regard to review of the earlier Order on issue of Norms of Operation of its own Thermal Plants as requested by PSPCL is not tenable."

As such the Commission has already addressed PSPCL's presuppositions in this regard. The Commission further notes that while PSPCL has tried to justify its claim based on BHEL's report, it has not been able to analytically substantiate it. Accordingly, PSPCL is again directed to actually study the de facto effect of ageing on heat rate and provide concrete and statistical data to back up its claim.

Thus, in view of the above, the Commission decides to consider the normative parameters for Auxiliary Consumption, Station Heat Rate (SHR) and Secondary fuel consumption as per the norms specified in the CERC Tariff Regulations, 2024 as follows:

Table 2.24: Performance and Cost Parameters considered by the Commission for FY 2024-25

Sr. No.	Station		Aux. Consumption	SHR (kCal/ kWh)	Specific Oil Consumption (ml/kWh)
I	II		III	IV	V
1	GGSSTP		8.5%	2415	0.5
2	GHTP	Unit 1 to 3	8.5%	2415	
		Unit 4		2387	

2.8.2 Transit Loss of Coal**PSPCL's Submission:**

PSPCL submitted that the actual transit loss is negative for GHTP Lehra Mohabbat. PSPCL further submitted that the coal transit losses are not within its control and are attributable to the reasons such as calibration of measuring instruments, seasonal variation, pilferages during transportation of coal, change in weather conditions during transportation which affect the moisture content, carpet coal in wagon during unloading at site location, etc. In view of the above, PSPCL requested the Commission to approve the actual transit loss for the purpose of True-up for FY 2024-25

Commission's Analysis:

The PSERC MYT Regulations, 2022, 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 2024-25.

2.9 Fuel Cost**PSPCL's submission:**

PSPCL submitted the actual fuel cost for GGSSTP and GHTP for FY 2024-25 as shown in the following table:

Table 2.25: Fuel Cost submitted by PSPCL for FY 2024-25

Sr. No.	Particulars		Approved by the Commission in T.O. FY 2024-25			Submitted by PSPCL for True- up		
			GGSSTP	GHTP	Total	GGSSTP	GHTP	Total
I	II		III	IV	V	VI	VII	VIII
1	Fuel Cost	Rs. Cr.	1,568.64	1,586.37	3155.01	1,758.43	1,730.37	3488.80
2	Gross Gen.	MkWh	4591.98	4665	9256.98	4553.72	4865.76	9419.48
3	Net Gen.	MkWh	4,201.66	4,268.48	8470.14	4,120.83	4,452.42	8573.25
4	ECR Gross	Rs./kWh	3.42	3.40	3.41	3.86	3.56	3.70
5	ECR Net	Rs./kWh	3.73	3.72	3.72	4.27	3.89	4.07

Commission's Analysis:

Fuel cost being a major item of expense, the Commission thought it prudent to get the same validated. During the validation, the committee observed as under:

GHTP

- The cost relating to “Coal Handling Contract” (being O&M cost) has been included in the coal cost by GHTP which is required to be reduced from fuel cost and needs to be considered in the O&M expenses of GHTP. The Coal handling contract cost during FY 2024-25 is Rs. 8.54 Crore. The Coal Cost per MT has been worked out after excluding Rs. 8.54 Crore O&M cost.
- Transit Loss is negative which means GHTP has received more coal than dispatch. So, price of coal has been worked out by considering the impact of negative transit loss.

Vide order dated 14.10.2025 in Petition No. 55 of 2024, PSPCL was directed to calculate the input price of coal for its captive mine every year based on the Commission's decision in the order and submit the same alongwith the ARR Petition for approval of the Commission. The Commission vide its Orders dated 05.12.2025 and 29.12.2025 directed PSPCL to submit the input price of Coal of its captive mine for FY 2024-25 and its impact on the fuel cost. Further, vide reply dated 20.02.2026, PSPCL submitted the input price of captive coal, however, it has not submitted the impact of this input price of captive coal on the already approved fuel cost of FY 2023-24 and fuel cost of FY 2024-25 as worked out in this order. **Accordingly, the Commission directs PSPCL to submit the revised fuel cost in compliance of the Commission's aforesaid Orders within 2 months of issuance of this Order. The impact of the same shall be considered by the Commission in the next ARR Petition.**

As per Regulation 64 of the CERC Tariff Regulations, 2024 and Regulation 37.4 of the PSERC MYT Regulations, 2022 Weighted average calorific value for fuel is required to be considered as weighted Average Gross calorific value of coal as received less 85 KCal/Kg on account of variation during storage at the generating station but PSPCL has not sought any such relief of 85 kCal/kg in the petition. Since, it is as per the provisions of the Regulations, the Commission decides to allow the same. The validated weighted average calorific value and price of oil & coal, and transit loss of coal is as under: -

Table 2.26: Normative/ validated Operational and Cost Parameters for FY 2024-25

Sr. No.	Parameters		GGSTP	GHTP
I	II		III	IV
1	GCV of coal*	kCal/kg	4095.00	4146.00
2	CV of Oil	kCal/lt	9880.00	10155.00
3	CV of Biomass	kCal/kg	3541.00	3257.00
4	Price of Oil	Rs./ KL	60291.00	61818.00

Sr. No.	Parameters		GGSSSTP	GHTP
I	II		III	IV
5	Price of coal	Rs./MT	5584	5613
6	Auxiliary Consumption	%	8.50%	8.50%
7	Transit Loss	%	0.80%	0.80%
8	Oil Consumption	ml/kWh	0.50	0.50
9	Station Heat Rate	kCal/ kWh	2415	**2415
				***2387

*Weighted Average Gross calorific value of coal as received less 85 Kcal/Kg on account of variation during storage at generating station as per Regulation 64(3) of the CERC Tariff Regulations, 2024

**GHTP - Unit I, II & III

***GHTP - Unit IV

On the basis of above, the fuel cost for FY 2024-25 as worked out by the Commission is given in the following table:

Table 2.27: Fuel Cost Approved by the Commission for FY 2024-25

Sr. No	Particulars	Derivation	Unit	GGSSSTP	GHTP		
					GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP
I	II	III	IV	V	VI	VII	VIII
1.	Net Generation	A	MU	4111.82	2822.29	1630.09	4452.38
2.	Auxiliary Consumption	B	%	8.50%	8.50%	8.50%	8.50%
3.	Gross Generation	$C=A/(1-B)$	MU	4493.79	3084.47	1781.52	4865.99
4.	Station Heat Rate	D	kcal/kWh	2415	2415	2387	
5.	Specific oil consumption	E	ml/kWh	0.50	0.50	0.50	
6.	Calorific value of oil	F	kcal/litre	9880	10155	10155	
7.	Calorific value of coal	G	kcal/kg	4095	4146	4146	
8.	Calorific Value of Biomass	H	kcal/kg	3541	3257	3257	
9.	Overall heat	$I= (C \times D)$	Gcal	10852503	7448995	4252488	
10.	Heat from oil	$J = (C \times E \times F) / 1000$	Gcal	22199	15661	9046	
11.	Heat from Biomass	$K = (N \times H) / 10^3$	Gcal	336165	125825	71829	
12.	Heat from coal	$L = (I-J-K)$	Gcal	10494139	7307509	4171613	
13.	Oil consumption	$M=(J \times 1000)/F$	KL	2,246.89	1,542.24	890.76	
14.	Biomass Consumption	N	MT	94,935	38,632	22,054	
15.	Transit loss of coal	O	%	0.80	0.80	0.80	
16.	Total coal consumption excluding transit loss	$P=(L \times 1000)/G$	MT	2562671	1762544	1006178	
17.	Quantity of coal priced on F.O.R. basis	Q	MT	2340823	1359032	775826	

Sr. No	Particulars	Derivation	Unit	GGSSTP	GHTP		
					GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP
I	II	III	IV	V	VI	VII	VIII
18.	Quantity of coal other than coal priced on F.O.R. basis	$R=P-Q$	MT	221848	403512	230352	
19.	Quantity of coal other coal priced on F.O.R. basis, including transit loss	$S=R/(1-O/100)$	MT	223637	406766	232209	
20.	Total quantity of coal required	$T=Q+S$	MT	2564460	1765798	1008036	
21.	Price of oil	U	Rs./KL	60291	61818	61818	
22.	Price of Biomass	V	Rs./MT	7572	7361	7361	
23.	Price of Coal	W	Rs./MT	5584	5613	5613	
24.	Total Cost of oil	$X=M \times U / 10^7$	Rs..Crore	13.55	9.53	5.51	15.04
25.	Total Cost of coal	$Y=T \times W/10^7$	Rs..Crore	71.88	28.44	16.23	44.67
26.	Total Cost of Biomass	$Z=N \times V/10^7$	Rs. Crore	1432.00	991.14	565.81	1556.95
27.	Total Fuel cost	$AA=X+Y+Z$	Rs. Crore	1517.43	1029.11	587.55	1616.66
28.	Per unit Cost (gross)	$BB=AA*10/C$	Rs./kWh	3.38	3.34	3.30	3.32
29.	Per unit Cost (Net)	$CC=AA*10/A$	Rs./kWh	3.69	3.65	3.60	3.63

Note: coal received by GHTP is more than despatch during FY 2024-25. Accordingly, fuel cost has been calculated by considering the impact of negative transit loss on price of coal i.e. fuel cost has been calculated including negative transit loss.

The Commission, thus, approves Rs. 3134.09 Crore as the fuel cost for net generation of 8564.20 MWh from PSPCL's own thermal units for true-up of FY 2024-25.

2.10 Power Purchase Cost

The Power Purchase Cost for FY 2024-25 as approved in the Tariff Order of FY 2024-25 and now submitted by PSPCL for True-up is as under:-

Table 2.28: Power Purchase Cost submitted by PSPCL for True-up of FY 2024-25

Sr. No.	Particulars		Approved in the T.O of FY 2024-25	Submitted by PSPCL for True-up
I	II		III	V
1	Power Purchase Cost (Table 2.30)	(Rs. Crore.)	29625	29606.12
2	PSTCL Transmission Charges and SLDC Operating Charges	(Rs. Crore.)	1683.69	1816.81
3	Total Power Purchase Cost	(Rs. Crore.)	31308.69	31422.930

Sr. No.	Particulars		Approved in the T.O of FY 2024-25	Submitted by PSPCL for True- up
I	II		III	V
4	Gross Power Purchase (Table 2.30)	(MkWh)	63746	63112.58
5	Net Power Purchase (Table 2.30)	(MkWh)	62435	61603.47
6	Per Unit Cost Gross*	(Rs./kWh)	4.91	4.98
7	Per Unit Cost Net*	(Rs./kWh)	5.01	5.10

**including PSTCL Transmission Charges and SLDC Operating Charges of Rs. 1816.81 Crore*

PSPCL's Submissions:

- i) Power Purchase for PSPCL is being managed through power procurement from long term, short term and other alternative sources apart from PSPCL's own generation. All efforts have been made to optimise the power purchase cost in FY 2024-25. Merit Order Dispatch is being strictly complied with to meet the power requirement
- ii) Surplus power which remained unutilised due to reduction of energy demand during the off-peak months (i.e., October to March) is banked further with the neighbouring States or other power deficit States and availed during the peak season to avoid the power deficit scenario in the paddy season. Surplus power after banking, is traded off in power exchange before surrendering the energy from generating stations.
- iii) The booking of expenses with respect to banking of power is done according to the accounting circular issued by PSPCL, where the energy sale/purchase is booked under GH-70.102, while banking premium paid/received is booked under GH-70.103. The premium units paid are already included in the net banking energy and shown as sale through banking resulting into reduction in the net banking and do not affect power availability. However, they must be added notionally for calculating the closing balance of banking utilities, as detailed below:

Table 2.29: Ledger Account of Energy Banking accounted for FY 2024-25

Sr. No.	Particulars	Units (MkWh)	Rate (Rs. /unit)	Amount (Rs. Crore)	Particulars	Units (MkWh)	Rate (Rs. /unit)	Amount (Rs. Crore)
I	II	III	IV	V	VI	VII	VIII	IX
1.	Opening balance	-1577.27	4.71	-742.89				
2.	Purchase through banking	5846.97	4.53	2651.45	Sale through banking	5175.47	4.47	2313.44
3.	Net premium paid (+) / received (-)	295.50	4.47	132.08				
4.					Closing balance	-610.27	4.47	-272.80
5.	Total	4565.20		2040.63	Total	4565.20		2040.63

- iv) The power purchase cost of Rs. 27,691.77 Crore includes an amount of Rs. 0.89 Crore paid by BBMB on account of NRLDC charges.
- v) In addition to above, an amount of Rs. 739.09 Crore on account of prior period expenses has been incurred during FY 2024-25.
- vi) The average power purchase cost excluding the intra-state transmission charges and prior period expenses works out to Rs. 4.81/unit as per the audited accounts against the average power purchase cost of Rs. 4.74/unit as approved by the Commission in the Tariff Order for FY 2024-25.
- vii) PSPCL has also purchased power from RE sources to meet its RPO obligation during FY 2024-25.
- viii) PSPCL further submitted that it has availed a rebate of Rs. 185.45 Crore for timely payment of bills of power purchase and generation-based incentive of Rs. 37.36 Crore for Solar Power. As per the provisions of MYT Regulations 2022, as amended from time to time, only generation-based incentive has been considered under Non-tariff Income.
- ix) The abstract of Power Purchase cost for FY 2024-25 submitted by PSPCL in D3 format of the petition is as follows:

Table 2.30: Abstract of Power Purchase cost for FY 2024-25 submitted by PSPCL

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./ kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
1	NTPC Thermal	687.50	6044.91	3.80%	5815.30	1367.63	670.58	26.18	2064.39	3.55
2	NTPC Hydro	61.22	299.06	3.80%	287.70	64.35	60.32	0.85	125.52	4.36
3	NHPC	577.36	2495.50	3.80%	2400.71	322.32	369.98	134.63	826.92	3.44
4	NPCIL	176.15	1411.32	3.80%	1357.72	481.03	-	0.01	481.04	3.54
5	SJVNL	173.05	998.12	3.80%	960.21	131.90	132.38	8.28	272.56	2.84
6	THDC	101.27	397.48	3.80%	382.39	87.41	77.64	1.26	166.31	4.35
7	DVC	659.75	3725.33	3.80%	3583.82	1197.42	814.52	58.08	2070.01	5.78
8	NLCIL		39.82	3.80%	38.31	13.91	6.24	0.32	20.47	5.34
9	Pragati-III Gas Plant Bawana (PPCL)	133.33	177.85	3.80%	171.10	110.51	130.99	0.10	241.59	14.12
10	UMPPs	1033.36	6977.34	3.80%	6712.31	1485.74	366.06	76.23	1928.03	2.87
11	TRADERS (Long Term Power)	314.15	1057.32	3.80%	1017.16	116.36	103.60	10.36	230.31	2.26
12	IPPs within Punjab	3161.46	19868.97		19868.97	6986.67	2635.40	21.30	9643.37	4.85
13	GVK	491.40	2760.74		2760.74	960.87	492.91	0.00	1453.79	5.27
14	CTUIL		-		-	-	2189.42	(275.45)	1913.97	

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./ kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
15	UPPTCL Transmission Charges		-		-	-	1.27	-	1.27	
16	NVVN Bundled Coal power		243.61	3.80%	234.36	88.64	-	-	88.64	3.78
17	NVVN Bundled Solar Power	37	52.29		52.29	55.41	-	-	55.41	10.60
18	NVVN Bundled Power Transmission & SLDC Charges		-		-	-	-	6.64	6.64	
19	SECI-Solar	430	1457.70		1457.70	418.06	-	-	418.06	2.87
20	SECI-Wind	450	1254.07		1254.07	331.45	-	-	331.45	2.64
21	SECI Solar Transmission & SLDC charges		-		-	-	-	2.87	2.87	
22	NHPC 300MW Solar Power	300	741.92		741.92	195.12	-	-	195.12	2.63
23	NRSE Purchase within Punjab-Solar	1575.61	1370.09		1370.09	887.76	-	-	887.76	6.48
24	NRSE Purchase within Punjab-Non Solar		1240.55		1240.55	879.42	-	-	879.42	7.09
25	2% Energy injected by NRSE OA Generators in lieu of Transmission & wheeling Charges		0.51		0.51	-	-	-	-	-
26	Short Term (Exchange)		10918.27	3.66%	10519.14	4648.17	-	-	4648.17	4.42
27	Net Banking		671.50		468.11	338.01	-	-	338.01	7.22
28	Net Banking Premium		-		-	132.08	-	-	132.08	

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh XI = X/VI
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
29	Open Access Charges		-		-	243.73	-	-	243.73	
30	UI/Other Charges		(1080.68)		(1080.68)	(76.57)	-	-	(76.57)	0.71
31	Northern Railway UI		(11.02)		(11.02)	(8.52)	-	-	(8.52)	7.73
32	Purchase of RECs								-	
33	NRPC		-		-	-	-	0.12	0.12	
34	LPS & TDS		-		-	-	-	22.93	22.93	
35	Reactive Charges		-		-	1.11	-	-	1.11	
36	RRAS (NTPC)		-		-	-	-	-	-	
37	Nahar UI & Reactive Charges		-		-	-	-	0.04	0.04	
38	Mohan Di UI charges		-		-	-	-	(0.00)	(0.00)	
39	PSTCL Winsome and Nahar Transmission Charges		-		-	-	-	0.06	0.06	
40	PSTCL Mohan Dai Oswal Transmission Charges		-		-	-	-	0.00		
41	Previous year Payments								739.09	
42	Total Power purchase		63112.58		61603.47	21460.00	8051.30	94.81	30345.21	4.93

NOTE: *The Commission has considered the availability of power submitted by PSPCL for the purpose of Energy balance and power purchase for FY 2024-25 only. The same should not be construed as the Commission's approval for procurement of power on long-term basis.

**excluding PSTCL Transmission Charges and SLDC Operating Charges of Rs. 1816.81 Crore.

Commission's Analysis:

The Commission has analysed various parameters of Power purchase cost as below:

- i) **Late Payment Surcharge:** PSPCL has shown Rs. 22.93 Crore paid as Late Payment Surcharge (LPS) and TDS in the Petition.

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 the contracts/regulations especially when all prudent expenses are being allowed by the Commission on a 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. 22.93 Crore made on account of delayed payment of power purchase bills by the utility.**

ii) **A&G expenses:** Expense of Rs. 0.12 Crore shown as Northern Region Power Committee (NRPC) fee for holding its meeting, is chargeable under A&G expenses and is dealt under para 2.15.

iii) **Fixed Cost of Anta, Auriya and Dadri:**

From the perusal of Power Purchase Cost, it is observed that PSPCL has claimed fixed cost of Rs. 12.15 Crore and Rs. 0.18 Crore other charges for Anta, Auriya and Dadri generating stations. PSPCL vide its reply dated 17.12.2025 submitted that PSPCL has terminated the PPAs with Anta, Auriya, Dadri plants after duly informing the Ministry of Power (MoP) and has not procured power through that PPA/arrangements. In the backdrop of the situation prevailing in the Power Sector, it was apprehended that the arrangements put in place for the upcoming paddy season (maximum demand period) may fall short and Punjab may face difficulty in ensuring 8 hours supply to the agricultural sector along with fulfilling its obligation to supply power 24x7 to other sectors. Therefore, to overcome the anticipated eventuality of acute shortage PSPCL, through GoP, was taking up the matter with MoP, Gol for temporary allocations of 1500 MW firm/reliable power for the short term from the Central Sector Generating Stations. At the onset of the paddy season, the MoP, Gol, vide their orders dated 02.05.2023 & 30.05.2023, temporarily allocated 133 MW-414 MW to Punjab (including Anta, Auriya and Dadri). Hence, this power was allocated by MoP, Gol as part of the package from its unallocated quota of power as explained.

MoP, Gol keeps some unallocated share from all Central Sector Generators like NHPC, NTPC (includes Anta, Auriya, Dadri, etc.), SJVNL, etc. at its disposal as unallocated pool of respective regions i.e. NR, WR, SR, ER and NER and allocates the same to states based on seasonal demand change, due to diversity of demand in various regions and states. In view of the above, MoP, Gol has allocated the power from these plants on request of PSPCL as a part of the package, in addition to other plants, from its share of unallocated power to PSPCL, not on a permanent basis, rather for meeting the demand of the state reliably for a short duration. PSPCL has no choice in selecting the plant from where the supply is allocated by the MOP, GOI. Further, the guidelines for enabling the discoms to either continue or exit from the PPA's after completion of term of the PPA issued by MoP, Gol vide letter no. 23/23/2020-R&R [254623] also provides as under:

“... Part relinquishment of share from unallocated pool of power shall not be feasible and accordingly shall not be allowed.”

In view of the above, relinquishment of unallocated share for Anta, Auriya and Dadri plants as a part of the unallocated pool was not feasible. Further, due to the high variable cost of energy, no power was availed from these plants. The allocation made in favour of PSPCL from the unallocated quota of stations, for which there is no firm allocation, is also treated as contracted capacity with CGS. So, for this temporary allocation, PSPCL is liable to pay the capacity charges.

PSPCL had issued a Termination Notice dated 12.08.2021 to Anta, Auraiya, & Dadri stations of NTPC in view of the Commission's order dated 05.08.2021 in Petition no. 28 of 2021. In the current petition PSPCL has shown fixed cost of Rs. 12.32 Crore (including other charges) paid to these stations for FY 2024-25 without availing or utilising any energy. The Commission has noted PSPCL's reply. However, in the Tariff Order of FY 2024-25 and FY 2025-26, the Commission has observed that if PSPCL is to bear and pass on the cost burden of unallocated power of the surrendered PPAs also, then the Commission's Order dated 05.08.2021 in Petition no. 28 of 2021 as well as the termination notice issued by PSPCL to Anta, Auraiya, & Dadri stations seems inconsequential. Since, PPA's with them already stand terminated, PSPCL should not be paying this fixed cost. **In line with the observations made by the Commission in the Tariff Orders of FY 2024-25 & FY 2025-26, the Commission disallows the Fixed cost and other charges amounting to Rs. 12.32 Crore from these thermal generating stations in the True-up of FY 2024-25.**

iv) Excess valuation of Net banking:

PSPCL in format D3 of the Petition has submitted net energy received through Net banking as 468.11 MkWh while the total cost of Net banking has been considered as Rs. 338.01 Crore with per unit cost of Rs. 5.03/kWh. PSPCL has further claimed additional cost of Rs. 132.08 Crore in the power purchase cost. For FY 2024-25, PSPCL has shown total energy purchases through banking of 5,846.97 MkWh and total energy sales through banking of 5,175.47 MkWh (including 295.50 MkWh premium units, resulting in a net banking quantum of 671.50 MkWh. PSPCL vide its email dated 27.01.2026 has requested the Commission to allow the power purchase cost after including cost of premium units under net banking. The Commission notes that banking transactions do not entail any monetary outflow at any stage, whether at the time of receipt of energy or at the time of its return, irrespective of the quantum of premium involved. The energy returned under banking arrangements including premium is not procured through any separate commercial transaction but is drawn from PSPCL's existing energy availability. It is further noted that the imported energy under banking is returned by PSPCL when there is surplus power available with it. Accordingly, the Commission decides to consider the average power purchase cost on the net banking

units (difference of total energy imported and exported including premium) in the power purchase cost.

Thus, the Commission disallows Rs. 132.08 Crore as claimed by PSPCL from the Power Purchase Cost on account of excess valuation of Net banking.

v) Inter-State Transmission Charges (CTUIL):

The Commission in its Order dated 5.12.2024 in Petition No. 25 of 2024 has observed as under:

“The Commission observes that PSPCL has paid the requisite transmission charges of transmission lines pertaining to BBMB power directly to BBMB. At the same time, higher Inter State Transmission System (ISTS) charges have also been paid due to the implementation of CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 w.e.f. 01.10.2023 wherein deemed General Network Access (GNA) quantum for the State of Punjab has been considered as 5497 MW (with inclusion of BBMB) in place of the earlier 4300 MW considered for apportionment of the ISTS charges. Thus, charges on account of BBMB have been imposed twice. The Commission also notes that the matter for revision of transmission charges (exclusion of BBMB power from GNA) is pending before CERC. PSPCL is directed to get the GNA corrected at the earliest. The Commission shall not burden the consumers with the ISTS charges pertaining to BBMB power paid by PSPCL when transmission charges of these lines have already been paid directly to BBMB”

In reply to the Commission’s query regarding details of ISTS charges paid for BBMB power along with the latest status of the matter pending before the CERC on this issue, PSPCL vide reply dated 17.12.2025 submitted that PSPCL had filed Petition No. 284/MP/2023 before the CERC for exclusion of PSPCL’s drawl from BBMB generating station from the ISTS drawl considered by the CERC for working out the GNA quantum of Punjab. The last hearing in the matter was held on dated 17.10.2024, wherein the CERC had directed that a joint meeting be held under the chairmanship of Chief (Engineering), CERC, with the participation of concerned officials of Petitioners, CTUIL, BBMB, GCIL/NRLDC, and other relevant stakeholders, if any, within a month, to deliberate upon all the aspects involved in the matter.

Accordingly, meetings dated 20.11.2024 and 05.05.2025 were held at the CERC, wherein the issue was deliberated in detail and inputs from Grid Controller of India (NLDC/ NRLDC) and CTUIL were sought by CERC and provisions of “Direct Drawl’ as allowed by the CERC in the 1st amendment of GNA Regulations were explored in case of PSPCL’s drawl from BBMB generating stations. After the last meeting held on 05.05.2025, certain data has been sought by CERC from the Grid Controller (NRLDC), CTUIL and BBMB and the matter is still pending before the CERC. After the decision of petition no. 284/MP/2023 filed by PSPCL before the CERC, the revised GNA quantum of Punjab may be calculated by NLDC

in line with the decision of the CERC. As such, the ISTS charges for BBMB power paid by PSPCL can be worked out based on the reduction in GNA quantum of Punjab, as worked out by GCIL/NLDC in line with the CERC's decision.

However, as observed in the Commission's Order dated 5.12.2024 in Petition No. 25 of 2024, the Commission is reluctant to pass through the ISTS charges pertaining to BBMB power paid by PSPCL and burden the consumers of the State doubly when transmission charges of these lines have already been paid directly to BBMB.

Also, since the disposal of the Petition may take time, the Commission finds it prudent to provisionally disallow some amount of ISTS charges subject to final disposal of the petition before the CERC. PSPCL has paid an amount of Rs. 108.98 Crore for Transmission to BBMB for FY 2024-25. Since, PSPCL has already paid ISTS charges pertaining to BBMB power to CTUIL also, the Commission decides to disallow the said amount to avoid double accounting of the same. **Accordingly, the Commission disallows Rs. 108.98 Crore in CTUIL charges for FY 2024-25 subject to the finalization of the CERC's Order.**

vi) Net metering Units:

In reply to the Commission's query sought vide Order dated 07.01.2026, PSPCL submitted vide letter dated 31.12.2024 that 20.20 M kWh have been received by it at "NIL" cost on account of the final settlement of solar consumers on 30.09.2024. **Accordingly, the Commission decides to consider this quantum of 20.20 M kWh to be added to the energy availability of PSPCL at zero cost.**

vii) Power Purchase Cost of GVK

The Commission notes that in Petition No. 25 of 2024, PSPCL has submitted that it has acquired M/s GVK Power (Goindwal Sahib) Limited in IBC proceeding w.e.f. 07.02.2024 as per NCLT order dated 22.12.2023 through its subsidiary M/s Guru Amardas Thermal Power Limited (GATPL). Accordingly, the Commission, vide Order dated 05.12.2025, had directed GATPL to file the Petition for True-up of FY 2024-25 along with the MYT Petition for the 4th MYT Control Period. PSPCL has claimed power purchase cost of Rs. 1453.79 Crore (Rs. 492.91 Crore Fixed Charges and Rs. 960.87 Crore) towards GVK.

In reply to the Commission's query regarding filing of a separate petition for determination of tariff on an annual basis, PSPCL, vide reply dated 17.12.2025 and 05.01.2026 respectively, submitted that GVK Power (Goindwal Sahib) Limited (referred as GATPL) is in the process of filing the True-up for FY 2024-25 and MYT for FY 2026-27 to FY 2028-29 and will be filing the same before the Commission subsequently. However, the same has not been filed till date.

In view of the above it is clear that the power purchase cost submitted by PSPCL in Format D-3 is subject to true-up of FY 2024-25 to be filed by GATPL. **Thus, any change on account of finalization of GATPL's True-up for FY 2024-25 and ARR for the 4th MYT**

Control Period i.e FY 2026-27 to FY 2028-29 petition shall be considered in the subsequent Tariff Orders.

viii) Prior Period Expenses of CTUIL:

PSPCL in its Petition submitted prior period expenses of Rs. 739.09 Crore out of which Rs. 265.85 Crore pertains to CTUIL. PSPCL submitted the breakup of CTUIL charges as under:

- Third bill of Rs. 7,88,11,0310 pertaining to the period April-2022 to October-2022.
- Second bill of Rs. (-7,91,74,181) pertaining to October-2023 to December-2023.
- Second bill having arrear of Rs. 49,94,03,156 for January-2024 to March-2024 period.
- Arrears amounting to Rs. 31,24,03,183 pertaining to the period 2011–2024 in the second bill raised for the period April 2024 to June 2024.
- Third bill for the period October-2023 to July-2024 and Second bill for July-2024 to September-2024 including arrears of Rs. 4,45,41,170 pertaining to the period up to March 2024.
- Second bill for the period October-2024 to December-2024 reflects arrears of Rs. (-5,25,55,240) up to March 2024, including Himachal Baspa.
- Beside above, an amount of Rs.114.57 crore for the period between Oct-16 to Mar-17, wherein CTUIL wrongly charged transmission charges/ PoC Charges for BBMB lines amounting to Rs. 114.57 Crore. The same was challenged by PSPCL before CERC vide petition no. 206/MP/2019 and the amount, though paid by PSPCL under protest during FY 2017-18 (Rs. 82.07 Cr. approx.) and FY 2018-19 (Rs. 32.49 Cr. approx.), was not included in the ARR of PSPCL at that time, being liable for refund by CTUIL.

The amount of Rs. 82.07 Crore paid by PSPCL towards the transmission charges of BBMB transmission network during FY 2017-18 was transferred from Power Purchase (Transmission/ Wheeling Charges) Account Head 70.400 to Miscellaneous Advances Head 28.868 in the month of Mar-2018 and an amount of Rs. 32.49 Crore paid by PSPCL towards the transmission charges of BBMB transmission network during FY 2017-18 was transferred from Power Purchase (Transmission/ Wheeling Charges) Account Head 70.400 to Miscellaneous Advances Head 28.868 in the month of Aug-2018.

PSPCL has requested the Commission to allow Rs. 114.57 Crore in the prior period charges as the same was not claimed during FY 2017-18 & FY 2018-19 along with the carrying cost for the period of FY 2017-18 to FY 2024-25.

During the validation, it was intimated by PSPCL that the said amount of Rs. 114.57 Crore. includes Rs. 109.68 Crore for Bill-1 and Rs. 4.89 Crore for Bill-3 of CTUIL and after the revision of Regional Transmission Accounts (RTAs) based on revised POC charges and Revision of Bill-1 of CTUIL in compliance of the CERC order dated 15.12.2022 (wherein

CERC held that Punjab and other participating states of BBMB were not liable to pay transmission charges wrongfully collected by CTUIL), CTUIL adjusted the above Rs. 109.68 Crore. However, Bill-3 (Rs. 4.89 Crore) for the period of Oct-16 to Mar-17 was not revised by CTUIL, and accordingly PSPCL has filed Petition No. 425/MP/2024 against CTUIL before the CERC under Section 142 of the Electricity Act, 2003 for non-compliance of the CERC order dated 15.12.2022 in Petition No. 206/MP/2019, which is pending for adjudication before the CERC.

Further, PSPCL has also challenged CERC's Order dated 15.12.2022 in Petition No. 206/MP/2019 before APTEL vide Appeal No. 260 of 2023 (to the extent of allowing recovery of interest) and the same is still pending before the Hon'ble APTEL.

Since, Rs. 109.68 Crore has been adjusted by CTUIL in its revised bill (after adjustment of arrears due to revised PoC Rates and refund against excess payment towards transmission charges related to BBMB), the Commission decides to allow the same to be recovered as prior period charges. Further, the amount of Rs. 4.89 Crore shall be considered by the Commission as and when the decision of the CERC comes on the issue.

Accordingly, the Commission has considered prior period charges of Rs. 109.68 Crore on account of CTUIL charges to be recovered as part of prior period charges for FY 2024-25.

Regarding the prayer for allowing carrying costs, the Commission notes that by principle carrying cost is a compensation for the "time value of money" when the recovery of legitimate costs is deferred. However, in this case the 'Time Value of Money' principle cannot be invoked as the delay is attributable to PSPCL's delay in claiming the legitimate expenses. The Commission is of the view that since the cost was never formally disallowed by the Commission but was simply not sought by PSPCL, the resultant carrying cost should not be pass-through to consumers. Moreover, as this specific matter is currently sub-judice before the Hon'ble APTEL, hence, the issue cannot be adjudicated by the Commission at this stage.

Accordingly, as per the practice followed in the past, the prior period expenses of Rs. 734.20 Crore (739.09 - 4.89) has been excluded from the head of Power Purchase and dealt separately under Prior Period income/expenses in para 2.26.

ix) Reduction in ARR on account of True-up of FY 2023-24 of GVK

With regard to the Commission's query regarding the reduction of Fixed Cost pertaining to true up of FY 2023-24 from prior period expenses in respect of GVK as per the decision of the Commission in Petition No. 28 of 2025, PSPCL vide reply dated 17.12.2025, submitted that the implementation of the Commission's order dated 03.11.2025 in Petition 28 of 2025 is under process. PSPCL further submitted that as per Table 2.21 of the said order, the gross arrear of (-) Rs 52.85 Crore is at 85% Normative availability. During FY 2023-24, the cumulative availability of the thermal plant as finalised by SLDC/Punjab was 65.5313%.

The arrear that would be actually realised shall be based on the actual availability of the plant. Accordingly, an arrear amounting (-) Rs. 40.74 Crore shall be duly considered as prior period charges in the power purchase head while submitting the True up petition for FY 2025-26 by PSPCL.

The Commission in its Order dated 03.11.2025 in Petition No. 28 of 2025 observed that the excess charges (Fixed cost) paid to GVK, along with the carrying cost calculated at the rate of interest applicable to working capital requirements, shall be adjusted in PSPCL's next tariff petition. Further, with regard to the energy charges the Commission has observed that the additional Rs. 1.57 Crore is to be reduced from the ARR of PSPCL in the next Tariff Order.

Accordingly, the Commission decides to adjust an amount of Rs. 42.31 Crore (Rs. 40.74 Crore +Rs. 1.57 Crore) separately from the ARR of FY 2024-25.

2.10.1 Disincentive for under achievement of target/ normative parameters Commission's Analysis:

As discussed in para 2.4, PSPCL has under-achieved the Distribution loss level vis-à-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 1357.31 MWh. The Commission observes that, Regulation 30 of the PSERC Tariff Regulations, 2022 specifies that, the entire loss on account of under achievement of the target set by the Commission is to be borne by the licensee. Accordingly, the Commission decides to disallow 1357.31 MWh of excess power purchased on account of under achievement of normative distribution loss at the average rate of short-term power i.e. Rs. 4.42/kWh. Accordingly, a sum of Rs. 599.77 Crore of power purchase is disallowed.

2.10.2 Total Power Purchase Cost

In view of the above, the cost of power purchase worked out by the Commission for True-up of FY 2024-25 is as under:

Table 2.31: Power Purchase Cost approved by the Commission

Sr. No.	Description	Submitted by PSPCL for True-up of FY 2024-25	Approved by the Commission for True-up
I	II	III	IV
1	Power Purchase (Net) (MWh) (Table 2.15)	61603.47	60266.36
2	External Losses (MWh)	1509.11	1476.35
3	Power Purchase (Gross) (1+2) (MWh)	63112.58	61742.71
4	Power Purchase Cost Excluding PSTCL Transmission and SLDC Charges (Table 2.30)	30345.21	30345.21
5	Less: Previous payments made during FY 2024-25 (to be accounted separately under Previous receipt/payment)	739.09	739.09
6	Less: NRPC Fee	-	0.12

Sr. No.	Description	Submitted by PSPCL for True-up of FY 2024-25	Approved by the Commission for True-up
I	II	III	IV
7	Less: Late payment surcharge paid during FY 2024-25	-	22.93
8	Less: Disallowance in CTUIL charges on account of double payment of Transmission charges of BBMB		108.98
9	Less: Disallowance on account of netbanking		132.08
10	Less: Disallowance in Fixed and Other Charges of Anta Auriya and Dadri		12.32
11	Add: BBMB SLDC Charges	0.89	0.89
12	Net Power Purchase Cost	29607.01	29330.58
13	Excess power purchase on account of higher T&D Losses (MkWh)		1357.31
14	Short Term Power Purchase as per Format D3 (MkWh) (Short Term Traders+Exchange+NRSE)		10519.14
15	Cost of Short-Term Power Purchase as per Format D3 (Rs. crore) (Short Term Traders+Exchange+NRSE)		4648.17
16	Per unit cost of Short-Term Power		4.42
17	Less Adjustment/disallowance of Power Purchase on account of higher T&D losses (Rs. crore) (13*16/10)		599.77
18	Net Power Purchase cost (Rs. crore) (12-17)	29607.01	28730.81
19	Per Unit Power Purchase cost Gross (18/3*10)	4.69	4.65
20	Per Unit Power Purchase Cost Net (18/1*10)	4.81	4.76

Accordingly, the Commission approves the power purchase cost (excluding intra-State Transmission and SLDC charges) of **Rs. 28730.81 Crore** for True-up of FY 2024-25.

2.11 Status of RPO Compliance for FY 2024-25:

In compliance of the Commission's notification dated 12.12.2022 specifying the RPO target for FY 2024-25 as 30%, PSPCL, in its ARR Petition, had submitted the RPO Compliance for the year as 21179.67 MUs. The said figure was revised by PSPCL to 21179.30 MUs vide its letter dated 27.01.2026. Accordingly, the status of RPO Compliance of PSPCL is worked out as under:

Table 2.32: Status of RPO Compliance for FY 2024-25

Sr. No	Description	Unit	FY 2024-25
I	II	III	IV
1	Energy Consumption/Input in PSPCL's system (Table 2.10)	MkWh	73981.38
2	Target for the Year	%	30%
		MkWh	22194.41
3	Compliance during the year*	Mkwh	21179.30
4	Shortfall (-) Surplus (+) during the year (3-2)		-1015.11
5	Surplus upto the previous year		3352
6	Cumulative Surplus (4+5)		2336.89

**includes Net metering solar generation of 944.72 MkWh.*

2.12 Capital Expenditure for FY 2024-25:

PSPCL's Submissions:

PSPCL submitted that the Commission had approved capital expenditure of Rs. 2,008 Crore for FY 2024-25 vide its Tariff Order dated 14.06.2024, against which the actual capital expenditure incurred by PSPCL is Rs. 3,042 Crore.

PSPCL further submitted that the capital expenditure during FY 2024-25 was on account of system reliability and quality of supply to the consumers in line with the universal supply obligation as a distribution licensee as per the Electricity Act, 2003.

PSPCL added that the Commission vide its previous Tariff Orders has stated that the capital expenditure on account of construction on Shahpur Kandi Hydel Project shall be taken into consideration after its COD, however, it has incurred an expenditure of Rs. 823 Crore during FY 2024-25 on account of same. Therefore, PSPCL requested the Commission to approve the capital expenditure on account of Shahpur Kandi Hydel Project.

PSPCL further submitted that it has been making earnest efforts to improve system reliability and quality of supply to the consumers. PSPCL has been aggressively working on strengthening its distribution network and has also undertaken preventive maintenance of distribution transformers. PSPCL has also submitted the actual project wise details of the capital expenditure for FY 2024-25 submitted in the formats appended alongwith the petition.

Commission Analysis:

The Commission vide Order dated 11.01.2023 in Petition No. 49 of 2022 had approved the Capital investment of Rs. 2008.10 Crore for FY 2024-25, against which PSPCL has now incurred the capital expenditure of Rs. 3041.67 Crore as submitted in the ARR petition. The scheme wise comparison of capital investment approved by the Commission and now submitted by PSPCL in the petition is as under:

Table 2.33: Scheme wise capital investment approved by the Commission & submitted by PSPCL (Rs. Crore)

Sr. No.	Particulars	Capital Investment approved by the Commission	Capital Expenditure submitted by PSPCL	Difference
Generation Business				
1.	GGSSSTP Ropar	95.10	18.89	-76.21
2.	GHTP Lehra Mohabbat	83.90	193.15	109.25
3.	Anandpur Sahib HEP	116.16	2.50	-113.66
4.	Mukerian HEP	66.75	3.70	-63.05
5.	Ranjit Sagar Dam HEP	5.65	2.17	-3.48
6.	Shanan HEP	17.56	5.65	-11.91
7.	UBDC HEP	28.21	1.34	-26.87
8.	Shahpur Kandi HEP	0.00	822.76	822.76
Total Generation		413.33	1050.16	636.83
Distribution Business				
1.	System Augmentation, System Improvement and Loss Reduction	1024.91	1295.13	270.22
2.	IT works	6.00	2.27	-3.73

Sr. No.	Particulars	Capital Investment approved by the Commission	Capital Expenditure submitted by PSPCL	Difference
3.	Release of New Connections	0.00	271.46	271.46
4.	Sub Transmission works	400.00	107.14	-292.86
5.	Civil Works	151.23	19.71	-131.52
6.	Contributory Works*	0.00	60.39	60.39
7.	Shifting of Meters	12.63	0.03	-12.60
8.	RDSS	0.00	226.47	226.47
9.	DDUGJY	0.00	0.28	0.28
10.	IPDS	0.00	2.91	2.91
11.	Others	0.00	5.72	5.72
Total Distribution		1594.77	1991.51	396.74
Total Capital Investment		2008.10	3041.67	1033.57

**Note: The capital expenditure on contributory works shall be considered during the true-up based on the actual capital expenditure incurred and shall be allowed over and above the total capital investment.*

From the perusal of the data with regard to capital expenditure submitted by PSPCL for FY 2024-25, the Commission observed as under:

1. Vide Order dated 11.12.2024 in Petition No. 59 of 2023, the Commission had allowed capital cost of Rs. 171.50 Crore for restoration of ESP work for revival of GHTP Unit # 2. GHTP has now reported an expenditure of Rs. 151.13 Crore against the works approved. Further, the Capital Expenditure in respect of GHTP includes Rs. 41.66 Crore on account of coal mine in addition to the capital expenditure already approved by the Commission vide Order dated 14.10.2025 in Petition No. 55 of 2024. The additional capital expenditure is on account of payment of the Soil and Moisture conservation Plan for Pachhwara Central Coal Block in the State Compensatory Afforestation Fund Management and Planning Authority Fund (CAMPA fund). Being a statutory expense, the Commission approves the capital investment of Rs. 41.66 Crore with directions to PSPCL to consider it separately under "Coal Mine" to work out the input price of coal by including this capital investment in the previously approved capital investment of the coal mine in Petition No. 55 of 2024.
2. PSPCL has submitted an expenditure of Rs. 2.52 Crore for SYL project under GGSSTP. The Commission in the Tariff Order for FY 2024-25 had decided that as the SYL project is closed, the expenditure pertaining to SYL shall be considered while deciding the issue of its impairment loss. Accordingly, the Commission decides to exclude this expenditure and approve the same while deciding the issue of its impairment loss.
3. Regarding Capital Expenditure of Shahpur Kandi power project (SKPP), the Commission has already observed that it shall be considered after the COD (Commercial Operation Date) of the project. PSPCL has submitted that the project will be commissioned in September, 2027. Accordingly, the Commission decides to exclude this expenditure and approve the same after the COD of the project, after the requisite prudence check.
4. PSPCL has submitted a capital expenditure of Rs. 226.47 Crore on account of RDSS Scheme. The RDSS Scheme (Loss Reduction) has already been approved by the

Commission vide Order dated 02.06.2025 in the Review Petition No. 03 of 2024 in Petition No. 32 of 2023, hence, the Commission decides to consider the capital expenditure of Rs. 226.47 Crore.

5. With regard to the capital expenditure sought against release of new connection the Commission, in CIP Order dated 11.01.2023 had decided as under:

“....The capital expenditure for release of new connections is to be funded through service connection charges. Service Connection charges are to be paid by consumers taking new connections and cannot be passed on to other existing consumers of the State. Accordingly, the Commission disallows the capital investment of Rs. 288.18 Crore for release of new connection. As such, to bridge the shortfall in the current charges, PSPCL is at liberty to file for revision in cost-of-service connection charges alongwith complete details separately before the Commission.”

PSPCL has submitted that it has received a total consumer contribution of Rs. 532.40 Crore including service connection charges. In view of the Commission's observations in the CIP Order, the Commission decides that the expenditure against release of connections shall be considered as funding through service connection charges. Further, the capital expenditure in excess of service connection charges (if any) against release of connection may be considered at end of the 3rd MYT Control period after prudence check.

6. Regarding contributory works of Rs. 60.39 Crore, the Commission had decided in its Order dated 11.01.2023 that the capital expenditure on contributory works shall be considered at the time of true-up based on the actual capital expenditure incurred and shall be allowed over and above the total capital investment. Accordingly, the Commission decides to allow the contributory works.
7. There is a minor amount of capital expenditure on schemes of DDUGJY & IPDS, which are being allowed subject to the final prudence check at the end of the 3rd MYT Control period.
8. Regarding other schemes, PSPCL has submitted the details of expenditure as under:

“The expenditure under this scheme is mainly booked under sub scheme Head Office [046] for Rs 3.10 cr. which is mainly for purchase of head office items such as Laptops, solar tree payment, AC's, flooring with vitrified tiles, repair and renovation works, furniture, water coolers, jeep and motor cars etc.

Besides the detail of expenditure of Rs 2.24 cr. booked under sub scheme HVDS [069] is as below:

1. Rs 2.02 cr. were initially transferred from GH 15.104 to GH 28.868 vide JV no. 3 on account of recovery of labour charges of stringing of ACSR W.O. no 36 to 60 (HVDS). Later as per decision of agenda no 408 dated 16.06.2023, this amount was not recoverable, so it was again transferred from GH 28.868 to GH 15104.

2. Remaining amount of Rs 22.28 lakh (outstanding in GH 14.602) relates to Interest Capitalisation.

Additionally, Rs 0.36 crore and Rs 7,454/- were wrongly booked under sub schemes OYT [055] and Saubhagya [100] respectively. Originally, the expenditure relates to augmentation/replacement of OYT transformers.

Furthermore, Rs 0.01cr were wrongly booked under sub schemes DPB (045)."

The Commission has not approved any of the schemes mentioned above in the CIP Order dated 11.01.2023, hence, the same are excluded from the capital expenditure now being approved provisionally. However, the Commission decides that the expenditure of Rs. 3.10 Crore spent on Laptops, solar tree payment, AC's, flooring with vitrified tiles, repair and renovation works, furniture, water coolers, jeep and motor cars etc. will be considered as "Directly added assets" separately.

9. Further, regarding enhanced capital expenditure on account of system augmentation, system improvement and loss reduction scheme, PSPCL has submitted that it is making earnest efforts to improve system reliability and quality of supply to its consumers. PSPCL has submitted that it has been aggressively working for strengthening of distribution network and has also undertaken preventive maintenance of distribution transformers. The Commission notes that although PSPCL has done excess expenditure only in one scheme i.e. system augmentation, system improvement and loss reduction scheme, however, the overall capital expenditure of Rs. 1897.55 (excluding Coal Mine, Shahpur Kandi Power Project, SYL, Release of new connections and other works) submitted in the ARR petition is within the limit of overall capital investment of Rs. 2008.10 Crore approved by the Commission for FY 2024-25.

Further, Regulation 9.15 of the PSERC MYT Regulations, 2022 specifies as under:

"9.15 In case the capital expenditure incurred for ongoing approved schemes exceeds the amount as approved in the capital expenditure plan, the balance amount and the incidental cost shall be trued up by the Commission after prudence check after the end of Control Period....."

Also, Regulation 12.4 of the PSERC MYT Regulations, 2022 specifies as under:

"....Capital Expenditure, Capitalisation and associated ARR items shall be normally trued up at the end of the Control Period in accordance with Regulation 9, while Distribution Loss and Transmission Loss shall be trued up every year along with truing up of ARR based on prudence check.

From the above it is observed that the capital expenditure incurred on the ongoing schemes shall be trued-up by the Commission at the end of the Control Period. There is a possibility that while undertaking works of a particular scheme, the licensee may incur additional expenditure during the first year of the Control period while for the same work, the licensee may incur capex lower than the approved during the remaining years of the Control period and vice versa. Thus, in view of Regulation 9.15 & 12.4 of the PSERC MYT Regulations, 2022, the Commission decides that the details of the scheme with

regard to excess expenditure shall be perused for prudence check while doing the true up of Capital expenditure at the end of the 3rd MYT Control Period (FY 2023-24 to FY 2025-26).

Keeping above points in view, the capital expenditure for FY 2024-25 worked out by the Commissions is Rs.1897.55 Crore as shown in the following table:

Table: 2.34: Capital Expenditure provisionally approved by the Commission for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Amount
I	II	III
1.	Capital Expenditure submitted by PSPCL	3041.67
2.	Less: Coal Mine	41.66
3.	Less: Shahpur Kandi Power Project	822.76
4.	Less: SYL	2.52
5.	Less: Release of new connections	271.46
6.	Less: Other works	5.72
7.	Capital Expenditure proposed to be approved provisionally (Including Contributory works of Rs. 60.39 Crore)	1897.55

Accordingly, the Commission provisionally approves the capital expenditure of Rs. 1897.55 Crore for FY 2024-25 subject to true up after prudence check at the end of the 3rd MYT Control Period (FY 2023-24 to FY 2025-26).

PSPCL is further directed to submit all the relevant details of actual capital expenditure of the 3rd MYT Control period (FY 2023-24 to 2025-26) by 31st May, 2026 so that the prudence check of the same may be initiated for finalization of the capital expenditure well in time.

2.13 Capitalisation of FY 2024-25

The Commission has approved capital expenditure of Rs. 1897.55 Ccrore for FY 2024–25 in Table 2.34 above. Capital expenditure in respect of the release of new connections (Rs. 271.46 crore) has been considered for funding purposes, as PSPCL has received this amount from consumers. Similarly, other assets directly purchased by PSPCL amounting to Rs. 5.72 Crore (Rs. 3.10 Crore on account of laptop, solar tree payments, AC etc.+ Rs. 2.24 Crore booked under other works) have also been considered as capital expenditure subject to true-up at the end of the Control Period. PSPCL, vide its Memo No. 826/ARR/Dy CAO/271/Deficiencies dated 17.12.2025, intimated that Rs. 1.51 Crore was spent on the capital expenditure of BBMB schemes, and the same has been considered.

In view of the above, the project-wise details of capital expenditure and capitalization, based on the allocation statement submitted by PSPCL for FY 2024–25 and provisionally approved by the Commission, are as under:

Table 2.35: Capital expenditure & Capitalization approved by the Commission for FY 2024-25

(Rs. Crore)				
Sr. No	Project	Schemes	Capital Expenditure	Capitalization
I	II	III	IV	V
1	GGSSTP	Spill Over Schemes	1.00	0.38
		New Schemes	15.37	6.92
		TOTAL	16.37	7.30
2	GHTP	Spill Over Schemes	123.52	164.13
		New Schemes	27.97	27.85
		TOTAL	151.49	191.98
3	Shanan	Spill Over Schemes	5.65	0.11
		New Schemes	0.00	0.00
		TOTAL	5.65	0.11
4	UBDC	Spill Over Schemes	1.34	1.49
		New Schemes	0.00	0.00
		TOTAL	1.34	1.49
5	RSD	Spill Over Schemes	2.17	15.92
		New Schemes	0.00	0.00
		TOTAL	2.17	15.92
6	MHP	Spill Over Schemes	3.53	27.27
		New Schemes	0.17	0.03
		TOTAL	3.70	27.30
7	ASHP	Spill Over Schemes	2.32	3.13
		New Schemes	0.18	0.18
		TOTAL	2.50	3.31
8	Micro	Spill Over Schemes	0.00	0.00
		New Schemes	0.00	0.00
		TOTAL	0.00	0.00
9	BBMB	Spill Over Schemes	0.00	0.00
		New Schemes	1.51	0.00
		TOTAL	1.51	0.00
10	Generation Business	Spill Over Schemes	139.53	212.43
		New Schemes	45.20	34.98
		TOTAL	184.73	247.41
11	Distribution Business (with contributory works)	Spill Over Schemes	117.75	281.11
		New Schemes	1873.76	1603.07
		TOTAL	1991.51	1884.18
12	TOTAL (Generation +Distribution) (with contributory works)	Spill Over Schemes	257.28	493.54
		New Schemes	1918.96	1638.05
		TOTAL	2176.24	2131.59

2.14 Capital Works in Progress and its funding

The Commission works out the closing capital works in progress (as on 31.03.2025) based on the approved capital expenditure of **Rs.2176.24** Crore as under: -

Table 2.36: Capital Work in Progress for FY 2024- 25 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Amount
I	II	III
1	Opening Capital WIP	1423.58
2	Add: Capital Expenditure during the year (Table 2.35)	2176.24

Sr. No.	Particulars	Amount
I	II	III
3	Less: Transferred to Gross Fixed Assets (Table 2.35)	2131.59
4	Closing Capital Working Progress	1468.23

PSPCL has submitted that the capital expenditure during FY 2024-25, amounting to Rs. 3,043.17 Crore, incurred by it shall be completely financed through loans. The Commission has not considered the capitalization of the Shahpur Kandi project, as the capital expenditure for the same has not been approved. The capitalization shall be allowed after the COD of the project.

During the 3rd MYT Capital Investment Plan, the financing plan was submitted in line with the capital expenditure approved by the Commission. As per the approach followed in the MYT Order, since the funding of assets is to be approved for PSPCL only after the assets are put to use, the Commission has considered funding of new schemes on the basis of capitalization. Further, in order to avoid double funding of spillover schemes, the Commission has considered funding of spillover schemes based on the capital expenditure for FY 2024-25. The Commission shall retain separate methodologies for spillover schemes and new schemes until all spillover schemes as on 01.04.2021 are capitalized. After the capitalization of all such spillover schemes, the closing values of loans, equity, and depreciation for spillover schemes shall be added to the opening values of loans, equity, and depreciation, respectively, for new schemes in the subsequent year.

In response to the deficiencies regarding Government grants, subsidies, and consumer contributions used towards the creation of assets, PSPCL, vide Memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025, submitted that it has received consumer contributions amounting to Rs. 532.40 Crore during FY 2024-25, as per the annual audited accounts. The consumer contribution of Rs. 532.40 Crore has been proportionately allocated and considered towards capital expenditure of spillover schemes of the Distribution Business, amounting to Rs. 36.43 Crore, and towards capitalization of new schemes of the Distribution Business, amounting to Rs. 495.97 Crore, for FY 2024-25.

Based on the approved amount of capital expenditure and capitalization, as mentioned in the table above, the Commission determines the funding requirement of PSPCL for FY 2024-25 as under:–

Table 2.37: Funding of Spill over schemes for FY2024-25 (Rs. Crore)

Sr. No.	Particulars	Amount
Generation Business		
1	Loan requirement of Generation Business (Table 2.35)	139.53
Distribution Business		
1	Loan requirement of Distribution Business (Table 2.35)	117.75
2	Less: Consumer Contribution and Grants	36.43
3	Loan requirement (Distribution Business)	81.32

Table 2.38: Funding of New schemes for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Amount
Generation Business		
1	Loan requirement of Generation Business (Table 2.35)	34.98
Distribution Business		
1	Loan requirement of Distribution Business (capitalized) (Table 2.35)	1603.07
2	Less: Consumer Contribution and Grants	495.97
3	Loan requirement (Distribution Business)	1107.10

Table 2.39: Requirement of Long-term Loan as determined by the Commission for Generation and Distribution Business for FY2024-25 (Rs. Crore)

Sr.No.	Particulars	Generation	Distribution	TOTAL
I	II	III	IV	V
1	Capital expenditure approved by the Commission for spillover works (Table 2.37)	139.53	81.32	220.85
2	Capitalization of works of new schemes (Table 2.38)	34.98	1107.10	1142.08
3	Net Requirement of Long-term Loans	174.51	1188.42	1362.93

2.15 Operation and Maintenance Expenses

PSPCL's Submissions:

The Operation and Maintenance (O&M) expenses of PSPCL include employee expenses, Repair and Maintenance (R&M) expenses, and Administrative and General (A&G) expenses. Employee expenses consist of salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity, leave encashment, and staff welfare expenses.

Repair and Maintenance expenses include regular expenditure incurred for improvement of system reliability, quality of power supply, and upkeep of all machines in the power plant. These expenses are essential for system maintenance, loss reduction within the distribution network, and improvement in the availability of generating stations.

Administrative expenses mainly comprises of rent, telephone and other communication expenses, professional charges, conveyance and travelling allowances, and other debits.

A comparison of actual O&M expenses against the approved expenses (after deducting capitalization) is tabulated in the following table:

Table 2.40: O&M expenses submitted by PSPCL for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Approved in Tariff Order	Actual
I	II	III	IV
1	Employee Expenses	7191.03	7071.19
2	R&M Expenses	533.71	884.08
3	A&G Expenses	194.15	252.38
4	TOTAL	7918.89	8207.65

Employee Expenses

PSPCL submitted that the employee cost includes expenses incurred towards employees who are presently working as well as those who have retired. The cost relating to working employees includes salary, dearness allowance, and other allowances such as HRA, LTC, medical reimbursement, etc. However, in respect of employees who are retiring during the year as well as those who have already retired, the financial liabilities towards pension, gratuity, leave encashment benefits, etc. are required to be discharged by the utility.

The summary of the actual employee expenses including BBMB expenses vis-à-vis the approved expenses for FY 2024-25 is tabulated as under:

Table 2.41: Employee Expenses for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Approved in Tariff Order	Actual expenses
I	II	III	IV
1	Salaries		2108.32
2	Overtime		22.29
3	Dearness Allowance		668.82
4	Other Allowances		292.83
5	Bonus/Generation Incentive		9.81
6	Medical Expenses reimbursement		22.08
7	Staff Welfare Expenses		11.17
8	LTC including encashment of leave on availing LTC		12.09
9	Earned Leave Encashment		195.58
10	Payment under Workmen's compensation act		0.14
11	Terminal Benefits		3968.66
12	Less: Expenses Capitalized		240.58
13	Total	7191.03	7071.19

PSPCL further submitted that, as per the Government of Punjab Notification No. 1/4/04-EB(PR)/620 dated 24.12.2012, the terminal benefit trusts are to be progressively funded by Powercom and Transco in the ratio of 88.64 and 11.36, respectively, over a period of 15 financial years commencing from 1st April, 2014. The terminal benefits liability accruing during the period of progressive funding and thereafter shall be shared by both corporations in the same ratio.

However, the Commission did not allow the progressive funding of terminal benefits in the Tariff Order for FY 2015-16, against which PSPCL has filed Appeal No. 173 of 2015 before the Hon'ble APTEL. The Tribunal, vide its order dated 29.04.2022, decided the matter in favour of the company.

Accordingly, an application was filed before the Commission for implementation of the aforesaid judgment of the Hon'ble APTEL. Vide order dated 08.02.2023, the Commission stated that the matter would be examined and considered as and when PSPCL actually operationalizes the pension trust, and that nothing is allowable to PSPCL at present, as the Commission is allowing terminal benefits on an actual basis.

In view of the above, it is submitted that, as decided by the Hon'ble Tribunal vide its judgment dated 29.04.2022, the PSERC MYT Regulations, which follow the principle of "pay as you go" with regard to unfunded past liabilities of pension and gratuity, are required to be amended first. The relevant paragraph of the judgment is reproduced below:

"234. The Regulations notified by the State Commission shall have to be notified consistent with the Transfer Scheme as any power vested therein to the State Government cannot be restricted by the Regulations notified by the State Commission."

Therefore, until the current MYT Regulations, 2022 are amended or an in-principle approval is granted by the Commission for allowing the contributions made towards the terminal benefit trust as an expense in the ARR, PSPCL cannot proceed with its operationalization.

In view of the above, a prayer is made to the Commission to approve the employee expenses as submitted above and allow the operationalization of the terminal benefit trust.

Commission's Analysis:

Terminal benefits

The Terminal benefits expenses are to be determined as per Regulation 25 of the PSERC MYT Regulations, 2022. Relevant extract of Regulation 25 of the MYT Regulations, 2022 is reproduced below for reference:

"Note-4: Terminal Liabilities such as death-cum-retirement gratuity, Ex-Gratia, pension including family pension, commuted pension, leave encashment, LTC, medical reimbursement including fixed medical allowance in respect of the State PSU / Government pensioners will be approved as per the actuals paid by the Applicant.

...

Note 9: With regard to unfunded past liabilities of pension and gratuity, the Commission will follow the principle of 'pay as you go'. The Commission shall not allow any other amount towards creating fund for meeting unfunded past liability of pension and gratuity."

The Commission has already, in its order dated 08.02.2023 in Petition No. 63 of 2013, 71 of 2014 & 31 of 2015 on Remand vide Order dated 29.04.2022 from Hon'ble APTEL had decided as under regarding the progressive funding of terminal benefits:

"PSPCL during the true up for FY 2014-15, FY 2015-16 and FY 2016-17 has not claimed progressive funding of terminal benefits. Further, no booking/provision of progressive funding has been actually made in the annual audited accounts for these years. As such, even PSPCL has not proceeded further to give any effect to its scheme and claim any allocations as per APTEL's order. Unfunded Terminal liability has not been reflected in the opening balance sheet dated 16.04.2010. PSPCL was to operationalize Pension & Gratuity Trust w.e.f. 01.04.2014 for 15 years. The Commission is allowing Terminal benefits as per actuals, therefore

there is no financial loss to PSPCL on account of disallowance of progressive funding, therefore, nothing is allowable to PSPCL on this issue. However, if and when PSPCL actually operationalizes the pension trust, the same will be examined and considered as per the decision of the Hon'ble APTEL."

In response to the deficiencies regarding actual amount paid on account of arrear of pay and allowances and terminal benefits in view of the impact of the 6th Pay Revision Commission, PSPCL vide Memo No826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025 has submitted that no arrear of salary or pension for the 6th Pay Revision Commission has been paid in FY 2024-25. PSPCL has only paid arrears of gratuity amounting to Rs. 55.97 Crores.

PSPCL has not operationalized the pension trust and has not made any provision for progressive funding of terminal benefits. Therefore, the Commission allows terminal benefits of Rs. 4164.24 Crore (Rs. 3968.66 Crore + Rs. 195.58 Crore) as per the annual audited accounts, which include terminal benefits and earned leave encashment of retired employees for FY 2024-25, in accordance with the Regulations.

Other Employee Cost

The Employee Costs are determined as per Regulation 25 and 8.1 of the PSERC MYT Regulations, 2022. Relevant sections of Regulation 25.1 of the MYT Regulations, 2022 are reproduced below for reference:

"25.1. The O&M expenses for the nth year of the Control Period shall be approved based on the formula shown below:

$$\mathbf{O\&Mn=(R\&Mn+EMPn+A\&Gn)x(1-Xn)}$$

Where,

- *R&Mn—Repair and Maintenance Costs of the Applicant for the nth year;*
- *EMPn —Employee Cost of the Applicant for the nth year;*
- *A&Gn— Administrative and General Costs of the Applicant for the nth year;*

It should be ensured that all such expenses capitalized should not form a part of the O&M expenses being specified here. The above components shall be computed in the manner specified below:

....

$$\mathbf{(ii)EMPn=EMPn+A\&Gn = (EMPn-1+A\&Gn-1)*(INDEXn/INDEXn-1)}$$

INDEXn-Inflation Factor to be used for indexing the Employee Cost and Administrative and General Costs for nth year. This will be a combination of the Consumer Price Index (CPI) and the Whole sale Price Index (WPI) of nth year and shall be calculated as under:-

$$\mathbf{INDEXn= 0.50*CPI_n+0.50*WPI_n}$$

'WPI_n' means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the nth year.

*‘CPI_n’ means the average rate (on monthly basis) of Consumer Price Index (Industrial workers) over the year for the *n*th year.”*

Regulation 8.1 of the PSERC MYT Regulations, 2022 specifies that the baseline values for the Control Period shall be determined by the Commission, and that the projections for the Control Period shall be based on these values. The relevant provisions are reproduced below:-

“8.1. Baseline Values

“..... (b) The baseline values shall be inter-alia based on figures approved by the Commission in the past, last three years’ Audited/Provisional Accounts, estimate of the expected figures for the relevant year, industry benchmarks/norms and other factors considered appropriate by the Commission:

Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for the Control Period, considering the actual figures from audited accounts.”

Regulation 8.2 of the PSERC MYT Regulations, 2022 is reproduced below:

**“8.2 Controllable, Normative and Uncontrollable items of ARR
(a).....**

.....

**Employee cost, A&G costs and R&M costs are considered normative as per the formula specified in Regulation 25 individually. The changes on account of Inflation Index and/or statutory levies shall be adjusted during the True-up. However, if the actual expenditure is less than normative, than the allowable expenditure shall be limited to actual expenditure incurred by the petitioner.”*

Further, the Commission has calculated the Index for FY 2024-25 as under:

Table 2.42: Calculation of INDEX

Sr. No.	Particulars	FY2023-24	FY2024-25	Increase (%)
I	II	III	IV	V
1	CPI	397.2000	410.640	3.3837
2	WPI	151.4167	154.858	2.2730

$$INDEX\ n = (0.5 \times 3.3837) + (0.5 \times 2.2730) = 2.82833\%$$

The Commission has considered the baseline value of Other Employee Cost at Rs. 2,670.97 Crore, as determined in the true-up of FY 2023–24 (Table 2.47 of the Tariff Order for FY 2025–26), for the purpose of determining the Other Employee Cost for FY 2024–25. Accordingly, the Other Employee Cost for FY 2024–25 has been determined based on the escalation factor presented in Table 2.42 above.

**Table 2.43: Other Employee Cost determined by the Commission for FY 2024-25
(Rs. Crore)**

Sr. No.	Particulars	Amount
I	II	III
1.	Actual other employee expenses of FY 2023-24 (Baseline values)	2670.97
2.	Escalation factor (Table 2.42)	1.02828
3.	Other employee expenses for FY 2024-25 (Normative)	2746.51

The employee cost as per the annual audited accounts for FY 2024-25, as shown in Table 2.41, is Rs. 7071.19 Crore. The other employee cost, after deduction of terminal benefits amounting to Rs. 4164.24 Crore and BBMB employee cost amounting to Rs. 344.59 Crore, which are allowed separately, works out to Rs. 2562.36 Crore.

As per Regulation 8.2, reproduced above, the Commission allows the other employee cost of Rs. 2,562.36 Crore on an actual basis, since it is lower than the normative value.

The Commission observes that the employee expenses for BBMB, as per the audited accounts, are Rs. 344.59 Crore, as submitted by PSPCL in its petition, and the same are being allowed separately in this True-Up Order.

The Commission also considers GHTP's coal handling labour contract expenses amounting to Rs 8.54 Crore as a part of the employee cost, as the same has not been allowed as fuel cost of GHTP.

Accordingly, the Commission approves an employee cost of Rs. 6,735.14 Crore (Rs. 4,164.24 Crore + Rs. 2,562.36 Crore+ Rs.8.54 Crore) for FY 2024-25 for the Generation Business (excluding BBMB) and the Distribution Business.

The Commission has allocated employee cost, A&G expenses, and R&M expenses for the Generation and Distribution Businesses on the basis of the allocation statement submitted in the petition, as under:

Table 2.44: Allocation Statement of Employee cost, A&G expenses and R&M Expenses submitted by PSPCL (Rs. Crore)

Sr.No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
1	Employee cost	182.09	124.68	57.24	74.19	37.15	107.99	67.93	0.00	651.27	6075.33	6726.60
2	Allocation (%)	2.7072	1.85	0.85	1.1030	0.55	1.61	1.010	0.00	9.6825	90.3275	100.00
3	A&G Cost	4.84	8.01	2.77	1.89	1.39	2.78	1.36	0.00	23.04	222.94	245.98
4	Allocation (%)	1.9636	3.2558	1.1266	0.7703	0.5665	1.1303	0.5538	0.000	9.3669	90.6331	100.00
5	R&M Cost	248.54	123.29	2.02	1.63	2.24	7.86	0.77	0.00	386.35	444.96	831.31
6	Allocation (%)	64.33	31.91	0.52	0.42	0.58	2.03	0.20	0.00			

Table 2.45: Employee Cost approved by the Commission (excluding employee cost of BBMB) for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Amount
I	II	III
1	Terminal Benefits including earned leave encashment	4164.24
2	Other Employee Cost	2562.36
3	Expenses related to Coal Handling contract	8.54
4	Total Employee Cost	6735.14

The break-up of employee expense and project-wise allocation on the basis of allocation statement as per Table 2.44 submitted by PSPCL for FY 2024-25 is given in the following table:

Table 2.46: Project wise Employee cost-Hydro & Thermal (Generation Business) approved by the Commission for FY 2024-25 (Rs. Crore)

Sr. No	Projects	Amount
I	II	III
1	Shanan	57.24
2	UBDC	74.19
3	RSD	37.15
4	MHP	107.99
5	ASHP	67.93
6	Micro	0.00
7	Total (Hydro) (A)	344.50
8	GGSTP	182.09
9	GHTP	133.22
10	Total (Thermal) (B)	315.31
11	Total Generation (A+B)	659.81
12	Total Distribution	6075.33
13	Total Employee cost	6735.14

Repair and Maintenance expenses (R&M expenses)

PSPCL's Submissions:

PSPCL submitted that the R&M (Repair & Maintenance) cost is intended for the upkeep of the distribution network as well as the generating plants. As every asset requires repair and maintenance at some point, in order to keep the system healthy and reliable, PSPCL has to allocate a certain amount of funds for R&M activities. PSPCL is making every effort to ensure uninterrupted power supply and is accordingly incurring necessary expenditure on R&M activities to maintain the system's health and reliability in line with the power quality indices. The summary of actual R&M expenses incurred during FY 2024-25, including BBMB expenses, is provided in the table below:

Table 2.47: R&M Expenses as submitted by PSPCL for FY 2024-25 (Rs. Crore)

Sr No	Particulars	Approved in Tariff Order	Actual
I	II	III	IV
1	R&M Expenses	533.71	692.76
	Operating expenses		
2	Cost of Water	-	175.44
3	Lubricant & Consumable stores	-	2.58
4	Station Supplies	-	13.30
5	Total R&M Expenses	533.71	884.08

The plant-wise breakdown of operating expenses included in R&M expenses is detailed below:

Table 2.48: Operating Expenses as submitted by PSPCL for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	BBMB	Total
I	II	III	IV	V	VI
1	Cost of Water	152.38	23.06	-	175.44
2	Lubricant & Consumable stores	1.19	1.39	0.002	2.58
3	Station Supplies	-	-	13.30	13.30
4	Total R&M Expenses	153.57	24.45	13.30	191.32

PSPCL submitted that the Commission has been allowing operating expenses for BBMB but has been disallowing the same for GGSSTP and GHTP plants of PSPCL. This has caused significant prejudice to PSPCL-owned plants, as their legitimate expenses have not been allowed in the true-up of the relevant years.

PSPCL further submitted that the cost of water for GGSSTP during FY 2024-25 has been conspicuously high. The reason for this is that GGSSTP paid an amount of Rs. 146.91 Crore as arrears of water charges during FY 2024-25.

Additionally, the CERC Tariff Regulations, 2024, state the following with respect to water charges:

“36. Operation and Maintenance Expenses:

(1) Thermal Generating Station:

...

(6) The Water Charges, Security Expenses, Ash Transportation Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Provided that water charges shall be allowed based on water consumption depending upon type of plant and type of cooling water system or water agreement with state govt./utilities, and the norms specified by the Ministry of Environment, Forest and Climate Change subject to prudence check. The details regarding the same shall be furnished along with the petition; ...”

In view of the above, it is submitted that water charges ought to be allowed to the thermal generating stations of PSPCL over and above the R&M expenses already allowed by the Commission.

PSPCL, therefore, prayed that the Commission may allow the actual R&M expenses of Rs. 884.08 Crore for FY 2024-25.

Commission’s Analysis:

The R&M and A&G expenses are to be determined as per Regulation 25.1 of the PSERC MYT Regulations, 2022.

The Commission has considered the opening Gross Fixed Assets (GFA) for the Generation and Distribution businesses as per the closing balance of FY 2023–24 and has regrouped and rearranged them on a project-wise basis to match and reconcile with the balances submitted by PSPCL. The variations are due to the non-allowance of capital expenditure, capitalization and gross fixed assets of the GNDTP, SYL and Jalkheri projects by the

Commission in the past, which would otherwise be reconciled after the end of the 3rd MYT Control Period, i.e., during FY 2026–27. Gross fixed assets of Pachhwara Coal Mine has been considered separately.

The average GFA of BBMB has been excluded by the Commission, as R&M expenses of BBMB are allowed separately based on actuals. The average GFA of BBMB (Rs. 732.30 Crore) is considered as per the Fixed Asset Register submitted by PSPCL. The addition of GFA during the year is considered as per Table 2.35, while deletions, write-offs, or sale of assets are accounted for based on the information provided by PSPCL vide its memo No.

Memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025 and 15/ARR/DY.CAO/271/Deficiencies dated 07.01.2026.

PSPCL, in its annual audited accounts for FY 2024–25 (Note 33), has booked Rs.192.32 Crore under “Cost of Water.” PSPCL, vide Memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025, submitted that the arrears of water charges up to 31.03.2025 for GGSSTP Ropar, as approved, were Rs.166.24 Crore against which PSPCL has booked only Rs.152.38 Crore during FY 2024-25. The Commission notes that out of the total water charges of Rs.152.38 Crore, Rs.60.68 Crore pertains to FY 2024–25. The total water charges also include water charges of GHTP, RSD, and arrears of previous years of GGSSTP. Therefore, the prior period water charges of GGSSTP Ropar are as per the table given below, which has been allowed separately in this Order (Para 2.26).

Table 2.49: Details of Prior Period Arrears of Water Charges of GGSSTP
(Rs. Crore)

Sr.No	Particulars	Amount
I	II	III
1.	Water charges as per Annual Audited Accounts FY 2024-25	192.32
2	Less: Water charges of GHTP FY 2024-25	23.06
3	Less: Water charges of GGSSTP FY 2024-25	60.68
4	Less: Water charges of RSD Considered separately in this order	16.89
5	Arrears of Water Charges of GGSSTP (1-2-3-4)	91.69

The Commission has determined the ‘K’ factor for FY 2023-24 based on the audited figures for FY 2022-23 as 0.695381% and 1.012278%, respectively, in the tariff order for FY 2025-26 for the Generation and Distribution businesses. This ‘K’ factor shall remain constant for the third MYT Control Period. The increase in WPI has been considered as 2.272% as per Table 2.42. Accordingly, the R&M expenses for FY 2024-25 have been determined by the Commission as under:-

Table 2.50: Normative R&M expenses allowed by the Commission for FY 2024-25
(Rs.Crore)

Sr No.	Particulars	Generation	Distribution	Total
I	II	III	IV	V
1	Opening GFA including BBMB as on 01.04.2024	20579.63	34789.64	55369.27
2	Additions during the year (Table 2.35)	247.41	1884.18	2131.59

Sr No.	Particulars	Generation	Distribution	Total
I	II	III	IV	V
3	Less: Disposal/sale during the year	238.92	356.28	595.20
4	Closing GFA as on 31.03.2025	20588.12	36317.54	56905.66
5	Average GFA	20583.87	35553.59	56137.46
6	Opening GFA BBMB	732.30	0.00	732.30
7	Closing GFA BBMB	732.30	0.00	732.30
8	Average GFA of BBMB	732.30	0.00	732.30
9	Average GFA excluding BBMB	19851.57	35553.59	55405.16
10	K factor for 3rd Control Period	0.695381%	1.0122781%	
11	Escalation factor	1.02272977	1.022729774	
12	R&M expenses (Normative)	141.18	368.08	509.26
13	Actual R&M expenses (excluding BBMB (Rs 52.77 Crores) and royalty charges payable to GOP (Rs 16.89 Crores) as per Audited Accounts)	212.85	471.54	684.39
14	R&M Expenses allowed	141.18	368.08	509.26

Thus, the Commission approves normative R&M expenses of Rs. 509.26 Crore for PSPCL for FY 2024-25 (Rs. 141.18 Crore for the Generation Business, excluding BBMB, and Rs. 368.08 Crore for the Distribution Business) in accordance with Regulation 8.2, as the actual R&M expenses exceed the normative level.

The project-wise allocation of R&M expenses has been made by the Commission based on the allocation statement submitted by PSPCL for FY 2024–25, as per Table 2.44. Accordingly, the project-wise R&M expenses approved for FY 2024–25 are given in the following table:

Table 2.51: Project wise R&M Expenses – Hydro & Thermal (Generation and Distribution Business) allowed by the Commission for FY 2024-25 (Rs. Crore)

Sr. No	Projects	Amount
I	II	III
1	Shanan	0.74
2	UBDC	0.60
3	RSD	0.82
4	MHP	2.87
5	ASHP	0.28
6	Micro	0.00
7	Total (Hydro)(A)	5.31
8	GGSTP	90.82
9	GHTP	45.05
10	Total (Thermal)(B)	135.87
11	Total Generation(A+B)	141.18
12	Total Distribution	368.08
13	Total R&M Expenses	509.26

Administrative & General expenses (A&G expenses)

PSPCL's Submissions:

PSPCL submitted that the A&G expenses incurred during FY 2024–25, including BBMB expenses, amount to Rs. 252.38 Crore as against Rs. 194.15 Crore approved in the Tariff Order dated 14th June 2024 for FY 2024–25.

PSPCL prayed to the Commission to allow the actual A&G expenses of Rs. 252.38 Crore for FY 2024–25.

Commission's Analysis:

Administrative & General expenses are determined as per Regulations 25 and 8.1 of the PSERC MYT Regulations, 2022. The relevant provisions of Regulation 25.1 of the MYT Regulations, 2022 have already been reproduced above.

Further, Note 7 of Regulation 25.1 of PSERC MYT Regulations, 2022 states as under:

Note 7: Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission."

The Commission has considered the baseline value of A&G expenses as Rs. 166.56 Crore, as determined in the true-up of FY 2023–24 (Table 2.57 of the Tariff Order for FY 2025–26), for the purpose of determining A&G expenses for FY 2024–25. Accordingly, the Administrative & General expenses for FY 2024–25 have been determined based on the escalation factor presented in Table 2.42 above.

The INDEX n for FY 2024-25 is calculated as **2.82833%** (Table 2.42)

Accordingly, the Commission approves A&G expenses for FY 2024-25 as under:-

Table 2.52: A&G expenses approved by the Commission for FY 2024-25

(Rs. Crore)		
Sr.No.	Particulars	Amount
I	II	III
1	A&G Expenses FY 2023-24 baseline values	166.56
2	Escalation factor	1.0282833
3	A&G expenses	171.27
4	Actual A&G expenses (as per audited accounts for FY 24-25) excluding audit fee, ARR fee, donations, DSM fund and BBMB expenses	218.76
5	Allowable A&G expenses (Normative)	171.27

The Commission approves normative A&G expenses as per Regulation 8.2, as the actual expenses are higher than the normative value.

The Commission has considered audit and licence fees of Rs. 0.26 Crore and Rs. 26.96 Crore, respectively, as per the audited figures. Further, NRPC charges of Rs. 0.12 Crore, booked under the Power Purchase Cost, have been considered as A&G expenses.

Accordingly, the Commission approves A&G expenses for FY 2024–25 as under:

Table 2.53: A&G Expenses approved by the Commission for FY 2024-25 (Rs.Crore)

Sr. No	Particulars	Amount
I	II	III
1	A&G Expenses (Table 2.52)	171.27
2	Add: Audit Fee	0.26
3	Add: License & Petition fee	26.96
4.	Add: NRPC Charges	0.12
5	Total A&G (without BBMB)	198.61

The project-wise allocation of A&G expenses is made by the Commission based on the allocation statement submitted by PSPCL for FY2024-25 as per Table 2.44.

The project-wise A&G expenses approved for FY2024-25 are given in the following table:

Table 2.54: Project-wise A&G expenses approved by the Commission for FY2024-25 (Rs. Crore)

Sr. No	Projects	Amount
I	II	III
1.	Shanan	2.24
2.	UBDC	1.53
3.	RSD	1.12
4.	MHP	2.24
5.	ASHP	1.10
6.	Micro	0.00
7.	Total (Hydro)(A)	8.23
8.	GGSTP	3.90
9.	GHTP	6.47
10.	Total (Thermal)(B)	10.37
11.	Total Generation(A+B)	18.60
12.	Total Distribution	180.01
13.	Total A&G Expenses	198.61

Thus, the Commission approves A&G expenses of Rs 18.60 Crore for Generation Business (excluding BBMB) and Rs.180.01 Crore for Distribution Business for FY 2024-25.

2.16 PSPCL's share in BBMB

PSPCL, in the true-up for FY 2024–25, has claimed O&M expenses (Employee Cost of Rs. 344.59 Crore, R&M expenses of Rs. 52.77 Crore, and A&G expenses of Rs. 6.40 Crore) on account of its share in BBMB, amounting to Rs. 403.76 Crore for the Generation Business, as pass-through, subject to the determination/true-up of BBMB expenses for FY 2024–25 by the Central Electricity Regulatory Commission (CERC).

The Commission approves O&M expenses of PSPCL's share in BBMB amounting to Rs. 403.76 Crore for the Generation Business for FY 2024–25, as disclosed in the annual audited accounts (Note 46(2)) for FY 2024–25 (page 79), subject to approval by CERC. Upon approval by CERC, appropriate adjustments shall be carried out in

subsequent years based on the final amount approved by CERC. Further, as no orders have been passed by CERC for any year till date, no adjustment has been made.

2.17 O&M Expenses

The Commission approves the O&M expenses including BBMB as under:

Table 2.55: O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	TOTAL
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1	Employee cost (Table 2.46)	182.09	133.22	57.24	74.19	37.15	107.99	67.93	0.00	344.59	1004.40	6075.33	7079.73
2	R&M Expenses (Table 2.51)	90.82	45.05	0.74	0.60	0.82	2.87	0.28	0.00	52.77	193.95	368.08	562.03
3	A&G Expenses (Table 2.54)	3.90	6.47	2.24	1.53	1.12	2.24	1.10	0.00	6.40	25.00	180.01	205.01
4	TOTAL	276.81	184.74	60.22	76.32	39.09	113.10	69.31	0.00	403.76	1223.35	6623.42	7846.77

2.18 Depreciation

PSPCL's Submissions:

PSPCL has submitted that the Commission allowed depreciation of Rs. 1406 Crore to PSPCL, after adjusting for consumer contribution, for FY 2024–25 vide its Tariff Order dated 14.06.2024. As per the audited accounts of PSPCL for FY 2024–25, depreciation has been calculated on the basis of opening and closing Gross Fixed Assets (GFA) amounting to Rs. 59,136.80 Crore and Rs. 60,717.80 Crore, respectively. The GFA has been adjusted for consumer contribution and grants-in-aid, and the resultant depreciation for PSPCL during FY 2024–25 has been determined at Rs. 1383.93 Crore.

Table 2.56: Depreciation as claimed by PSPCL for FY 2024-25 (Rs. Crore)

Sr No	Particulars	Approved in Tariff Order			Actual		
		Gen.	Dist.	Total	Gen.	Dist.	Total
I	II	III	IV	V	VI	VII	VIII
1	Opening GFA	21156	35715	56871	24347.16	34789.64	59136.80
2	Additions	528	1452	1,981	53.10	1527.90	1581.00
3	Closing GFA	21684	37168	58852	24400.26	36317.54	60717.80
4	Depreciation	290.97	1114.54	1405.51	275.08	1108.84	1383.92

PSPCL requested the Commission to allow the actual depreciation expense for FY 2024–25.

Commission's Analysis:

Regulation 21 of the PSERC MYT Regulations, 2022 specifies as under:

"21.1. The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced order capitalized assets:

Provided that the land, other than the land held under lease and land for reservoir incase of hydro generating station, shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets:

Provided further that Government. grants and consumer contribution shall also be recognized as defined under Indian Accounting Standard 20 (IND AS 20) notified by the Ministry of Corporate Affairs.

The residual/ salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset:

Provided that I.T. Equipment and Software shall be depreciated 100% with zero salvage value.

The Cost of the asset shall include additional capitalization.

The Generating Company, Transmission and Distribution Licensee shall provide the list of assets added during each Year of the Control Period and the list of assets completing 90% of depreciation in the Year along with Petition for, true-up and tariff determination for ensuing Year.

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

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/ put in use of the asset shall be spread over the balance useful life of the assets:

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the asset.

Depreciation shall be chargeable from the first year of commercial operation/asset is put in use. In case of commercial operation of the asset/put in use of asset for part of the year, depreciation shall be charged on prorata basis.”

The Commission determines the depreciation for FY 2024-25 as per the Regulation 21 stated above. As brought out in para 2.15 (Repair & Maintenance), the Commission has considered the opening Gross Fixed Assets (GFA) for the Generation and Distribution businesses as submitted by PSPCL. The opening GFA for the spillover schemes as well as for the new schemes has also been considered accordingly. These figures shall be revisited at the time of true-up of capital expenditure and capitalization after the end of the 3rd MYT Control Period, i.e. during FY 2026-27. The Commission has considered the addition of GFA as approved in Table 2.35.

The Commission has considered the weighted average rate of depreciation based on the project-wise rate of depreciation as submitted by PSPCL. Accordingly, the depreciation approved by the Commission for Spillover and New Schemes for Generation Business and Distribution Business is as under:

Table 2.57: Depreciation approved by the Commission for Spillover Schemes for FY 2024-25 (Rs. Crore)

Sr.No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3868.30	4838.77	155.84	915.38	8080.03	1403.51	551.20	29.15	718.51	20560.69	29763.26	50323.95
2.	Addition during the Year	0.38	164.13	0.11	1.49	15.92	27.27	3.13	0.00	0.00	212.43	281.11	493.54
3	Less Retirement of assets	191.22	0.00	0.00	44.91	0.40	2.33	0.06	0.00	0.00	238.92	356.28	595.20
4.	Closing GFA	3677.46	5002.90	155.95	871.96	8095.55	1428.45	554.27	29.15	718.51	20534.20	29688.09	50222.29
5.	Average GFA	3772.883	4920.835	155.895	893.670	8087.788	1415.981	552.734	29.150	718.510	20547.45	29725.68	50273.13
6.	Average GFA of Land	2332.15	744.13	51.75	651.56	329.27	521.50	510.15	7.47	0.00	5147.96	6722.38	11870.34
7.	Average GFA (Net of Land)	1440.74	4176.71	104.15	242.12	7758.52	894.49	42.58	21.68	718.51	15399.48	23003.30	38402.79
8.	Depreciation Rate	0.88%	1.39%	3.05%	1.30%	1.84%	3.02%	2.23%	1.11%	1.97%		3.84%	0
9.	Depreciation	12.61	58.07	3.18	3.15	142.72	26.98	0.95	0.24	13.95	261.85	883.33	1145.18

Table 2.58: Depreciation approved by the Commission for New Schemes for FY2024-25 (Rs. Crore)

Sr.No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VIII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	2.20	0.58	0.00	1.01	1.00	0.05	0.31	0.00	13.79	18.94	5026.38	5045.32
2.	Addition during The Year	6.92	27.85	0.00	0.00	0.00	0.03	0.18	0.00	0.00	34.98	1603.07	1638.05
3	Less Retirement of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Closing GFA	9.12	28.43	0.00	1.01	1.00	0.08	0.49	0.00	13.79	53.92	6629.45	6683.37
5.	Average GFA	5.66	14.51	0.00	1.01	1.00	0.07	0.40	0.00	13.79	36.43	5827.92	5864.34
6.	Average GFA of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Average GFA (Net of Land)	5.66	14.51	0.00	1.01	1.00	0.07	0.40	0.00	13.79	36.43	5827.92	5864.34
8.	Depreciation Rate	0.88%	1.39%	3.05%	1.30%	1.84%	3.02%	2.23%	1.11%	1.97%		3.84%	0.00
9.	Depreciation	0.05	0.20	0.00	0.01	0.02	0.00	0.01	0.00	0.15	0.44	223.79	224.23

Table 2.59: Depreciation approved by the Commission for PSPCL for FY 2024-25 (Rs. Crore)

Sr.No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VIII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3870.50	4839.35	155.84	916.39	8081.03	1403.56	551.51	29.15	732.30	20579.63	34789.64	55369.27
2.	Addition during The Year	7.30	191.98	0.11	1.49	15.92	27.30	3.31	0.00	0.00	247.41	1884.18	2131.59
3	Less Retirement of assets	191.22	0.00	0.00	44.91	0.40	2.33	0.06	0.00	0.00	238.92	356.28	595.20
4.	Closing GFA	3686.58	5031.33	155.95	872.97	8096.55	1428.53	554.76	29.15	732.30	20588.12	36317.54	56905.66
5.	Average GFA	3778.54	4935.34	155.90	894.68	8088.79	1416.05	553.13	29.15	732.30	20583.87	35553.59	56137.47
6.	Average GFA of Land	2332.15	744.13	51.75	651.56	329.27	521.50	510.15	7.47	0.00	5147.96	6722.38	11870.34
7.	Average GFA (Net of Land)	1446.39	4191.22	104.15	243.13	7759.52	894.55	42.98	21.68	732.30	15435.91	28831.22	44267.14
8.	Depreciation Rate	0.88%	1.39%	3.05%	1.30%	1.84%	3.02%	2.23%	1.11%	1.97%		3.84%	
9.	Depreciation	12.66	58.27	3.18	3.16	142.74	26.98	0.96	0.24	14.10	262.29	1107.12	1369.41

The Commission, therefore, approves depreciation of Rs. 1369.41 Crore for FY 2024–25.

2.19 Interest and Finance Charges

PSPCL's submissions:

PSPCL has submitted that the Commission had allowed Rs. 241.86 Crore to PSPCL towards the interest liability on long-term borrowings for FY 2024–25, excluding GPF liability.

PSPCL further submitted that while approving the capital expenditure for the 3rd MYT Control Period (FY 2023–24 to FY 2025–26), the Commission did not consider the capital expenditure on the Shahpur Kandi project, stating that the finance cost of the project would be considered at the time of COD. Hence, the interest cost of this project was not included in the interest and finance charges as approved by the Commission.

As per the audited accounts, the gross interest liability on long-term borrowings, including the interest cost of the Shahpur Kandi project but excluding GPF liability, is Rs. 948.81 Crore. After adjusting total interest capitalisation of Rs. 323.14 Crore, the net interest cost of PSPCL on long-term loans, including the Shahpur Kandi project, works out to Rs. 625.67 Crore. The details of interest cost on long-term loans of PSPCL, split between the Shahpur Kandi project and other loans, are shown below:

Table 2.60: Interest cost on long term loans approved & actual for FY 2024-25 submitted by PSPCL (Rs. Crore)

Sr. No	Particulars	PSPCL – others (A)	Shahpur Kandi (B)	Total (A + B)
I	II	III	IV	V
1	Approved by the Commission in Tariff Order for FY 2024-25.			
2	Gross Interest cost	516.86	0.00	516.86
3	Interest Capitalised	275.00	0.00	275.00
4	Net Interest cost	241.86	0.00	241.86
5	Actual amount for FY 2024-25 being submitted for True-up.			
6	Gross Interest cost	680.89	267.92	948.81
7	Interest Capitalised	55.22	267.92	323.14
8	Net Interest cost	625.67	0.00	625.67

PSPCL further submitted that since the Shahpur Kandi project has not yet achieved COD, if the Commission maintains its view of allowing interest cost only on COD, then it is requested that the Commission may consider the interest cost and capitalisation of interest excluding the Shahpur Kandi project's share.

PSPCL stated that as the construction of the Shahpur Kandi project is ongoing and significant funds are being spent on it, resulting in interest costs being incurred, these costs should be allowed to PSPCL. Therefore, it is requested that the Commission may kindly approve the actual interest cost of Rs. 625.67 Crore on long-term borrowings for PSPCL for FY 2024–25.

Total Interest and Finance Cost

PSPCL submitted that the summary of interest and finance charges, as per the audited accounts for FY 2024–25, is shown in the table given below:

Table 2.61: Total Interest & Finance Cost for FY 2024-25 submitted by PSPCL

(Rs. Crore)			
Sr. No	Particulars	Approved in Tariff Order	Actual
I	II	III	IV
1	Interest on Long Term Loans		
2	Financial Institutions i.e. REC, PFC		569.67
3	Shahpur Kandi		158.33
4	Others		411.34
5	Banks/GoP		298.41
6	Shahpur Kandi		109.59
7	Others		188.82
8	Interest on Working Capital Loans		816.55
9	Interest on Consumer Security Deposit		274.97
10	GPF		40.35
11	Interest Capitalised		323.14
12	Shahpur Kandi		267.92
13	Others		55.22
14	Guarantee Fee		48.53
15	Other interest/charges		32.20
16	Total Interest & Finance Cost	629.48	1757.54

PSPCL prayed the Commission to approve the interest and finance charges of PSPCL as per the audited accounts for FY 2024–25.

Commission's Analysis:

The Commission determines the Interest on loan capital for the 3rd MYT Control Period as per Regulation 23 of the PSERC MYT Regulations, 2022 as reproduced under:

"23.1. For existing loan capital, interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the actual rate of interest and the schedule of repayment as per the terms and conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable (other than working capital loans) on loans by the Licensee.

Interest and finance charges on the future loan capital for new investments shall be computed on the loans, based on one (1) year State Bank of India (SBI)MCLR/any replacement thereof as notified by RBI as may be applicable as on 1st April of the relevant year, plus a margin determined on the basis of current actual rate of interest of the capital expenditure loan taken by the Generating Company, Licensee or SLDC and prevailing SBIMCLR.

There payment for each year of the tariff period shall be deemed to be equal to the depreciation allowed for the corresponding year. In case of de-capitalization of assets,

the repayment shall be adjusted by taking into account cumulative depreciation made to the extent of de-capitalization.

The Commission shall allow obligatory taxes on interest, finance charges (including guarantee fee payable to the Government) and any exchange rate difference arising from foreign currency borrowings, as finance cost.

The interest on excess equity treated as loan shall be serviced at the weighted average interest rate of actual loan taken from the lenders.

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered.”

The Commission has considered the opening balance of long-term loans for the Spillover Schemes and New Schemes of the Generation and Distribution Business for FY 2024–25 as per the closing balance of loans for the true-up of FY 2023–24 in the Tariff Order for FY 2025–26.

The Commission has considered the approved additions to long-term loans, as explained in Tables 2.37 and 2.38 As per Regulation 23.3 of the PSERC MYT Regulations, 2022, the repayment of loans is considered equal to the depreciation allowed for the corresponding year.

The weighted average interest on loans has been considered at 9.072571% for both Generation and Distribution Business, in the absence of business-wise segregation from PSPCL, as shown in the following table.

Table 2.62: Determination of Rate of Interest on Long Term and Working Capital Loans for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Long Term Loans	Working Capital Loans
I	II	III	IV
1	Opening Balance as on 01.04.2024	9417.72	10746.18
2	Addition during the year	1326.51	4086.67
3	Repayments during the year	1025.37	7141.16
4	Closing Balance of loans	9718.86	7691.69
5	Average Balance of loans	9568.29	9218.94
6	Interest on loans	868.09	816.55
7	Weighted Average Rate of Interest (6/5)	9.072571%	8.857313%

The Commission has calculated the interest on long-term loans for the Generation and Distribution Business for FY 2024–25, as shown in the following tables:

Table 2.63: Interest and finance charges approved by the Commission for Spill-over Schemes for FY 2024-25 (Rs Crore)

Sr. No.	Particulars	GGSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	36.98	0.00	15.63	10.33	0.00	82.05	1.79	0.00	124.44	271.22	1595.04	1866.26
2.	Addition during the year	1.00	123.52	5.65	1.34	2.17	3.53	2.32	0.00	0.00	139.53	117.75	257.28

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.43	36.43
4.	Less: Repayment during the year	12.61	58.07	3.18	3.15	2.17	26.98	0.95	0.00	13.95	121.06	883.33	1004.38
5.	Closing Loan	25.37	65.45	18.10	8.52	0.00	58.60	3.16	0.00	110.49	289.69	793.03	1082.72
6.	Average Loan	31.18	32.72	16.87	9.43	0.00	70.33	2.47	0.00	117.46	280.45	1194.04	1474.49
7	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	2.83	2.97	1.53	0.86	0.00	6.38	0.22	0.00	10.66	25.44	108.33	133.77

Table 2.64: Interest and finance charges approved by the Commission for New Schemes for FY2024-25 (Rs. Crore)

Sr. no	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	2.18	0.56	0.00	1.00	0.98	0.05	0.30	0.00	13.64	18.71	3115.75	3134.46
2.	Addition during the year	6.92	27.85	0.00	0.00	0.00	0.03	0.18	0.00	0.00	34.98	1603.07	1638.05
3.	Less: Consumer Contribution and Grants											495.97	495.97
4.	Less: Repayment during the year	0.05	0.20	0.00	0.01	0.02	0.00	0.01	0.00	0.15	0.44	223.79	224.24
5.	Closing Loan	9.05	28.21	0.00	0.98	0.96	0.08	0.47	0.00	13.49	53.24	3999.06	4052.30
6.	Average Loan	5.62	14.38	0.00	0.99	0.97	0.06	0.39	0.00	13.57	35.98	3557.40	3593.38
7	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	0.51	1.31	0.00	0.09	0.09	0.01	0.04	0.00	1.24	3.27	322.75	326.02

Table 2.65: Interest and finance charges approved by the Commission for PSPCL for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	39.16	0.56	15.63	11.33	0.98	82.10	2.09	0.00	138.08	289.93	4710.79	5000.72
2.	Addition during the year	7.92	151.37	5.65	1.34	2.17	3.56	2.50	0.00	0.00	174.51	1720.82	1895.33
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	532.40	532.40
4.	Less: Repayment during the year	12.66	58.27	3.18	3.16	2.19	26.98	0.96	0.00	14.10	121.50	1107.12	1228.62
5.	Closing Loan	34.42	93.66	18.10	9.51	0.96	58.68	3.63	0.00	123.98	342.94	4792.09	5135.03
6.	Average Loan	36.79	47.11	16.87	10.42	0.97	70.39	2.86	0.00	131.03	316.43	4751.44	5067.87
7	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	3.34	4.27	1.53	0.95	0.09	6.39	0.26	0.00	11.90	28.72	431.08	459.80

2.20: Interest on GPF

PSPCL submitted that the actual interest paid on GPF in FY 2024-25 by PSPCL amounts to Rs. 40.35 Crore. This being a statutory payment on account of GPF, PSPCL prayed to the Commission to approve the same.

Commission's Analysis:

The Government of Punjab (Department of Power) vide its notification no 1/4/04-EB (PR) /620 dated 24.12.2012 under Punjab Power Sector Reforms Transfer (First amendment)

Scheme, 2012 amended clause 6 of the original transfer scheme notified by the GoP vide its notification no 1/9/08-EB(PR)/196 dated 16.04.2010 as under:

(10-B) The General Provident Fund Trust, shall be funded by Powercom and Transco both, as per the apportionment made in the Opening Balance Sheet, on and with effect from the 16 (th) April, 2010, and the same shall be funded over a period of ten years commencing on and with effect from the 1st April, 2013, alongwith interest as applicable:

Provided that for the period commencing from 16th April, 2010 to 31st March, 2013, the Powercom and Transco shall be liable to pay interest on the apportioned General Provident Fund liability, at the rate as applicable for the respective financial years.

(10-C) The Powercom and Transco, shall be liable to pay interest, as applicable to General Provident Fund from time to time, on the net accruals (on monthly basis) of the General Provident Fund amount on and with effect from the 16th April, 2010, to the date of issuance of this notification, and thereafter all the General Provident Fund matters, shall be settled through Trust.

The Commission, in paragraph 2.20 of the Tariff Order dated 28.03.2025 for FY 2025–26, had disallowed the interest on GPF, being a non-statutory payment. The relevant portion of the Commission's findings is reproduced below:

“The reply of PSPCL clearly shows that it had been utilizing Trust funds for repayments of their long-term Loans. The Commission has been allowing interest on long term loans and working capital loans on normative basis, therefore, claim of PSPCL that they have been saving on interest by repaying long term loans is in their own interest and not beneficial to the consumers. Further, had PSPCL made timely payments, the GPF Trust could have earned more interest, which would have benefited the subscribers. The claim for excess interest on the GPF liability has already impacted the previous tariff structure, thereby increasing the financial burden on consumers. The Commission observed that since PSPCL did not meet the required deposit timelines and diverted funds, the interest claim on default payment is not allowable.

Thus, the Commission disallows interest on GPF of Rs. 44.91 Crore for FY 2023-24 as initial corpus along with interest was to be fully paid/deposited by PSPCL to the GP Fund Trust on or before 31.03.2023 and no interest on outstanding initial corpus balance was allowable after 31.03.2023.”

In view of the above, the Commission disallows the GPF liability of Rs. 40.35 Crore, as claimed by PSPCL in the present petition, for FY 2024–25.

2.21 Capitalization of Interest Charges

PSPCL's Submissions:

PSPCL submitted that it has claimed Rs. 323.14 Crore towards capitalization of interest charges based on the Audited Annual Accounts for FY 2024–25. Since the Commission has not been allowing capital expenditure on the Shahpur Kandi Project, the interest capitalized amounting to Rs. 267.92 Crore in respect of the Shahpur Kandi Project is not allowable.

Commission's Analysis:

The Commission has not considered interest capitalized of Rs. 267.92 Crore for the Shahpur Kandi Project, as the capital expenditure has not been allowed and will be considered at the time of COD/capitalization of the project. Therefore, the Commission

allows capitalized interest amounting to Rs. 55.22 Crore (323.14 – 267.92) for FY 2024–25, which will be reviewed at the time of COD of the project.

2.22 Finance Charges and Guarantee fee

PSPCL has claimed guarantee charges of Rs. 48.53 Crore (Table 2.61), which includes guarantee charges of Rs. 0.53 Crore on a new loan for Capex related to the Shahpur Kandi Project (SKPP) for FY 2024–25. Since the Capex, loan, and capitalization of interest for SKPP have not been considered for the true-up of FY 2024–25 (which will be accounted for at the time of COD), the guarantee charges of Rs. 0.53 Crore claimed on the SKPP Capex loan are not allowed and will be considered at the time of COD of the project.

PSPCL has claimed finance/other charges of Rs. 7.88 Crore based on the Audited Annual Accounts for FY 2024–25. Accordingly, the Commission approves finance charges and guarantee fees of Rs. 55.88 Crore (Rs. 48.00 Crore + Rs. 7.88 Crore) for FY 2024–25.

The total interest and finance charges for the Distribution Business are approved as detailed below:-

Table 2.66: Interest and Finance charges for Distribution Business (Rs. Crore)

Sr. No	Particulars	Amount
I	II	III
1	Interest on Loan (Distribution Business) as per Table 2.65	431.08
2	Add: Finance charges & guarantee fee	55.88
3	Less: Capitalization of Interest charges	55.22
4	Interest & Finance charges (Distribution Business)	431.74

Accordingly, the Commission approves Total Interest & Finance charges of Rs.460.46 Crore (Rs. 431.74 Crore for Distribution Business and Rs. 28.72 Crore for Generation Business) for FY 2024-25.

2.23 Interest on Consumer Security Deposits

PSPCL's Submissions:

PSPCL has submitted that the Commission allowed Rs.120 Crore as interest on consumer security deposit for FY 2024–25 vide its Tariff Order dated 14 June 2024. However, the actual expenditure incurred by PSPCL on this account during FY 2024–25 is Rs. 274.96 Crore. The increase in interest cost is due to a higher interest rate during FY 2024–25 as well as an increase in the amount of security deposit during the said year. It is, therefore, requested that the Commission may kindly allow the actual interest on consumer security deposit incurred by PSPCL for FY 2024–25.

Commission's Analysis:

The Commission allows the interest on consumer security deposit amounting to Rs. 274.96 Crore for FY 2024-25 as claimed by PSPCL. Since, PSPCL utilizes the consumer security deposit towards meeting its working capital requirements, the corresponding amount has been deducted from the normative working capital requirement for the Distribution Business.

2.24 Return on Equity

PSPCL's Submissions:

PSPCL has submitted that it has considered the opening equity, including share application money pending allotment, as per the audited accounts, for the purpose of calculating the admissible opening equity eligible for FY 2024–25.

PSPCL has further submitted that, as per the audited accounts, an amount of Rs.15628.26 Crore on account of Government of Punjab (GoP) loans under the UDAY scheme was converted into equity on 31.03.2020. However, out of the total UDAY loans, Rs. 2246.77 Crore pertained to capital expenditure loans and Rs.13381.49 Crore pertained to working capital loans. Out of the working capital loans, Rs.2346.19 Crore was diverted towards funding capital expenditure, which has already been approved by the Commission. Accordingly, PSPCL contends that an amount of Rs. 4592 Crore (Rs. 2346.19 Crore + Rs. 2246.77 Crore) is required to be considered in addition to the amount of Rs.6081 Crore towards admissible equity for the purpose of return.

Since this issue is already pending before the Hon'ble APTEL, and without prejudice to the above, PSPCL has considered only an amount of Rs. 6081 Crore as equity in the present petition for computing return, without forfeiting its claim for return on the balance equity.

PSPCL has considered a return rate of 16.03% on an average admissible equity of Rs. 6081.47 Crore and has accordingly worked out the Return on Equity at Rs.974.78 Crore for FY 2024–25. The same is tabulated below:

Table 2.67: Return on Equity as claimed by PSPCL for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	As per Tariff Order	Claimed
I	II	III	IV
1	Opening Equity	6081.43	6081.47
2	Addition of Equity	0.00	0.00
3	Closing Equity	6081.43	6081.47
4	Rate of Return on Equity	16.03%	16.03%
5	Return on Equity	974.74	974.78

Note: RoE is claimed on opening balance of equity without prejudice to PSPCL's claim of considering diverted loan amount for CAPEX funding

PSPCL has submitted that the Commission may kindly allow the Return on Equity as computed above for FY 2024–25, without prejudice to the claim pending before the Hon'ble APTEL.

Commission's Analysis:

The Commission determines the Return on Equity for the Control Period in accordance with Regulation 20 of the PSERC MYT Regulations, 2022, which is reproduced below:

"20.Return on equity

Return on equity shall be computed at the base rate of 15.5% for thermal generating stations, Transmission Licensee, SLDC and run of the river hydro generating stations and at the base rate of 16.5% for the storage type hydro generating stations and run of river generating stations with pondage and 16% for Distribution Licensee on the

paid-up equity capital determined in accordance with Regulation 19:

Provided that Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed:

Provided further that asset funded by consumer contributions, capital subsidies/Government. Grants shall not form part of the capital base for the purpose of calculation of Return on Equity.”

Further, Regulation 19 of the PSERC MYT Regulations, 2022 is reproduced as under:

“19.1. Existing Projects-In case of the capital expenditure projects having Commercial Operation Date prior to the effective date, the debt-equity ratio shall be as allowed by the Commission for determination of tariff for the period prior to the effective date:

Provided that the Commission shall not consider the increase in equity as a result of revaluation of assets (including land) for the purpose of computing return on equity.

19.2. New Projects – For capital expenditure projects declared under commercial operation on or after the effective date:

- (a) A Normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;*
- (b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;*
- (c) In case, the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;*
- (d) The premium, if any raised by the Applicant while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity subject to the normative debt-equity ratio of 70:30, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure of the Applicant’s business....”*

In para 3.20 of the Tariff Order for FY 2022–23, issued on 31st March, 2022, the Commission did not allow the addition of Rs. 4592.96 Crore towards equity. The relevant paragraph is reproduced below:

“The Commission has not considered the amount of Rs.4592 Crore (Rs.2346.19 Crore+Rs.2246.77 Crore) in addition to amount of Rs.6081 Crore to admissible equity for return. Accordingly, no addition of equity has been considered by the Commission to the opening equity of FY 2020-21 on account of conversion of UDAY loans of Rs.2246.77 Crore as it is not utilized for meeting the capital expenditure for new Projects. Similarly, Rs.2346.19 Crore as claimed by PSPCL which was diverted for capital expenditure funding is also not considered for infusion towards equity as these were working capital loans of prior period”.

Thus, the Commission has considered the opening equity for FY 2024-25 as the approved closing of equity from the True-up of FY 2023-24 and accordingly, determines Return on Equity for FY 2024-25 which is as under:

Table 2.68: Return on equity approved by the Commission for FY2024-25 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	XI	XII	XIII	XIV	XV
1	Opening Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
2	Addition during the Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Closing Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
4	Average Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
5	Rate of Return on Equity	15.50%	15.50%	16.50%	16.50%	16.50%	16.50%	15.50%	15.50%	16.50%			
6	Return on Equity	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98	588.76	974.74

The Commission, thus, approves the Return on Equity of Rs. 974.74 Crore for FY 2024–25.

2.25 Royalty charges payable to GoP

PSPCL has claimed Rs.16.89 Crore as royalty charges payable to the Government of Punjab on power from RSD (under the Generation Business), as per the annual audited accounts for FY 2024–25. PSPCL has prayed for approval of Rs. 16.89 Crore as royalty charges for FY 2024–25.

The Commission approves royalty charges of Rs.16.89 Crore for FY 2024–25, as claimed by PSPCL.

2.26 Prior Period Expenses

PSPCL's Submissions:

PSPCL has submitted that, as per the actual details of prior-period payments of power purchase made during FY 2024–25, an amount of Rs.739.09 Crore has been incurred by PSPCL, the details of which have been submitted along with the Petition. PSPCL has further submitted that it has paid Rs.146.91 Crore as arrears of water charges during FY 2024–25.

Commission's Analysis:

The Commission allows prior-period expenses of Rs. 734.20 Crore and arrears of water charges amounting to Rs. 91.69 Crore, as per Table 2.49 of this Order.

Accordingly, the Commission allows Rs. 825.89 Crore (Rs. 734.20 Crore + Rs. 91.69 Crore) as prior-period expenses for FY 2024–25.

2.27 Other debits

PSPCL's Submissions:

PSPCL has submitted that, as per the audited accounts, it has incurred Rs.142.18 Crore as Other Debits during FY 2024–25. PSPCL has, therefore, requested that the Commission may kindly allow the expenditure on account of Other Debits as per the audited accounts for FY 2024–25.

Commission's Analysis:

Regulation 46 of the PSERC MYT Regulations, 2022 for Distribution Business is reproduced as under:

"46.BAD AND DOUBTFUL DEBTS AND OTHER DEBITS

Bad and doubtful debts shall be allowed to the extent the Distribution Licensee has identified/actually written off bad debts, subject to a maximum of 1% of annual sales revenue excluding subsidy, and according to a transparent policy approved by the Commission. In case, there is any recovery of bad debts already written off, there covered bad debts will be treated as Other Income.

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

PSPCL has claimed other debts as per the audited accounts of FY 2024-25 as per detail given below:

Table 2.69: Other debts claimed by PSPCL for FY2024-25 (Rs. Crore)

Sr. No.	Particulars	Amount
I	II	III
1	Bad and doubtful debts written off	9.69
2	Provisions for bad and doubtful debts	64.17
3	Miscellaneous losses & written off	34.62
4	Loss on sale of Assets	19.92
5	Losses and doubtful debts provided for-others	10.78
6	Loss on a/c of Fire	3.00
7	Total	142.18

In response to the Commission's query regarding its detailed break-up, PSPCL, vide Memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025, has provided the details of miscellaneous losses and write-offs amounting to Rs. 34.62 Crore, which consist mainly of Rs. 31.38 Crore relating to loss on shortages, with the remaining amount pertaining to payment of compensation to staff. Loss on sale of assets mainly consists of Rs 19.82 Crore on account of loss on sale of damaged, irreparable, or scrapped transformers. The Commission has not considered Rs 74.95 Crore (Rs 64.17 Crore + Rs 10.78 Crore) on account of provision for bad and doubtful debts, as only bad debts actually written off are to be considered.

Accordingly, the Commission allows Rs 67.23 Crore (Rs 142.18 Crore – Rs 74.95 Crore) as Other Debits and Extraordinary Items for FY 2024–25.

2.28 DSM Fund

In its True-up Petition for FY 2024-25, PSPCL has claimed expenses of Rs. 0.01 Crore for the DSM Fund.

Accordingly, the Commission allows Rs. 0.01 Crore as expenses for the DSM Fund for FY 2024-25, in accordance with the DSM Regulations.

2.29 Transmission & SLDC Charges payable to PSTCL

PSPCL has claimed Transmission and SLDC charges amounting to Rs. 1683.69 Crore. The

Commission, in its True-up Order for PSTCL for FY 2024-25, had determined the Annual Revenue Requirement for FY 2024-25 as Rs. 1573.37 Crore as Transmission and SLDC charges payable by PSPCL.

Accordingly, Rs. 1573.37 Crore is being included in the true-up of PSPCL for FY 2024-25 as Transmission and SLDC charges.

2.30 Extraordinary Item

PSPCL's Submissions:

The Commission, in the deficiencies issued on Petition No. 70 of 2025 filed by PSPCL, sought clarification regarding the non-consideration of the extraordinary item of Rs.3581.95 Crore disclosed in Note No. 40 of the Annual Audited Accounts for the true-up of FY 2024–25.

PSPCL vide its memo no. 160/ARR/DY.CAO/271/Vol-I dated 17.12.2025 submitted that an amount of Rs.3,581.95 Crore has been received as grant from the Government of Punjab (GoP) for Loss Funding and the same is non- recurring in nature and arising outside the normal course of PSPCL's business operations. If it recognized as "Other income," it will unnecessarily depict enhancement of profit earned in normal course of business, which will be against the intent of Para 15 of Ind AS-1, 'Presentation of Financial Statements'. The para 15 of Ind AS-1 clearly depicts that the financial statement of company shall present a true and fair view of financial position and financial performance of a company. Hence, to ensure fair presentation, transparency and clarity for users of financial statements, it was shown separately on the face of the statement of Profit and Loss with the descriptive label: extraordinary item. Thus, it is a communication mechanism to highlight the unusual nature and significant impact of this inflow.

PSPCL vide its office memo No. 160/ARR/DY.CAO/271/Vol-I dated 04.02.2026 submitted as under:

Further, in continuation of this office memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2026, it is submitted that during FY 2024-25, PSPCL received loss funding amounting to Rs 3,581.95 Crore from the Government of Punjab. The said funding was extended as a prerequisite for enabling the Government of Punjab to avail additional borrowing equivalent to 0.5% of GSDP from the Government of India. The accounting treatment & presentation of the aforesaid grant in financial statements of the Companies have been carried out in accordance with applicable Ind AS and Schedule III of Companies Act 2013. However, the treatment of the same in tariff petition may be considered in accordance with Regulation 27 of PSERC MYT Regulations, 2022

Commission's Analysis:

Punjab State Power Corporation Limited (PSPCL) has received an amount of Rs. 3581.95 Crore from the Government of Punjab during FY 2024–25 as compensation towards 75% of the losses incurred in FY 2022–23. PSPCL has classified this receipt as an extraordinary item

in its financial statements for FY 2024–25, citing its non-recurring and non-operational nature, in accordance with Ind AS-1 (Para 15), with the objective of presenting its operational performance on a true and fair basis.

The Commission notes that, while the above accounting treatment may be appropriate for financial reporting purposes, regulatory treatment is guided by different principles. From a regulatory perspective, any non-operational financial benefit such as grants, subsidies, or compensation received by a utility, which reduces its net financial requirement, is required to be passed on to consumers. Failure to do so would result in consumers bearing higher tariffs for the same level of supply, despite the utility having already been compensated for the underlying cost or loss.

Although the losses pertain to FY 2022–23 and the compensation have been received in FY 2024–25, the receipt represents a real and tangible financial benefit to PSPCL in the year of receipt. The amount improves the utility’s overall financial position, profitability, and liquidity, and correspondingly enhances its ability to access financing at lower cost. Ignoring such a benefit for tariff purposes would lead to an inflated revenue requirement and an unjust enrichment of the utility at the cost of consumers.

Further, PSPCL, vide memo dated 04.02.2026, submitted additional submissions stating that the treatment of an extraordinary item may be considered in accordance with Regulation 27 of the PSERC MYT Regulations, 2022, which relates to an item falling under non-tariff income.

Accordingly, the Commission holds that the amount of Rs. 3581.95 Crore, though classified as an extraordinary item (income) for accounting purposes, shall be treated as non-tariff income under Regulation 27.1(m) of the PSERC MYT Regulations, 2022, in the true-up of FY 2024–25 for the distribution business of PSPCL, as considered in the following paragraph, and shall be passed on to consumers through an appropriate tariff adjustment mechanism.

2.31 Non-Tariff Income

PSPCL’s Submissions:

PSPCL has submitted that the non-tariff income of PSPCL for FY 2024-25 is computed to be Rs. 1051.02 Crore against Rs. 1168.51 Crore approved by Commission in Tariff Order dated 14th June 2024. The details of non-tariff income as claimed are given in the table below:

Table 2.70: Non-Tariff Income for FY 2024-25 (Rs. Crore)

Sr.No.	Particulars	Actual
I	II	III
1	Other Income	1659.71
2	Meter/service rent	115.03
3	Misc. charges (except PLEC)	24.76
4	Generation based incentive for Solar Power	37.36
5	Total Other Income	1836.87

Sr.No.	Particulars	Actual
I	II	III
6	Less: Interest subsidy for REC	8.89
7	Less: Carrying Cost on Delayed Payment of Subsidies	545.93
8	Less: Financing Cost of Late payment charges from consumers	231.02
9	Net Non-Tariff Income	1051.02

PSPCL submitted that it has received a grant in the form of loss funding from the Government of Punjab amounting to Rs. 3582 Crore. However, the same has not been treated as part of non-tariff income, in line with the earlier approach adopted for similar loss funding under the UDAY Scheme, which was also followed by the Commission.

Accordingly, PSPCL has requested that the Commission may kindly allow non-tariff income of Rs.1051.02 Crore to PSPCL for FY 2024–25.

Commission's analysis:

PSPCL has submitted that its non-tariff income for FY 2024–25 is estimated at Rs. 1051.02 Crore, as against Rs. 1168.51 Crore approved by the Commission in the Tariff Order dated 14th June, 2024. The Commission observed that the loss funding of Rs. 3581.95 Crore received from the Government of Punjab is not comparable to the UDAY Scheme, which was implemented during FY 2015–16 to FY 2019–20 to achieve the turnaround of Punjab State Power Corporation Limited through measures such as reduction in AT&C losses, 11 kV feeder metering, DT metering (except for AP), feeder segregation, AMR metering for consumers with consumption above 500 units per month, release of domestic connections under the 24×7 PFA (%), implementation of the ERP system, and provision of LED bulbs, among others.

Under the UDAY Scheme, PSPCL's loans amounting to Rs. 15628.26 Crore were taken over by the Government of Punjab, and the Government issued non-SLR bonds, including SDL bonds, to raise funds. As per the MoU, after five years, this amount was to be converted into a grant of Rs. 11728.26 Crore and equity of Rs. 3900.00 Crore. However, the Government of Punjab converted the entire amount of Rs. 15628.26 Crore into equity as on 31.03.2020, and PSPCL has accordingly recorded the same as equity in its books of accounts.

In contrast, in the case of the loss funding of Rs. 3581.95 Crore, PSPCL has treated the amount as an extraordinary item and recognized it as income in the Profit & Loss Account for FY 2024–25.

Further, as discussed in para 2.31 above, the Commission considers the extraordinary item of Rs.3581.95 Crore received from the Government of Punjab during FY 2024-25 as Non-Tariff income under Regulation 27.1(m) of the PSERC MYT Regulations, 2022.

PSPCL vide its Memo No. 826/ARR/Dy.CAO/271/Deficiencies dated 17.12.2025 submitted that the amount of Rs. 163.92 Crore, received as meter rent subsidy, has been inadvertently considered as a part of revenue from sale of power instead of non-tariff income during FY 2024-25. The Commission considers Rs. 163.92 Crore as non-tariff income in Table 2.71.

The details of the non-tariff income approved by the Commission are provided in the table below.

Table 2.71: Non-Tariff Income approved by the Commission for FY 2024-25

		(Rs. Crore)
Sr.No.	Particulars	Amount
I	II	III
1	Interest from banks FD & Other than FD	0.22
2	Interest-Others (subsidy carrying cost)	554.01
3	Delayed payment charges from consumers	469.50
4	Lease money received from leased power plants	1.99
5	Pole Rent from cable/broadband operation	15.59
6	Rentals-Others	13.49
7	Income from Sale of scrap etc.	17.12
8	Gain on sale of assets	1.55
9	Sale of tender-forms	0.39
10	Sundry credit balance written back	14.11
11	Penalty for delay in delivery/completion of work etc.	79.90
12	Income/financial assistance for imparting training	1.20
13	Other income	117.09
14	Interest received on refund of Income Tax	1.07
15	Receipt on account of damaged meters	16.19
16	Commission for collection of octroi	26.23
17	Interest subsidy for REC	8.89
18	Processing Fees	11.33
19	Other income transferred from consumer contribution (Transferred from Note 19 A)	309.83
20	Total Other Income (as per Audited Accounts)	1659.71
21	Add: Meter rent/Service Line Rental	115.03
22	Add: Meter rent/Service Line Rental (through subsidy)	163.92
23	Add: Misc. charges from consumers	24.76
24	Add: Generation based incentive	37.36
25	Add: Extraordinary item as per para 2.30	3581.95
26	Less: Interest subsidy for REC	8.89
27	Less: Financing Cost of Late payment charges from consumers	231.02
28	Less: Carrying Cost on Delayed Payment of subsidies	545.93
29	Total Non-Tariff Income	4796.89

Accordingly, the Commission approves Non-Tariff Income of Rs. 4796.89 Crore for FY 2024-25 in Distribution Business.

2.32 Interest on Working Capital

PSPCL's Submissions:

PSPCL has submitted that the Commission has allowed the interest on working capital on a normative basis. Accordingly, the interest on working capital for PSPCL was allowed at Rs. 237.61 Crore for FY 2024–25 vide Tariff Order dated 14.06.2024. The Commission arrived at the said amount by considering an interest rate of 7.65% on the normative working capital requirement for FY 2024–25.

However, as per the audited accounts, the actual interest cost incurred by PSPCL for FY 2024–25 is Rs. 816.55 Crore. PSPCL has further submitted that the actual working capital

loan outstanding as on 31.03.2025 was Rs.7692 Crore, and the weighted average interest rate for the year worked out to 8.86%.

In view of the above, PSPCL has requested the Commission to consider allowing the actual interest on working capital incurred by PSPCL for FY 2024–25.

Commission's Analysis:

The Commission determines the interest on working capital in accordance with Regulation 32 and Regulation 42 of the PSERC MYT Regulations, 2022. These regulations provide for the deduction of one month's power procurement cost, including associated costs, from the total working capital requirement. Interest on working capital is allowed on a normative basis as per the regulations, and not based on the actual working capital loans availed by the utility as reflected in the annual audited accounts.

The Commission has considered the weighted average rate of interest on short-term loans at 8.857% per annum (Table 2.62), as submitted by PSPCL. Accordingly, the Commission approves the interest on working capital for the Generation Business and the Distribution Business as follows:

**Table 2.72: Interest on working Capital approved by the Commission for FY 2024-25
(Rs. Crore)**

Sr.No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1	Cost of Fuel for 2 months(Table 2.27)	252.91	269.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	522.35	0.00	522.35
2	O&M Expenses for 1 month (Table 2.55)	23.06831	15.39554	5.01762	6.35979	3.25767	9.42586	5.77554	0.00	0	68.30	551.95	620.25
3	Maintenance spares @ 15% of the O&M expenses (Table 2.55)	41.52	27.71	9.03	11.45	5.86	16.97	10.40	0.00	0	122.94	993.51	1116.45
4	Receivables equivalent to 2 months(Table.2.77)	338.36	335.03	11.62	16.86	61.08	28.55	14.36	0.13	74.72	880.70	5890.78	6771.49
5	Less: Consumer Security Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4929.41	4929.41
6	Less: Power procurement cost including associated cost for 1month (Table 2.31)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2394.23	2394.23
7	Total Normative Working Capital	655.86	647.58	25.67	34.67	70.20	54.94	30.53	0.13	74.72	1594.29	112.60	1706.90
8	Interest on Working Capital (%)	8.857314	8.85731	8.85731	8.85731	8.8573	8.8573	8.8573	8.8573	8.8573		8.8573	
9	Interest on Working Capital	58.09	57.36	2.27	3.07	6.22	4.87	2.70	0.01	6.62	141.21	9.97	151.18

Accordingly, the Commission approves the Interest on Working Capital of Rs.141.21 Crore for the Generation Business and Rs. 9.97 Crore for the Distribution Business for FY 2024-25.

2.33 Aggregate Revenue Requirement of Generation Projects (Hydro and Thermal) for FY 2024-25

A summary of project wise Aggregate Revenue Requirement (ARR) of Generation Business of PSPCL (consisting of Hydro and Thermal Plants/Projects) for FY 2024-25 has been given in the following tables:-

Table 2.73: ARR for Thermal Plants (Generation Business) for FY 2024-25**(Rs. Crore)**

Sr. No.	Particulars	GGSSSTP	GHTP	Total
I	II	III	IV	V
1	Fuel Cost	1517.43	1616.66	3134.09
2	Employee Cost (Table 2.46)	182.09	133.22	315.31
3	R&M Expenses (Table 2.51)	90.83	45.05	135.88
4	A&G Expenses (Table 2.54)	3.90	6.47	10.37
5	Depreciation (Table 2.59)	12.66	58.27	70.93
6	Interest Charges (Table 2.65)	3.34	4.27	7.61
7	Return on Equity (Table 2.68)	70.16	88.89	159.05
8	Interest on Working Capital (Table 2.72)	58.09	57.36	115.45
9	Prior period expenses (arrears of water charges)	91.69	0.00	91.69
10	Revenue Requirement	2030.19	2010.19	4040.38

Table 2.74: ARR for Hydro Plants (Generation Business) for FY 2024-25**(Rs. Crore)**

Sr. No.	Particulars	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total
I	II	III	IV	V	I	II	III	IV	V
1	Employee Cost (Table 2.55)	57.24	74.19	37.15	107.99	67.93	0.00	344.59	689.09
2	R&M expenses (Table 2.55)	0.74	0.60	0.82	2.87	0.28	0.00	52.77	58.08
3	A&G expenses (Table 2.55)	2.24	1.53	1.13	2.24	1.10	0.00	6.40	14.64
4	Depreciation (Table 2.59)	3.18	3.16	142.74	26.98	0.96	0.24	14.10	191.36
5	Interest Charges (Table 2.65)	1.53	0.95	0.09	6.39	0.26	0.00	11.90	21.12
6	Return on Equity (Table 2.68)	2.51	17.67	161.44	19.97	12.92	0.50	11.92	226.93
7	Interest on Working Capital (Table 2.72)	2.27	3.07	6.22	4.87	2.70	0.01	6.62	25.76
8	Royalty Paid by RSD to GoP	0.00	0.00	16.89	0.00	0.00	0.00	0.00	16.89
9	Revenue Requirement	69.71	101.17	366.48	171.31	86.15	0.75	448.30	1243.87

Table 2.75: ARR for Generation Business for FY 2024-25 (Rs. Crore)

Sr.No.	Particulars	Thermal (Table 2.76)	Hydro (Table 2.77)	Total
I	II	III	IV	V
1	Fuel Cost	3134.09	0.00	3134.09
2	Employee Cost	315.31	689.09	1004.40
3	R&M Expenses	135.88	58.08	193.96
4	A&G Expenses	10.37	14.64	25.01
5	Depreciation	70.93	191.36	262.29
6	Interest & Finance Charges	7.61	21.12	28.73
7	Return on Equity	159.05	226.93	385.98
8	Interest on Working Capital	115.45	25.76	141.21
9	Royalty Paid by RSD to GoP	0.00	16.89	16.89
10	Prior period expenses (arrears of water charges)	91.69	0.00	91.69
11	Revenue Requirement	4040.38	1243.87	5284.25

Note:

The Commission observed that in the ARR Petition, PSPCL has shown actual plant availability factor for FY 2024-25 as 82.66% and 74.41% for GGSSTP and GHTP respectively which is less than the normative plant availability factor of 85%. The thermal power plants are allowed full fixed cost if plant availability factor is equal or more than the plant availability factor. Accordingly, vide order dated 08.01.2026, the Commission directed PSPCL to review

and revise the fixed cost of GGSSTP and GHTP as per Regulation 36 of the PSERC MYT Regulations, 2022. However, PSPCL has not submitted any reply in this regard.

In the Tariff Order for FY 2025-26, acknowledging the collapsing of ESP of Unit-2 as Force Majeure, the Commission had allowed pass through of lower plant availability factor for GHTP in the True-up of FY 2023-24 as per PSPCL's request. The Commission notes that PSPCL has been able to restore Unit 2 of GHTP only in February, 2025. Accordingly, the Commission decides to allow relaxation in the Normative Annual Plant Availability Factor (NAPAF) of GHTP for FY 2024-25 also.

However, in the absence of any valid justification by PSPCL, the Commission decides to reduce the fixed charges for GGSSTP, Ropar in line with the provisions of Regulation 36 of PSERC MYT Regulations, 2022. Accordingly, fixed cost of GGSSTP at 82.66% works out to be Rs. 498.64 $\{(2030.19-1517.43=512.76) \times 82.66/85\}$ Crore (Table 2.73). Thus, fixed cost of GGSSTP is being reduced by Rs 14.12 (512.76- 498.64) Crore due to non-achievement of normative plant availability. The impact of working capital interest works out to Rs 0.40 Crore on this account, which is also being reduced. **Thus, the Commission approves fixed cost of GGSSTP as Rs. 2015.67 (2030.19-14.12-0.40) Crore for FY 2024-25. The impact on this account amounting to Rs 14.52(14.12+0.40) Crore has been taken in Table 2.81.**

2.34 Aggregate Revenue Requirement of Distribution Business for FY 2024-25

The Net Revenue Requirement of Distribution Business of PSPCL has been segregated into Wires and retail supply business as per the PSERC MYT Regulations no 6.2 as PSPCL has not segregated their accounts, as given in the following table:

Table 2.76: ARR of Distribution Business for FY 2024-25 (Rs. Crore)

Sr.No.	Particulars	Wires Business	Retail Supply Business	Total
I	II	III	IV	V
1	Power purchase cost (Table 2.31)	0.00	28730.81	28730.81
2	Employee Cost (Table 2.46)	2430.13	3645.20	6075.33
3	R&M Expenses (Table 2.51)	331.27	36.81	368.08
4	A&G Expenses (Table 2.54)	90.00	90.01	180.01
5	Depreciation (Table 2.59)	996.41	110.70	1107.11
6	Interest & Finance Charges (Table 2.66)	388.56	43.17	431.73
7	Interest on Consumer Security Deposit	27.50	247.46	274.96
8	Return on Equity (Table 2.68)	529.88	58.88	588.76
9	Interest on Working Capital (Table 2.72)	1.00	8.97	9.97
10	Intra-State Transmission Charges	0.00	1573.37	1573.37
11	Provision for DSM Fund	0.00	0.01	0.01
12	Prior Period Expense	0.00	734.20	734.20
13	Other Debits	0.00	67.23	67.23
14	Total Revenue Requirement	4794.75	35346.82	40141.57
15	Less: Non-Tariff Income (Table 2.71)	479.69	4317.20	4796.89
16	Net Revenue Requirement	4315.06	31029.62	35344.68

2.35 Aggregate Revenue Requirement of PSPCL for FY2024-25

The summary of Net Revenue Requirement for PSPCL as a whole for FY 2024-25 is given in the following table:-

Table 2.77: Net revenue Requirement of PSPCL for FY 2024-25 (Rs. Crore)

Sr. No.	Items of Expenses	Approved in Tariff order FY 2024-25 by the Commission	Claimed by PSPCL in True-Up	Approved by the Commission in True up		
				Generation	Distribution	Total
I	II	III	IV	V	VI	VII
1	Fuel Cost	3155.01	3488.81	3134.09	0.00	3134.09
2	Power Purchase Cost	29,625	29607.01	0.00	28730.81	28730.81
3	Employee Cost	7191.03	7071.19	1004.40	6075.33	7079.73
4	R&M Expenses	533.71	884.08	193.96	368.08	562.04
5	A&G Expenses	194.15	252.38	25.01	180.01	205.02
6	Depreciation	1405.51	1383.93	262.29	1107.11	1369.40
7	Interest & Finance Charges	271.87	666.03	28.73	431.73	460.46
8	Interest on Consumer Security Deposit	120.00	274.96	0.00	274.96	274.96
9	Return on Equity	974.74	974.78	385.98	588.76	974.74
10	Interest on Working Capital	237.61	816.55	141.21	9.97	151.18
11	Intra-State Transmission Charges	1683.69	1683.69	0.00	1573.37	1573.37
12	Provision for DSM Fund	0.01	0.01	0.00	0.01	0.01
13	Prior Period Expense	0.00	739.09	91.69	734.20	825.89
14	Royalty Paid by RSD to GoP	15.32	16.89	16.89	0.00	16.89
15	Other Debits	0.00	142.18	0.00	67.23	67.23
16	Total Revenue Requirement	45407.65	48001.58	5284.25	40141.57	45425.82
17	Less: Non-Tariff Income	1168.51	1051.02	0.00	4796.89	4796.89
18	Net Revenue Requirement	44239.14	46950.56	5284.25	35344.68	40628.93

2.36 Revenue from sale of power**PSPCL's Submissions:**

PSPCL submitted that it has considered the actual revenue from sale of power and revenue received against subsidy from Government of Punjab based on the audited accounts. The details of category-wise revenue received has been submitted in the formats appended with the petition.

PSPCL further stated that, for working out the revenue from sale of power, the impact of true up of subsidy amount for FY 2023-24, meter rent & GST on meter rent during FY 2024-25 have been excluded.

PSPCL submits the revenue from sale of power for FY 2024-25 as shown in the following table:

Table 2.78 Revenue from Sale of Power for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Amount
I	II	III
1	Revenue from sale of power	26538.56
2	Revenue from outside state sale	539.60
3	Subsidy amount	20799.16
4	Less: Impact of true up of FY 2023-24	93.45
5	Less: GST on meter rent for FY 2024-25	12.67
6	Subsidy amount considered against revenue (3 – 4 – 5)	20693.06
7	Total Revenue (1 + 2 + 6)	47771.22

Commission's Analysis:

PSPCL has shown the energy sold within the State in Note 57(4)(ii) of the audited annual accounts for FY 2024–25. PSPCL has also provided the same data in its petition for true-up; however, it has not furnished slab-wise sales data against which revenue has been recorded in the books of accounts. Therefore, in order to validate the revenue, the Committee for Revenue Validation obtained the slab-wise billing data from PSPCL on 09.01.2026 during its visit to the office of PSPCL. The Commission observed as under:

1. The revenue from the sale of power as per the audited accounts was slightly lower than the revenue submitted by PSPCL in the actual billing data. However, both the audited accounts data and the revenue as per the billing data broadly match, with a minor variation of around Rs.1.00 Crore. Accordingly, the Commission decided to consider the metered, category-wise revenue from fixed charges, energy charges, FCA, surcharge/incentives, and sundry charges as per the billing data, since the sales submitted by PSPCL are also based on billing data.
2. In response to the Commission's query regarding the mismatch in sundry charges and allowances in the accounts data vis-à-vis the billing data, PSPCL replied vide Memo No. 15/ARR/DY CAO/271/Deficiencies dated 07.01.2026 that various types of adjustments are accounted for under sundry charges and allowances, which cannot be quantified. Therefore, the figures as per the accounts and billing data do not match. PSPCL has been providing a similar reply to the Commission on this issue in the previous years as well. In the absence of a proper break-up, it is difficult for the Commission to validate the sundry charges and allowances.
3. Further, PSPCL, vide reply dated 07.01.2026, submitted the detailed break-up of category-wise opening and closing unbilled units as under:-

Table 2.79: Breakup of category wise unbilled units and revenue.

Sr No	Category	UNBILLED UNITS (In MU's)			UNBILLED REVENUE (In Crores)		
		Ending 31-03-2025	Ending 31-03-2024	Difference	Ending 31-03-2025	Ending 31-03-2024	Difference
I	II	III	IV	V=III-IV	VI	VII	VIII=VI-VII
1	DS	1161.32	1093.37	67.96	764.15	664.77	99.38
2	CS	234.45	241.65	-7.20	195.06	205.34	-10.27
3	SP	60.06	66.68	-6.62	47.75	54.97	-7.22
4	MS	157.03	184.31	-27.29	123.27	137.85	-14.58
5	LS	617.58	644.75	-27.17	472.45	487.63	-15.18
6	PL	7.42	5.95	1.47	6.10	4.94	1.17
7	BS	17.93	19.12	-1.20	14.45	16.17	-1.72
8	RT	2.62	1.95	0.67	2.61	1.78	0.83
9	TOTAL	2258.41	2257.79	0.62	1625.83	1573.44	52.40

In response to the Commission's query regarding the reasons for the low accounting of unbilled units of 0.62 MWh in FY 2024–25 as compared to 156.40 MWh in FY 2023–24, PSPCL submitted that it creates category-wise provisions for unbilled revenue and unbilled units based on the number of days for which the units remain unbilled at the end of each accounting year. This exercise is carried out by collecting data from 481 sub-divisional offices under 101 divisional offices. Further, PSPCL submitted that the provision created for unbilled units and unbilled revenue at the end of an accounting year is not comparable with the provision created at the end of the previous year, as it depends upon the number of days for which billing could not be carried out at the close of the financial year. This may vary from year to year, division to division, and category to category.

In addition to the above, vide email dated 30.01.2026, PSPCL submitted that the unbilled revenue as on 31.03.2024 was Rs. 1,573.44 Crore and as on 31.03.2025 was Rs. 1,625.83 Crore against unbilled units of 2,257.79 MU and 2,258.41 MU, respectively. The difference between the opening and closing unbilled revenue amounts to Rs. 52.40 crore, which is due to changes in the tariff schedule for FY 2024–25 and changes in the mix of category-wise unbilled units.

4. The revenue from AP has been assessed on the basis of energy sales approved for AP in para 2.2.2. The revenue from the Common Pool and outside state sales have been considered as per the Audited Annual Accounts.

Accordingly, the Commission approves the revenue from sale of power for FY 2024-25 as under:

Table 2.80: Revenue from sale of power approved by the Commission for FY 2024-25

Sr. No.	Category	Sales (MkWh)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from FCA (Rs. Crore)	Revenue from Other Charges (Rs. Crore)	Revenue from Theft (Rs. Crore)	Unbilled Revenue (Rs. Crore)	Total Revenue (Rs Crore)
I	II	III	IV	V	VI	VII	VIII	IX	X
1	Domestic	19899.95	1173.80	12059.14	0.00	-56.69	93.65	99.38	13369.28
2	Non-Residential Supply	5051.37	525.17	3678.90	0.005	-19.41	18.32	-10.27	4192.71
3	Small Power	827.29	132.59	549.38	0.00	25.30	2.80	-7.22	702.85
4	Medium supply	2375.29	286.04	1533.81	0.00	33.99	4.20	-14.58	1843.46
5	Large Supply	20405.11	1922.97	13985.69	0.006	-350.22	1.58	-15.18	15544.85
6	Public Lighting	166.58	7.51	129.76	0.00	-11.00	0.00	1.17	127.44
7	Bulk Supply	715.28	90.67	501.97	0.00	-10.73	0.00	-1.72	580.19
8	Railway Traction	90.06	17.86	71.52	0.00	12.79	0.00	0.83	103.00
9	AP High technology /High Density farming/Agriculture Pumpset	0.01	0.00	0.01	0.00	0.01	0.00	0.00	0.02
10	Compost/ Solid waste Management Plants for Municipalities/ Urban Local Bodies	440.46	14.23	266.39	0.00	43.10	0.00	0.00	323.72

Sr. No.	Category	Sales (MkWh)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from FCA (Rs. Crore)	Revenue from Other Charges (Rs. Crore)	Revenue from Theft (Rs. Crore)	Unbilled Revenue (Rs. Crore)	Total Revenue (Rs Crore)
11	Charitable Hospitals set-up under PWD Act	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Start-up Power for generators/CPPs	73.26	18.78	58.34	0.00	-2.07	0.00	0.00	75.05
13	Golden Temple & Durgiana Mandir, Sri Amritsar Sahib	9.48	0.00	6.08	0.00	-0.23	0.00	0.00	5.85
14	Temporary Supply	192.59	14.33	177.97	0.00	-4.35	0.00	0.00	187.95
15	Total(metered)	50246.74	4203.95	33018.96	0.01	-339.51	120.55	52.41	37056.37
16	Agriculture	14527.33	0.00	9699.50	0.00	0.00	2.61	0.00	9702.11
17	Common Pool	308.18	0.00	121.19	0.00	0.00	0.00	0.00	121.19
18	Outside State Sales	716.80	0.00	539.60	0.00	0.00	0.00	0.00	539.60
19	Adjusted units for unbilled units, short assessment and theft	255.56							
20	Grand Total	66054.61	4203.95	43379.25	0.01	-339.51	123.16	52.41	47419.27

2.37 Revenue Gap and Carrying Cost

The Gap/(surplus) for FY 2024-25 is determined as under: -

Table 2.81: Revenue Gap for FY 2024-25

(Rs. Crore)

Sr. No.	Items of Expenses	Claimed by PSPCL in True-Up	Finally approved by the Commission
I	II	III	IV
1	Net Revenue Requirement (Table 2.77)	46950.56	40628.93
2	Less: Impact of non-achievement of normative plant availability of GGSSTP, Ropar (Note in para 2.33)	0.00	14.52
3	Net Revenue Requirement (1-2)	46950.56	40614.41
4	Revenue from existing tariff (Table 2.80)	47771.22	47419.27
5	Gap:(Surplus)/Deficit during FY 2024-25	(820.66)	(6804.86)

The Commission has determined a surplus of Rs. 6804.86 Crore in True up of FY 2024-25. The Commission calculates carrying cost as recoverable on the revenue surplus for six months of FY 2024-25, full year of FY 2025-26 and for six months of FY 2026-27 @8.857314% as additional surplus of Rs.1205.46 Crore. PSPCL has claimed carrying cost on impact of previous years (Rs.156.31 Crore) allowed in tariff order of FY 2025-26 in addition to surplus of Rs 820.66 Crore. Therefore, the cumulative gap/ (surplus) up to FY 2024-25 is computed as follows:

Table 2.82: Revenue Gap and Carrying Cost on Revenue Gap for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Claimed by PSPCL in True-Up	Finally approved by the Commission
I	II	III	IV
1	Gap:(Surplus)/Deficit during FY 2024-25 (Table 2.81)	(820.66)	(6804.86)
2	Carrying cost on surplus during the year FY 2024-25	(117.69)	(1205.46)
3	Add: Impact of Capex, carrying cost and review petition 4 of 2023 allowed in Tariff order FY 2025-26	156.31	156.31

Sr. No	Particulars	Claimed by PSPCL in True-Up	Finally approved by the Commission
I	II	III	IV
	(Table 7.1) (Rs.133.12 Cr+Rs.47.53 Cr- Rs.24.34 Cr)		
4	Gap:(Surplus)/Deficit upto FY 2023-24(Tariff order 2025-26 Table 2.88))	3980.21	3980.21
5	Cumulative Gap:(Surplus)/Deficit up to FY 2024-25(1+2+3)	3198.17	(3873.80)

2.38 Subsidy payable for FY 2024-25

PSPCL Submissions:

PSPCL has submitted that the subsidy due from the Government of Punjab for FY 2024–25 amounts to Rs. 20799.16 Crore. The detailed breakup is provided below.-

Table 2.83: Subsidy amount as submitted by PSPCL for FY 2024-25 (Rs. Crore)

Sr.No.	Consumer Category	Amount
I	II	III
1	Domestic Supply	8284.57
2	Industry:	
2(a)	Small Power	140.94
2(b)	Medium Supply	279.65
2(c)	Large Supply	2116.68
2(d)	Total Industry	2537.27
3	Agriculture Pump set	9977.32
4	Total Subsidy (1 + 2 + 3)	20799.16

PSPCL further submitted that it has received a subsidy of Rs.16,892.16 Crore (excluding legacy amounts and carrying cost) from the Government of Punjab against the total due amount of Rs. 20,799.16 Crore during FY 2024–25.

PSPCL prayed that the amount of Rs. 20,799.16 Crore be approved as the total subsidy for FY 2024–25.

Commission's Analysis:

PSPCL vide its petition has claimed subsidy of Rs. 20,799.16 Crore for FY 2024-25. GoP, Department of Power (Energy Branch) vide its memo No.013/01/2023-EV2 dated 30th May, 2024 has conveyed its decision regarding the payment of subsidy for FY 2024-25.

PSPCL has supplied the category-wise subsidy figures. However, it has not supplied slab-wise working of subsidy(monthly/quarterly) on actual consumption basis for verifying the category-wise subsidy claimed. Therefore, the Commission estimates subsidy payable by the GoP during FY 2024-25 on the basis of submission of PSPCL as under: -

Table 2.84: Subsidy payable by GoP for different Categories for FY 2024-25

(Rs. Crore)		
Sr. No.	Category	Amount
I	II	III
1	AP Consumption	9699.50
2	300 units free to all Domestic Consumers	6991.13
3	Concessional tariff of Rs. 2.50 per unit for all Domestic Consumers having load upto 7 KW	1293.45
4	Small Power (Concessional tariff @ Rs.5.50 per kVAh from 01.04.2024 to 15.06.2024 and Rs.5.665 per kVAh from 16.06.2024 to 31.03.2025 along with fixed charges)	140.94
5	Medium Supply Consumers (Concessional tariff @ Rs.5.50 per kVAh from 01.04.2024 to 15.06.2024 and Rs.5.665 per kVAh from 16.06.2024 to 31.03.2025 with 50% waiver in fixed charges)	279.65
6	Large Supply Consumers (Concessional tariff @ Rs.5.50 per kVAh from 01.04.2024 to 15.06.2024 and Rs.5.665 per kVAh from 16.06.2024 to 31.03.2025)	2116.68
7	Total	20521.35

Note:

- *In case of A.P. consumption, PSPCL records AP Consumption at feeder level and the Commission allows the same by considering normative line losses as per the approved trajectory of losses for computing AP consumption at consumer end. At sr.no.1 AP Consumption works out as 14527.33 MUs. The subsidy for this consumption comes to Rs.9699.50 Crore [{Rs 1476.53 (2254.24 MUs x 655 paise (2.5 months)) Crore} + {8222.97 (12273.09 x 670 paise (9.5 months)) Crore}].*
- *Subsidy for Sr. No.2 to 6 has been taken as per the Annual Audited Accounts for FY 2024-25 of PSPCL.*

There was a shortfall of Rs. 5,272.58 Crore in subsidy payments by the GoP as on 31.03.2024. PSPCL, vide its Memo No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025, intimated that the GoP had paid Rs. 16892.16 Crore towards subsidy to PSPCL during FY 2024–25 in staggered instalments.

Interest on delayed payment of subsidy:

The Commission observed that there was a delay in the payment of subsidy to PSPCL during FY 2024–25. Accordingly, in order to compensate PSPCL on this account, interest has been levied on the delayed payment of subsidy on a day-to-day basis at the rate of 8.8573% (effective rate of interest on working capital loan), which works out to Rs. 608.17 Crore.

Accordingly, the subsidy payable for FY 2024–25, inclusive of interest on delayed payment of subsidy, has been determined by the Commission at Rs. 26402.10 Crore (Rs. 20521.35 Crore + Rs. 5272.58 Crore + Rs. 608.17 Crore). Against this amount, the GoP has paid subsidy of Rs. 16892.16 Crore. As such, there is a shortfall in subsidy payment amounting to Rs. 9509.94 Crore (Rs. 26402.10 Crore – Rs. 16892.16 Crore) as at the end of FY 2024–25 (i.e. as on 31.03.2025).

Chapter 3

Aggregate Revenue Requirement for the 4th MYT Control Period FY 2026-27 to FY 2028-29

3.1 Background

The Commission has notified the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2025 (also called “PSERC MYT Regulations, 2025”) for the 4th MYT Control Period from FY 2026-27 to FY 2028-29. In this petition PSPCL has filed the forecast of ARR for the 4th MYT Control Period i.e. FY 2026-27 to FY 2028-29 besides True-up for FY 2024-25. As per PSPCL’s submission, the projections are based on the provisions of the PSERC MYT Regulations, 2025 and the Capital expenditure is as per the Capital Investment Plan (CIP) approved by the Commission. PSPCL stated that it has also considered the past trends, regulatory norms and activities planned and taken up during the previous control period for projecting the expenses.

The Commission has analysed the same in this Chapter. The Commission’s Order dated 11.12.2025 in Petition No. 50 of 2025, shall be deemed to be amended to the extent of revised projections of Energy Sales, Distribution Losses, CIP, Capitalization etc. approved in this order.

3.2 Energy Demand (Sales)

3.2.1 Metered Energy Sales

A. Energy Sales within the State

PSPCL’s Submissions:

The energy sales to various consumer categories as per the data for FY 2024-25 is 65,194 MWh as compared to 48,455 MWh in FY 2019-20. As evident from the table below, Domestic, Industry and Agriculture sales may vary over the year, but contributes a major share in the overall sales. During FY 2024-25, share of Industry was 36% of the total consumption, followed by the Domestic category having 31% share in the total consumption. The historical sales from FY 2019-20 to FY 2024-25 are tabulated below: -

Table 3.1: Category wise historical Energy Sales submitted by PSPCL (MWh)

Sr. No	Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
I	II	III	IV	V	VI	VII	VIII
1	Domestic Supply	13,551	15,065	14,538	17,510	17,819	19,900
2	Non-Residential Supply	3,714	3,234	3,614	4,343	4,599	5,051
3	Small Power	1,158	807	971	923	981	827
4	Medium Supply	2,978	2,078	1,937	2,465	2,391	2,375

Sr. No	Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
I	II	III	IV	V	VI	VII	VIII
5	Large Supply	14,129	13,286	17,377	17,857	18,918	20,405
6	Public Lighting	140	210	161	159	156	167
7	Bulk Supply	716	620	642	723	704	715
8	Railway Traction	181	-	3	35	60	90
9	AP High technology	0.1	0.1	0.02	0.0	3.6	4
10	Compost/ Solid waste Management	17	255	226	277	276	440
11	Charitable Hospitals	0	-	-	-	-	0
12	Sri Harmandir Sahib & Sri Durgiana Mandir	7	6	8	9	8	9
13	Start-up power for Generators and CPPs	185	136	186	204	177	73
14	Temporary Supply	141	183	244	333	402	193
15	Total Metered Sales	36,917	35,881	39,906	44,840	46,496	50,251
16	AP Consumption	11,538	13,051	12,533	13,763	12,797	14,943
17	Total Sales within State	48,455	48,932	52,439	58,603	59,293	65,194

PSPCL submitted that the category wise energy sales for the 4th MYT Control Period (FY 2026-27 to FY 2028-29) have been projected using the Compound Annual Growth Rate (CAGR) on previous year's sales. Category wise CAGR of energy sales is as under: -

Table 3.2: Category wise CAGR considered by PSPCL for projecting Energy Sales (%age)

Sr. No.	Category	Y-o-Y	2-year	3-year	4-year	5-year	CAGR considered
I	II	III	IV	V	VI	VII	VIII
1	Domestic	11.68%	6.61%	11.03%	7.21%	7.99%	4-year: 7.21%
2	Non-Residential Supply	9.82%	7.84%	11.81%	11.79%	6.34%	5-year: 6.35%
3	Small Power	-15.64%	-5.34%	-5.19%	0.62%	-6.50%	Manual: 5.00%
4	Medium Supply	-0.67%	-1.84%	7.04%	3.39%	-4.42%	4-year: 3.40%
5	Large Supply	7.86%	6.90%	5.50%	11.32%	7.63%	5-year: 7.63%
6	Agriculture	16.77%	4.20%	6.04%	3.44%	1.66%	3-year: 6.00%

PSPCL submitted that the energy sales of domestic consumer category have increased significantly in the last three years mainly due to introduction of the GoP subsidy. Further, sales have increased due to introduction of online citizen services, implementation of feeder sanitisation scheme and extensive vigilance drives. However, most of the urban and rural areas have now been covered under these schemes and therefore, a moderate growth is expected in the 4th MYT Control Period. PSPCL has considered CAGR of 4-years for projecting the energy sales in the ensuing years of the 4th MYT Control Period.

PSPCL further submitted that Major thrust has been given for timely release of industrial connections. After introduction of the GoP Industrial Tariff subsidy and ToD Tariff, major portion of Open Access sales has shifted to the utility. Keeping in view the load growth of

industry, 5-year and 4-year CAGR has been considered for projecting the HT Industrial sales in the ensuing years of the 4th MYT Control Period.

In view of the above, the category wise metered energy sales projected by PSPCL for the ensuing years of the 4th MYT Control Period are as under:

Table 3.3: Metered Energy sales for FY 2026-27 to FY 2028-29 submitted by PSPCL

(MkWh)

Sr. No.	Category	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Domestic Supply	22,873	24,522	26,290
2	Non-Residential Supply	5,713	6,075	6,461
3	Small Power	912	958	1,006
4	Medium Supply	2,540	2,626	2,715
5	Large Supply	23,638	25,441	27,382
6	Public Lighting	179	185	192
7	Bulk Supply	769	797	827
8	Railway Traction	99	104	109
9	AP High technology	4	4	5
10	Compost/ Solid waste Management & Rural/Urban Water Supply Schemes	487	513	541
11	Charitable Hospitals	0	0	0
12	Sri Harmandir Sahib & Sri Durgiana Mandir	11	11	12
13	Start-up power for Generators and CPPs	81	85	89
14	Temporary Supply	214	225	237
15	Total Metered Sales	57,518	61,547	65,865

Commission's Analysis:

The Commission notes that PSPCL has projected the metered energy sales at the same trajectory as that proposed by it in the Business Plan including Capital Investment Plan Petition for the 4th MYT Control period from FY 2026-27 and FY 2028-29 which were based on the provisional sales data for FY 2024-25.

The Commission has now done the true-up of metered Energy Sales for FY 2024-25 in Para 2.2.1 of this order.

Accordingly, the approved True-up sales of FY 2019-20 to FY 2024-25 as shown in the following table has been considered by the Commission for projecting the metered Energy Sales for the 4th MYT Control period.

Table 3.4: Summary of historical sales considered for projections

Sr. No.	Category	Trued-up Sales					
		FY	FY	FY	FY	FY	FY
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
I	II	III	IV	V	VI	VII	VIII
1	Domestic	13546.20	15064.97	14538.39	17510.28	17818.69	19899.95

Sr. No.	Category	Trued-up Sales					
		FY	FY	FY	FY	FY	FY
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
I	II	III	IV	V	VI	VII	VIII
2	Commercial (NRS)	3713.89	3234.28	3613.53	4343.22	4599.49	5051.37
3	Small Supply	1010.86	807.54	970.61	923.28	980.70	827.29
4	Medium Supply	2268.12	2079.22	1936.90	2465.31	2391.43	2375.29
5	Large Supply	14129.14	13286.43	17377.43	17857.14	18917.99	20405.11
6	Public Lighting	139.94	209.81	161.36	159.44	156.37	166.58
7	Bulk Supply	715.69	620.07	641.75	723.24	704.08	715.28
8	Railway Traction	181.20	0.03	8.35	37.99	59.53	90.06
9	AP High technology	0.99	0.11	0.02	0.02	0.05	0.01
10	Compost/ Solid waste Management & water supply schemes	16.83	254.87	225.90	276.64	275.99	440.46
11	Charitable Hospitals	0.00	0.00	0.00	0.00	0.00	0.01
12	Golden Temple	6.56	6.42	7.88	8.56	7.81	9.48
13	Start-up power	185.39	135.80	185.63	204.49	177.45	73.26
14	Temporary Supply	83.07	182.79	244.20	333.23	402.42	192.59
15	Adjusted Unit	-308.31	495.51	725.94	163.09	418.69	255.56
16	Total Metered Sales	35689.57	36377.86	40637.90	45005.93	46910.69	50502.30
17	AP Consumption	11467.87	12817.29	12487.56	13611.18	12609.70	14527.33
18	Total Sales within State	47157.44	49195.15	53125.46	58617.11	59520.39	65029.63

Based on the historical Trued up category wise energy sales data from FY 2019-20 to FY 2024-25, the CAGR worked out by the Commission for different categories of consumers is as under:

Table 3.5: Historical CAGR for Energy Sales worked out by the Commission

Sr. No.	Category of Consumers	CAGR (Upto FY 2024-25)			
		5-year	4-year	3-year	2-year
I	II	III	IV	V	VI
1	Domestic Supply	8.00%	7.21%	11.03%	6.61%
2	Non-Residential Supply	6.34%	11.79%	11.81%	7.84%
3	Small Power	-3.94%	0.60%	-5.20%	-5.36%
4	Medium Supply	0.93%	3.38%	7.03%	-1.85%
5	Large Supply	7.63%	11.32%	5.50%	6.90%
6	Public Lighting	3.60%	-5.55%	1.15%	2.34%
7	Bulk Supply	-0.02%	3.63%	3.67%	-0.57%
8	Railway Traction	-13.06%	640.08%	120.89%	53.92%
9	Agriculture Pumpsets	4.84%	3.18%	5.17%	3.31%

From the perusal of the historical data, it is observed that a substantial increase in sales of domestic category has been witnessed from FY 2020-21 onwards presumably on account of the following reasons:-

- In FY 2020-21 (Covid year), due to the nationwide lockdown, the domestic sales were on a higher side compared to previous years due to the public being confined to their homes. Correspondingly the sale in other related categories was lower.
- Introduction of domestic subsidy of 300 units per month (since July, 2022)

Keeping the above in view, the Commission opines that the domestic category is likely to show an increasing trend in the coming years as well. As pointed out by PSPCL, the domestic category sales have already burgeoned substantially either due to introduction of domestic subsidy of 300 units per month (since July, 2022) or due to various schemes being implemented by PSPCL. Hence, now a moderate growth is expected in this category. Accordingly, the Commission decides to consider 7% CAGR (after rounding off 7.21% CAGR as considered by PSPCL) for projecting the domestic category sales for the 4th MYT Control period. The same commensurates with the CAGR approved by the Commission in the CIP Order dated 11.12.2025 in Petition No. 50 of 2025.

The Commission further notes that the commercial category sales have also shown a consistent increase with the CAGR as high as 11.81% (3-year CAGR). In view of the growth trend w.r.t to the commercial category sales, the Commission decides to consider a growth rate of 7% (after rounding off 6.35% CAGR as considered by PSPCL) for projecting the commercial category sales for the 4th MYT Control period. The same commensurate with the CAGR approved by the Commission in the CIP Order dated 11.12.2025 in Petition No. 50 of 2025.

The Commission notes that PSPCL has considered CAGR of 5.00%, 3.40% and 7.63% for projecting the energy sales of Small Power, Medium Supply and Large supply industrial category of consumers respectively. The Commission is of the view that due to the pandemic the industrial growth had slowed and the consumption had reduced. However, after the pandemic was over, the last three, four years have shown that the industries are back on their feet resulting in more stable load patterns. Further, with the implementation of the Green Energy Open Access Rules, a number of consumers are also opting for open access supply and may continue to do so in the next control period as well. Thus, the consumption growth may not accelerate at such a high CAGR of 7.63% (5-year CAGR worked out by the Commission for LS). Accordingly, the Commission decides to apply CAGR of 5.00% across all industrial category consumers (Small Power, Medium Supply and Large Supply) as being a more reasonable benchmark for projecting the demand. The same commensurate with the CAGR approved by the Commission in the CIP Order dated 11.12.2025 in Petition No. 50 of 2025.

Further, the Commission in Para 2.2.1 of this order, while doing the true up of Energy Sales for AP High Technology/High Density farming has noted that the same is a different consumer category from AP consumption. Hence, the consumption of both cannot be clubbed together.

As such, the Commission had approved sales of AP High Technology/High Density farming as 0.01 M kWh for FY 2024-25 as submitted by PSPCL in the format. Accordingly, for the 4th MYT Control period also, the Commission has projected energy sales for AP High Technology/High Density farming as 0.01 M kWh.

Further, for other categories the Commission has considered the sales projection as submitted by PSPCL subject to true up of the same in the respective years.

Thus, for projecting the metered energy sales for the 4th MYT Control Period, CAGR has been applied twice on the trued-up metered energy sales of FY 2024-25 approved by the Commission in Table 2.4 of this Order to project for FY 2026-27

Accordingly, the CAGR considered by the Commission and the approved estimates for energy sales for 4th MYT Control Period are as shown in the following table:

Table 3.6: Category-wise metered energy sales approved by the Commission for the 4th MYT Control Period

Sr. No.	Category of Consumers	CAGR Considered by the Commission	FY 2026-27	FY 2027-28	FY 2028-29
I	II	IV	V	VI	VII
1	Domestic Supply	7.00%	22784	24379	26086
2	Non-Residential Supply	7.00%	5784	6190	6623
3	Small Power	5.00%	912	958	1006
4	Medium Supply	5.00%	2619	2750	2888
5	Large Supply	5.00%	22496	23621	24802
6	Public Lighting		179	185	192
7	Bulk Supply		769	797	827
8	Railway Traction		99	104	109
9	AP High technology		0.01	0.01	0.01
10	Compost/ Solid waste Management & Rural/Urban Water Supply Schemes		487	513	541
11	Charitable Hospitals set-up under PwD Act		0	0	0
12	Sri Harmandir Sahib & Sri Durgiana Mandir		11	11	12
13	Start-up power for Generators and CPPs		81	85	89
14	Temporary Supply		214	225	237
15	Total Metered Sales		56436	59818	63412

Thus, the Commission approves the energy sales of 56436 M kWh, 59818 M kWh and 63412 M kWh (after rounding off) for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

B. Common Pool/Outside State Sales

PSPCL has projected sales to common pool consumers and outside state sales as 306 M kWh and NIL respectively for all years of the 4th MYT Control Period i.e. FY 2026-27, FY 2027-28

and FY 2028-29. With regard to the Commission's query regrading NIL projection of outside state sale, PSPCL vide reply dated 17.12.2025 submitted that it has projected NIL surplus power sales for FY 2026-27 to FY 2028-29 keeping in the view the rising demand, which has lead to the reduced surplus quantum. The surplus power is expected to be available primarily in the winter months when market rates are not likely to be favourable for sale. However, PSPCL has ensured that it will explore every opportunity to sell the power on actual basis whenever feasible based on the real time power scenario. **In view of the submissions of PSPCL, the Commission decides to accept the figures submitted by PSPCL for Common Pool sales and outside State sale for the 4th MYT Control Period.**

3.2.2 AP Consumption

PSPCL's Submissions:

PSPCL submitted that the Agriculture sales are attributable to ground water table, strength of monsoon and rapid urbanisation. Considering introduction of the third crop by majority of the farmers, climate change and decreasing water table, growth rate of 3-year CAGR has been considered to project the sales for AP Category in the ensuing years of the 4th Control Period. The estimated AP sales for the 4th MYT Control Period i.e. FY 2026-27, FY 2027-28 and FY 2028-29 as submitted by PSPCL is as under: -

Table 3.7: AP sales projected by PSPCL for the 4th MYT Control Period (MkWh)

Sr. No.	Category	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	AP Consumption	16,790	17,797	18,865

Commission's Analysis:

The Commission in Para 2.2.2 of this order, has approved AP sales of 14527.33 MkWh after the True-up of FY 2024-25. The 5-year CAGR worked out by the Commission based on the trued-up AP sales comes out to 4.84%. Further, with the introduction of Voluntary Disclosure Scheme by PSPCL in FY 2024-25, it is apprehended that the AP consumption may increase in the ensuing years. Accordingly, the Commission has applied CAGR of 6% twice on the trued-up AP consumption of 14527.33 MkWh for FY 2024-25, to estimate the AP consumption for the 4th MYT Control Period which further commensurate with the CAGR considered by PSPCL for its projections.

Accordingly, the Commission approves the AP consumption as 16323 MkWh for FY 2026-27, 17302 MkWh for FY 2027-28 and 18340 MkWh for FY 2028-29.

3.2.3 Total Energy Sales

The total energy sales after considering PSPCL's submission, historical data analysis and prudent projections, as approved by the Commission for the 4th MYT Control Period, are as follows:-

Table 3.8: Total energy sales approved by the Commission for the 4th MYT Control Period (MkWh)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	IV	V	VI
1.	Metered sales within the State	56436	59818	63412
2.	AP consumption	16323	17302	18340
3.	Total sales within the State	72759	77120	81752
4.	Common pool sale	306	306	306
5.	Outside State sale	0	0	0
6.	Total	73065	77426	82058

3.3 Transmission & Distribution Losses and Energy Requirement

3.3.1 Transmission & Distribution Losses

PSPCL's Submissions:

PSPCL submitted that the distribution loss achieved during FY 2024-25 is 13.05%. PSPCL further submitted that it has added 2.45 Lakh consumers in FY 2024-25 out of which 2.04 Lakh consumers were of Domestic category, which is quite on the higher side. Also, the domestic sales have increased by 12% in FY 2024-25 over FY 2023-24. Due to such an increase in the number of consumers and sales at the LT network, there has been an upward movement in the loss level of PSPCL.

In the original Petition, PSPCL had proposed a graded trajectory for the ensuing years of the 4th MYT Control Period as 12.75%, 12.50% and 12.20% for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

However, vide Memo No. 160/ARR/DY. CAO/271/Vol-I dated 04.02.2026, PSPCL submitted that the petition has been revisited by the management of PSPCL. Subsequently and accordingly the distribution loss trajectory for the 4th MYT Control Period of FY 2026-27 to FY 2028-29 has been revised to include higher efficiency based on Capex on upgrading the infrastructure.

In view of the above, PSPCL has requested the Commission to consider the following revised distribution loss targets for the 4th MYT Control Period:

Table 3.9: Distribution Loss Trajectory for the 4th MYT Control Period submitted by PSPCL

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Distribution Losses	10.00%	9.95%	9.90%

Commission's Analysis:

The Commission notes that vide its revised submission dated 04.02.2026, PSPCL has updated its distribution loss trajectory to 10.00%, 9.95%, and 9.90% for FY 2026-27,

FY 2027-28, and FY 2028-29, respectively. While the Commission observes that the initial justification for this revision, simply citing internal management review, lacked granular statistical submissions in support, however, it acknowledges PSPCL's right to amend the submissions during the proceedings to reflect more accurate operational realities.

The Commission observes that for several years, while determining the distribution loss trajectory for PSPCL, it has categorically emphasized on the fact that the influx of substantial capital investments, alongside PSPCL's efforts to curb power theft and energy pilferage, must manifest in a progressively declining loss profile. It is the Commission's firm stance that the consumers of the State should not be burdened with financial implications arising from operational inefficiencies while contributing to substantial capital infusion in upgrading the network

For the 4th MYT Control Period, the Commission has already sanctioned a capital outlay of approximately Rs. 3,185 Crore for system augmentation and loss reduction, in addition to Rs. 2,321 Crore specifically for similar RDSS works. Similarly, opex sanctioned for smart metering in RDSS amounting to Rs. 5746.95 Crore would also contribute manifestly to loss reduction.

The Commission notes that, by proper and effective utilization of the substantial capital investment already allowed in the CIP, PSPCL must have itself envisaged a more favorable outcome in terms of loss reduction and operational efficiency than what was initially anticipated by it during the preceding CIP Petition. This is evident from PSPCL's own initiative in revising its distribution and loss trajectory downward. The Commission, therefore, appreciates PSPCL's intent to outperform the benchmarks established in the previously approved CIP. Such a proactive revision is a welcome development, as the benefits of exceeding efficiency targets, realized within the existing capital framework will accrue not only to the consumers of the State through a reduced tariff burden but also to PSPCL by enhancing its own financial and operational sustainability.

The Commission further observes that the neighboring State utilities in Haryana and Himachal Pradesh have already demonstrated superior operational efficiency by achieving distribution losses significantly lower than those initially projected by PSPCL. For FY 2023-24, the actual distribution losses for UHBVNL (Haryana) stood at 9.15%, while DHBVNL (Haryana) achieved 11.38%. Similarly, HPSEBL (Himachal Pradesh) reported actual T&D losses of 10.32% for the same period. These empirical benchmarks clearly indicate that the revised distribution loss trajectory now proposed by PSPCL is by no means overly stringent; rather, it is a technically feasible target that can be realized through meticulous planning and diligent execution. The Commission, therefore, strongly encourages PSPCL's initiative to bridge this performance gap and strive for and exceed operational parity with its regional

counterparts. By adopting more efficient parameters, PSPCL will not only align itself with sectoral best practices but also ensure that the benefits of such efficiency are passed on to the consumers of the State.

The Commission also notes that some of the stakeholders have raised reservations on the revised submissions in view of the provisions of Regulation 56.1 of the PSERC MYT Regulations, 2025 which provides that the Petitioner shall file a petition for approval of ARR & Tariff, for each year of the Control Period consistent with the business plan and the capital investment plan approved by the Commission.

In this regard, the Commission observes that the proposed changes in the revised submissions demonstrate a significant improvement in efficiency compared to the baseline benchmarks established in the Business Plan and CIP Order. The Commission clarifies that the requirement for 'consistency' with the approved Business Plan and CIP, as per the PSERC MYT Regulations, 2025 must be interpreted through the lens of Section 61 of the Electricity Act, 2003, which mandates the promotion of competition, efficiency, and economical use of resources. The Business Plan and CIP Order primarily serves as a pre-determination of the necessity and scope of capital works; while it does not operate as a legal bar or a res judicata against the adoption of superior efficiency norms during the tariff determination stage, but is, at the same time, a check on reduction of norms to lower efficiency standards

Applying the doctrine of Prudence Check, the Commission holds that insisting on less efficient, historical projections would be ultra vires to the objective of protecting consumer interests and would lead to an unjustified inflation of the Aggregate Revenue Requirement (ARR). Furthermore, since the National Tariff Policy encourages performance-linked improvements, the Commission views these revised projections as a bona fide effort by PSPCL to optimize its cost structure. Accordingly, in exercise of its powers under Regulation 63 'Power to relax' the Commission hereby condones the deviation from the Business Plan & CIP Order in public interest and accepts the more efficient parameters with respect to target distribution losses subject to a final True-up based on the actual audited performance and the applicable sharing of gains mechanism as per the provisions of the PSERC MYT Regulations, 2025.

Table 3.10: Distribution Loss Trajectory for 4th MYT Control Period approved by the Commission

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Distribution Loss trajectory (%)	10.00%	9.95%	9.90%
2	Transmission loss trajectory (%)	2.19%	2.17%	2.15%

Note:-The distribution and transmission loss trajectory shall be subject to revision based on actual figures for FY 2025-26 true up but will not be considered if higher than the approved trajectory.

3.3.2 Energy Requirement

As per the revised submission made vide Memo No. 160/ARR/DY. CAO/271/Vol-I dated 04.02.2026, the Energy Requirement of PSPCL for the 4th MYT Control Period works out to

be 84719 M kWh, 90372 M kWh and 96413 M kWh respectively. The same is summarized as under:

Table 3.11: Energy Requirement for the 4th MYT Control Period submitted by PSPCL (M kWh)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Metered Sales	57,518	61,547	65,865
2	Sales to AP Consumers	16,790	17,797	18,865
3	Total Sales within the State	74,308	79,344	84,731
4	Distribution Losses (%)	10.00%	9.95%	9.90%
5	Distribution Losses (MU)	8256	8767	9310
6	Transmission Losses (%)	2.19%	2.17%	2.15%
7	Transmission Losses (MU)	1849	1954	2066
8	Sub-Total	84413	90066	96107
9	Sales to Common Pool Consumers	306	306	306
10	Total Energy Requirement	84719	90372	96413

Commission's Analysis:

In response to the Commission's observation regarding NRSE Power at 66/11kV, PSPCL vide Memo dated 17.12.2025 has submitted the Quantum of NRSE Power at 66/11kV as 2342 M kWh, 2268 M kWh and 2232 M kWh for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

The Commission, in Para 3.3.1, has approved the distribution and transmission loss trajectory for the 4th MYT Control Period as shown in Table 3.10 and the same has been considered by the Commission to work out the energy requirement for the 4th MYT Control period. Accordingly, the energy requirement approved by the Commission for the 4th MYT Control Period is as under:

Table 3.12: Energy Requirement for the 4th MYT Control Period approved by the Commission (M kWh)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Energy Sales within the State (Table 3.8)	72759	77120	81752
2	Target Distribution Loss (%) (Table 3.10)	10.00%	9.95%	9.90%
3	Target Distribution Loss (M kWh)	8084	8522	8983
4	Input Energy Required	80843	85642	90735
5	NRSE available at 66/11 KV	2342	2268	2232
6	Input Energy Required (excluding NRSE available at 66/11 KV)	78501	83374	88504
7	Target Transmission Loss (%) (Table 3.10)	2.19%	2.17%	2.15%

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
8	Target Transmission Loss (MkWh)	1758	1849	1945
9	Total Energy Input Required (excluding NRSE available at 66/11 KV)	80259	85223	90448
10	Total Energy Input Required	82601	87491	92680
11	Sales to Common pool consumers	306	306	306
12	Outside State sale	0	0	0
13	Total Requirement	82907	87797	92986

Accordingly, the Commission approves the energy requirement of 82907 MkWh, 87797 MkWh and 92986 MkWh for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

3.4 PSPCL's Net Thermal Generation

PSPCL's Submissions:

PSPCL submitted that it has projected energy to be scheduled from its Own Thermal Generating Stations based on the Merit Order principle. The Net Thermal Generation for the 4th MYT Control Period projected by PSPCL is as follows:

Table 3.13: Thermal Generation (Net) submitted by PSPCL for the 4th MYT Control Period (MkWh)

Sr. No.	Station	Installed Capacity (MW)	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI
1.	GGSTP	840	4,501	4,419	4,582
2.	GHTP	920	4,614	4,632	4,793
3.	Total	1760	9,114	9,051	9,375

Commission's Analysis:

The Commission accepts the net thermal generation projections (rounded off) from PSPCL's own plants (GGSTP & GHTP) as **9114 MkWh**, **9051 MkWh** and **9375 MkWh** for FY 2026- 27, FY 2027-28 and FY 2028-29 respectively.

3.5 PSPCL's Hydel Generation

PSPCL's Submissions:-

PSPCL submitted that it has considered the actual generation of projects in the previous years for projecting the generation from its Hydro generating Stations. PSPCL has also considered and factored in Royalty to HP from Shanan and share from RSD to HP and J&K. Generation from Shahpur Kandi Project has also been considered from FY 2024-25 onwards. Total Hydel capacity and Generation as projected by PSPCL is as under:

Table 3.14: Hydro Generation submitted by PSPCL for 4th MYT Control Period

(MkWh)					
Sr. No	Plant	Installed Capacity in MW	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI
1	Shanan HEP	110.00	490.00	490.00	490.00
2	UBDC Stage 1	45.00	362.00	362.00	359.00
3	UBDC Stage 2	46.35			
4	MHP Stage-I	207.00	1,180	1,180	1,180
5	MHP Stage-II	18.00			
6	Anandpur Sahib Hydel Project	134.00	462.00	475.00	474.00
7	Ranjit Sagar Project	452.40*	1,509.00	1,509.00	1,509.00
8	Micro Hydel Projects	5.60	9.68	9.71	9.68
9	Shahapur Kandi Project		688.13	1,048.09	1,048.09
10	Total Gross Generation	1,018.35	4,700.81	5,073.80	5,069.77
11	<i>Less: Auxiliary Consumption</i>		32.14	33.95	33.99
12	Net Hydel Generation		4,668.67	5,039.85	5,035.78
13	Availability from BBMB including Common Pool		4,047.81	4,047.81	4,047.81
14	Total Hydel Availability		8,716.48	9,087.66	9,083.59
15	Less: Royalty to HP from Shannan		52.86	52.86	52.86
16	Less: Share from RSD to HP		69.41	69.41	69.41
17	Net Own Hydro Power		8,594.20	8,965.38	8,961.32

*PSPCL has submitted that in case of RSD, total installed capacity is 600 MW. However, since the share of Punjab is 452.4MW, hence the same has been considered.

PSPCL submitted that as on 31.03.2025, the existing installed generation capacity is 2,778.35 MW, comprising of 1,760 MW of Thermal Generating Stations and 1,018.35 MW of Hydro Generating Stations. PSPCL further submitted that in addition to its existing installed capacity, PSPCL has anticipated the commissioning and receiving power from the new Shahpur Kandi Hydro Power Plant in the first year of the 4th MYT Control Period, i.e., FY 2026-27. The physical construction of the plant commenced in FY 2019-20, and PSPCL has invested substantial capital in the upcoming Shahpur Kandi Hydro Generating Station, which will have a total capacity of 206 MW. The project is being implemented in two phases: Phase I will comprise three units of 33 MW each, while Phase II will consist of three units of 33 MW each and one unit of 8 MW.

Commission's Analysis:

In response to the Commission's query regarding the basis and methodology used for projecting Auxiliary Consumption (MkWh) & Transformation Loss (MkWh) for its own hydro generating stations during the 4th MYT Control period, PSPCL vide reply dated 17.12.2025 submitted that the projected auxiliary consumption and transformation losses in respect of hydel generation of PSPCL have been calculated as per the percentage of gross generation

based upon the pattern of previous year's generation and after considering the expected effect of initiatives being taken for reduction in the said auxiliary consumption and transformation losses.

The Commission accepts the station-wise gross hydel generation submitted by PSPCL (after rounding off) except for the hydel generation projected from Shahpur Kandi. PSPCL vide reply date 17.12.2025 submitted that as per the present site conditions and progress of civil works, it is expected that the 206 MW Shahpur Kandi Power Project may be completed and commissioned during the month of September, 2027. Accordingly, the Commission has considered hydel generation from Shapur Kandi from FY 2027-28 onwards. In view of the above the hydel generation approved by the Commission for the 4th MYT Control Period is as follows:

Table 3.15: PSPCL's Hydel generation approved by the Commission for the 4th MYT Control Period (Mkwh)

Sr. No	Station		FY 2026-27	FY 2027-28	FY 2028-29
I	II		III	IV	V
1	Shanan		490	490	490
2	UBDC	Stage I	362	362	359
3		Stage II			
4	MHP	Stage I	1,180	1,180	1,180
5		Stage II			
6	ASHP		462	475	474
7	RSD		1,509	1,509	1,509
8	Micro Hydel		10	10	10
9	Shahpur Kandi		-	688	1048
10	Total own generation (Gross)		4013	4714	5070
11	Less: Auxiliary consumption and Transformation Loss*		38	41	44
12	Less: HP share in RSD		69	69	69
13	Less HP Royalty in Shanan		53	53	53
14	Total own generation (Net)		3853	4551	4904
15	PSPCL share from BBMB				
(a)	PSPCL share excluding common pool share (Net)		3741	3741	3741
(b)	Add Common pool share		306	306	306
16	Net share from BBMB		4047	4047	4047
17	Total hydro availability (Net) (Own+ BBMB)		7900	8598	8951

*Transformation loss @0.5%, Auxiliary consumption @0.5% for RSD and UBDC stage-I and Shahpur Kandi (having static exciters) and @0.2% for others.

The Commission, thus, approves PSPCL's own net hydel generation as 7900 MkWh, 8598 MkWh and 8951 MkWh for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

3.6 Energy Balance/Purchase (Net) required PSPCL's Submission:

The energy balance for the 4th MYT Control Period submitted by PSPCL is as follows:

Table 3.16: Energy balance submitted by PSPCL for the 4th MYT Control Period (MkWh)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Total Energy Requirement (Table 3.11)	84719	90372	96413
	Energy Availability			
2	Own Generation – Thermal (Table 3.13)	9114	9051	9375
3	Own Generation - Hydro (Table 3.14)	4546	4981	4914
4	BBMB Share (including Common Pool) (Table 3.14)	4048	4048	4048
5	Total own generation (5 = 2+3+4)	17708	18080	18337
6	Total Energy Availability	84719	90372	96413
7	Net Power Purchase (6-5)	67011	72356	78077

**Minor variations in PSPCL's submission due to rounding off*

Commission's Analysis:

The energy balance for the 4th MYT Control Period approved by the Commission is as follows:

Table 3.17: Energy balance approved by the Commission for the 4th MYT Control Period (MkWh)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Energy requirement (Table 3.12)	82907	87797	92986
2	i) PSPCL's Thermal Gen (Para 3.4)	9114	9051	9375
	ii) PSPCL's Hydel Gen (Table 3.15)	7900	8598	8951
	iii) Total	17014	17649	18326
3	Purchase (net) {1-2 (iii)}	65893	70148	74660

Thus, the Commission approves the purchase (net) requirement of PSPCL as 65893 MkWh, 70148 MkWh and 74660 MkWh for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

3.7 Norms of Operation for Own Thermal Generating Stations

PSPCL's Submissions:

PSPCL submitted that the norms of Operation for Thermal Generating Stations are specified in terms of Plant Availability Factor, Plant Load Factor, Station Heat Rate, Auxiliary Consumption, Secondary Fuel Oil Consumption and Transit Loss. Regulation 34 of the PSERC MYT Regulations, 2025 specifies as under:-

"34. 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:

Provided that in the case of a generating unit which undergoes Renovation and Modernization, the Commission may specify a separate set of norms to be adopted during the renovation and modernization period and for the subsequent period. These norms shall be specified by the Commission on case to case basis as part of the Renovation and Modernization Capital Investment approval. Consequently, the generation tariff shall be determined accordingly by the Commission.” (emphasis added)

PSPCL has submitted that as per the above said Regulations, performance parameters for PSPCL’s Generating stations shall be as per norms specified by the CERC in its Tariff Regulations.

PSPCL has reiterated its submissions as already reproduced in para 2.8 of this Order.

The performance parameters submitted by PSPCL for the 4th MYT Control Period are as under:

Table 3.18: Performance Parameters submitted by PSPCL for the 4th MYT Control Period

Sr. No.	Particulars	GGSTP			GHTP		
		FY 2026-27	FY 2027-28	FY 2028-29	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI	VII	VIII
1	Plant Availability	85%	85%	85%	95.15%	93.60%	93.82%
2	Auxiliary Consumption	9.50%	9.50%	9.50%	8.50%	8.50%	8.50%
3	Station Heat Rate (kCal/kWh)	2,669	2,669	2,669	2,648	2,648	2,648
4	Secondary Fuel Oil Consumption (ml/kWh)	1.00	1.00	1.00	1.00	1.00	1.00
5	Transit Loss	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%

Commission’s Analysis:

The Commission observes that the submissions made by PSPCL seeking relaxed norms for performance parameters i.e. auxiliary consumption, SHR, secondary fuel oil consumption and transit loss are the same as submitted in the Chapter of True up. These have already been discussed in detail in para 2.8 of this Tariff Order. Further, CERC finalizes the norms after considering the data of various plants of different capacities and vintages. After analyzing the same it specifies different norms for units of different capacities and vintages.

Further, Regulation 34 of the PSERC MYT Regulations, 2025 specifies that the norms for performance parameters shall be in accordance with the CERC norms. **Thus, the Commission decides to consider the normative performance parameters i.e., auxiliary consumption, SHR, secondary fuel oil consumption and transit loss as specified in the CERC Tariff Regulations, 2024 for the 4th MYT Control Period as shown in the following table:**

Table 3.19: Performance Parameters considered by the Commission for the 4th MYT Control Period

Sr. No.	Parameters		GGSTP	GHTP	
I	II		III	IV	
1.	Auxiliary Consumption	%	8.50	8.50	
2.	Station Heat Rate	kCal/ kWh	2415	Unit: I-III	2415
				Unit: IV	2387
3.	Oil Consumption	ml/kWh	0.50	0.50	
4.	Transit Loss	%	0.80	0.80	

3.8 Fuel Cost

PSPCL's Submissions:

PSPCL submitted that at present, it has available fuel linkages for its own thermal generating stations from Coal India Limited subsidiaries i.e., Central Coalfields Ltd., Bharat Coking Coal Ltd., South Eastern Coalfields Ltd. and own Pachhwara Central Coal mine

PSPCL further submitted that the Ministry of Power made a policy on biomass utilization for power generation had advised all fluidized bed and pulverized coal units (coal based thermal power plants) except those having ball and tube mill, of power generation utilities, public or private, located in India, to endeavour to use 5-10% blend of biomass pellets made, primarily, of agro residue along with the coal after assessing the technical feasibility, viz. safety aspect etc. The Ministry of Power issued a modification dated 16.06.2023 to revise the biomass policy dated 08.10.2021 and now it mandates 5% biomass co-firing in Thermal Power Plants (TPPs) from FY 2024-25. This obligation shall increase to 7% from FY 2025-26.

PSPCL added that as per Regulation 37 of the PSERC MYT Regulations, 2025 the energy charges of the thermal power plant shall be payable for the total energy scheduled at the generation bus bar which includes primary fuel cost, secondary fuel cost and other associated costs to it

PSPCL submitted that for the computation of Energy Charge Rate, PSPCL has considered actual data for FY 2024-25. The weighted average GCV as received of coal for FY 2024-25 at each Thermal Generating Station has been considered. Regarding price of Fuel, the actual weighted average of price of fuel (coal, oil & biomass) of FY 2024-25 has been escalated with 5% & 2% for GHTP and GGSSTP respectively for each subsequent year

PSPCL submitted that any change in the fuel cost from the level approved by the Commission shall be determined in accordance with the FPPAS formula specified by the Commission in the Conduct of Business Regulations and recovered from the consumers after following the procedure detailed in Conduct of Business Regulations.

The Gross Calorific Value and Price of Fuel considered by PSPCL for the 4th MYT Control Period is shown in the following Table:

Table 3.20: Calorific Value and Price of Fuel submitted by PSPCL for the 4th MYT Control Period

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
A.	GGSTP			
1	GCV of Coal (kCal/kg)	4,180	4,180	4,180
2	Price of Coal (Rs./MT)	5,680	5,793	5,909
3	GCV of Oil (kCal/kL)	9,900	9,900	9,900
4	Price of Oil (Rs./kL)	60,083	61,285	62,511
5	GCV of Biomass (kCal/kg)	3,541	3,541	3,541
6	Price of Biomass (Rs./MT)	6,420	6,548	6,679
B.	GHTP			
1	GCV of Coal (kCal/kg)	4,213	4,213	4,213
2	Price of Coal (Rs./MT)	5,996	6,296	6,610
3	GCV of Oil (kCal/kL)	9,500	9,500	9,500
4	Price of Oil (Rs./kL)	65,129	68,385	71,804
5	GCV of Biomass (kCal/kg)	3,257	3,257	3,257
6	Price of Biomass (Rs./MT)	7,742	8,129	8,536

In view of the above, Fuel Cost submitted by PSPCL for the 4th MYT Control Period is shown in the following Table:

Table 3.21: Fuel Cost submitted by PSPCL for the 4th Control Period

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
A	GGSTP			
1	Fuel Cost (Rs. Crore)	2,003	2,006	2,122
2	Cost of Generation (Rs./kWh)	4.45	4.54	4.63
B	GHTP			
1	Fuel Cost (Rs. Crore)	2,064	2,174	2,356
2	Cost of Generation (Rs./kWh)	4.47	4.69	4.92

Commission's Analysis:

The Commission notes significant inconsistencies in PSPCL's submissions. Contrary to PSPCL's assertion of considering the same GCV as that of FY 2024-25 for the projections, the perusal of the submission made in format G24 of the Petition reveals a reduction of GCV at both the plants. Furthermore, while PSPCL claimed price escalation rates of 5% and 2% for GGSSTP and GHTP respectively, the actual projected increase in Coal, Oil and Biomass prices for GGSSTP is 1.72%, (-)0.34% and (-)15.21% respectively whereas for GHTP, it is 6.27%, 5.36% and 5.18%.

Accordingly, for the 4th MYT Control Period, the Commission has considered a 2% increase in the actual validated price of oil, coal and biomass of FY 2024-25, for projecting the fuel cost of GGSSTP and GHTP.

The Commission observes that GGSSTP has projected biomass consumption of 239885 MT (7.38% of the total coal consumption) while GHTP has projected biomass consumption of 231000 MT (7% of coal consumption). It is noted that as per the “Revised Policy for Biomass Utilization for Power Generation through Co-firing in Coal based Power Plants” issued by the Ministry of Power on 16.06.2023, 7% blend of biomass pellets is to be used along with coal w.e.f. FY 2025-26. Accordingly, the Commission has considered 7% blend of biomass pellets for the 4th MYT Control period.

Further, the Commission has considered GCV of coal, oil and biomass for 4th MYT Control same as the trued-up figures of FY 2024-25.

The Cost Parameters considered by the Commission for working out the fuel cost are as follows:

Table 3.22: Cost Parameters considered by the Commission for the 4th MYT Control Period

Sr. No.	Parameters		GGSTP			GHTP		
			FY 2026-27	FY 2027-28	FY 2028-29	FY 2026-27	FY 2027-28	FY 2028-29
I	II		III	IV		V	VI	
1	GCV of coal*	kCal/kg	4095	4095	4095	4146	4146	4146
2	CV of Oil	kCal/lt	9880	9880	9880	10155	10155	10155
3	GCV of biomass	kCal/kg	3541	3541	3541	3257	3257	3257
4	Price of Oil	Rs./ KL	62726	63981	65261	64315	65602	66914
5	Price of coal	Rs./MT	5810	5926	6044	5840	5957	6076
6	Price of biomass	Rs./MT	7878	8035	8196	7658	7812	7968

**Weighted Average Gross calorific value of coal as received less 85 Kcal/Kg on account of variation during storage at generating station as per Regulation 64 of the CERC Tariff Regulations, 2024*

Based on the above parameters, the fuel cost for the 4th MYT Control Period has been worked out as follows:

Table 3.23: Fuel Cost for GGSSTP approved by the Commission for 4th MYT Control Period

Sr. No.	Particulars	Derivation	Unit	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI	VII
1	Net Generation	A	MU	4500.75	4419.04	4582.46
2	Auxiliary Consumption	B	%	8.50%	8.50%	8.50%
3	Gross Generation	C=A/(1-B)	MU	4918.85	4829.55	5008.16
4	Station Heat Rate	D	kcal/kWh	2415.00	2415.00	2415.00
5	Specific oil consumption	E	ml/kWh	0.50	0.50	0.50
6	Calorific value of oil	F	kcal/litre	9880.00	9880.00	9880.00
7	Calorific value of coal	G	kcal/kg	4095.00	4095.00	4095.00
8	Calorific Value of Biomass	H	kcal/kg	3541.00	3541.00	3541.00
9	Overall heat	I= (C x D)	Gcal	11879022.75	11663363.25	12094706.40
10	Heat from oil	J = (C x E x F) / 1000	Gcal	24299.12	23857.98	24740.31
11	Heat from Biomass	K = (N x H) / 10 ³	Gcal	676685.10	663937.50	688724.50

Sr. No.	Particulars	Derivation	Unit	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI	VII
12	Heat from coal	$L = (I-J-K)$	Gcal	11178038.53	10975567.77	11381241.59
13	Oil consumption	$M=(J \times 1000)/F$	KL	2,459.43	2,414.78	2,504.08
14	Biomass Consumption	N	MT	1,91,100.00	1,87,500.00	1,94,500.00
15	Transit loss of coal	O	%	0.80%	0.80%	0.80%
16	Total coal consumption excluding transit loss	$P=(L \times 1000)/G$	MT	2729679.74	2680236.33	2779301.98
17	Quantity of coal priced on F.O.R. basis	Q	MT	2456712.00	2456712.00	2456712.00
18	Quantity of coal other than coal priced on F.O.R. basis	$R=P-Q$	MT	272967.74	223524.33	322589.98
19	Quantity of coal other than coal priced on F.O.R. basis, including transit loss	$S=R/(1-O/100)$	MT	275169.09	225326.95	325191.51
20	Total quantity of coal required	$T=Q+S$	MT	2731881.09	2682038.95	2781903.51
21	Price of oil	U	Rs./KL	62726.00	63981.00	65261.00
22	Price of coal	V	Rs./MT	5810.00	5926.00	6044.00
23	Price of Biomass	W	Rs./MT	7878.00	8036.00	8196.00
24	Total Cost of oil	$X=M \times U / 10^7$	Rs. Crore	15.43	15.45	16.34
25	Total Cost of coal	$Y=T \times V/10^7$	Rs. Crore	1587.22	1589.38	1681.38
26	Total Cost of Biomass	$Z=N \times W/10^7$	Rs. Crore	150.55	150.68	159.41
27	Total Fuel cost	AA=X+Y+Z	Rs. Crore	1753.20	1755.50	1857.14
28	Per unit Cost (gross)	$BB=AA \times 10/C$	Rs./kWh	3.56	3.64	3.71
29	Per unit Cost (Net)	$CC=AA \times 10/A$	Rs./kWh	3.90	3.97	4.05

Table 3.24: Fuel Cost for GHTP approved by the Commission for 4th MYT Control Period

Sr. No.	Particulars	Derivation	Unit	FY 2026-27		FY 2027-28		FY 2028-29	
				GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)
I	II	III	IV	V	VI	VII	VIII	IX	X
1	Net Generation	A	MU	2924.49	1689.12	2935.90	1695.72	3038.05	1754.72
2	Auxiliary Consumption	B	%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
3	Gross Generation	$C=A/(1-B)$	MU	3196.16	1846.03	3208.63	1853.25	3320.27	1917.73
4	Station Heat Rate	D	kcal/kWh	2415.00	2387.00	2415.00	2387.00	2415.00	2387.00
5	Specific oil consumption	E	ml/kWh	0.50	0.50	0.50	0.50	0.50	0.50
6	Calorific value of oil	F	kcal/litre	10155.00	10155.00	10155.00	10155.00	10155.00	10155.00
7	Calorific value of coal	G	kcal/kg	4146.00	4146.00	4146.00	4146.00	4146.00	4146.00
8	Calorific Value of Biomass	H	kcal/kg	3257.00	3257.00	3257.00	3257.00	3257.00	3257.00
9	Overall heat	$I=(C \times D)$	Gcal	7718726.40	4406473.61	7748841.45	4423707.75	8018452.05	4577621.51

Sr. No.	Particulars	Derivation	Unit	FY 2026-27		FY 2027-28		FY 2028-29	
				GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)	GHTP (Unit I, Unit II & Unit III)	GHTP (Unit IV)
I	II	III	IV	V	VI	VII	VIII	IX	X
10	Heat from oil	$J = (C \times E \times F) / 1000$	Gcal	16228.50	9373.22	16291.82	9409.88	16858.67	9737.27
11	Heat from Biomass	$K = (N \times H) / 10^3$	Gcal	401262.40	229129.95	403053.75	229944.20	416896.00	238086.70
12	Heat from coal	$L = (I - J - K)$	Gcal	7301235.50	4167970.44	7329495.88	4184353.67	7584697.38	4329797.54
13	Oil consumption	$M = (J \times 1000) / F$	KL	1,598.08	923.02	1,604.32	926.63	1,660.13	958.86
14	Biomass Consumption	N	MT	123200.00	70,350.00	123750.00	70600.00	128,000.00	73100.00
15	Transit loss of coal	O	%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
16	Total coal consumption excluding transit loss	$P = (L \times 1000) / G$	MT	1761031.23	1005299.19	1767847.53	1009250.76	1829401.20	1044331.29
17	Quantity of coal priced on F.O.R. basis	Q	MT	1334114.57	761594.64	1334092.66	761616.55	1334120.36	761588.85
18	Quantity of coal other than coal priced on F.O.R. basis	$R = P - Q$	MT	426916.66	243704.55	433754.87	247634.21	495280.84	282742.44
19	Quantity of coal other coal priced on F.O.R. basis, including transit loss	$S = R / (1 - O/100)$	MT	430359.54	245669.91	437252.89	249631.26	499275.04	285022.62
20	Total quantity of coal required	$T = Q + S$	MT	1764474.11	1007264.55	1771345.55	1011247.81	1833395.40	1046611.47
21	Price of oil	U	Rs./KL	64315.00	64315.00	65601.00	65601.00	66914.00	66914.00
22	Price of coal	V	Rs./MT	5840.00	5840.00	5957.00	5957.00	6076.00	6076.00
23	Price of Biomass	W	Rs./MT	7658.00	7658.00	7811.00	7811.00	7968.00	7968.00
24	Total Cost of oil	$X = M \times U / 10^7$	Rs. Crore	10.28	5.94	10.52	6.08	11.11	6.42
25	Total Cost of coal	$Y = T \times V / 10^7$	Rs. crore	1030.45	588.24	1055.19	602.40	1113.97	635.92
26	Total Cost of Biomass	$Z = N \times W / 10^7$	Rs. crore	94.35	53.87	96.66	55.15	101.99	58.25
27	Total Fuel cost	AA = X + Y + Z	Rs. crore	1135.08	648.05	1162.37	663.63	1227.07	700.59
28	Per unit Cost (gross)	$BB = AA \times 10 / C$	Rs. /kWh	3.55	3.51	3.62	3.58	3.70	3.65
29	Per unit Cost (Net)	$CC = AA \times 10 / A$	Rs. /kWh	3.88	3.84	3.96	3.91	4.04	3.99

The Commission, therefore, approves the fuel cost (rounded off) of Rs. 3536 Crore, Rs. 3582 Crore and Rs. 3785 Crore for PSPCL's own net thermal generation of 9114 MWh, 9051 MWh and 9375 MWh for GGSSTP and GHTP for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

3.9 Power Purchase Cost

PSPCL's Submissions:

- i) Power is procured from the long term tied up generating plants approved by the Commission. Major allocation to Punjab is from the Central Generating Plants like NTPC, NHPC, NPCIL and UMPP, Shared Power Projects like own-thermal generating stations, BBMB and SJVNL and Independent Power Producers, like Adani Power, Lanco, GMR and others.
- ii) AFC of the Central sector plants i.e. NTPC, NHPC, SJVNL, THDC, DVC, Pragati TPS for FY 2026-27, 2027-28 & 2028-29 have been considered to be the same as that of FY 2025-26. Fixed Charges for Pragati TPS have been calculated considering the availability at Normative Availability Factor
- iii) AFC for Karcham HEP for FY 2026-27, FY 2027-28 & FY 2028-29 have not been determined yet and therefore assumed to be the same as that of FY 2025-26
- iv) The fixed charges (FC) for Central sector plants i.e. NTPC, DVC for FY 2026-27 to FY 2028-29 has been considered the same as that of FY 2025-26. However, fixed charges towards the generating stations from which PSPCL has unallocated share of power i.e. Unchahar-IV, Dadri II, and Tanda II has been calculated by considering the normative fixed rate from FY 2026-27 to FY 2028-29.
- v) For Hydro Generating Stations of the Central Sector i.e. NHPC, THDC & SJVNL, Fixed Cost & Variable rates/charges from FY 2026-27 to FY 2028-29 has been considered to be the same as that of FY 2025-26.
- vi) For hydro generating stations of the Central Sector Generators i.e. NHPC Limited, THDCIL & SJVN Limited, the various components of Other Charges from FY 2026-27 to FY 2028-29 have been assumed to be the same as that of FY 2025-26. Further, the per unit rates of Water Usage Charges for NHPC stations of Salal, Tanakpur, Uri-I, Dhauliganga, Dulhasti, Sewa-II & Uri-II have been assumed to be the same as that of FY 2025-26. Therefore, projections of Water Usage Charges under Other Charges of NHPC stations from FY 2026-27 to FY 2028-29 have been done by considering the projected energy for respective FY and the per unit rate of FY 2025-26, wherever applicable.
- vii) The variable rates of Central sector plants, and DVC for FY 2026-27 to FY 2028-29 has been considered with escalation of 5% every year from FY 2025-26 H2 (Sep, 25 rates). For Pragati-III TPS, escalation of 5% every year from FY 2025-26 H2 (Aug, 25 rates) has been considered

for FY 2026-27 to FY 2028-29 as no power has been scheduled/received during Sep-25. However, the variable rate for NPCIL has been considered to be the same as that of FY 2025-26 (Sep-25 rates).

- viii) For generating stations of DVC, other charges such as supplementary capacity charges have been assumed constant throughout the period from FY 2026-27 to FY 2028-29 as in FY 2025-26. For NTPC, Pragati-III, other charges are assumed constant throughout FY 2026-27 to FY 2028-29 as in FY 2025-26.
- ix) In case of Subansiri HEP, the Commission, vide its order dated 16.10.2025 in petition no. 51 of 2025, has disallowed the PPA. Therefore, the project has been omitted from the projections
- x) In case of Vishugarh Pipalkoti HEP, THDC has intimated the levelized tariff of the project to be Rs. 4.52 per unit. Accordingly, projections for FY 2026-27 to FY 2028-29 have been made on the basis of the levelized tariff of the project.
- xi) Fixed charges for SASAN UMPP for FY 2026-27 to FY 2028-29 have been assumed to be the same as that of FY 2025-26.
- xii) For Malana-II Hydro plant, the Power Sale Agreement with M/s PTC has been terminated by PSPCL w.e.f 20.10.2025. Accordingly, the Fixed charges, Variable charges and Trading Margin have been assumed as Nil.
- xiii) The fixed charges from GATP (GVK) Thermal plant have been taken to be the same as that for FY 2025-26. Further, the variable rates have been assumed with escalation of 1% over the previous FY as provided by the generator.
- xiv) Tariff of Tala Hydro plant has been taken on the basis of PTC-PSA with NR States.
- xv) Due to the issuance of the Termination Notice dated 12.08.2021 to Anta, Auriaya & Dadri stations of NTPC, in view of the Commission's order dated 05.08.2021 in Petition no. 28 of 2021, power purchase cost from these stations has been considered as NIL for FY 2026-27 to FY 2028-29.
- xvi) Fixed cost and variable charges for Karcham from FY 2026-27 to FY 2028-29 have been considered to be the same as that of FY 2025-26. The availability has been considered 100% for Karcham HEP. Other charges for FY 2026-27 to FY 2028-29 have been considered to be the same as that of FY 2025-26.
- xvii) The fixed cost of NPL for FY 2025-26 has been assumed by considering non-escalable capacity charges of Sep-25 as quoted in the PPA with the deduction of Mega Status Benefits and escalable capacity charges as applicable in Sep-25. For FY 2026-27 to FY 2028-29, the fixed cost has been assumed by considering non-escalable capacity charges of the respective year as quoted in the PPA and by increasing the escalable capacity charges by Rs. 0.007/kWh every year from FY 2025-26. The normative availability of 85% has been considered for assuming the fixed cost for FY 2026-27 to FY 2028-29. The variable charges for FY 2026-27

to FY 2028-29 have been assumed with 5% escalation in variable charges every year from that of FY 2025-26.

- xviii) The fixed cost of TSPL for FY 2025-26 has been assumed by considering non-escalable capacity charges of Sep-25 as quoted in the PPA with the deduction of mega status benefits. From FY 2026-27 to FY 2028-29, the fixed cost has been assumed by considering non-escalable capacity charges of the respective year as quoted in the PPA and by increasing the escalable capacity charges by Rs. 0.005/kWh every year from FY 2025-26. The normative availability of 80% has been considered for assuming the fixed cost for FY 2026-27 to FY 2028-29. The variable charges for FY 2026-27 to FY 2028-29 have been assumed with 5% escalation in variable charges every year from that of FY 2025-26.
- xix) Fixed charges for Tata Power (CGPL) from FY 2026-27 to FY 2028-29 have not been considered as Tata Power is not supplying power to PSPCL. PSPCL had already filed a petition before the CERC to direct Tata power to supply power to PSPCL under the PPA. It is not certain that Tata Power will supply power to PSPCL during this period or not.
- xx) CTUIL, UPPTCL charges & Intra-state Transmission Charges (PSTCL) for the period FY 2026-27 to FY 2028-29, have been escalated by 5% from that of FY 2025-26 without considering previous year's arrear amount.
- xxi) Other charges in respect of Sasan UMPP comprises various supplementary bills raised by Sasan on account of CIL (Change in Law) events allowed by the CERC and these are assumed to be the same as that of FY 2025-26.
- xxii) For NRPC, the contribution towards reimbursement of expenditure of the NRPC Secretariat by the constituent members, including Punjab, for the period FY 2026-27 to FY 2028-29 is assumed to be the same as that for FY 2025-26.
- xxiii) Full tariff has been considered for the following projects due to the stay granted by the Hon'ble Punjab and Haryana High Court against PSPCL's tariff reduction due to availing of accelerated depreciation benefit against firm.
- M/s Northstar Solar Power Pvt. Ltd.
 - M/s Sam Solar Pvt. Ltd. – Doraha Project
 - M/s Sam Solar Pvt. Ltd. – Nidampur Project
- xxiv) Last escalated tariff of Rs. 7.475/- has been considered for M/s Dee Development Engineers Ltd. Project due to the stay granted by the Hon'ble Punjab and Haryana High Court against the Commission's orders regarding redetermination of tariff.
- xxv) Last escalated tariff of Rs. 7.8917/- has been considered for M/s Universal Biomass Energy Pvt. Ltd. Project due to the stay granted by the Hon'ble Punjab and Haryana High Court against the Commission's orders regarding redetermination of tariff.

- xxvi) Default notice has been issued to M/s PGL, Waste to energy plant as no net export of energy is being supplied. Therefore, PPA is assumed to be terminated w.e.f. the expiry of 60 days period of default notice i.e. w.e.f. 08.11.2025.
- xxvii) N. V. Distilleries PPA terminated, so no energy has been considered.
- xxviii) M/s A.B. Sugar Ltd. & M/s Rana Sugars Ltd. tariff is valid up to 29.11.2025 and since the Commission is yet to determine the revised tariff, therefore last escalated tariff has been considered after 29.11.2025 also for the purpose of projecting in the ARR.
- xxix) M/s Golden Sandhar Mills Ltd. tariff is valid up to 27.02.2026 and since the Commission is yet to determine the revised tariff, therefore the last escalated tariff has been considered after 27.02.2026 also for the time being.
- xxx) M/s Viaton Energy Pvt. Ltd. tariff is valid up to 07.07.2026 and since the Commission is yet to determine the revised tariff, thereafter last escalated tariff has been considered after 07.07.2026 also for the time being.
- xxxi) 3 No. MHP PPA of M/s Punjab Hydro Power Pvt. Ltd. have expired. However, as per Hon'ble APTEL's interim order, Energy has been considered and Tariff Rate has been taken the interim tariff of Rs. 3.50/unit.
- xxxii) M/s Kotla Hydro Power Pvt. Ltd. MHP Babanpur PPA Expired. However as per Hon'ble APTEL's interim order, Energy has been considered and Tariff Rate has been taken at the interim tariff of Rs. 3.50/unit.
- xxxiii) No Energy has been considered for the below mentioned projects, after the expiry of their PPAs.
- A.B. Sugar - 30.10.2027
 - Rana Sugar - 04.12.2027
 - A.B. Grain - 07.04.2028
 - CDBL 8.25 MW & CDBL 3.9 MW - 17.08.2027
 - Shree Ganesh - 23.12.2027
 - Om Sons - 26.12.2028
 - Gill Power Generation - 05.10.2026
- xxxiv) Aqua Power Sidhana MHP's PPA expires on 23.10.2027. As Chakbhai & Lohgarh MHP PPAs were extended for 10 years after expiry, so on the same pattern, it is expected that Sidhana PPA will also be extended & thus power has been considered and tariff is also assumed to be fixed at Rs. 3.50/unit as done in the following similar cases.
- Kotla Hydro
 - Killa MHP expiry – 29.10.2025
 - Sahoke MHP Expiry- 30.10.2026
- xxxv) Winsome OA Medium term agreement expiry ranges from Sep-25 to Mar-26. However, 2% energy injection & transmission charges have been taken assuming Winsome will sign another OA agreement.

- xxxvi) SECI & NVVNL Transmission and SLDC charges have been escalated by 5% from last year for FY 2026-27, FY 2027-28 & FY 2028-29.
- xxxvii) Energy rates of other NRSE power projects (Baggase/Biomass, IPP and Co-gen Projects) for FY 2026-27 to FY 2028-29 has been considered with 5% escalation of variable charges, wherever applicable as per the PPA from the corresponding previous year, except the following.
- M/s Malwa Power Pvt. Ltd. – Tariff considered at Rs. 3.50/unit (as per the interim order of the Commission).
 - M/s Indian Sucrose Ltd. – Tariff considered at Rs. 4.78/unit (as per the interim order of the Hon'ble APTEL).
 - M/s CDBL 3.9 MW - PPA expires on 29.01.2026. Post PPA expiry, the tariff is assumed to be same at Rs. 3.49/unit assuming that PPA will be extended
- xxxviii) The energy from CGPL Mundra plant has been considered as NIL during the said period due to violation in unit rate as per PPA.
- xxxix) Project wise Energy rates for FY 2026-27 to FY 2028-29 of the upcoming solar projects within Punjab have been considered as detailed below:
- SJVN Green Energy Limited (100 MW) - Rs. 2.65/unit
 - PEDDA 4 MW - Rs. 2.748/Unit
 - SJVN Green Energy Limited (200 MW) - Rs. 2.75/unit.
 - SAEL Industries Ltd. (400 MW) - Rs. 2.97/unit
- xl) Project wise Energy rates for FY 2026-27 to FY 2028-29 of the upcoming non-solar projects within Punjab have been considered as detailed below:
- The Batala Co-operative Sugar Mills Ltd (8.45 MW) - Rs. 3.50/unit
 - Waste to Energy Plant MC Gobingarh (0.1 MW) - Rs. 5.00/unit.
 - Thind Power Private Ltd. (2 MW) - Rs. 3.75/unit
- xli) Project wise Energy rates for FY 2026-27 to FY 2028-29 of the upcoming solar projects outside Punjab have been considered as detailed below:
- Renew Dinkar Jyoti Pvt. Ltd. - Rs. 2.33/unit
 - CPSU Scheme (NHPC) - Rs. 2.45/unit
 - SECI Solar (300 MW) - Rs. 2.65/unit.
 - SGEL (1000 MW) - Rs. 2.53/unit
 - Adani Solar Energy AP Three Ltd. (150 MW) - Rs. 2.34/unit
- xl ii) PSTCL, Winsome, Nahar & Mohan Dai Oswal Transmission Charges for FY 2026-27 to FY 2028-29 have been escalated by 5% from those corresponding to last year's charges.
- xl iii) REC certificate procurement for the FY 2026-27 to 2028-29 has been tentatively considered as Rs. 196 Crore, Rs. 77.37 Crore, Rs. 237.27 Crore respectively. These are based on the projections done by keeping in view the targets specified by MoP vide RCO notification dated 27.09.2025 and estimated availability of RE power from PSAs/PPAs signed by PSPCL as on date and corresponding RE power expected during FY 2025-26 to FY 2028-29. However,

about 5500 MW RE power is under process which may reduce the REC liability depending upon the quantum of RE power actually received. Projected REC cost is based on the per unit rate of REC (Rs. 460.20/- per REC along with taxes & exchange fees) as per the REC trading session dated 29.10.2025 and may change (increase or decrease) in the future. Further, the above information has been prepared by considering the surplus carry forward of RE of FY 2022-23 & FY 2023-24 to FY 2024-25 as allowed by the Commission vide Order dated 21.11.2024 in Petition no. 42 of 2024 and surplus carry forward RE of FY 2024-25 to FY 2025-26 as allowed by the Commission vide Order dated 21.08.2025 in Petition no. 38 of 2025.

- xliv) Cost of banking for FY 2026-27 has been assumed at 465.66 Ps/unit (i.e. FY 2025-26: 443.49 Ps/unit + 5 % enhancement). For FY 2027-28, the same has been assumed as 488.94 Ps/unit (i.e. FY 2026-27: 465.66 Ps/unit + 5% enhancement). For FY 2028-29, it has been assumed @ 513.39 Ps/unit (i.e. FY 2027-28: 488.94 Ps/unit + 5% enhancement).
- xliv) The surplus energy has been surrendered. Surrendering has been done as per the merit order of power purchase from existing thermal and gas plants. Merit order is based upon the variable rates assumed for each year.
- xlvi) Petition no. 41 of 2018 regarding scheduling of power from UPCL was disposed off by the Commission without approval of PPA. UPCL (Adani Power) had filed an Appeal in the Hon'ble Appellate Tribunal i.e. Appeal no. 167 of 2020. The Hon'ble APTEL vide order dated 25.09.2024 has also dismissed the same. Now, Adani Power has challenged the said order before the Hon'ble Supreme Court of India vide Civil Appeal no. 14721 of 2024 and the same is pending for adjudication. The power from UPCL has not been projected for the control period FY 2026-27 to FY 2028-29.
- xlvi) The energy data from Oct-25 to Mar-29 has been estimated while considering the merit order principal assuming that minimum two units of GGSSTP (with variable cost of 391 pc/unit as per May MOD) and two units of GHTP (with variable cost of 381 pc/unit as per May MOD) will be on bar subject to maximum availability throughout the period.
- xlvi) New projects outside the State that have been considered are Vishnugad Pipalkoti HEP (THDC) plant during FY 2027-28 and solar projects i.e. SECI Solar, CPSU Scheme (NHPC Solar) during FY 2025-26, Adani AP Three Pvt.. Ltd., SGEL anywhere in India, SECI (3 SPDs) & Shahpur Kandi Hydro plants during FY 2026-27 and SECI (2 SPDs), SECI (4 SPDs) & SECI (1 SPDs) during FY 2027-28.
- xliv) The projected Open Access (T-GNA) charges have been calculated by assuming a T-GNA charge rate of Rs. 578.36/MWh. The other charges pertain to the applicable application charges under T-GNA.
- l) The projected per unit price of power exchange has been estimated based on the trend observed over the past three years (FY 2022-23 to FY 2024-25), as exchange prices are highly unpredictable and volatile.

- li) For SCED Charges, the amount for FY 2026–27 to FY 2028–29 has been assumed to be the same as that for FY 2025–26.

Table 3.25: Abstract of Power Purchase cost for FY 2026-27 submitted by PSPCL

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
1	NTPC Thermal	687.83	5810.04	3.80%	5589.52	1453.30	577.18	128.53	2159.01	3.86
2	NTPC Hydro	61.22	236.13	3.80%	227.17	51.38	66.25	0.29	117.92	5.19
3	NHPC	577.36	2355.23	3.80%	2265.84	296.83	390.15	125.20	812.18	3.58
4	NPCIL	176.15	1672.27	3.80%	1608.80	620.99	-	-	620.99	3.86
5	SJVNL	173.05	673.25	3.80%	647.70	88.97	131.29	1.40	221.66	3.42
6	THDC	101.27	304.75	3.80%	293.18	70.61	78.77	0.60	149.98	5.12
7	DVC	656.25	4824.56	3.80%	4641.45	1630.77	782.83	117.40	2531.01	5.45
8	Pragati-III Gas Plant Bawana (PPCL)	133.33	766.60	3.80%	737.50	469.82	109.94	0.08	579.84	7.86
9	UMPPs	1033.36	4577.21	3.80%	4403.48	526.17	65.02	75.76	666.96	1.51
10	TRADERS (Long Term Power)	314.15	958.34	3.80%	921.96	107.91	92.78	14.90	215.59	2.34
11	IPPs within Punjab	3161.46	26393.40		26393.40	10480.80	2370.86		12851.66	4.87
12	GVK	491.4	3764.65		3764.65	1434.33	559.54	0.00	1993.87	5.30
13	PGCIL		-		-	-	2296.90	(340.15)	1956.75	
14	UPPTCL Transmission Charges		-		-	-	1.52	-	1.52	
15	NVVN Bundled Coal power		232.49	3.80%	223.67	87.11	-	-	87.11	3.89
16	NVVN Bundled Solar Power	37	48.18		48.18	50.60	-	-	50.60	10.50
17	NVVN Bundled Power Transmission & SLDC Charges		-		-	-	-	7.59	7.59	
18	SECI- Solar	430	2314.43		2314.43	642.76	-	-	642.76	2.78
19	SECI-Wind	450	1227.60		1227.60	324.19	-	-	324.19	2.64
20	SECI Solar Transmission & SLDC charges		-		-	-	-	3.28	3.28	
21	NHPC 300MW Solar Power	300	733.42		733.42	192.89	-	-	192.89	2.63
22	NHPC 300 MW Solar (CPSU) RLDC Charges		-		-	-	-	0.18	0.18	

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
23	CPSU Scheme (NHPC)-400 MW		1032.00	3.80%	992.83	252.84	-	-	252.84	2.55
24	SGEL (1000 MW)		545.70		545.70	138.06	-	-	138.06	2.53
25	Adani Solar Energy AP Three Limited (150 MW)		187.50		187.50	43.88	-	-	43.88	2.34
26	NRSE Purchase within Punjab-Solar	1582	2044.75		2044.75	1052.23	-	-	1052.23	5.15
27	NRSE Purchase within Punjab-Non Solar		1236.03		1236.03	866.17	-	-	866.17	7.01
28	2% Energy injected by NRSE OA Generators in lieu of Transmission & wheeling Charges		0.30		0.30	-	-	-	-	-
29	Short Term (Traders)		699.09		672.56	329.83	-	-	329.83	4.90
30	Short Term (Exchange)		5689.27	3.80%	5473.33	2684.20	-	-	2684.20	4.90
31	Net Banking		-		(183.97)	-	-	-	-	-
32	Open Access Charges		-		-	305.90	-	0.50	306.40	
33	SCED					7.62				
34	Purchase of RECs		-		-	-	-	196.00	196.00	
35	NRPC							0.14	0.14	
36	Nahar UI & Reactive Charges							0.03	0.03	
37	Mohan Dai UI charges							(0.01)	(0.01)	
38	PSTCL Winsome and Nahar Transmission Charges							0.02	0.02	
39	PSTCL Mohan Dai Oswal Transmission Charges							0.04	0.04	
40	Total Power purchase		68327.20		67011.00	24210.17	7523.03	331.79	32065.00	4.79

Table 3.26: Abstract of Power Purchase cost for FY 2027-28 submitted by PSPCL

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
1	NTPC Thermal	687.83	5742.43	3.80%	5524.47	1501.03	577.18	128.53	2206.73	3.99
2	NTPC Hydro	61.22	236.13	3.80%	227.17	51.38	66.25	0.29	117.92	5.19
3	NHPC	577.36	2355.23	3.80%	2265.84	296.83	390.15	125.20	812.18	3.58
4	NPCIL	176.15	1759.42	3.80%	1692.64	658.80	-	-	658.80	3.89
5	SJVNL	173.05	673.24	3.80%	647.68	88.97	131.29	1.40	221.66	3.42
6	THDC	127.82	405.16	3.80%	389.78	93.31	101.46	0.60	195.36	5.01
7	DVC	656.25	4692.18	3.80%	4514.09	1666.19	782.83	117.40	2566.43	5.69
8	Pragati-III Gas Plant Bawana (PPCL)	133.33	565.94	3.80%	544.46	364.18	109.94	0.08	474.21	8.71
9	UMPPs	1033.36	4612.72	3.80%	4437.64	530.25	65.02	75.76	671.04	1.51
10	TRADERS (Long Term Power)	314.15	954.42	3.80%	918.20	108.13	92.78	14.90	215.81	2.35
11	IPPs within Punjab	3161.46	25633.56		25633.56	10674.92	2292.74	-	12967.66	5.06
12	GVK	491.4	3884.65		3884.65	1495.59	559.54	0.00	2055.13	5.29
13	PGCIL						2411.75	(357.16)	2054.59	
14	UPPTCL Transmission Charges						1.59	-	1.59	
15	NVVN Bundled Coal power		232.49	3.80%	223.67	87.11	-	-	87.11	3.89
16	NVVN Bundled Solar Power	37	48.18		48.18	50.60	-	-	50.60	10.50
17	NVVN Bundled Power Transmission & SLDC Charges		-		-	-	-	7.97	7.97	
18	SECI- Solar	430	6751.09		6751.09	1793.20	-	-	1793.20	2.66
19	SECI-Wind	450	1227.60		1227.60	324.19	-	-	324.19	2.64
20	SECI Solar Transmission & SLDC charges							3.44	3.44	
21	NHPC 300MW Solar Power	300	733.42		733.42	192.89	-	-	192.89	2.63
22	NHPC 300 MW Solar (CPSU) RLDC Charges	300						0.19	0.19	#DIV/0!
23	CPSU Scheme (NHPC)-400 MW	400	1032.00	3.80%	992.83	252.84	-	-	252.84	2.55

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
24	SGEL (1000 MW)	1000	2586.00		2586.00	654.26	-	-	654.26	2.53
25	Adani Solar Energy AP Three Limited (150 MW)	150	375.00		375.00	87.75	-	-	87.75	2.34
26	NRSE Purchase within Punjab-Solar	1982	2829.89		2829.89	1285.36	-	-	1285.36	4.54
27	NRSE Purchase within Punjab-Non Solar		1159.60		1159.60	818.16	-	-	818.16	7.06
28	2% Energy injected by NRSE OA Generators in lieu of Transmission & wheeling Charges		0.30		0.30				-	-
29	Short Term (Traders)		522.80	3.80%	502.96	313.68	-	-	313.68	6.24
30	Short Term (Exchange)		4589.70	3.80%	4415.50	2345.34	-	-	2345.34	5.31
31	Net Banking		-		(170.25)	-	-	-	-	-
32	Open Access Charges		-		-	283.10	-	0.50	283.60	
33	SCED					7.62				
34	Purchase of RECs		-		-		-	77.37	77.37	
35	NRPC							0.14	0.14	
36	Nahar UI & Reactive Charges							0.03	0.03	
37	Mohan Dai UI charges							(0.01)	(0.01)	
38	PSTCL Winsome and Nahar Transmission Charges							0.06	0.06	
39	PSTCL Mohan Dai Oswal Transmission Charges							0.00	0.00	
40	Total Power purchase		73603.17		72356.00	26025.65	7582.52	196.71	33804.89	4.67

Table 3.27: Abstract of Power Purchase cost for FY 2028-29 submitted by PSPCL

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
1	NTPC Thermal	687.83	5995.45	3.80%	5767.90	1676.52	577.18	128.53	2382.23	4.13

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
2	NTPC Hydro	61.22	236.13	3.80%	227.17	51.38	66.25	0.29	117.92	5.19
3	NHPC	577.36	2355.23	3.80%	2265.84	296.83	390.15	125.20	812.18	3.58
4	NPCIL	176.15	1649.61	3.80%	1587.00	620.88	-	-	620.88	3.91
5	SJVNL	173.05	673.24	3.80%	647.68	88.97	131.29	1.40	221.66	3.42
6	THDC	127.82	405.16	3.80%	389.78	93.31	101.46	0.60	195.36	5.01
7	DVC	656.25	4714.72	3.80%	4535.78	1757.44	782.83	117.40	2657.68	5.86
8	Pragati-III Gas Plant Bawana (PPCL)	133.33	829.10	3.80%	797.63	560.20	109.94	0.08	670.23	8.40
9	UMPPs	1033.36	4588.30	3.80%	4414.16	527.44	65.02	75.76	668.23	1.51
10	TRADERS (Long Term Power)	314.15	963.48	3.80%	926.91	110.28	92.78	14.90	217.96	2.35
11	IPPs within Punjab	3161.46	26172.43		26172.43	11453.74	2280.94	-	13734.68	5.25
12	GVK	491.4	3812.10		3812.10	1482.91	559.54	-	2042.45	5.36
13	PGCIL						2532.33	(375.02)	2157.32	
14	UPPTCL Transmission Charges						1.67	-	1.67	
15	NVVN Bundled Coal power		232.49	3.80%	223.67	87.11	-	-	87.11	3.89
16	NVVN Bundled Solar Power	37	48.18		48.18	50.60	-	-	50.60	10.50
17	NVVN Bundled Power Transmission & SLDC Charges		-		-	8.37	-	-	8.37	
18	SECI- Solar	430	7784.77		7784.77	2060.92	-	-	2060.92	2.65
19	SECI-Wind	450	1227.60		1227.60	324.19	-	-	324.19	2.64
20	SECI Solar Transmission & SLDC charges							3.61	3.61	
21	NHPC 300MW Solar Power	300	733.42		733.42	192.89	-	-	192.89	2.63
22	NHPC 300 MW Solar (CPSU) RLDC Charges							0.20	0.20	
23	CPSU Scheme (NHPC)-400 MW	400	1032.00	3.80%	992.83	252.84	-	-	252.84	2.55
24	SGEL (1000 MW)	1000	2586.00		2586.00	654.26	-	-	654.26	2.53
25	Adani Solar Energy AP Three	150	375.00		375.00	87.75	-	-	87.75	2.34

Sr. No.	Source	Contracted Capacity	Energy Sent out (Scheduled)	External Losses (%)	Energy Received by the Licensee	Variable Cost (VC)	Fixed Cost (FC)	Other Charges	Total Cost	Per Unit Cost (Net)
		MW	MkWh	Inter-state	MkWh	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs./kWh
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = X/VI
	Limited (150 MW)									
26	NRSE Purchase within Punjab-Solar	1924	2986.39		2986.39	1331.84	-	-	1331.84	4.46
27	NRSE Purchase within Punjab-Non Solar		1123.26		1123.26	806.89	-	-	806.89	7.18
28	2% Energy injected by NRSE OA Generators in lieu of Transmission & wheeling Charges		0.30		0.30	-	-	-	-	-
29	Short Term (Traders)		1244.57		1197.33	746.74	-	-	746.74	6.24
30	Short Term (Exchange)		7762.10	3.80%	7467.49	3966.43	-	-	3966.43	5.31
31	Net Banking				(213.63)				-	-
32	Open Access Charges					355.22	-	0.50	355.72	
33	SCED					7.62	-	-		
34	Purchase of RECs		-		-	-	-	237.27	237.27	
35	NRPC							0.14	0.14	
36	Nahar UI & Reactive Charges							0.03	0.03	
37	Mohan Dai charges							(0.01)	(0.01)	
38	PSTCL Winsome and Nahar Transmission Charges							0.06	0.06	
39	PSTCL Mohan Dai Oswal Transmission Charges							0.00	0.00	
40	Total Power purchase		79531.05		78077.00	29653.59	7691.38	330.97	37675.94	4.83

Commission's Analysis:

A. Inter State Losses:

PSPCL in the Petition has projected provisional inter-State loss at 3.80% for FY 2026-27, FY 2027-28 and FY 2028-29, which the Commission accepts, subject to true up of the same.

B. Fixed Charges

The Commission, while doing the True-up of FY 2024-25 in Chapter 2, has discussed in detail that the Commission is not inclined to burden the consumers with ISTS charges pertaining to BBMB power paid by PSPCL when transmission charges of these lines have already been

paid directly to BBMB. Accordingly, the Commission disallows Rs. 108.98 Crore (Transmission Charges paid to BBMB for FY 2024-25) from CTUIL charges from each year of the 4th MYT Control Period subject to true up of the same. For the remaining power purchase, the Commission provisionally accepts the fixed charges submitted by PSPCL for each year of the 4th MYT Control Period subject to true-up of the same.

C. Variable Charges

The Commission notes that the per unit net variable cost of FY 2024-25 worked out on the basis of submissions of PSPCL comes out to Rs. 3.48/kWh while PSPCL in the revised submission made vide Memo No. 160 dated 04.02.2026 has projected the per unit net variable rate of FY 2026-27, FY 2027-28 and FY 2028-29 as Rs. 3.61/kWh, Rs. 3.60/kWh and Rs. 3.80/kWh respectively. Considering the nominal increase of around 1.87% annually from the per unit variable rate of 3.48/kWh in FY 2024-25 to Rs. 3.61/kWh in FY 2026-27, the Commission decides to consider the per unit variable cost as submitted by PSPCL to work out the projections for variable cost for each year of the 4th MYT Control Period subject to true-up of the same.

D. Other Charges

The Commission accepts the other charges as submitted by PSPCL in the revised submissions made vide Memo No. 160 dated 04.02.2026 excluding PSTCL Transmission & SLDC charges and REC charges, subject to true up of the same.

In addition to the above, the Commission notes that, vide order dated 11.07.2025 in Petition No. 30 of 2025, it had allowed capital investment of Rs. 123.30 Crore for installation of 31.37 MW rooftop Solar Plants atop all PSPCL office buildings. Further, the Commission, in the aforesaid Order, had directed PSPCL as under:

“The Commission is thus of the opinion that the since there is no associated additional cost to PSPCL, the benefit of the entire solar generation should be passed on to the consumers. Accordingly, the Commission directs PSPCL to install a proper metering infrastructure and measure the solar generation from these plants diligently and show it separately as Power Purchase quantum in the applicable format of the ARR petition such that the benefit can be passed on to the consumers of the State”

However, the Commission notes that PSPCL has not taken into account solar generation from these plants in the projected power purchase quantum for the 4th MYT Control Period. In view of the above, the Commission directs PSPCL to comply with the above directions of the Commission and accordingly reduce the power purchase cost on actual basis while submitting the true-up in the relevant year.

Accordingly, the total cost of power purchase for the 4th MYT Control Period as worked out as by the Commission is as under:-

Table 3.28: Power Purchase cost approved by the Commission for the 4th MYT Control Period

Sr. No	Description	Units	FY 2026-27	FY 2027-28	FY 2028-29
I	II		III	IV	VI
1	Power Purchase (Net)	MkWh	65893	70148	74660
2	External Losses		1294	1209	1390
3	Power Purchase (Gross)		67187	71357	76050
	Cost of Power Purchase				
4	a) Variable Cost	Rs. Crore	23787	25253	28371
	b) Fixed Cost excluding RECs		7414	7474	7582
	c) Other Charges		136	119	94
	Total		31337	32846	36047
5	Add Cost of Purchase of RECs		196	77	237
6	Total Cost of Power Purchase (including RECs)		31533	32923	36284
7	Per Unit Average Power Purchase Cost (Gross)	Rs./kWh	4.69	4.61	4.77
8	Per Unit Average Power Purchase Cost (Net) (after accounting for external losses ISTS)	Rs./kWh	4.79	4.69	4.86

The Commission reiterates that the quantum and rate of power approved by the Commission is only for the purpose of power purchase provision and energy balance. The same should not be construed as the Commission's approval for source wise procurement of power on long-term basis. PSPCL needs to carefully plan the best course available to deal with the surplus power i.e. whether it should be surrendered, banked or sold in the market, after assessing its day-to-day requirement and market conditions. The surrendering of power, if any, should be strictly as per merit order dispatch from all the thermal generating stations, including its own thermal generating stations after giving due consideration to the compensation payable to CCL for reduced lifting of allotted quantity of coal. While considering merit order dispatch from IPPs within the State, PSPCL should consider the variable cost with domestic coal, if sufficient quantity of domestic coal is available with the IPPs, for the power to be scheduled. The inter-state transmission losses should also be kept in view while considering the surrender of power as per merit order dispatch. Efforts should also be made for sale of surplus power by PSPCL at the best possible rate. The endeavour of PSPCL should be to reduce the burden of fixed charges on the consumers of the State. PSPCL may go for purchase of short-term power in a judicious and economical manner in case of any exigency or for commercial considerations, after following the procedure as specified in the regulations notified by the Commission. It may also resort to Demand Side Management Practices to maintain its commercial viability.

Accordingly, the Commission approves the power purchase cost (including RE Power and RECs but excluding Intra-State Transmission and SLDC charges) of Rs. 31533 Crore, Rs. 32923 Crore and Rs. 36284 Crore for FY 2026-27, FY 2027-28 and FY 2028-29 respectively.

3.10 RPO Compliance for FY 2026-27, FY 2027-28 and FY 2028-29

PSPCL vide its Memo dated 17.12.2025 has projected its RPO Compliance for the years FY 2026-27, 2027-28 and 2028-29 as 23784 Mus, 31771 Mus and 33079 Mus respectively. Accordingly, the RPO Compliance is worked out as under:

Table 3.29: RPO Compliance approved by the Commission for the 4th MYT Control Period

Sr. No.	Description	Unit	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V	VI
1	Energy Consumption/ Input in PSPCL's system (Table 3.12)	MkWh	80843	85642	90735
2	Target for the Year	%	36%	39%	41%
		MkWh	29103	33400	37201
3	Compliance during the year	MkWh	23784	31771	33079
4	Shortfall (-)/ Surplus (+) during the year (3-2)		(-)5319	(-)1629	(-)4122

As per PSPCL's submissions it is expected to meet the above projected shortfall through RECs and/or purchase of short term RE power.

3.11 Capital Expenditure and Capitalization for the 4th MYT Control Period

PSPCL's Submissions:

3.11.1 PSPCL submitted that as per the Business Plan and Capital Investment Plan Petition filed by PSPCL on 19th August, 2025 and consequent replies to the queries of the Commission, the capital expenditure projected for the Generation and Distribution Business for the 4th MYT Control Period from FY 2026-27 to FY 2028-29 is as shown in the following table:

Table 3.30: CAPEX projected for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Generation business	1,520.16	762.81	509.76
2	Distribution business	4,192.11	3,997.83	2,851.85
3	Total CAPEX	5,712.27	4,760.64	3,361.61

Commission's Analysis:

3.11.2 The Commission approved the capital investment for the 4th MYT Control Period in its Order dated 11.12.2025 in Petition No. 50 of 2025 on PSPCL's Capital Investment Plan as under:

Table 3.31A: Capital expenditure (CAPEX) for the 4th MYT Control period (Rs. Crore)

Sr. No.		FY 2026-27	FY 2027-28	FY 2028-29	Total
I	II	III	IV	V	VI
Generation Business					
1	GGSTP Ropar	313.65	120.25	57.22	491.12
2	GHTP Lehra Mohabbat	340.06	219.04	70.05	629.15
3	Anandpur Sahib HEP	18.60	67.82	73.43	159.85
4	Mukerian HEP	6.12	15.55	0.00	21.67
5	Ranjit Sagar Dam HEP	9.40	3.92	7.00	20.32
6	Shanan HEP	105.62	34.98	4.26	144.86
7	UBDC HEP	96.45	99.25	95.80	291.50
Total Generation		889.90	560.81	307.76	1758.47
Distribution Business					
1	System Augmentation, System Improvement and Loss Reduction	932.91	1052.72	1199.51	3185.14
2	IT works	140.37	0.85	0.85	142.07
3	Release of New Connections	0	0	0	0
4	Sub Transmission works	552.1	476.41	230.1	1258.61
5	Civil Works	112.83	139.82	149.13	401.78
7	Shifting of Meters	4.69	5.58	6.42	16.69
8	RDSS	1267.73	1036.71	16.72	2321.16
Total Distribution		3010.63	2712.09	1602.73	7325.45
Total Capital Investment		3900.53	3272.90	1910.49	9083.92

The Commission considers capital expenditure, capitalization of contributory works, and release of new connections for the purpose of determining loan requirements and depreciation. The details of capital expenditure and capitalization for the Generation and Distribution businesses, including spillover and new schemes for the 4th MYT Control Period based on the Capital Investment Plan approved, are given below:

Table 3.31B: Capital expenditure (CAPEX) & Capitalization approved by the Commission for the 4th MYT Control Period (FY 2026-27 to FY 2028-29) (Rs. Crore)

Sr. No	Project/ Schemes	FY 2026-27		FY 2027-28		FY 2028-29	
		CAPEX	Capitalization	CAPEX	Capitalization	CAPEX	Capitalization
I	Generation Business						
1	ASHP	18.60	18.60	67.82	67.82	73.43	73.43
	Spillover	15.29	15.29	63.62	63.62	62.97	62.97
	New	3.31	3.31	4.20	4.20	10.46	10.46
2	GGSTP	313.65	251.54	120.25	179.55	57.22	60.02
	Spillover	0.00	0.00	80.25	139.55	1.01	56.06
	New	313.65	251.54	40.00	40.00	56.21	3.96
3	GHTP	340.06	109.06	219.04	24.86	70.05	495.22
	Spillover	0.50	0.50	184.39	1.07	56.93	482.10
	New	339.56	108.56	34.65	23.79	13.12	13.12
4	MHP STAGE-I	5.97	26.17	15.55	0.30	0.00	0.00

Sr. No	Project/ Schemes	FY 2026-27		FY 2027-28		FY 2028-29	
		CAPEX	Capitalization	CAPEX	Capitalization	CAPEX	Capitalization
	Spillover	5.97	26.17	0.00	0.00	0.00	0.00
	New	0.00	0.00	15.55	0.30	0.00	0.00
5	MHP STAGE-II	0.15	0.00	0.00	0.15	0.00	0.00
	Spillover	0.00	0.00	0.00	0.00	0.00	0.00
	New	0.15	0.00	0.00	0.15	0.00	0.00
6	RSD	9.40	23.51	3.92	4.42	7.00	7.60
	Spillover	8.55	23.26	2.72	3.22	2.80	2.80
	New	0.85	0.25	1.20	1.20	4.20	4.80
7	Shahpurkandi	0.00	0.00	0.00	0.00	0.00	0.00
	Spillover	0.00	0.00	0.00	0.00	0.00	0.00
	New	0.00	0.00	0.00	0.00	0.00	0.00
8	Shanan	105.62	105.82	34.98	34.98	4.26	4.26
	Spillover	97.51	97.71	0.00	0.00	0.00	0.00
	New	8.11	8.11	34.98	34.98	4.26	4.26
9	UBDC	96.45	96.45	99.25	99.25	95.80	95.80
	Spillover	3.13	3.13	0.75	0.75	0.00	0.00
	New	93.32	93.32	98.50	98.50	95.80	95.80
10	BBMB	0.00	0.00	0.00	0.00	0.00	0.00
	Spill over						
11	TOTAL Generation	889.90	631.15	560.81	411.33	307.76	736.33
	Spillover	130.45	165.56	67.09	67.59	65.77	65.77
	New	759.45	465.59	493.72	343.74	241.99	670.56
II	Distribution Business (Including contributory & release of connections scheme)						
12	Total	3448.77	2665.41	3225.10	5006.68	2174.52	2272.40
	Spillover	1339.89	778.90	1101.14	2958.83	62.02	215.27
	New	2108.88	1886.51	2123.96	2047.85	2112.50	2057.13
III	PSPCL						
	Total (11+12)	4338.67	3296.56	3785.90	5418.00	2482.27	3008.73
	Spillover (11+12)	1470.34	944.46	1168.22	3026.41	127.78	281.04
	New (11+12)	2868.33	2352.10	2617.68	2391.59	2354.49	2727.69

3.12 Capital Works in-Progress and Funding

3.12.1 The Opening Capital Work in Progress (CWIP) true-up of 2024-25 has been considered based on the Closing Capital Work in Progress approved in the True up of FY 2024–25 in this Order. The CWIP for FY 2025–26 has been provisionally determined considering the capital expenditure and capitalization figures approved for FY 2025–26 in the tariff order for FY 2025–26 and shall be reviewed during the true-up of FY 2025–26. The CWIP for the 4th MYT Control Period, based on the CIP Order for the 4th MYT Control Period, is as follows:-

Table 3.32: Capital works in Progress for FY 2025-26 (Rs. Crore)

Sr. No	Particulars	Amount
I	II	III
1	Opening Capital WIP	1468.23
2	Addition of Capital expenditure during the year (Tariff order FY 2025-26)	2276.18
3	Transfer to Gross Fixed Assets during the year (Tariff Order FY 2025-26)	2018.52
4	Closing Balance of Capital work in Progress	1725.89

Table 3.33: Capital works in Progress for FY 2026-27 to FY 2028-29 (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Opening Capital WIP	1725.89	2768.00	1135.90
2	Addition of Capital expenditure during the year	4338.67	3785.90	2482.27
3	Transfer to Gross Fixed Assets during the year	3296.56	5418.00	3008.73
4	Closing Balance of Capital work in Progress	2768.00	1135.90	609.44

3.12.2 The Commission cannot consider the addition of equity for the 4th MYT Control Period due to non-availability of free reserves. The infusion of equity (if any) shall be considered during the True Up of respective years as per the Audited Annual Accounts. The Commission allows 100% funding of the CIP through loan. During the 4th MYT Capital Investment Plan, the Financing Plan was given as per the Capital expenditure approved by the Commission. Since, the funding of assets is to be approved for PSPCL only after the assets are put to use, the Commission has considered funding the new schemes as per Capitalization and in order to avoid funding of the Spillover schemes twice, the Commission has decided funding of the Spillover Schemes as per capital expenditure for FY 2026-27 to FY 2028-29. The Commission shall retain separate methodologies for spillover and new schemes until the time all spillover schemes as on 01.04.2020 are capitalized. After the capitalization of all such spillover schemes, the closing value of loans, equity and depreciation for spillover schemes shall be added to the opening value of loans, equity and depreciation respectively for new schemes in the subsequent year.

3.12.3 The Commission approved the consumer contribution of Rs. 200.00 Crore each year for FY 2026-27, FY 2027-28 and FY 2028-29 in the CIP order dated 11.12.2025. The Commission considers consumer contribution of Rs.150.00 Crore and Rs. 50.00 Crore for New scheme and Spill over schemes respectively for FY 2026-27, FY 2027-28 and FY 2028-29 which will be reviewed at the time of true up of the respective years. Based on the approved amount of capital expenditure and capitalization as mentioned in Table 3.31, the Commission determines funding for the 4th MYT Control Period as under:-

Table 3.34: Funding of Spillover schemes for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
Generation Business (Capex)				
1.	Loan requirement of Generation Business (Table 3.31)	130.45	67.09	65.77
Distribution Business(Capex)				
1.	Loan requirement of Distribution Business (Table 3.31)	1339.89	1101.14	62.02
2.	Less: Consumer Contribution and Grants	50.00	50.00	50.00
3	Net Loan requirement	1289.89	1051.14	12.02
4.	Total loan requirement	1420.34	1118.23	77.79

Table 3.35: Funding of New schemes for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
Generation Business (Capitalization)				
1.	Loan requirement of Generation Business (Table 3.31)	465.59	343.74	670.56
Distribution Business (Capitalization)				
1.	Loan requirement of Distribution Business (Table 3.31)	1886.51	2047.85	2057.13
2.	Less: Consumer Contribution and Grants	150.00	150.00	150.00
3	Net Loan requirement	1736.51	1897.85	1907.13
4.	Total loan requirement	2202.10	2241.59	2577.69

3.13 Operation and Maintenance Expenses**Operation and Maintenance Expenses of PSPCL other than BBMB****Baseline Values**

- 3.13.1** Regulation 8.1 of the PSERC MYT Regulations, 2025 specifies that the baseline values for the Control Period shall be determined by the Commission and the projections for the Control Period shall be based on these figures. The relevant regulations are reproduced below:

8.1. Baseline Values

“..... (b) The baseline values shall be inter-alia based on figures approved by the Commission in the past, last three years’ Audited/Provisional Accounts, estimate of the expected figures for the relevant year, industry benchmarks/norms and other factors considered appropriate by the Commission:

Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for the Control Period, considering the actual figures from audited accounts.”

- 3.13.2** The actual other employee expenses and A&G expenses of the past three years are as under:

Table 3.36: PSPCL's Actual 'other employee expenses and A&G expenses for FY 2022-23 to FY 2024-25 (Rs. Crore)

Sr. No	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
I	II	III	IV	V
1.	Other Employee expenses	2612.71	2274.18	2562.36
2.	A&G expenses (excluding Audit fee / ARR fee, DSM fund, BBMB)	171.34	162.63	218.76

3.13.3 For 'other employee expenses', it is observed that there has been no consistency in the increase of expenses over the last three years in view of the implementation of the 6th Pay Revision by the Government of Punjab. The annual 'other employee' cost decreased by 12.96% in FY 2023–24, followed by an increase of 12.67% in FY 2024–25. In view of the same, the Commission has decided to consider the baseline value of 'other employee expenses' for FY 2025–26 by escalating the 'other employee' cost for FY 2024–25. The baseline value shall be revised in the subsequent order during the true-up process, considering the audited accounts for FY 2025–26.

3.13.4 The Commission has calculated the INDEX as detailed below, considering that the indices are available up to December, 2025, which shall be applied for the 4th MYT Control Period.

Table 3.37: Calculation of INDEX for the 4th MYT control Period

Sr. No.	Particulars	FY2024-25	FY 2025-26	Increase (%)
I	II	III	IV	V
1	CPI Average	410.240	421.6256	2.775351
2	WPI Average	154.8444	154.9444	0.064581

$$\text{INDEX } n/\text{INDEX } n-1 = (0.5 \times 2.775351) + (0.5 \times 0.064581) = 1.419966\%$$

3.13.5 Considering the other employee cost of Rs.2562.36 Crore for FY 2024-25, as mentioned above, and the escalation factor as per Table 3.37 i.e 1.419966%, the Commission has determined the Base Other employee expenses as under:

Table 3.38: Calculation of Baseline value of Other Employee Expenses

(Rs. Crore)		
Sr. No.	Particulars	Amount
I	II	III
1.	Actual other employee expenses of FY 2024-25	2562.36
2.	Inflation	1.419966%
3.	Escalation factor	1.0141996
4.	Baseline value of other employee expenses (FY 2025-26)	2598.74

3.13.6 Similarly, for A&G expenses in Table 3.36, it is observed that there is no consistent trend in the expenses during the last three years. The annual A&G expenses decreased by 5.08% in FY 2023–24, followed by an increase of 34.51% in FY 2024–25. In view of the above, the Commission has decided to consider the normative A&G expenses of FY 2024–25 for determining the baseline value for FY 2025-26. Further, the Commission has not considered

Audit and ARR/License fees amounting to Rs. 27.23 Crore (to be allowed based on actuals during the true-up of the respective years), donations, and DSM fund for the determination of the baseline value. Accordingly, the Commission determines the baseline value of A&G expenses for the 4th MYT Control Period as under:

Table 3.39: Calculation of Baseline value of A&G expenses for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	Amount
I	II	III
1.	Actual A&G expenses of FY 2024-25	252.39
2.	Less: Audit fees	0.26
3.	Less: ARR & License fees	26.96
4.	Less :BBMB	6.40
5.	Less: DSM	0.01
6.	A&G Expenses	218.76
7.	inflation	1.419966%
8.	Escalation factor	1.01419966
9.	Baseline value of A&G Expenses (FY 2025-26)	221.87

3.14 Employee Expenses

PSPCL's Submissions

- 3.14.1** Detailed calculation for determination of inflation factor to assess the O&M expenses for the ensuing control period as per the methodology specified in the PSERC MYT Regulations, 2025 is tabulated as under:

Table 3.40: WPI inflation (%)

Sr. No	Year	Apr	May	Jun	Jul	Aug	Sep	Average
I	II	III	IV	V	VI	VII	VIII	IX
1	24-25	152.90	153.50	154.00	155.30	154.40	154.70	154.13
2	25-26	154.20	153.70	153.70	154.40	155.20	154.90	154.35

Table 3.41: CPI inflation (%)

Sr. No	Year	Apr	May	Jun	Jul	Aug	Sep	Average
I	II	III	IV	V	VI	VII	VIII	IX
1	24-25	401.47	402.91	407.23	410.98	410.69	412.70	407.66
2	25-26	413.28	414.72	417.60	421.92	423.65	424.22	419.23

Table 3.42: Inflation factor (%)

Sr. No	Inflation Factor	FY 2024-25	FY 2025-26
I	II	III	IV
1	WPI	154.13	154.35
2	CPI	407.66	419.23
3	Index (0.5*CPI+0.5*WPI)	280.90	286.79
4	Inflation factor (%)	2.10%	

- 3.14.2** PSPCL submitted that the employee cost is a major constituent of O&M expenses, which includes the cost incurred on working employees as well as the retirees. The cost of working employees includes salary, dearness allowance payable to them and other allowances such

as HRA, LTC, medical reimbursement etc. In the case of retired employees and those retiring during the year, the corporation has to discharge liabilities towards pension, gratuity and leave encashment benefits, etc., as applicable.

3.14.3 PSPCL further submitted that the PSERC MYT Regulations, 2025, provide for inflation based on CPI and WPI index on a 50:50 basis. PSPCL further submitted that it is a State Government owned entity and is liable to follow the statutory provisions of the rules and regulations as laid down by the State Government. Accordingly, any increase in employee cost due to revision in DA, arrears of pay, etc. have to be borne by PSPCL and are beyond its control.

3.14.4 In view of the above, PSPCL has proposed the employee expenses for the ensuing control period on the basis of actual/provisional expenses of past years. Also, PSPCL has considered the impact of addition of new employees and retirement of employees projected during the ensuing control period.

3.14.5 Further, it is submitted that the Government of Punjab has given approval for releasing the arrears of 6th Pay Commission for the period from 01.01.2016 to 30.06.2021 and that has been also adopted by PSPCL. **The arrear disbursement plan is being re-assessed, and year wise amount payable shall be claimed subsequently, during the verification and validation proceedings of this petition by the Commission.**

3.14.6 PSPCL requested the Commission to allow the employee expenses as projected by PSPCL and shown as under:

Table 3.43: Employee Cost for the 4th Control Period (Rs. Crore)

Sr.No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	IV
1	Salaries and Allowances	3542.00	3804.00	4107.00
2	Terminal Benefits	773.00	647.00	584.00
3	Pension Payments	3455.00	3598.00	3754.00
4	Total Employee Cost	7770.00	8049.00	8445.00
5	Less: Expenses Capitalized	256.00	265.00	278.00
6	Add: BBMB Share	366.00	377.00	389.00
7	Net Employee Cost	7880.00	8161.00	8556.00

Punjab State Power Corporation Limited (PSPCL), vide Memo No. 160/ARR/DY CAO/271/Vol-I dated 04.02.2026, submitted additional submissions revising its employee cost claims for FY 2026-27, FY 2027-28, and FY 2028-29. The revised employee cost projections are Rs. 8,633.74 Crore, Rs. 9,372.38 Crore and Rs. 9,614.18 Crore respectively.

The revision is on account of arrears of employee expenses amounting to Rs. 753.00 Crore for FY 2026-27, Rs. 1,212.00 Crore for FY 2027-28 and Rs. 1,058.00 Crore for FY 2028-29.

Commission's Analysis:

- 3.14.7** The O&M expenses for the 4th MYT Control Period have been projected as per Regulation 25 of the PSERC MYT Regulations, 2025. The Regulation has been reproduced as under:-

"25.1. The O&M expenses for the nth year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1-X_n)$$

Where,

R&M_n –Repair and Maintenance Costs of the Applicant for the nth year;

EMP_n –Employee Cost of the Applicant for the nth year;

A&G_n –Administrative and General Costs of the Applicant for the nth year;

It should be ensured that all such expenses capitalized should not form a part of the O&M expenses being specified here."

Terminal liabilities

- 3.14.8** The Terminal benefits expenses are to be determined as per Regulation 25 of the PSERC MYT Regulations, 2025. Relevant note of Regulation 25 of the MYT Regulations, 2025 is reproduced below for reference:

"Note 4: Terminal Liabilities such as death-cum-retirement gratuity, Ex-Gratia, pension including family pension, commuted pension, leave encashment, LTC, medical reimbursement including fixed medical allowance in respect of the State PSU/ Government pensioners will be approved as per the actuals paid by the Applicant."

- 3.14.9** The Commission considers the terminal liabilities as submitted by PSPCL for the 4th MYT Control Period. The same shall be considered as per actuals during the True-up of the respective years. **The Commission therefore approves terminal liabilities and pension payments amounting to Rs. 4228.00 Crore, Rs. 4245.00 Crore and Rs. 4338.00 Crore for FY 2026-27, FY 2027-28, and FY 2028-29 respectively.**

Other Employee Expenses

- 3.14.10** PSPCL, vide memos No. 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2025 and No. 160/ARR/DY.CAO/271/Deficiencies dated 04.02.2026, submitted that it has assessed the amounts to be paid during the 4th MYT Control Period on account of arrears of salary and pension, amounting to Rs. 753.00 Crore, Rs. 1212.00 Crore, and Rs. 1058.00 Crore during FY 2026–27, FY 2027–28, and FY 2028–29, respectively. The Commission has considered the arrears of salary and pension as claimed by Punjab State Power Corporation Limited for the 4th MYT Control Period. The same shall be reviewed at the time of true-up of the respective financial years.
- 3.14.11** The Commission had approved the baseline value of other employee expenses as Rs. 2596.31 Crore in Table 3.38. The inflation factor used for escalating the employee expenses is considered as 1.419966%. The normative other employee expenses and total employee expenses for the 4th MYT Control Period is calculated as follows;

Table 3.44: Employee Expenses approved by the Commission for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	Other Employee expenses of previous year	2598.74	2635.65	2673.07
2.	Escalation Factor	1.01419966	1.01419966	1.01419966
3.	Other Employee expenses	2635.65	2673.07	2711.03
4.	Terminal Benefits	4228.00	4245.00	4338.00
5	Arrears of Salary & Pension	753.00	1212.00	1058.00
6	Total Employee expenses (excluding BBMB)	7616.65	8130.07	8107.03

3.14.12 The project-wise allocation of employee expenses is based on the audited cost accounts submitted by PSPCL for the true up of FY 2024-25. Accordingly, the project-wise employee expenses approved for the 4th MYT Control Period is given in the following table:

Table 3.45: Project-wise employee expenses approved by the Commission for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	GGSTP	205.87	219.75	219.13
2.	GHTP	141.14	150.65	150.22
3.	Shanan	64.81	69.18	68.98
4.	UBDC	84.01	89.68	89.42
5.	RSD	42.07	44.90	44.77
6.	MHP	122.29	130.53	130.17
7.	ASHP	76.92	82.10	81.87
8.	Micro	0.00	0.00	0.00
9.	Generation	737.11	786.79	784.56
10.	Distribution	6879.54	7343.28	7322.47
11.	Total	7616.65	8130.07	8107.03

3.15 Administrative & General Expenses(A&G)

PSPCL's Submissions:-

3.15.1 As per the PSERC MYT Regulations, 2025, A&G expenses are linked to the escalation factor. For the purpose of computation of A&G Expenses for the ensuing control period, PSPCL has considered A&G Expenses of Rs. 225.00 Crore for FY 2024-25 (excluding Audit Fee of Rs. 0.27 Crore and Licensee Fee & fees for determination of tariff of Rs. 27.00 Crore) based on the audited accounts. The escalation factor of 2.1% has been computed as per the Regulations.

- 3.15.2** A&G Expenses computed for 4th MYT Control Period for Generation and Distribution business are shown in the table below:

Table 3.46: A&G Expenses for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	A&G Expenses – Generation	27.00	28.00	29.00
2	A&G Expenses – Distribution	207.00	212.00	216.00
3	Sub-total	224.00	240.00	245.00
4	Add: Audit fee	0.27	0.27	0.27
5	Add: Licensee & Tariff determination fee	27.00	27.00	27.00
6	Total A&G Expense	262.00	267.00	272.00

Commission's Analysis:

- 3.15.3** The Commission approved the baseline value of A&G expenses as Rs. 221.87 Crore in Table 3.39. The inflation factor used for escalating the A&G expenses is considered as 1.419966%. The A&G expenses for the 4th MYT Control Period is calculated as follows:

Table 3.47: A&G Expenses approved by the Commission for the 4th MYT Control Period (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY2028-29
I	II	III	IV	V
1.	A&G Expenses (FY2025-26)	221.87	225.02	228.21
2.	Inflation Factor	1.01419966	1.01419966	1.01419966
3.	A&G Expenses	225.02	228.21	231.45
4.	Audit fees	0.26	0.26	0.26
5.	License fees	26.96	26.96	26.96
6.	Total A&G Expenses	252.24	255.43	258.67
7.	Generation Business	21.37	21.64	21.91
8.	Distribution Business	230.87	233.79	236.76

- 3.15.4** The project-wise allocation of A&G expenses is based on the audited cost accounts submitted by PSPCL for the true up of FY 2024-25. Accordingly, the project-wise A&G expenses approved for the 4th MYT Control Period is given in the following table:

Table 3.48: Project-wise A&G expenses approved by the Commission for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	GGSSSTP	4.68	4.73	4.80
2.	GHTP	7.93	8.03	8.13
3.	Shanan	2.04	2.07	2.09
4.	UBDC	1.82	1.85	1.87
5.	RSD	1.23	1.25	1.26
6.	MHP	2.43	2.46	2.50
7.	ASHP	1.24	1.25	1.26
8.	Micro	0.00	0.00	0.00
9.	Generation	21.37	21.64	21.91
10.	Distribution	230.87	233.79	236.76
11.	Total	252.24	255.43	258.67

3.16 Repair & Maintenance (R&M) Expenses

PSPCL's Submissions:-

- 3.16.1** PSPCL submitted that the R&M expenses have been linked to the 'K' factor and WPI index. 'K' is the constant governing the relationship between R&M Expenses and Gross Fixed Assets. PSPCL has computed the 'K' factor based on actuals of FY 2024-25.
- 3.16.2** PSPCL further submitted that it has computed the 'K' factor as 1.38% for Generation business and 1.25% for Distribution business for the ensuing control period. Further, the escalation factor has been considered as 0.14% based on latest available WPI Index.
- 3.16.3** Accordingly, PSPCL has projected R&M expenses for Generation and Distribution businesses as shown below:

Table 3.49: R&M Expenses for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	Generation Business			
2.	Opening GFA	21964.00	27154.00	27767.00
3.	Addition of GFA	5190.00	613.00	938.00
4.	Closing GFA	27154.00	27767.00	28706.00
5.	Average GFA	24559.00	27461.00	28236.00
6.	Average GFA (including GNDTP other assets for Generation Business)	24565.00	27466.00	28242.00
7.	K Factor	1.38%	1.38%	1.38%
8.	Inflation Factor	0.14%	0.14%	0.14%

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
9.	R&M Expenses for Gx	339.00	379.00	390.00
10.	Distribution Business			
11.	Opening GFA	38819.00	42222.00	47990.00
12.	Addition of GFA	3404.00	5768.00	2940.00
13.	Closing GFA	42222.00	47990.00	50930.00
14.	Average GFA	40520.00	45106.00	49460.00
15.	K Factor	1.25%	1.25%	1.25%
16.	Inflation Factor	0.14%	0.14%	0.14%
17.	R&M Expenses for Gx	508.00	565.00	620.00
18.	Total R&M Expenses (Gx + Dx)	847.00	945.00	1010.00

PSPCL requested the Commission to approve the above R&M expenses for the 4th MYT Control Period.

Commission's Analysis:

3.16.4 As per Regulation 25.1 of the PSERC MYT Regulations, 2025, the R&M expenses are to be determined as follows:

“(i) $R\&M_n = K * GFA * WPI_n / WPI_{n-1}$

Where,

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) for the nth year. The value of ‘K’ will be specified by the Commission in the MYT order.

‘GFA’ is the average value of the gross fixed assets of the nth year.

WPI_n means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the nth year.”

3.16.5 ‘K’ has been determined using the actual R&M expenses from the latest available audited accounts of FY 2024-25. R&M expenses of FY 2024-25 as per the audited accounts are as under:

Table 3.50: R&M of PSPCL for FY 2024-25 (Rs. Crore)

Sr. No	Particulars	Amount
I	II	III
1	Repair & Maintenance expenses for FY 2024-25	692.76
2.	Add: Cost of water	192.32
3	Add: Lubricant & stores	2.58
4	Add: Station supplies	13.30
5	Total R&M expenses including BBMB	900.96

Sr. No	Particulars	Amount
I	II	III
6	Less: BBMB	52.77
7	Less: Water charges RSD	16.89
8	Less: Arrears of water charges GGSSTP	146.91
9	Net R&M Expenses for FY 2024-25	684.39
10	Generation (As per PSPCL's allocation FY 2024-25)	212.85
11	Distribution (As per PSPCL's allocation FY 2024-25)	471.54

3.16.6 The opening and closing GFA has been considered as that approved in the True-up of FY 2024-25. The value of 'K' for the 4th MYT Control Period for Generation and Distribution Businesses has been calculated as follows:

Table 3.51: Calculation of 'K' for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	Generation	Distribution
I	II	III	IV
1.	Opening GFA (as on 01.04.2024)	20579.63	34789.64
2.	Closing GFA (as on 31.03.2025)	20588.12	36317.54
3.	Average GFA	20583.87	35553.59
4	Average GFA BBMB	732.30	0.00
5	Average GFA (Excluding BBMB)	19851.57	35553.59
6.	Actual R&M Expenses for FY 2024-25	212.85	471.54
7.	'K' = R&M Expenses/Average GFA	1.072184%	1.326293%

3.16.7 The K factor will be revisited after the availability of the annual audited accounts for FY 2025–26. The Commission has considered the addition of assets during FY 2025–26 as Rs. 277.25 Crore and Rs. 1741.27 Crore for the Generation and Distribution Business, respectively, as provisionally approved in the Tariff Order for FY 2025–26. Accordingly, the opening balance of GFA has been increased for FY 2026–27 as under:-

Table 3.52: Determination of Opening Gross fixed Assets for FY 2026-27

Sr. No.	Particulars	Generation	Distribution
I	II	III	IV
1	Opening GFA as on 01.04.2025 (Table 2.50)	20588.12	36317.54
2	Addition during the year (Net)	277.25	1741.27
3	Closing Gross Fixed Assets (GFA)	20865.37	38058.81

3.16.8 The Whole Sale Price Index (WPI) has been considered as 0.0643581%. However, this shall be revisited during the True-Up of the respective years. Accordingly, the R&M expenses for the 4th MYT Control Period are determined as follows:-

Table 3.53: R&M Expenses approved by the Commission for the 4th MYT Control Period

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
	Generation Business			
1.	Opening GFA (as on 01.04.2026)	20865.37	21496.52	21907.85
2.	Addition of GFA	631.15	411.33	736.33
3.	Closing GFA	21496.52	21907.85	22644.18
4.	Average GFA	21180.94	21702.18	22276.01
5.	Average GFA of BBMB	732.30	732.30	732.30
6.	Average GFA (excluding BBMB)	20448.64	20969.88	21543.71
7.	K factor	1.072184%	1.072184%	1.072184%
8.	WPI index	0.0643581%	0.0643581%	0.0643581%
9.	Escalation factor	(1.00064581) ²	(1.00064581) ³	(1.00064581) ⁴
10.	R&M Expenses	219.53	225.27	231.59
	Distribution Business			
1.	Opening GFA (as on 01.04.2026)	38058.81	40298.84	44809.98
2.	Addition of GFA	2240.03	4511.14	1721.23
3.	Closing GFA	40298.84	44809.98	46531.21
4.	Average GFA	39178.83	42554.41	45670.59
5.	K factor	1.326293%	1.326293%	1.326293%
6.	WPI index	0.0643581%	0.0643581%	0.0643581%
7.	Escalation factor	(1.00064581) ²	(1.00064581) ³	(1.00064581) ⁴
8.	R&M Expenses	520.30	565.49	607.29
9.	Total R&M expenses	739.83	790.76	838.88

Note: Inflation factor is assumed to be the same for every year and hence multiplied twice for FY 2026-27, thrice for FY 2027-28 and four times for FY 2028-29

3.16.9 The project-wise allocation of R&M expenses is based on the audited cost accounts submitted by PSPCL for FY 2024-25. Accordingly, the project-wise R&M expenses approved for the 4th MYT Control Period is given in the following table:

Table 3.54: Project-wise R&M expenses approved by the Commission for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	GGSTP	111.35	114.26	117.46
2.	GHTP	95.04	97.52	100.26
3.	Shanan	1.65	1.69	1.74
4.	UBDC	2.07	2.13	2.19
5.	RSD	3.08	3.16	3.25
6.	MHP	4.72	4.85	4.98
7.	ASHP	1.62	1.66	1.71

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
8.	Micro	0.00	0.00	0.00
9.	Generation	219.53	225.27	231.59
10.	Distribution	520.30	565.49	607.29
11.	Total	739.83	790.76	838.88

3.17 PSPCL's share in BBMB

3.17.1 PSPCL has claimed O&M expenses of BBMB for the 4th MYT Control Period as follows:

Table 3.55: O&M expenses of BBMB claimed by PSPCL for the 4th MYT Control Period (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1.	Employee expenses	366.00	377.00	389.00
2.	A&G expenses	6.40	6.40	6.40
3.	R&M expenses	41.00	46.00	47.00
4.	Total O&M Expenses of BBMB	413.40	429.40	442.40

The Commission approves O&M expense of PSPCL's share in BBMB as Rs. 413.40 Crore, Rs. 429.40 Crore and Rs. 442.40 Crore in Generation Business for FY 2026-27, FY 2027-28 and FY 2028-29 respectively as claimed by PSPCL, subject to determination/true-up of BBMB expenses for respective years by the Central Electricity Regulatory Commission. After the approval of the CERC, appropriate adjustments will be made in the subsequent years based on the amount approved by the CERC.

3.18 O&M Expenses for PSPCL:

3.18.1 The total O&M expenses for PSPCL for FY 2026-27, FY 2027-28 and FY 2028-29 excluding BBMB are as given in the tables below:-

Table 3.56: O&M expenses approved by the Commission for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	Generation	Distribution	Total
I	II	III	IV	V
1	Employee Expenses	737.11	6879.54	7616.65
2	A&G expenses	21.37	230.87	252.24
3	R&M Expenses	219.53	520.30	739.83
4	Total	978.01	7630.71	8608.72

Table 3.57: O&M expenses approved by the Commission for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	Generation	Distribution	Total
I	II	III	IV	V
1	Employee Expenses	786.79	7343.28	8130.07
2	A&G expenses	21.64	233.79	255.43
3	R&M Expenses	225.27	565.49	790.76
4	Total	1033.70	8142.56	9176.26

Table 3.58: O&M expenses approved by the Commission for FY 2028-29**(Rs. Crore)**

Sr. No	Particulars	Generation	Distribution	Total
I	II	III	IV	V
1	Employee Expenses	784.56	7322.47	8107.03
2	A&G expenses	21.91	236.76	258.67
3	R&M Expenses	231.59	607.29	838.88
4	Total	1038.06	8166.52	9204.58

3.18.2 O&M expenses of PSPCL including BBMB for the 4th MYT Control Period is as under:

Table 3.59: O&M expenses of PSPCL including BBMB for the 4th MYT Control Period**(Rs. Crore)**

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
I	Employee Cost			
1.	GGSTP	205.87	219.75	219.13
2.	GHTP	141.14	150.65	150.22
3.	Shanan	64.81	69.18	68.98
4.	UBDC	84.01	89.68	89.42
5.	RSD	42.07	44.90	44.77
6.	MHP	122.29	130.53	130.17
7.	ASHP	76.92	82.10	81.87
8.	Micro	0.00	0.00	0.00
9.	Generation	737.11	786.79	784.56
10.	BBMB	366.00	377.00	389.00
11.	Total Generation	1103.11	1163.79	1173.56
12.	Distribution	6879.54	7343.28	7322.47
13.	Total Employee Cost	7982.65	8507.07	8496.03
II	R&M Expenses			
1.	GGSTP	111.35	114.26	117.46
2.	GHTP	95.04	97.52	100.26
3.	Shanan	1.65	1.69	1.74
4.	UBDC	2.07	2.13	2.19
5.	RSD	3.08	3.16	3.25
6.	MHP	4.72	4.85	4.98
7.	ASHP	1.62	1.66	1.71
8.	Micro	0.00	0.00	0.00
9.	Generation	219.53	225.27	231.59
10.	BBMB	41.00	46.00	47.00
11.	Total Generation	260.53	271.27	278.59
12.	Distribution	520.30	565.49	607.29
13.	Total R&M Expenses	780.83	836.76	885.88
III	A&G Expenses			
1.	GGSTP	4.68	4.73	4.80
2.	GHTP	7.93	8.03	8.13
3.	Shanan	2.04	2.07	2.09
4.	UBDC	1.82	1.85	1.87
5.	RSD	1.23	1.25	1.26
6.	MHP	2.43	2.46	2.50
7.	ASHP	1.24	1.25	1.26
8.	Micro	0.00	0.00	0.00
9.	Generation	21.37	21.64	21.91
10.	BBMB	6.40	6.40	6.40
11.	Total Generation	27.77	28.04	28.31
12.	Distribution	230.87	233.79	236.76

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
13.	Total A&G Expenses	258.64	261.83	265.07
IV	PSPCL			
1.	Generation Business	1391.41	1463.10	1480.46
2.	Distribution Business	7630.71	8142.56	8166.52
3.	Total	9022.12	9605.66	9646.98

3.19 Depreciation

PSPCL's Submissions:

3.19.1 PSPCL submitted that based on the Allocation Statement for FY 2024-25, it has considered the closing GFA for FY 2023-24 as the opening GFA for FY 2024-25 for the Generation Business as well as the Distribution Business.

3.19.2 PSPCL further submitted that addition of GFA during FY 2024-25 towards each Generating Stations/Function has been considered based on actual figures. Also, addition of GFA during FY 2025-26 has been considered based on submissions made in tariff petition for FY 2025-26. Accordingly, PSPCL has projected Gross Fixed Assets as on 1st April 2026 as shown in the following Table:

Table 3.60: Projected GFA as on April 1, 2026 (Rs. Crore)

Sr. No	Business	FY 2024-25			FY 2025-26		
		Opening GFA	Addition	Closing GFA	Opening GFA	Addition	Closing GFA
I	II	III	IV	V	VI	VII	VIII
1	Generation	21076.14	53.10	21129.24	21129.24	835.15	21964.39
2	Distribution	38060.66	1527.90	39588.56	39588.56	2501.06	42089.62
3	Total	59136.80	1581.00	60717.80	60717.80	3336.21	64054.01

3.19.3 Further, the addition of GFA during the 4th Control Period has been considered based on the proposed capitalisation to the projected capex and is shown in the following table:

Table 3.61: Projected GFA for 4th Control Period (Rs. Crore)

Sr. No	Business	FY 2026-27			FY 2027-28		FY 2028-29	
		Opening GFA	Addition	Closing GFA	Addition	Closing GFA	Addition	Closing GFA
I	II	III	IV	V	VI	VII	VIII	IX
1	Generation	21964.39	5189.58	27153.97	613.33	27767.29	938.33	28705.62
2	Distribution	42089.62	3403.59	45493.20	5767.51	51260.71	2940.03	54200.74
3	Total	64054.01	8593.16	72647.17	6380.84	79028.01	3878.35	82906.36

3.19.4 PSPCL submitted that depreciation for the 4th MYT Control Period has been projected in accordance with Regulation 21 of the PSERC MYT Regulations, 2025.

3.19.5 As per the PSERC MYT Regulations, 2025, salvage value of asset have been considered at 10 per cent of the allowable capital cost and depreciation has been allowed up to a maximum of 90 per cent of the historical cost of the asset.

3.19.6 For its Generating and Distribution assets, PSPCL has computed the weighted average depreciation rate for FY 2024-25 based on the actual figures. The same weighted average depreciation rate has been considered for computation of depreciation amount of these assets during the 4th MYT Control Period. For new Generating Stations, weighted average depreciation rate of 5.28% has been considered for computation of depreciation. The depreciation charges for the 4th MYT Control Period are given in the following table:

Table 3.62 Depreciation for the 4th MYT Control Period (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY2027-28	FY 2028-29
I	II	III	IV	V
A	Generation			
1	Opening GFA	16752.32	21941.90	22555.22
2	Addition of GFA	5189.58	613.33	938.33
3	Closing GFA	21941.90	22555.22	23493.55
4	Depreciation	416.07	547.16	561.78
B	Distribution			
1	Opening GFA	32101.56	35505.14	41272.65
2	Addition of GFA	3403.59	5767.51	2940.03
3	Closing GFA	35505.14	41272.65	44212.68
4	Depreciation	1300.07	1476.43	1643.87
C	Total Depreciation	1716.14	2023.58	2205.66

Commission's Analysis

3.19.7 Depreciation for the 4th MYT Control Period has been projected in accordance with Regulation 21 of the PSERC MYT Regulations, 2025. The relevant excerpt is reproduced as under: -

“21.1. The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided that the land, other than the land held under lease and land for reservoir in case of hydro generating station, shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets:

Provided further that Govt. grants and consumer contribution shall also be recognized as defined under Indian Accounting Standard 20 (IND AS 20) notified by the Ministry of Corporate Affairs.

21.2. The residual/salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset:

Provided that I.T. Equipment and Software shall be depreciated 100% with zero salvage value.

21.3. The Cost of the asset shall include additional capitalization.

21.4. The Generating Company, Transmission and Distribution Licensee shall provide the list of assets added during each Year of the Control Period and the list of assets completing 90% of depreciation in the Year along with Petition for, true-up and tariff determination for ensuing Year.

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

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/ put in use of the asset shall be spread over the balance useful life of the assets:

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the asset.

21.6. Depreciation shall be chargeable from the first year of commercial operation/asset is put in use. In case of commercial operation of the asset/put in use of asset for part of the year, depreciation shall be charged on pro rata basis.”

3.19.8 The opening balance of the Gross Fixed Assets (GFA) of FY 2025-26 has been considered as per the closing GFA approved during the true-up of FY 2024-25. For arriving at the closing balance for FY 2025-26, the Commission has considered the addition of assets, during FY 2025-26 amounting to Rs. 277.25 Crore and Rs. 1741.27 Crore for the Generation and distribution businesses, respectively, as provisionally approved in the Tariff Order for FY 2025-26. The Commission has also determined depreciation for FY 2025-26, for both spill-over schemes and new schemes, required for repayment of loans during FY 2025-26, for the purpose of calculating loan balances for FY 2025-26. The rate of depreciation for FY 2025-26 and for FY 2026–27 to FY 2028–29 has been considered based on the actual depreciation rates for the Generation and Distribution Business, as determined during the true-up of FY 2024-25 of PSPCL in this Order. Accordingly, the opening balance of GFA for FY 2026-27 has been provisionally determined and shall be revised after the true-up of FY 2025–26.

3.19.9 The Commission determines the depreciation for the 4th MYT Control period as per Regulation 21 stated above. The Commission has considered the addition of GFA as approved in the CIP order dated 11.12.2025 for the 4th MYT Control Period.

3.19.10 Based on the actual project-wise rate of depreciation as determined during True-Up of FY 2024-25 in this Order, the depreciation for Spillover and New Schemes is as follows:-

Table 3.63: Depreciation approved by the Commission for Spillover Schemes for FY 2025-26 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3677.46	5002.90	155.95	871.96	8095.55	1428.45	554.27	29.15	718.51	20534.20	29688.09	50222.29
2.	Addition during the Year	0.00	4.00	0.02	0.00	0.10	6.10	62.89	0.00	0.00	73.11	453.37	526.48
3.	Closing GFA	3677.46	5006.90	155.97	871.96	8095.65	1434.55	617.16	29.15	718.51	20607.31	30141.46	50748.77
4.	Average GFA	3677.463	5004.900	155.960	871.96	8095.60	1431.50	585.713	29.15	718.51	20570.75	29914.78	50485.54
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1437.66	4239.90	104.21	242.86	7766.33	911.01	75.56	21.68	718.51	15517.72	23192.37	38710.09
7.	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.83954	3.02	2.23	1.11	1.97		3.84	
8.	Depreciation	12.58	58.95	3.18	3.16	142.87	27.48	1.69	0.24	13.95	264.09	890.59	1154.68

Table 3.64: Depreciation approved by the Commission for New Schemes for FY 2025-26 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UBDC	RSD	MHP	AS HP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	9.12	28.43	0.00	1.01	1.00	0.08	0.49	0.00	13.79	53.92	6629.45	6683.37
2.	Addition during the Year	0.00	35.61	5.05	38.43	3.25	71.25	50.55	0.00	0.00	204.14	1287.90	1492.04
3.	Closing GFA	9.12	64.04	5.05	39.44	4.25	71.33	51.04	0.00	13.79	258.06	7917.35	8175.41
4.	Average GFA	9.12	46.24	2.53	20.23	2.63	35.71	25.77	0.00	13.79	155.99	7273.40	7429.39
5.	Average GFA of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Average GFA (Net of Land)	9.12	46.24	2.53	20.23	2.63	35.71	25.77	0.00	13.79	155.99	7273.40	7429.39
7.	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.84	3.02	2.23	1.11	1.97		3.84	
8.	Depreciation	0.08	0.64	0.08	0.26	0.05	1.08	0.58	0.00	0.15	2.91	279.30	282.21

Table 3.65: Depreciation approved by the Commission for FY 2025-26 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3686.58	5031.33	155.95	872.97	8096.55	1428.53	554.76	29.15	732.30	20588.12	36317.54	56905.66
2.	Addition during the Year	0.00	39.61	5.07	38.43	3.35	77.35	113.44	0.00	0.00	277.25	1741.27	2018.52

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
3.	Closing GFA	3686.58	5070.94	161.02	911.40	8099.90	1505.88	668.20	29.15	732.30	20865.37	38058.81	58924.18
4.	Average GFA	3686.58	5051.14	158.49	892.19	8098.22	1467.21	611.48	29.15	732.30	20726.74	37188.18	57914.93
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1446.78	4286.14	106.74	263.09	7768.95	946.72	101.33	21.68	732.30	15673.71	30465.77	46139.47
7.	Depreciation	12.66	59.59	3.26	3.42	142.91	28.55	2.26	0.24	14.10	267.00	1169.89	1436.89

Table 3.66: Depreciation approved by the Commission for Spill over schemes for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3677.46	5006.90	155.97	871.96	8095.65	1434.55	617.16	29.15	718.51	20607.31	30141.46	50748.77
2.	Addition during the Year	0.00	0.00	97.71	3.13	23.26	26.17	15.29	0.00	0.00	165.56	778.90	944.46
3.	Closing GFA	3677.46	5006.90	253.68	875.09	8118.91	1460.72	632.44	29.15	718.51	20772.87	30920.36	51693.23
4.	Average GFA	3677.463	5006.900	204.825	873.525	8107.275	1447.638	624.801	29.150	718.5100	20690.09	30530.91	51221.01
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1437.66	4241.90	153.08	244.43	7778.01	927.15	114.65	21.68	718.51	15637.06	23808.50	39445.56
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.84	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	12.58	58.98	4.67	3.18	143.08	27.96	2.56	0.24	13.95	267.20	914.25	1181.45

Table 3.67: Depreciation approved by the Commission for New schemes for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	9.12	64.04	5.05	39.44	4.25	71.33	51.04	0.00	13.79	258.06	7917.35	8175.41
2.	Addition during the Year	251.54	109.06	8.11	93.32	0.25	0.00	3.31	0.00	0.00	465.59	1886.51	2352.10
3.	Closing GFA	260.66	173.10	13.16	132.76	4.50	71.33	54.35	0.00	13.79	723.65	9803.86	10527.51
4.	Average GFA	134.89	118.57	9.11	86.10	4.38	71.33	52.70	0.00	13.79	490.85	8860.61	9351.46
5.	Average GFA of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Average GFA (Net of Land)	134.89	118.57	9.11	86.10	4.38	71.33	52.70	0.00	13.79	490.85	8860.61	9351.46

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.8395	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	1.18	1.65	0.28	1.12	0.08	2.15	1.18	0.00	0.15	7.79	340.25	348.03

Table 3.68: Depreciation approved by the Commission for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shan an	UBDC	RSD	MHP	AS HP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3686.58	5070.94	161.02	911.40	8099.90	1505.88	668.20	29.15	732.30	20865.37	38058.81	58924.18
2.	Addition during the Year	251.54	109.06	105.82	96.45	23.51	26.17	18.60	0.00	0.00	631.15	2665.42	3296.56
3.	Closing GFA	3938.12	5180.00	266.84	1007.85	8123.41	1532.05	686.79	29.15	732.30	21496.51	40724.23	62220.74
4.	Average GFA	3812.35	5125.47	213.93	959.63	8111.65	1518.97	677.50	29.15	732.30	21180.94	39391.52	60572.47
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1572.55	4360.47	162.18	330.53	7782.38	998.48	167.35	21.68	732.30	16127.91	32669.11	48797.02
7.	Depreciation	13.76	60.62	4.95	4.30	143.16	30.11	3.74	0.24	14.10	274.99	1254.49	1529.48

Table 3.69: Depreciation approved by the Commission for Spill over schemes for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3677.46	5006.90	253.68	875.09	8118.91	1460.72	632.44	29.15	718.51	20772.87	30920.36	51693.23
2.	Addition during the Year	0.00	0.00	0.00	0.75	3.22	0.00	63.62	0.00	0.00	67.59	2958.83	3026.41
3.	Closing GFA	3677.46	5006.90	253.68	875.84	8122.13	1460.72	696.06	29.15	718.51	20840.45	33879.19	54719.64
4.	Average GFA	3677.46	5006.90	253.68	875.46	8120.51	1460.72	664.25	29.15	718.51	20806.66	32399.77	53206.44
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1437.66	4241.90	201.93	246.37	7791.25	940.23	154.10	21.68	718.51	15753.63	25677.36	41430.99
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.84	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	12.58	58.98	6.17	3.20	143.32	28.36	3.44	0.24	13.95	270.24	986.01	1256.25

Table 3.70: Depreciation approved by the Commission for New schemes for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shan an	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	260.66	173.10	13.16	132.76	4.50	71.33	54.35	0.00	13.79	723.65	9803.86	10527.51
2.	Addition during the Year	179.55	24.86	34.98	98.50	1.20	0.45	4.20	0.00	0.00	343.74	2047.85	2391.59
3.	Closing GFA	440.21	197.96	48.14	231.26	5.70	71.78	58.55	0.00	13.79	1067.39	11851.71	12919.10
4.	Average GFA	350.43	185.53	30.65	182.01	5.10	71.56	56.45	0.00	13.79	895.52	10827.79	11723.31
5.	Average GFA of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Average GFA (Net of Land)	350.43	185.53	30.65	182.01	5.10	71.56	56.45	0.00	13.79	895.52	10827.79	11723.3
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.84	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	3.07	2.58	0.94	2.37	0.09	2.16	1.26	0	0.15	12.61	415.79	428.40

Table 3.71: Depreciation approved by the Commission for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3938.12	5180.00	266.84	1007.85	8123.41	1532.05	686.79	29.15	732.30	21496.51	40724.23	62220.74
2.	Addition during the Year	179.55	24.86	34.98	99.25	4.42	0.45	67.82	0.00	0.00	411.33	5006.68	5418.00
3.	Closing GFA	4117.67	5204.86	301.82	1107.10	8127.83	1532.50	754.61	29.15	732.30	21907.84	45730.90	67638.74
4.	Average GFA	4027.89	5192.43	284.33	1057.48	8125.62	1532.28	720.70	29.15	732.30	21702.17	43227.56	64929.75
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1788.09	4427.43	232.58	428.38	7796.35	1011.79	210.55	21.68	732.30	16649.14	36505.15	53154.30
7.	Depreciation	15.65	61.56	7.10	5.57	143.42	30.52	4.70	0.24	14.10	282.85	1401.80	1684.65

Table 3.72: Depreciation approved by the Commission for Spill over schemes for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	3677.46	5006.90	253.68	875.84	8122.13	1460.72	696.06	29.15	718.51	20840.45	33879.19	54719.64
2.	Addition during the Year	0.00	0.00	0.00	0.00	2.80	0.00	62.97	0.00	0.00	65.77	215.27	281.04
3.	Closing GFA	3677.46	5006.90	253.68	875.84	8124.93	1460.72	759.02	29.15	718.51	20906.22	34094.46	55000.68
4.	Average GFA	3677.463	5006.900	253.680	875.840	8123.525	1460.723	727.542	29.150	718.5100	20873.33	33986.82	54860.17
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
6.	Average GFA (Net of Land)	1437.66	4241.90	201.93	246.74	7794.26	940.23	217.39	21.68	718.51	15820.30	27264.41	43084.72
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.839545	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	12.58	58.98	6.17	3.21	143.38	28.36	4.86	0.24	13.95	271.71	1046.95	1318.67

Table 3.73: Depreciation approved by the Commission for New schemes for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XV
1.	Opening GFA	440.21	197.96	48.14	231.26	5.70	71.78	58.55	0.00	13.79	1067.39	11851.71	12919.10
2.	Addition during the Year	60.02	495.22	4.26	95.80	4.80	0.00	10.46	0.00	0.00	670.56	2057.13	2727.69
3.	Closing GFA	500.23	693.18	52.40	327.06	10.50	71.78	69.01	0.00	13.79	1737.95	13908.85	15646.79
4.	Average GFA	470.22	445.57	50.27	279.16	8.10	71.78	63.78	0.00	13.79	1402.67	12880.28	14282.95
5.	Average GFA of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Average GFA (Net of Land)	470.22	445.57	50.27	279.16	8.10	71.78	63.78	0.00	13.79	1402.67	12880.28	14282.95
7	Depreciation Rate (%)	0.88	1.39	3.05	1.30	1.84	3.02	2.23	1.11	1.97		3.84	
8	Depreciation	4.12	6.19	1.53	3.63	0.15	2.16	1.42	0	0.15	19.36	494.60	513.97

Table 3.74: Depreciation approved by the Commission for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	AS HP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening GFA	4117.67	5204.86	301.82	1107.10	8127.83	1532.50	754.61	29.15	732.30	21907.84	45730.90	67638.74
2.	Addition during the Year	60.02	495.22	4.26	95.80	7.60	0.00	73.43	0.00	0.00	736.33	2272.41	3008.73
3.	Closing GFA	4177.69	5700.08	306.08	1202.90	8135.43	1532.50	828.03	29.15	732.30	22644.16	48003.31	70647.47
4.	Average GFA	4147.68	5452.47	303.95	1155.00	8131.63	1532.50	791.32	29.15	732.30	22276.00	46867.11	69143.12
5.	Average GFA of Land	2239.80	765.00	51.75	629.10	329.27	520.49	510.15	7.47	0.00	5053.03	6722.41	11775.44
6.	Average GFA (Net of Land)	1907.88	4687.47	252.20	525.90	7802.36	1012.01	281.17	21.68	732.30	17222.97	40144.70	57367.66
7.	Depreciation	16.70	65.17	7.70	6.84	143.53	30.52	6.28	0.24	14.10	291.08	1541.56	1832.63

3.20 Interest on Long term Loans and Finance Charges

PSPCL's Submissions:

- 3.20.1** PSPCL submitted that the interest on capex loan for the ensuing control period has been projected as per Regulation 23 of the PSERC MYT Regulations, 2025.
- 3.20.2** The interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major impact on the long-term interest expenditure. PSPCL has considered the estimated outstanding loans as on 31st March 2026.
- 3.20.3** PSPCL submitted that it has planned significant capital works on various schemes of Generation, Distribution and sub-Transmission as detailed in the Business Plan & Capital Investment Plan petition filed in August, 2025. PSPCL has to raise long term loans from various financial institutions to finance these capital works. The interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major impact on the long-term interest expenditure.
- 3.20.4** The projected interest cost on long-term loans & finance charges for the 4th MYT Control Period is tabulated below:

Table 3.75: Interest on Long term loans & Finance Charges for the 4th MYT Control Period
(Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Interest on Long term loans:			
2	Long term loan interest	1,250.49	1,521.86	1,714.12
3	GPF Liability	31.40	27.32	23.59
4	Sub-total	1,281.89	1,549.18	1,737.71
5	Less: Interest capitalised	423.85	443.25	437.62
6	Guarantee Fee	130.27	112.52	95.60
7	Other Interest	32.20	32.20	32.20
8	Grand Total	1,020.51	1,250.64	1,427.89

Commission's Analysis

- 3.20.5** Interest on long-term borrowing has been computed loan-wise as per the applicable interest rate. The relevant excerpt of the PSERC MYT Regulations, 2025 is reproduced as under:

“23. Interest on Loan Capital

23.1 Interest and finance charges on the loan capital (existing and future for new investments) shall be computed on the loans, based on one (1) year State Bank of

India (SBI) MCLR / any replacement thereof as notified by RBI as may be applicable as on 1st April of the relevant year, plus 150 basis points or the weighted average rate of interest paid/payable by the Generating Company, Licensee or SLDC, whichever is less.

23.2 The repayment for each year of the tariff period shall be deemed to be equal to the depreciation allowed for the corresponding year. In case of de-capitalisation of assets, the repayment shall be adjusted by taking into account cumulative depreciation made to the extent of de-capitalisation.

23.3 The Commission shall allow obligatory taxes on interest, finance charges (including guarantee fee payable to the Government) and any exchange rate difference arising from foreign currency borrowings, as finance cost;

23.4 The interest on excess equity treated as loan shall be serviced at the weighted average interest rate of actual loan taken from the lenders

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered;”

- 3.20.6** The opening balance of Long term loans for FY 2025-26 has been considered as per the closing loans approved during the true-up of FY 2024-25. For arriving at the closing balance for FY 2025-26, the Commission has considered the addition of loans, during FY 2025-26 amounting to Rs. 309.11 Crore and Rs. 1668.72 Crore for the Generation and distribution businesses, respectively, as provisionally approved in the Tariff Order dated 28.03.2025 for FY 2025-26. The Commission has also determined the depreciation for FY 2025-26, for both spill-over schemes and new schemes, required for repayment of loans during FY 2025-26, for the purpose of calculating closing loan balances for FY 2025-26.
- 3.20.7** As per Regulation 23.2 of the PSERC MYT Regulations, 2025, the repayment of loans has been considered equal to the depreciation allowed for the corresponding year.
- 3.20.8** The rate of interest on loan capital for spillover and new investments of the Generation and Distribution businesses has been considered as 9.072571%, as approved in the true-up of FY 2024-25 in this Order, and shall be reviewed at the time of true-up of the respective years.
- 3.20.9** The Commission allows finance and guarantee charges of Rs. 121.78 Crore (Rs. 130.27 Crore minus Rs. 8.49 Crore) for FY 2026–27, after deduction of guarantee charges of Rs. 8.49 crore paid towards the Shahpur Kandi Project (SKP) loan, which shall be considered at the time of COD of the Shahpur Kandi Project, as intimated by PSPCL in its reply to the deficiency dated 17.12.2025. Guarantee charges of Rs. 112.52 Crore and Rs. 95.60 Crore have been considered for FY 2027–28 and FY 2028–29, respectively, as claimed by PSPCL in the present petition. Further, the Commission allows other interest of Rs. 32.20 Crore (as claimed

by PSPCL in the present petition) and interest capitalization of Rs. 100.00 Crore for the 4th MYT Control Period, i.e. FY 2026–27 to FY 2028–29, which shall be reviewed at the time of true-up of the respective years.

3.20.10 The Commission, in paragraph 2.20 of the tariff order for FY 2025–26, had disallowed the interest on GPF, being a non-statutory payment. The relevant portion of the Commission’s findings is reproduced below:

“The reply of PSPCL clearly shows that it had been utilizing Trust funds for repayments of their long-term Loans. The Commission has been allowing interest on long term loans and working capital loans on normative basis, therefore, claim of PSPCL that they have been saving on interest by repaying long term loans is in their own interest and not beneficial to the consumers. Further, had PSPCL made timely payments, the GPF Trust could have earned more interest, which would have benefited the subscribers. The claim for excess interest on the GPF liability has already impacted the previous tariff structure, thereby increasing the financial burden on consumers.

The Commission observed that since PSPCL did not meet the required deposit timelines and diverted funds, the interest claim on default payment is not allowable.

Thus, the Commission disallows interest on GPF of Rs. 44.91 Crore for FY 2023-24 as initial corpus along with interest was to be fully paid/deposited by PSPCL to the GP Fund Trust on or before 31.03.2023 and no interest on outstanding initial corpus balance was allowable after 31.03.2023.”

In view of the above, the Commission disallows GPF liability of Rs. 31.40 Crore, Rs. 27.32 Crore and Rs. 23.59 Crore, claimed by PSPCL in the present petition, for FY 2026-27, FY 2027-28, and FY 2028-29 respectively.

3.20.11 The Commission determines the Interest on long term loans for Generation and Distribution Businesses as follows:

Table 3.76: Interest and finance charges approved by the Commission for Spill over Schemes for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	GGSSTP	GHTP	Shanan	UB DC	RSD	MHP	AS HP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	25.37	65.45	18.10	8.52	0.00	58.60	3.16	0.00	110.49	289.69	793.03	1082.72
2.	Addition during the year	0.00	4.00	0.02	0.00	31.99	6.07	62.89	0.00	0.00	104.97	452.41	557.38
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
4.	Less: Repayment during the year	12.58	58.95	3.18	3.16	31.99	27.48	1.69	0.00	13.95	152.97	890.59	1043.56
5.	Closing Loan	12.79	10.50	14.94	5.37	0.00	37.20	64.36	0.00	96.54	241.69	304.86	546.54

**Table 3.77: Interest and finance charges approved by the Commission for New Schemes for FY 2025-26
(Rs. Crore)**

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	9.05	28.21	0.00	0.98	0.96	0.08	0.47	0.00	13.49	53.24	3999.06	4052.30
2.	Addition during the year	0.00	35.61	5.05	38.43	3.25	71.25	50.55	0.00	0.00	204.14	1287.90	1492.04
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
4.	Less: Repayment during the year	0.08	0.64	0.08	0.26	0.05	1.08	0.58	0.00	0.15	2.91	279.30	282.21
5.	Closing Loan	8.97	63.18	4.97	39.15	4.16	70.25	50.45	0.00	13.34	254.47	4857.66	5112.13

**Table 3.78: Interest and finance charges approved by the Commission for PSPCL for FY 2025-26
(Rs. Crore)**

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	34.42	93.66	18.10	9.51	0.96	58.68	3.63	0.00	123.98	342.94	4792.09	5135.03
2.	Addition during the year	0.00	39.61	5.07	38.43	35.24	77.32	113.44	0.00	0.00	309.11	1740.31	2049.42
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	200.00
4.	Less: Repayment during the year	12.66	59.59	3.26	3.42	32.04	28.55	2.26	0.00	14.10	155.89	1169.89	1325.77
5.	Closing Loan	21.76	73.68	19.91	44.52	4.16	107.44	114.81	0.00	109.88	496.16	5162.52	5658.67

**Table 3.79: Interest and finance charges approved by the Commission for Spill over Schemes for FY 2026-27
(Rs. Crore)**

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	12.79	10.50	14.94	5.37	0.00	37.20	64.36	0.00	96.54	241.69	304.86	546.54
2.	Addition during the year	0.00	0.00	97.51	3.13	8.55	5.97	15.29	0.00	0.00	130.45	1339.89	1470.34
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
4.	Less: Repayment during the year	12.58	10.50	4.67	3.18	8.55	27.96	2.56	0.00	13.95	83.96	914.25	998.20
5.	Closing Loan	0.20	0.00	107.77	5.32	0.00	15.20	77.09	0.00	82.59	288.18	680.50	968.68
6.	Average Loan	6.50	5.25	61.36	5.34	0.00	26.20	70.72	0.00	89.56	264.93	492.68	757.61
7.	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	0.59	0.48	5.57	0.48	0.00	2.38	6.42	0.00	8.13	24.04	44.70	68.73
9.	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
10	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Total Interest & Finance Charges	0.59	0.48	5.57	0.48	0.00	2.38	6.42	0.00	8.13	24.04	44.70	68.73

Table 3.80: Interest and finance charges approved by the Commission for New Schemes for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHT P	Shanan	UB DC	RS D	MH P	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	8.97	63.18	4.97	39.15	4.16	70.25	50.45	0.00	13.34	254.47	4857.66	5112.13
2.	Addition during the year	251.54	109.06	8.11	93.32	0.25	0.00	3.31	0.00	0.00	465.59	1886.51	2352.10
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
4.	Less: Repayment during the year	1.18	1.65	0.28	1.12	0.08	2.15	1.18	0.00	0.15	7.79	340.25	348.03
5.	Closing Loan	259.33	170.59	12.80	131.35	4.33	68.10	52.58	0.00	13.19	712.28	6253.93	6966.20
6.	Average Loan	134.15	116.88	8.89	85.25	4.25	69.17	51.51	0.00	13.27	483.37	5555.79	6039.17
7	Rate of interest	0.09	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	12.17	10.60	0.81	7.73	0.39	6.28	4.67	0.00	1.20	43.85	504.05	547.91
9	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.78	121.78
10	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
11	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
12	Total Interest & Finance Charges	12.17	10.60	0.81	7.73	0.39	6.28	4.67	0.00	1.20	43.85	558.03	601.89

Table 3.81: Interest and finance charges approved by the Commission for PSPCL for FY 2026-27 (Rs. Crore)

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RS D	MHP	AS HP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	21.76	73.68	19.91	44.52	4.16	107.44	114.81	0.00	109.88	496.16	5162.52	5658.67
2.	Addition during the year	251.54	109.06	105.62	96.45	8.80	5.97	18.60	0.00	0.00	596.04	3226.41	3822.44

Sr. No.	Particulars	GGSSSTP	GHTP	Shanan	UB DC	RS D	MHP	AS HP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	200.00
4.	Less: Repayment during the year	13.76	12.15	4.95	4.30	8.63	30.11	3.74	0.00	14.10	91.74	1254.49	1346.24
5.	Closing Loan	259.53	170.59	120.58	136.67	4.33	83.30	129.67	0.00	95.78	1000.45	6934.43	7934.88
6.	Average Loan	140.65	122.13	70.24	90.59	4.25	95.37	122.24	0.00	102.83	748.30	6048.47	6796.78
7.	Interest on Loan	12.76	11.08	6.37	8.22	0.39	8.65	11.09	0.00	9.33	67.89	548.75	616.64
8	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.78	121.78
9	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
10	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
11	Total Interest & Finance Charges	12.76	11.08	6.37	8.22	0.39	8.65	11.09	0.00	9.33	67.89	602.73	670.62

Table 3.82: Interest and finance charges approved by the Commission for Spill over Schemes for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHT P	Shan an	UBD C	RS D	MH P	ASH P	Mic ro	BBM B	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	0.20	0.00	107.77	5.32	0.00	15.20	77.09	0.00	82.59	288.18	680.50	968.68
2.	Addition during the year	0.00	0.00	0.00	0.75	2.72	0.00	63.62	0.00	0.00	67.09	1101.14	1168.22
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
4.	Less: Repayment during the year	0.00	0.00	6.17	3.20	2.72	14.16	3.44	0.00	13.95	43.64	986.01	1029.65
5.	Closing Loan	0.20	0.00	101.61	2.87	0.00	1.04	137.26	0.00	68.64	311.62	745.63	1057.25
6.	Average Loan	0.20	0.00	104.69	4.09	0.00	8.12	107.17	0.00	75.61	299.90	713.06	1012.96
7	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	0.02	0.00	9.50	0.37	0.00	0.74	9.72	0.00	6.86	27.21	64.69	91.90
9	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Total Interest & Finance Charges	0.02	0.00	9.50	0.37	0.00	0.74	9.72	0.00	6.86	27.21	64.69	91.90

Table 3.83: Interest and finance charges approved by the Commission for New Schemes for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	259.33	170.59	12.80	131.35	4.33	68.10	52.58	0.00	13.19	712.28	6253.93	6966.20
2.	Addition during the year	179.55	24.86	34.98	98.50	1.20	0.45	4.20	0.00	0.00	343.74	2047.85	2391.59

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
4.	Less: Repayment during the year	3.07	2.58	0.94	2.37	0.09	2.16	1.26	0.00	0.15	12.61	415.79	428.40
5.	Closing Loan	435.81	192.87	46.85	227.49	5.44	66.39	55.52	0.00	13.04	1043.40	7735.99	8779.39
6.	Average Loan	347.57	181.73	29.83	179.42	4.89	67.24	54.05	0.00	13.12	877.84	6994.96	7872.80
7.	Rate of interest	0.09	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	31.53	16.49	2.71	16.28	0.44	6.10	4.90	0.00	1.19	79.64	634.62	714.27
9.	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.52	112.52
10.	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
11.	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
12.	Total Interest & Finance Charges	31.53	16.49	2.71	16.28	0.44	6.10	4.90	0.00	1.19	79.64	679.34	758.99

Table 3.84: Interest and finance charges approved by the Commission for PSPCL for FY 2027-28
(Rs. Crore)

Sr. No.	Particulars	GGSSSTP	GHTP	Shan an	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	259.53	170.59	120.58	136.67	4.33	83.30	129.67	0.00	95.78	1000.45	6934.43	7934.88
2.	Addition during the year	179.55	24.86	34.98	99.25	3.92	0.45	67.82	0.00	0.00	410.83	3148.99	3559.81
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	200.00
4.	Less: Repayment during the year	15.65	61.56	7.10	5.57	143.42	30.52	4.70	0.24	14.10	282.85	1401.80	1684.65
5.	Closing Loan	436.02	192.87	148.46	230.35	5.44	67.43	192.78	0.00	81.68	1355.02	8481.62	9836.64
6.	Average Loan	347.78	181.73	134.52	183.51	4.89	75.37	161.22	0.00	88.73	1177.74	7708.02	8885.76
7.	Interest on Loan	31.55	16.49	12.20	16.65	0.44	6.84	14.63	0.00	8.05	106.85	699.32	806.17
8.	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.52	112.52
9.	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
10.	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
11.	Total Interest &	31.55	16.49	12.20	16.65	0.44	6.84	14.63	0.00	8.05	106.85	744.04	850.89

Sr. No.	Particulars	GGSSSTP	GHTP	Shan an	UB DC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
	Finance Charges												

Table 3.85: Interest and finance charges approved by the Commission for Spill over Schemes for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHT P	Shan an	UBD C	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	0.20	0.00	101.61	2.87	0.00	1.04	137.26	0.00	68.64	311.62	745.63	1057.25
2.	Addition during the year	0.00	0.00	0.00	0.00	2.80	0.00	62.97	0.00	0.00	65.77	62.02	127.78
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
4.	Less: Repayment during the year	0.00	0.00	6.17	2.74	2.80	0.00	4.86	0.00	13.95	30.51	559.16	589.67
5.	Closing Loan	0.20	0.00	95.44	0.13	0.00	1.04	195.37	0.00	54.69	346.87	198.49	545.36
6.	Average Loan	0.20	0.00	98.53	1.50	0.00	1.04	166.31	0.00	61.66	329.25	472.06	801.30
7	Rate of interest	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	0.02	0.00	8.94	0.14	0.00	0.09	15.09	0.00	5.59	29.87	42.83	72.70
9	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Total Interest & Finance Charges	0.02	0.00	8.94	0.14	0.00	0.09	15.09	0.00	5.59	29.87	42.83	72.70

Table 3.86: Interest and finance charges approved by the Commission for New Schemes for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	435.81	192.87	46.85	227.49	5.44	66.39	55.52	0.00	13.04	1043.40	7735.99	8779.39
2.	Addition during the year	60.02	495.22	4.26	95.80	4.80	0.00	10.46	0.00	0.00	670.56	2057.13	2727.69
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
4.	Less: Repayment during the year	4.12	6.19	1.53	3.63	0.15	2.16	1.42	0.00	0.15	19.36	494.60	513.97

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
5.	Closing Loan	491.72	681.89	49.57	319.66	10.09	64.22	64.56	0.00	12.89	1694.60	9148.52	10843.12
6.	Average Loan	463.76	437.38	48.21	273.57	7.76	65.31	60.04	0.00	12.97	1369.00	8442.25	9811.26
7	Rate of interest	0.09	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
8.	Interest on Loan	42.08	39.68	4.37	24.82	0.70	5.93	5.45	0.00	1.18	124.20	765.93	890.13
9	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.60	95.60
10	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
11	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
12	Total Interest & Finance Charges	42.08	39.68	4.37	24.82	0.70	5.93	5.45	0.00	1.18	124.20	793.73	917.93

Table 3.87: Interest and finance charges approved by the Commission for PSPCL for FY 2028-29
(Rs. Crore)

Sr. No	Particulars	GGSS TP	GHT P	Shan an	UBD C	RS D	MHP	ASHP	Micro	BB MB	Total Generation	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Loan	436.02	192.87	148.46	230.35	5.44	67.43	192.78	0.00	81.68	1355.02	8481.62	9836.64
2.	Addition during the year	60.02	495.22	4.26	95.80	7.60	0.00	73.43	0.00	0.00	736.33	2119.15	2855.48
3.	Less: Consumer Contribution and Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	200.00
4.	Less: Repayment during the year	16.70	65.17	7.70	6.84	143.53	30.52	6.28	0.24	14.10	291.08	1541.56	1832.63
5.	Closing Loan	491.92	681.89	145.02	319.78	10.09	65.27	259.93	0.00	67.58	2041.48	9347.01	11388.48
6.	Average Loan	463.97	437.38	146.74	275.07	7.76	66.35	226.35	0.00	74.63	1698.25	8914.31	10612.56
7.	Interest on Loan	42.09	39.68	13.31	24.96	0.70	6.02	20.54	0.00	6.77	154.07	808.76	962.83
8	Add: Finance Charges and Guarantee Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.60	95.60
9	Add: Other interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.20	32.20
10	Less: Capitalization of Interest Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
11	Total Interest & Finance Charges	42.09	39.68	13.31	24.96	0.70	6.02	20.54	0.00	6.77	154.07	836.56	990.63

3.21 Interest on Consumer Security Deposit

PSPCL's Submissions

- 3.21.1** PSPCL submitted that the interest on consumer security deposit for the 4th MYT Control Period has been calculated in accordance with Regulation 24.2 of the PSERC MYT Regulations, 2025. The relevant excerpt of the regulation is reproduced below:

“Interest on security deposits made by the consumers with a Licensee, if any, shall be considered at the rate specified by the Commission from time to time and allowed as an item of expense in the ARR of the Distribution Licensee.”

- 3.21.2** PSPCL further submitted that the expenditure on account of interest on the consumer security deposit is estimated at Rs. 275 Crore for the 4th MYT Control Period. PSPCL requested the Commission to allow the interest on the consumer security deposit.

Commission's Analysis:

- 3.21.3** The Commission allows the interest on consumer security deposit of **Rs. 274.96 Crore** each for FY 2026-27, FY2027-28 and FY 2028-29 as approved in the true up for FY 2024-25 which shall be reviewed at the time of true up of the respective years.

3.22 Return on equity

PSPCL's Submissions

- 3.22.1** PSPCL submitted that the Return on Equity for the ensuing control period is projected in accordance with Regulation 20 of the PSERC MYT Regulations, 2025.

- 3.22.2** PSPCL further stated that as per the audited accounts, an amount of Rs. 15628.26 Crore on account of GoP Loans under UDAY were converted into equity on 31.03.2020. However, out of the total UDAY loans, Rs. 2,246.77 Crore were capital expenditure loans and Rs. 13,381.49 Crore were working capital loans, out of which Rs. 2,346.19 Crore of working capital loans were diverted for capital expenditure funding which has already been approved by the Commission. Thus, PSPCL contends that the amount of Rs. 4,592 Crore (Rs. 2,346.19 Crore+ Rs. 2,246.77 Crore) has to be considered in addition to the amount of Rs. 6,081 Crore, to admissible equity for return. **Since, this issue is already pending in the Hon'ble APTEL, therefore without prejudice to PSPCL's claim, the amount of Rs. 6,081 Crore only is being considered as equity in this petition for computing return without forfeiting PSPCL's claim on the return on the balance equity.**

- 3.22.3** PSPCL stated that it has considered return rate of 16.03% on average admissible equity of amount Rs. 6081.47 Crore, to work out Return on Equity of Rs. 974.78 Crore for the 4th MYT Control Period. The same is tabulated as under:-

Table 3.88: Return on Equity for the 4th MYT Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Opening Equity	6081.47	6081.47	6081.47
2	Addition of Equity	0.00	0.00	0.00
3	Closing Equity	6081.47	6081.47	6081.47
4	Average Equity	6081.47	6081.47	6081.47
5	Rate of Return (%)	16.03	16.03	16.03
6	Return on Equity	974.78	974.78	974.78
7	Return on Equity for Generation	386.02	386.02	386.02
8	Return on Equity for Distribution	588.76	588.76	588.76

Note: RoE is claimed on opening balance of equity without prejudice to PSPCL's claim of considering diverted loan amount for CAPEX funding.

3.22.4 PSPCL requested the Commission to allow the above Return on Equity for the 4th MYT Control Period, without prejudice to its claim pending before the Hon'ble APTEL.

Commission's Analysis:

3.22.5 The relevant excerpt of the PSERC MYT Regulations, 2025 regarding Return on Equity is reproduced below: -

"20. RETURN ON EQUITY

Return on equity shall be computed at the base rate of 15.5% for thermal generating stations, Transmission Licensee, SLDC and run of the river hydro generating stations and at the base rate of 16.5% for the storage type hydro generating stations and run of river generating stations with pondage and 16% for Distribution Licensee on the paid-up equity capital determined in accordance with Regulation 19:

Provided that Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed:

Provided further that assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity."

3.22.6 As already stated in para 3.21 of Tariff Order of FY 2022-23, the Commission has not considered the amount of Rs. 4592.00 Crore as equity. The relevant para is reproduced below:

"The Commission has not considered the amount of Rs. 4592 Crore (Rs. 2346.19 Crore + Rs. 2246.77 Crore) in addition to amount of Rs. 6081 Crore to admissible equity for return. Accordingly, no addition of equity has been considered by the Commission to the opening equity of FY 2020-21 on account of conversion of UDAY

loans of Rs.2246.77 Crore as it is not utilized for meeting the capital expenditure for new Projects. Similarly, Rs. 2346.19 Crore as claimed by PSPCL which was diverted for capital expenditure funding is also not considered for infusion towards equity as these were working capital loans of the prior period.”

3.22.7 The Commission has considered the opening equity for FY 2025–26 as the approved closing equity from the true-up of FY 2024–25 in this order. As explained in Para 3.21 of the Tariff Order for FY 2025–26, no addition to equity has been considered for FY 2025–26. The Commission determines Return on Equity for the 4th MYT Control Period as follows:

Table 3.89: Return on equity approved by the Commission for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GH TP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
2.	Addition during the Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Closing Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
4.	Average Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
5.	Return on Equity (%)	15.50	15.50	16.50	16.50	16.50	16.50	16.50	15.50	16.50		16.00	
6.	Return on Equity	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98	588.76	974.74

Table 3.90: Return on equity approved by the Commission for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
2.	Addition during the Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Closing Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
4.	Average Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
5.	Return on Equity (%)	15.50	15.50	16.50	16.50	16.50	16.50	16.50	15.50	16.50		16.00	
6.	Return on Equity	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98	588.76	974.74

Table 3.91: Return on equity approved by the Commission for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSS TP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Opening Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
2.	Addition during the Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Closing Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43

Sr. No	Particulars	GGSST P	GHTP	Shana n	UBDC	RSD	MHP	ASHP	Mic ro	BBM B	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
4.	Average Equity	452.65	573.48	15.23	107.10	978.39	121.03	78.32	3.23	72.26	2401.69	3679.74	6081.43
5.	Return on Equity (%)	15.50	15.50	16.50	16.50	16.50	16.50	16.50	15.50	16.50		16.00	
6.	Return on Equity	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98	588.76	974.74

3.23 Charges Payable to GoP on RSD

PSPCL's Submissions:

3.23.1 PSPCL has considered Rs. 16.89 Crore, based on the audited accounts for FY 2024-25, as royalty charges payable to the Government of Punjab on power from RSD (under Generation Business) for the ensuing control period.

Commission's Analysis:

3.23.2 The Commission approves royalty charges of Rs. 16.89 Crore each for FY 2026-27, FY 2027-28 and FY 2028-29 based on previous years' charges paid to the GoP which shall be reviewed at the time of true up of the respective years.

3.24 Provision for DSM fund

PSPCL's Submissions:

3.24.1 PSPCL has projected an amount of Rs. 5.06 Crore, Rs. 5.17 and Rs. 5.00 Crore for FY 2026-27, FY 2027-28 & FY 2028-29 respectively, towards provision for DSM fund for implementation of DSM activities during the ensuing control period.

Commission's Analysis:

3.24.2 The Commission observes that PSPCL has not made sufficient expenditure towards DSM initiatives during the 3rd MYT Control Period. Therefore, an annual amount of Rs. 5.00 Crore is approved for the implementation of DSM activities in the 4th MYT Control Period. The same shall be revisited based on actuals at the time of true-up of the respective years.

3.25 Non-Tariff Income

PSPCL's Submissions:

3.25.1 PSPCL has considered Non-tariff Income as Rs. 1051.00 Crore based on the audited accounts for FY 2024-25 for the ensuing control period.

Commission's Analysis:

3.25.2 The Commission has considered non-tariff income of Rs. 1,214.94 Crore, excluding the extraordinary item of Rs. 3,581.95 Crore, as approved for FY 2024–25 in Para 2.32 of this Order. Accordingly, the Commission approves Rs. 1,214.94 Crore for the 4th MYT Control Period, which shall be reviewed at the time of true-up of the respective years.

3.26 Transmission Charges Payable to PSTCL

PSPCL's Submissions:

3.26.1 PSPCL has claimed Rs. 1859.13 Crore, Rs. 1952.09 Crore and Rs. 2049.69 Crore as Transmission and SLDC Charges payable to PSTCL for FY 2026–27, FY 2027–28, and FY 2028–29, respectively, under its distribution business. However, PSTCL, in its petition for the 4th MYT Control Period, has claimed Rs. 1949.08 Crore, Rs. 2251.74 Crore, and Rs. 2582.22 Crore for FY 2026–27, FY 2027–28, and FY 2028–29, respectively.

Commission's Analysis:

3.26.2 The Commission has determined the Transmission and SLDC charges payable by PSPCL to PSTCL at Rs. 1807.13 Crore, Rs. 1952.15 Crore and Rs. 2140.40 Crore for FY 2026–27, FY 2027–28, and FY 2028–29, respectively, in the Tariff Order of PSTCL for FY 2026–27. These charges shall be reviewed at the time of true-up for the respective years.

3.27 RDSS Smart Metering OPEX

PSPCL's Submissions:

3.27.1 PSPCL submitted that the Commission has granted approval for the expenditure under Smart Metering works of the Revamped Distribution Sector Scheme (RDSS) vide its order dated 02.06.2025 in Review Petition no. 3 of 2024 in Petition no. 32 of 2023. The Commission has further decided that the expenditure on smart metering works shall be allowed as additional O&M costs along with O&M costs of PSPCL in the ARR petition after due prudence check.

3.27.2 The expenditure is bifurcated into two sub-heads, Consumer Smart Metering and System Smart Metering. The expenditure under these two sub-heads during the 4th MYT Control Period is as follows:

Table 3.92: Consumer Smart Metering during the 4th MYT Control Period

Sr. No	Financial Year (FY)	No. of Meters	% of work executed	PSPCL Share (Rs. Crore)	Gol Grant (Rs. Crore)	Total Cost (Rs. Crore)
I	II	III	IV	V	VI	VII
1	2026-27	1876793	21.36	32.23	136.57	168.80
2	2027-28	4957794	56.44	391.51	434.59	826.09
3	2028-29	1950220	22.20	828.15	219.48	1047.63
4	Total	8784807	100.00	1251.89	790.64	2042.53

Table 3.93: System Smart Metering during the 4th MYT Control Period

Sr. No	FY	No. of Meters	% of work executed	PSPCL Share (Rs. Crore)	Gol Grant (Rs. Crore)	Total Cost (Rs. Crore)
I	II	III	IV	V	VI	VII
1	2026-27	125052	63.61	-11.29	41.86	30.58
2	2027-28	71555	36.39	42.58	28.22	70.80
3	2028-29	0.00	0.00	63.69	0.00	63.69
4	Total	196607	100.00	94.98	70.08	165.06

3.27.3 PSPCL stated that it is claiming its share, as indicated in the above tables, as additional O&M expenses for the 4th MYT Control Period, as shown below:

Table 3.94: RDSS Smart Metering OPEX for the 4th MYT Control Period (Rs. Crore)

S. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Consumer Smart Metering	32.23	391.51	828.15
2	System Smart Metering	-11.29	42.58	63.69
3	Total Smart Metering OPEX	20.94	434.09	891.84

Commission's Analysis:

3.27.4 The Commission allows Rs. 20.94 Crore, Rs. 434.09 Crore, and Rs. 891.84 Crore on account of additional O&M expenses for FY 2026–27, FY 2027–28, and FY 2028–29, respectively, which shall be reviewed at the time of true-up for the respective years.

3.28 Interest on Working Capital

PSPCL's submissions:

3.28.1 PSPCL submitted that the Commission limits the interest on working capital loans on a normative basis. PSPCL further submitted that it has been under severe financial strain and that the actual interest on working capital loans is higher. The working capital loans have been availed by the company to fund deficits in its financials, which were disallowed earlier, and to finance delayed payments from consumers.

3.28.2 PSPCL further submitted that the matter regarding the allowance of interest on actual working capital loans for previous years is pending before the Hon'ble APTEL. Without prejudice to PSPCL's claim that interest on working capital loans should be allowed as per actuals incurred, the interest on working capital loans of PSPCL for the 4th MYT Control Period has been computed based on the normative methodology, as shown below:

Table 3.95: Interest on Working Capital for the 4th MYT Control Period (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
	Generation:			
1	Cost of Fuel (2 months)	677.74	696.72	746.23
2	O&M expenses (1 month)	123.04	129.71	135.30
3	Maintenance spares (15% of O&M)	221.48	233.48	243.54
4	Receivables (45 days)	808.82	839.17	890.49
5	Total Working Capital	1,831.08	1,899.08	2,015.55
6	Rate of Interest (%)	8.86%	8.86%	8.86%
7	Interest on Working Capital (Generation)	162.18	168.20	178.52
	Distribution:			

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
8	O&M expenses (1 month)	626.10	651.28	684.53
9	Maintenance spares (15% of O&M)	1,126.99	1,172.30	1,232.16
10	Receivables (45 days)	5,761.94	6,079.83	6,713.56
11	Less: Consumer Security Deposit	4,929.41	4,929.41	4,929.41
12	Total Working Capital	2,585.62	2,974.00	3,700.85
13	Rate of Interest (%)	8.86%	8.86%	8.86%
14	Interest on Working Capital (Distribution)	229.01	263.41	327.78
15	Total Interest on Working Capital	391.19	431.61	506.30

3.28.3 PSPCL requested the Commission to approve the projected interest on the normative working capital amount, without prejudice to the pending claims before the Hon'ble APTEL.

Commission's Analysis:

3.28.4 The Commission has computed the interest on working capital in accordance with Regulation 32 and Regulation 42 of the PSERC MYT Regulations, 2025. Interest on working capital is determined on a normative basis as per the Regulations and not on the actual working capital loans taken. Considering the rate of interest approved in the True-Up of FY 2024-25, i.e., 8.857313779%, the Commission determines and approves the interest on working capital as follows, which shall be reviewed during the true-up of the respective years:

Table 3.96: Interest on working Capital approved by the Commission for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	JBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Cost of Fuel for 2 months	292.20	297.19	0.17	0.22	0.11	0.32	0.20	0.00	0.00	590.40	0.00	590.40
2.	O&M Expenses for 1 month (Table 3.50)	26.82	20.34	5.71	7.33	3.87	10.79	6.65	0.00	0.00	81.50	635.89	717.39
3.	Maintenance spares @ 15% of the O&M expenses (Table 3.50)	0.03	0.00	14.32	0.02	0.00	0.16	29.31	0.00	0.00	43.83	1144.61	1188.43
4.	Receivables equivalent to months (Table 3.92)	274.23	276.22	10.49	14.80	45.95	23.58	13.80	0.09	55.94	715.10	5325.54	6040.64
5.	Less: Consumer Security Deposit											4929.41	4929.41
6.	Total Normative Working Capital	593.29	593.75	30.68	22.37	49.93	34.84	49.95	0.09	55.94	1430.83	2176.63	3607.46
7.	Interest on Working Capital (%)	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573		8.8573	
8.	Interest on Working Capital	52.55	52.59	2.72	1.98	4.42	3.09	4.42	0.01	4.95	126.73	193.28	320.01

Table 3.97: Interest on working Capital approved by the Commission for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Cost of Fuel for 2 months (Table)	292.58	304.34	1.01	1.30	0.69	1.91	1.18	0.00	0.00	603.00	0.00	603.00
2.	O&M Expenses for 1 month (Table 3.50)	28.23	21.35	6.08	7.80	4.11	11.49	7.08	0.00	0.00	86.14	678.55	764.69
3.	Maintenance spares @ 15% of the O&M expenses (Table 3.50)	50.81	38.43	10.94	14.05	7.40	20.68	12.75	0.00	0.00	155.06	1221.38	1376.44
4.	Receivables equivalent to 2 months (Table 3.95)	279.77	284.37	12.01	16.90	46.44	24.70	14.85	0.09	57.77	736.92	5607.09	6344.01
5.	Less: Consumer Security Deposit											4929.41	4929.41
6.	Total Normative Working Capital	651.40	648.49	30.04	40.05	58.63	58.78	35.86	0.09	57.77	1581.12	2577.61	4153.10
7.	Interest on Working Capital (%)	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573		8.8573	
8.	Interest on Working Capital	57.70	57.44	2.66	3.55	5.19	5.21	3.18	0.01	5.12	140.04	228.31	368.35

Table 3.98: Interest on working Capital approved by the Commission for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
1.	Cost of Fuel for 2 months	309.52	321.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	630.80	0	630.80
2.	O&M Expenses for 1 month (Table 3.50)	28.45	21.55	6.07	7.79	4.11	11.47	7.07	0.00	0.00	86.51	680.54	767.05
3.	Maintenance spares @ 15% of the O&M expenses (Table 3.50)	51.21	38.79	10.92	14.02	7.39	20.65	12.73	0.00	0.00	155.71	1224.98	1380.69
4.	Receivables equivalent to 2 months (Table 3.98)	294.41	300.88	12.20	18.06	6.48	24.56	15.75	0.09	59.23	771.65	6138.56	6910.21
5.	Less: Consumer Security Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4929.41	4929.41
6.	Total Normative Working Capital	683.59	682.50	29.19	39.87	7.98	56.67	35.54	0.09	59.23	1644.66	3114.67	4759.33

Sr. No	Particulars	GGSTP	GHTP	Shanan	UB DC	RSD	MHP	AS HP	Micro	BB MB	Generatio	Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
7.	Interest on Working Capital (%)	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573	8.8573		8.8573	
8.	Interest on Working Capital	60.55	60.45	2.59	3.53	5.13	5.02	3.15	0.01	5.24	145.67	275.88	421.55

3.29 Prior Period Expenses

Punjab State Power Corporation Limited, vide Memo No.826/ARR/DY.CAO/271/ Deficiencies dated 17.12.2025 and Memo No. 160/ARR/DY.CAO/271/Deficiencies dated 04.02.2026, submitted that it has assessed the amounts to be paid during the 4th MYT Control Period on account of arrears of salary and pension at Rs. 753.00 Crore, Rs. 1212.00 Crore and Rs.1058.00 Crore for FY 2026–27, FY 2027–28, and FY 2028–29, respectively. The Commission has considered the arrears of salary and pension as claimed by PSPCL for the 4th MYT Control Period in Para 3.14.10 of this Order.

The Commission notes that PSPCL, vide Finance Circular No. 3/2025 dated 03.04.2025, has decided to release the arrears of revised pay, pension, family pension, leave encashment, including Dearness Allowance/Dearness Relief for the period from 01.01.2016 to 30.06.2021, as per the 6th Pay Commission. The Corporation has commenced disbursement of the same to its employees from 01.04.2025 onwards.

The Commission observed that PSPCL, while filing Petition No. 61 of 2024 for the Annual Revenue Requirement for FY 2025–26, had not made any provision for the payment of arrears of salary and pensionary benefits for FY 2025–26 in light of the 6th Pay Commission Report.

Accordingly, the Commission suo motu has estimated these arrears at approximately Rs. 500.00 Crore for FY 2025–26 and provisioned the same in FY 2026–27 under prior period expenses. The same shall be reviewed at the time of the true-up of the respective year.

3.30 Aggregate Revenue Requirement (ARR) of PSPCL for the 4th MYT Control Period

PSPCL vide its memo 160/ARR/DY.CAO/271/Vol-I dated 04.02.2026 submitted additional information and revised its Annual Revenue Requirement for FY 2026-27, FY 2027-28 and FY 2028-29. A summary of ARR of PSPCL approved by the Commission for the 4th MYT Control Period is as follows:

FY 2026-27**Table 3.99: Aggregate Revenue Requirement (ARR) of Generation Business approved by the Commission for FY 2026-27 (Rs. Crore)**

Sr. No	Particulars	GGST P	GHTP	Shan an	UBDC	RSD	MHP	AS HP	Micro	BB MB	Generation
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1.	Fuel Cost (Table 3.23, 3.24)	1753.20	1783.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3536.33
2.	Employee Expenses (Table 3.59)	205.87	141.14	64.81	84.01	42.07	122.29	76.92	0.00	366.00	1103.11
3	R & M Expenses (Table 3.59)	111.35	95.04	1.65	2.08	3.08	4.72	1.62	0.00	41.00	260.53
4.	A & G Expenses (Table 3.59)	4.68	7.93	2.04	1.82	1.23	2.43	1.24	0.00	6.40	27.77
5.	Depreciation (Table 3.68)	13.76	60.62	4.95	4.30	143.16	30.11	3.74	0.24	14.10	274.99
6.	Interest & Finance Charges (Table 3.81)	12.76	11.08	6.37	8.22	0.39	8.65	11.09	0.00	9.33	67.89
7.	Return on Equity (Table 3.89)	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98
8	Royalty Paid by RSD to GoP (Para 3.23)	0.00	0.00	0.00	0.00	16.89	0.00	0.00	0.00	0.00	16.89
9.	Interest on Working Capital (Table 3.96)	52.55	52.59	2.72	1.98	4.42	3.09	4.42	0.01	4.95	126.73
10.	Total Revenue Requirement	2224.33	2240.42	85.06	120.08	372.68	191.27	111.94	0.75	453.71	5800.22

Table 3.100: ARR of Distribution Business for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	Wires Business	Retail Supply Business	Total
I	II	III	IV	V
1	Power Purchase Cost (Table 3.28)	0.00	31533.00	31533.00
2	Employee Expenses (Table 3.59)	2751.82	4127.72	6879.54
3	R & M Expenses (Table 3.59)	468.27	52.03	520.30
4	A & G Expenses (Table 3.59)	115.43	115.44	230.87
5	Depreciation (Table 3.68)	1129.04	125.45	1254.49
6	Interest & Finance Charges (Table 3.81)	542.46	60.27	602.73
7	Interest on Consumer Security Deposit	27.50	247.46	274.96
8	Return on Equity (Table 3.89)	529.88	58.88	588.76
9	Provision for DSM fund (Para 3.24)	0.00	5.00	5.00
10	Intra-State Transmission Charges (Para 3.26)	0.00	1807.13	1807.13
11	Smart meters O&M charges (Para 3.27)	0.00	20.94	20.94
12	Prior Period Expenses (Para 3.29)	0.00	500.00	500.00
13	Interest on Working Capital (Table 3.96)	19.33	173.95	193.28
14	Total Revenue Requirement	5583.73	38827.27	44411.00

Sr. No	Particulars	Wires Business	Retail Supply Business	Total
I	II	III	IV	V
15.	Less: Non-Tariff Income (Para 3.25)	121.49	1093.45	1214.94
16.	Net Revenue Requirement	5462.24	37733.82	43196.06

Table 3.101: Aggregate revenue Requirement (ARR) of PSPCL approved by the Commission for FY 2026-27 (Rs. Crore)

Sr. No	Particulars	Claimed by PSPCL	Generation	Distribution	Total
I	II	III	IV	V	VI
1.	Fuel Cost (Table 3.23 & 3.24)	4066.43	3536.33	0.00	3536.33
2.	Power Purchase Cost (Table 3.28)	32064.58	0.00	31533.00	31533.00
3.	Employee Expenses (Table 3.59)	8633.74	1103.11	6879.54	7982.65
4.	R & M Expenses (Table 3.59)	847.10	260.53	520.30	780.83
5.	A & G Expenses (Table 3.59)	261.93	27.77	230.87	258.64
6.	Depreciation (Table 3.68)	1716.14	274.99	1254.49	1529.48
7.	Interest & Finance Charges (Table 3.81)	1020.51	67.89	602.73	670.62
8.	Interest on Consumer Security Deposit (Para 3.21)	275.00	0.00	274.96	274.96
9.	Return on Equity (Table 3.89)	974.78	385.98	588.76	974.74
10.	Royalty Paid by RSD to GoP (Para 3.23)	16.89	16.89	0.00	16.89
11.	Provision for DSM fund (Para 3.24)	5.06	0.00	5.00	5.00
12.	Intra-State Transmission Charges (Para 3.26)	1859.13	0.00	1807.13	1807.13
13.	Smart meters O&M charges (Para 3.27)	20.94	0.00	20.94	20.94
14.	Prior Period Expenses			500.00	500.00
15.	Interest on Working Capital (Table 3.96)	394.30	126.73	193.28	320.01
16	Total Revenue Requirement	52156.53	5800.22	44411.00	50211.22
17	Less: Non-Tariff Income (Para 3.25)	1051.02	0.00	1214.94	1214.94
18	Net Revenue Requirement	51105.51	5800.22	43196.06	48996.28

FY 2027-28

Table 3.102: Aggregate Revenue Requirement (ARR) of Generation Business approved by the Commission for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1.	Fuel Cost (Table 3.23 & 3.24)	1755.50	1826.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3581.50
2.	Employee Expenses (Table 3.59)	219.75	150.65	69.18	89.68	44.90	130.53	82.10	0.00	377.00	1163.79
3.	R & M Expenses (Table 3.59)	114.26	97.52	1.69	2.13	3.16	4.84	1.66	0.00	46.00	271.27
4.	A & G Expenses (Table 3.59)	4.73	8.03	2.07	1.85	1.25	2.46	1.25	0.00	6.40	28.04
5.	Depreciation (Table 3.71)	15.65	61.56	7.10	5.57	143.42	30.52	4.70	0.24	14.10	282.85

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
6.	Interest & Finance Charges (Table 3.84)	31.55	16.49	12.20	16.65	0.44	6.84	14.63	0.00	8.05	106.85
7.	Return on Equity (Table 3.90)	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98
8	Royalty Paid by RSD to GoP (Para 3.23)	0.00	0.00	0.00	0.00	16.89	0.00	0.00	0.00	0.00	16.89
9	Interest on Working Capital (Table 3.97)	57.70	57.44	2.66	3.55	5.19	5.21	3.18	0.01	5.12	140.04
10.	Total Revenue Requirement	2269.28	2306.59	97.42	137.09	376.70	200.37	120.44	0.75	468.59	5977.22

Table 3.103: ARR of Distribution Business for FY 2027-28 (Rs. Crore)

Sr. No	Particulars	Wires Business	Retail Supply Business	Total
I	II	III	IV	V
1	Power Purchase Cost (Table 3.28)	0.00	32923.00	32923.00
2	Employee Expenses (Table 3.58)	2937.31	4405.97	7343.28
3	R & M Expenses (Table 3.58)	508.94	56.55	565.49
4	A & G Expenses (Table 3.58)	116.90	116.90	233.79
5	Depreciation (Table 3.71)	1261.62	140.17	1401.80
6	Interest & Finance Charges (Table 3.84)	669.63	74.40	744.04
7	Interest on Consumer Security Deposit (Para 3.21)	27.50	247.46	274.96
8	Return on Equity (Table 3.90)	529.88	58.88	588.76
9	Provision for DSM fund (Para 3.24)	0.00	5.00	5.00
10.	Intra-State Transmission Charges (Para 3.26)	0.00	1952.15	1952.15
11	Smart meters O&M charges (Para 3.27)	0.00	434.09	434.09
12	Interest on Working Capital (Table 3.97)	22.83	205.48	228.31
13.	Total Revenue Requirement	6074.61	40620.05	46694.66
14.	Less: Non-Tariff Income (Para 3.25)	121.49	1093.45	1214.94
15.	Net Revenue Requirement	5953.12	39526.60	45479.72

Table 3.104: Aggregate revenue Requirement (ARR) of PSPCL approved by the Commission for FY 2027- 28 (Rs. Crore)

Sr. No	Particulars	Claimed by PSPCL	Generation	Distribution	Total
I	II	III	IV	V	VI
1.	Fuel Cost (Table 3.23 & 3.24)	4180.30	3581.50	0.00	3581.50
2.	Power Purchase Cost (Table 3.28)	33804.89	0.00	32923.00	32923.00
3.	Employee Expenses (Table 3.59)	9372.38	1163.79	7343.28	8507.07
4.	R & M Expenses (Table 3.59)	944.64	271.27	565.49	836.76
5.	A & G Expenses (Table 3.59)	266.85	28.04	233.79	261.83
6.	Depreciation (Table 3.71)	2023.58	282.85	1401.80	1684.65
7.	Interest & Finance Charges (Table 3.84)	1250.64	106.85	744.03	850.88
8.	Interest on Consumer Security Deposit (Para 3.21)	275.00	0.00	274.96	274.96
9.	Return on Equity (Table 3.90)	974.78	385.98	588.76	974.74

Sr. No	Particulars	Claimed by PSPCL	Generation	Distribution	Total
I	II	III	IV	V	VI
10	Royalty Paid by RSD to GoP(Para 3.23)	16.89	16.89	0.00	16.89
11.	Provision for DSM fund (Para 3.24)	5.17	0.00	5.00	5.00
12.	Intra-State Transmission Charges (Para 3.26)	1952.09	0.00	1952.15	1952.15
13	Smart meters O&M charges (Para 3.27)	434.09	0.00	434.09	434.09
14.	Interest on Working Capital (Table 3.97)	454.86	140.04	228.31	368.35
15.	Total Revenue Requirement	55956.16	5977.21	46694.66	52671.87
16.	Less: Non-Tariff Income (Para 3.25)	1051.02	0.00	1214.94	1214.94
17.	Net Revenue Requirement	54905.14	5977.21	45479.72	51456.93

FY 2028-29

Table 3.105: Aggregate Revenue Requirement (ARR) of Generation Business approved by the Commission for FY 2028-29 (Rs. Crore)

Sr. No	Particulars	GGSSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Generation
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1.	Fuel Cost (Table 3.23 & 3.24)	1857.13	1927.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3784.78
2.	Employee Expenses (Table 3.59)	219.12	150.22	68.98	89.42	44.78	130.16	81.87	0.00	389.00	1173.55
3	R & M Expenses (Table 3.59)	117.46	100.26	1.74	2.19	3.25	4.98	1.71	0.00	47.00	278.59
4.	A & G Expenses (Table 3.59)	4.80	8.13	2.09	1.87	1.26	2.50	1.27	0.00	6.40	28.32
5.	Depreciation (Table 3.74)	16.70	65.17	7.70	6.84	143.53	30.52	6.28	0.24	14.10	291.08
6.	Interest & Finance Charges (Table 3.87)	42.09	39.68	13.31	24.96	0.70	6.02	20.54	0.00	6.77	154.07
7.	Return on Equity (Table 3.91)	70.16	88.89	2.51	17.67	161.44	19.97	12.92	0.50	11.92	385.98
8	Royalty Paid by RSD to GoP(Para 3.23)	0.00	0.00	0.00	0.00	16.89	0.00	0.00	0.00	0.00	16.89
9	Interest on Working Capital (Table 3.98)	60.55	60.45	2.59	3.53	5.13	5.02	3.15	0.01	5.24	145.67
10.	Total Revenue Requirement	2388.01	2440.45	98.92	146.48	376.98	199.17	127.74	0.75	480.43	6258.93

Table 3.106: ARR of Distribution Business for FY 2028-29**(Rs. Crore)**

Sr. No	Particulars	Wires Business	Retail Supply Business	Total
I	II	III	IV	V
1	Power Purchase Cost (Table 3.28)	0.00	36284.00	36284.00
2	Employee Expenses (Table 3.59)	2928.99	4393.48	7322.47
3	R & M Expenses (Table 3.59)	546.56	60.73	607.29
4	A & G Expenses (Table 3.59)	118.38	118.38	236.76
5	Depreciation (Table 3.74)	1387.40	154.16	1541.56
6	Interest & Finance Charges (Table 3.87)	752.90	83.66	836.56
7	Interest on Consumer Security Deposit (Para 3.21)	27.50	247.46	274.96
8	Return on Equity (Table 3.91)	529.88	58.88	588.76
9	Provision for DSM fund (Para 3.24)	0.00	5.00	5.00
10.	Intra-State Transmission Charges (Para 3.26)	0.00	2140.40	2140.40
11	Smart meters O&M charges (Para 3.27)	0.00	891.84	891.84
12	Interest on Working Capital (Table 3.97)	27.59	248.29	275.88
13.	Total Revenue Requirement	6319.20	44686.28	51005.48
14.	Less: Non-Tariff Income (Para 3.25)	121.49	1093.45	1214.94
15.	Net Revenue Requirement	6197.71	43592.83	49790.54

Table 3.107: Aggregate revenue Requirement (ARR) of PSPCL approved by the Commission for FY 2028-29**(Rs. Crore)**

Sr. No.	Particulars	Claimed by PSPCL	Generation	Distribution	Total
I	II	III	IV	V	VI
1.	Fuel Cost (Table 3.23 & 3.24)	4477.38	3784.78	0.00	3784.78
2.	Power Purchase Cost (Table 3.28)	37675.94	0.00	36284.00	36284.00
3.	Employee Expenses (Table 3.59)	9614.18	1173.55	7322.47	8496.03
4.	R & M Expenses (Table 3.59)	1009.92	278.59	607.29	885.88
5.	A & G Expenses (Table 3.59)	271.88	28.32	236.76	265.07
6.	Depreciation (Table 3.74)	2205.66	291.08	1541.56	1832.63
7.	Interest & Finance Charges (Table 3.87)	1427.89	154.07	836.56	990.63
8.	Interest on Consumer Security Deposit (Para 3.21)	275.00	0.00	274.96	274.96
9.	Return on Equity (Table 3.91)	974.78	385.98	588.76	974.74
10	Royalty Paid by RSD to GoP (Para 3.23)	16.89	16.89	0.00	16.89
11.	Provision for DSM fund (Para 3.24)	5.00	0.00	5.00	5.00
12.	Intra-State Transmission Charges (Para 3.26)	2049.69	0.00	2140.40	2140.40
13	Smart meters O&M charges (Para 3.27)	891.84	0.00	891.84	891.84
14.	Interest on Working Capital (Table 3.97)	525.37	145.67	275.88	421.55

Sr. No.	Particulars	Claimed by PSPCL	Generation	Distribution	Total
I	II	III	IV	V	VI
15.	Total Revenue Requirement	61421.42	6258.93	51005.48	57264.41
16.	Less: Non-Tariff Income (Para 3.25)	1051.02	0.00	1214.94	1214.94
17.	Net Revenue Requirement	60370.40	6258.93	49790.54	56049.47

3.31 Impact of Petition No. 28 of 2025

The Commission, in its Order dated 03.11.2025 in GVK's Petition No. 28 of 2025, had tried up the Annual Fixed Cost payable to GVK for the period from 08.02.2023 to 31.03.2024 and determined that excess charges amounting to Rs. 52.85 crore (inclusive of carrying cost) were paid to GVK during this period. Since, GVK was acquired by PSPCL on 07.02.2024, these charges are to be recovered from PSPCL.

3.32 Revenue at existing tariff

PSPCL submitted that it has considered the applicable tariff for the 4th MYT Control Period as approved by this Commission vide its Tariff Order dated 28.03.2025. PSPCL has projected the revenue from the sale of power based on the estimated slab-wise, category-wise energy sales and sanctioned load for the 4th MYT Control Period.

Table 3.108: Revenue projected for the 4th MYT Control Period (Rs. Crore)

Sr. No	Particulars	FY 2026-27	FY 2027-28	FY 2028-29
I	II	III	IV	V
1	Revenue from power sale within state, at existing tariff	53729.97	57243.55	60996.55
2	Revenue from Common Pool sale	120.45	120.45	120.45
3	Revenue from Outside state sale	0.00	0.00	0.00
4	Total Revenue	53850.42	57364.00	61117.00

Details of sales approved for different categories is discussed in para 3.2 of this order. The Commission approves the projected revenue from sale of power at Rs. 52791.39 Crore for FY 2026-27 for the Distribution Business of PSPCL, the details of which are shown in the following table:

Table 3.109: Revenue from sale of power approved by the Commission for FY 2026-27

Sr. No.	Category	Sales (MkWh)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Surcharge/ Incentive (Rs. Crore)	Total (Rs. Crore)
I	II	III	IV	V	VI	VII
1	Domestic	22784	1372.37	13783.71	(1.72)	15154.35
2	Non-Residential Supply	5785	586.29	4180.07	12.74	4779.09
3	Small Power	912	144.48	610.17	26.74	781.40
4	Medium supply	2619	357.37	1745.77	36.03	2139.17
5	Large Supply	22496	2006.61	15591.22	(228.69)	17369.14
6	Public Lighting	179	7.69	139.44	0.00	147.13
7	Bulk Supply	769	97.44	537.86	(9.53)	625.77

Sr. No.	Category	Sales (MkWh)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Surcharge/ Incentive (Rs. Crore)	Total (Rs. Crore)
8	Railway Traction	99	21.43	78.87	9.84	110.14
9	AP High technology /High Density farming/Agriculture Pumpset	0.01	0.00	0.01	0.00	0.01
10	Compost/ Solid waste Management Plants for Municipalities/ Urban Local Bodies	487	16.60	308.43	40.65	365.68
11	Charitable Hospitals set-up under PWD Act	0.00	0.00	0.00	0.00	0.00
12	Start-up Power for generators/CPPs	81	0.00	64.37	(1.67)	62.70
13	Golden Temple & Durgiana Mandir, Sri Amritsar Sahib	11	0.00	7.05	(0.23)	6.82
14	Temporary Supply	214	0.00	193.28	0.00	193.28
15	Agriculture	16323	0.00	10936.41	0.00	10936.41
16	Common Pool	306	0.00	120.33	0.00	120.33
17	Outside State Sales	0.00	0.00	0.00	0.00	0.00
18	Grand Total	73065	4610.27	48296.99	(115.85)	52791.41

3.32 Revenue Gap for FY 2026-27 at Existing Tariff

The cumulative revenue gap upto FY 2026-27 at existing tariff is worked out as under:

Table 3.110: Cumulative Revenue Gap upto FY 2026-27 (Rs. Crore)

Sr. No	Particulars	Claimed by PSPCL	Allowed by the Commission
I	II	III	IV
1	Net Revenue Requirement (Table 3.101)	51105.51	48996.28
2	Revenue from existing tariff (Table 3.109)	53850.42	52791.41
3	Gap: (Surplus)/Deficit	(2745.00)	3795.13)
4	Cumulative Gap: (Surplus)/Deficit upto FY 2024-25(Table 2.82)	3198.17	(3873.80)
5	Impact of Petition 28 of 2025 (para 3.31)	0.00	(52.85)
6	Impact of Revenue Gap and carrying cost FY 2024-25 (PSTCL's ARR for FY 2026-27 (Table 3.65, 3.66)	0.00	(130.13)
7	Cumulative Gap: (Surplus)/Deficit	453.17	(7851.91)

Chapter 4

Tariff Related Issues

4.1 Time of Day (ToD) Tariff

- 4.1.1** A distribution licensee generally plans for long term power procurement to meet its base load/demand and goes for short term power procurement only to cater to its peak demand. Thus, to achieve optimum power procurement, the load curve throughout the day needs to be as flat as possible. To achieve this objective, Time of Day (ToD) tariff is an accepted tool for DSM, wherein an additional charge is levied for consumption of electricity during peak-hours and rebate is allowed for consumption during off-peak hours, in order to incentivize consumers to shift their consumption from peak to off-peak hours, for flattening of the load curve and minimizing the cost of power procurement to the distribution licensee.
- 4.1.2** Accordingly, the Commission in the Tariff Order for FY 2016-17 decided to shift from the Peak Load Exemption Charges (PLEC) to the ToD tariff; comprising of normal tariff plus Rs. 2.00 per kVAh for the consumption during peak hours during the 06:00 PM to 10:00 PM hours slot between 1st June to 30th September and normal tariff minus Rs. 1.00 per kVAh for the consumption during off-peak hours during the 10:00 PM to 06:00 AM (next day) hours slot between 1st October to 31st May of next year. The ToD tariff was made applicable initially for LS/MS industrial category consumers.
- 4.1.3** In the Tariff Order for FY 2017-18, NRS/BS category consumers with sanctioned demand exceeding 100 kVA were also covered under ToD tariff. Also, off-peak rebate was increased from Rs. 1.00 per kVAh to Rs.1.25 per kVAh, with the provision to limit the cumulative effect of ToD rebate and reduced energy charges for consumption beyond threshold limit to the lowest Energy charges of Rs. 4.23 per kVAh. The cumulative effect of ToD rebate and reduced Energy Charges for consumption beyond threshold limit was limited to the lowest Energy charge of Rs. 4.28 per kVAh, in the tariff Order for FY 2018-19.
- 4.1.4** In the Tariff Order for FY for 2019-20, the Commission decided to continue with the ToD Tariff as approved in the Tariff Order for FY 2018-19. However, it was made applicable for NRS/BS consumers with sanctioned Contract Demand exceeding 100 kVA, all LS/MS consumers (including Rural Water Supply Schemes & Compost/Solid Waste Management Plants) and EV charging stations, with the provision that, cumulative effect of ToD rebate and Voltage rebate on the Energy Charges (including reduced energy charges for consumption exceeding threshold limit / use of electricity

exclusively during night hours) at any time shall be limited to the lowest Energy Charge of Rs. 4.45 per kVAh.

4.1.5 In the Tariff Order for FY 2020-21 to FY 2025-26, the Commission continued with the provision of ToD Tariff with limit of the cumulative effect of ToD rebate on the Energy Charges (including reduced Energy Charges for consumption exceeding threshold limit and/or use of electricity exclusively during night hours) at any time to the Energy Charge of Rs. 4.83 per kVAh for FY 2020-21, Rs. 4.86 per kVAh for FY 2021-22 & FY 2022-23, Rs. 5.24 per kVAh for FY 2023-24, Rs. 5.31 per kVAh for FY 2024-25 and Rs. 5.50 per kVAh for FY 2025-26.

4.1.6 In the present ARR Petition PSPCL has proposed the following ToD tariff structure:

Table 4.1 ToD tariff proposed by PSPCL

Period	Time period	Proposed ToD Tariff
1 st April to 15 th June	6 AM to 6 PM	Normal Tariff*
	6 PM to 10 PM	Normal Tariff
	10 PM to 6 AM (next day)	Normal Tariff
16 th June to 15 th October	6 AM to 6 PM	Normal Tariff
	6 PM to 10 PM	Normal Tariff + Rs. 2.00/kVAh
	10 PM to 6 AM (next day)	Normal Tariff
16 th October to 15 th February	6 AM to 6 PM	Normal Tariff
	6 PM to 10 PM	Normal Tariff
	10 PM to 6 AM (next day)	Normal Tariff - Rs. 2.00/kVAh
16 th February to 31 st March	6 AM to 6 PM	Normal Tariff
	6 PM to 10 PM	Normal Tariff
	10 PM to 6 AM (next day)	Normal Tariff

*As per applicable schedule of Tariff for the year

4.1.7 Further, vide email dated 17.02.2026 PSPCL submitted the demand and the energy charges from other hours i.e. 6 AM to 10 PM and Night hours i.e. from 10 PM to 6 AM (next days) as below:

Table 4.2 Monthly Average Demand (MW)

Period	April 2025	May 2025	June 2025	July 2025	Aug 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026
Night hours (10 PM to 6AM) (MW)	7005	7983	11421	11368	10217	9372	5946	4480	4548	4932	4779
Other hours (6 AM to 10 PM) (MW)	7109	9098	12908	13073	11362	10648	7507	6490	7270	7556	7095
% of night demand over other hours	99%	88%	88%	87%	90%	88%	79%	69%	63%	65%	67%

Table 4.3 Average monthly Power Exchange prices (Rs./unit)

Period	April 2025	May 2025	June 2025	July 2025	Aug 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026
Night hours (10 PM to 6AM) (Rs./kWh)	7.03	5.86	5.49	5.25	4.62	3.92	2.71	2.50	2.66	2.68	2.73
Other hours (6 AM to 10 PM) (Rs./kWh)	4.29	3.26	3.11	3.73	3.70	3.42	2.65	3.35	4.55	4.46	3.38
% of night price over other hours	164%	180%	177%	141%	125%	115%	102%	75%	58%	60%	81%

PSPCL submitted that from the above data it can be inferred that night prices of winter are much lower in comparison with night prices of summer season.

4.1.8 The Commission notes that certain stakeholders have also raised objections on the proposed ToD tariff stating that as the industry is getting GoP subsidy for FY 2025-26 with net energy charge of Rs. 5.835/kVAh, the effective ToD night rebate is only Rs. 0.335 / kVAh (Rs. 5.835/kVAh – Rs. 5.50 /kVAh) irrespective of night rebate of Rs. 1/kVAh or Rs. 0.50/kVAh as the Commission has provided that the cumulative effect of ToD rebate on energy charges at any time shall be limited to the energy charge of Rs. 5.50/kVAh. So as per PSPCL proposal, for the four months tariff at night will increase from Rs. 5.50/kVAh to Rs. 5.835/kVAh with GoP subsidy which will be a burden on industrial consumers.

4.1.9 The Commission has considered the submissions of PSPCL and the objections filed in the matter. The objective of the Time of Day (ToD) tariff framework is to smoothen the daily load curve by encouraging consumers to shift consumption to off-peak hours. The data placed on record by PSPCL indicates that the night-time demand remains substantially lower than the demand during the rest of the day; except for April, when it reaches 99%, night demand remains below 90% in all other months. PSPCL has proposed enhancement of the night rebate from Rs. 1 per kVAh to Rs. 2 per kVAh for the period 16th October to 15th February and withdrawal of the rebate for the period 16th February to 15th June, citing relatively higher exchange prices during certain night-time slots. However, the exchange prices are volatile in nature and subject to multiple external factors. The unusually high power rates observed in April 2025, which exceeded even peak summer levels, indicate that relying on such abnormal trends to modify the ToD tariff structure may not be prudent. The Commission also takes note that the projected power purchase cost for FY 2026–27 submitted by PSPCL is lower than the actual power purchase cost for FY 2024–25. Additionally, an examination of exchange price trends indicates that prices in FY 2024–25 have declined compared to FY 2022–23 and FY 2023–24. It is further observed from the Petition that PSPCL

proposes to procure only around 9% of its total power requirement from power exchanges on a short-term basis, while the balance requirement is already secured through long-term power procurement arrangements.

Further, in order to manage and moderate night-time demand, the Commission had already reduced the ToD rebate to Rs. 0.50/kVAh for the period 1st April to 15th June in the Tariff Order for FY 2025-26. The Commission had also directed PSPCL to submit a comprehensive ToD tariff proposal, including detailed analysis of power availability and demand during solar and non-solar hours. However, PSPCL has not submitted the same.

- 4.2** The Commission notes that Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023, notified by the Ministry of Power on 14.06.2023, mandates implementation of Time-of-Day (ToD) tariff for Commercial and Industrial consumers having a maximum demand exceeding 10 kW not later than 1st April, 2024, and for all other consumers, except Agricultural (AP) consumers, not later than 1st April, 2025. The said Rule further stipulates that the ToD tariff specified by the State Commission for Commercial and Industrial consumers during the peak period shall not be less than 1.20 times the normal tariff, and for other consumers, not less than 1.10 times the normal tariff.

In this regard, PSPCL was directed to apprise the Commission of its preparedness for implementation of the above provisions and to submit an appropriate proposal. However, no such proposal has been furnished by PSPCL. The Commission notes that PSPCL is in the process of procuring smart meters for effective implementation of the Electricity (Rights of Consumers) Amendment Rules, 2023, and that successful implementation of ToD tariff across consumer categories is contingent upon completion of the smart metering project. The Commission further observes that ToD tariff is already in force for NRS/BS consumers having sanctioned Contract Demand exceeding 100 kVA, all LS/MS consumers (including Rural/Urban Water Supply Schemes and Compost/Solid Waste Management Plants), and EV charging stations. **PSPCL is hereby directed, once again, to ensure and confirm its readiness for implementation of Rule 8A and to submit, by 30th September, 2026, a comprehensive ToD tariff proposal supported by detailed data on power availability and demand during solar and non-solar hours. For the present Order, the Commission decides to continue with the existing ToD Tariff for NRS/BS consumers with sanctioned demand of more than 100 kVA and all LS/MS consumers (including Rural/Urban Water Supply Schemes and Compost/Solid Waste Management Plants). The Commission shall review the same in the Tariff Order of FY 2027-28 with a proper analysis of the data. The applicable ToD Tariff shall be as per condition 15 of the General Conditions of Tariff.**

4.3 Special tariff for use of electricity exclusively during night hours

- 4.3.1** In the Tariff Order for FY 2018-19, the Commission, in order to give an impetus to the consumption of power particularly during night hours and to further flatten the load curve of the utility during the day, decided to introduce a special reduced tariff for LS/MS Industrial consumers who opt to use electricity exclusively during the night hours i.e. from 10.00 PM to 06.00 AM next day. This initiative was continued in the Tariff Order for FY 2019-20. Also, on the request of various industrial consumer organizations and after receiving PSPCL's confirmation of its feasibility, the Commission decided to allow the use of electricity with normal rates of tariff for the period between 06:00 AM to 10:00 AM, during the non- paddy season.
- 4.3.2** The Commission decided to extend the benefit of exclusive night-time tariff to SP industrial category consumers in the Tariff Order for FY 2020-21. However, such consumers were required to bear the cost of compatible meters. The distribution Licensee was directed to provide compatible meters to consumers who exercise their option to switchover to exclusive night-time tariff. Such consumers were also given the liberty to arrange their own compatible meters and get these installed from PSPCL as per the laid down procedure. Further, the Commission also decided to allow the use of electricity from 06:00 AM to 10:00 AM at the normal tariff rate, during the paddy season of FY 2020-21 to these consumers under the night category. In addition, a maximum of 10% of the total units consumed during the night hours (i.e. between 10:00 PM to 06:00 AM) could be additionally availed the following day during the period from 10:00 AM to 10:00 PM at the normal tariff.
- 4.3.3** The Commission decided to continue with the special reduced tariff for industrial consumers who opt to use electricity during the night hours i.e. from 10.00 PM to 06.00 AM (next day) with the provision of consumption of electricity from 06:00 AM to 10:00 AM at normal tariff rate for FY 2021-22 to FY 2025-26.

The Commission observes that, for FY 2024–25, the total load under the night category is only 244 MW, with a corresponding contract demand of 223 MVA pertaining to merely 67 consumers. Considering the limited quantum involved, the Commission is of the view that continuation of the existing dispensation for the current year would not have any significant adverse financial impact on PSPCL. At the same time, such continuation would support and promote industrial growth. Accordingly, the Commission decides to continue with the special reduced tariff for industrial consumers who opt to use electricity during night hours i.e. from 10.00 PM to 06.00 AM (next day) with the provision of consumption of electricity from 06:00 AM to 10:00 AM at normal tariff rate for FY 2026-27. The Commission also retains the provision of allowing the additional consumption of 10% of total

units consumed during the night hours (10:00 PM to 06:00 AM the next day) which could be availed during the period from 10:00 AM to 10:00 PM at normal rates. The terms and conditions for use of electricity exclusively during the night hours shall be as per condition 22 of General Conditions of Tariff.

4.4 Power Intensive Unit (PIU) Tariff: In the tariff Order for FY 2022-23, the Commission agreed with the stakeholders' views that PIUs, who put in efforts/investment to maintain their harmonics within the permissible levels need to be treated differently from the consumers who continue to inject harmonics in the system. However, for this to happen, the designated consumers were required to install power quality meters.

The Commission has approved the Punjab State Electricity Regulatory Commission (Power Quality) Regulations, 2023 vide notification No. PSERC/Secy/Regu. 172 dated 21st March, 2023 (in short PQ Regulations) which provides for compensation to be paid by the designated consumers in case the Total Demand Distortion (TDD) values exceed the specified limits. Further, the Commission, vide order dated 06.12.2023 in Petition No.49 of 2023 relaxed, as given below, the various time lines for implementation of Regulation 13 of the PQ Regulations in order to give sufficient time to the designated consumers and the licensee to facilitate smooth transition from an existing system of levy of higher tariff to power intensive industrial consumers on the premise of harmonics injection, to a new technology based system of measuring the actual levels of harmonics injection by the power intensive industrial consumer and recovery of compensatory charges only from such consumers who inject current harmonics above the threshold limit, thus incentivizing the consumers who invest in maintaining a healthy and clean manufacturing process in their industrial units:

1. The designated consumers, as specified in the first proviso to clause (1) of Regulation 5 of Power Quality, Regulations 2023, shall install the Power Quality meters by 31.03.2024.
2. In case the designated consumer fails to install the power quality meter within the stipulated time i.e. up to 31.03.2024, a 15 days' notice shall be issued to such designated consumer by the distribution licensee and thereafter, in case the non-compliance continues, a penalty at the rate of Rs.50/kVA/month on the sanctioned contract demand or contracted demand under Open Access, as may be applicable, shall be levied.
3. In case the designated consumer, fails to install the Power Quality meter by 30th June, 2024, then a penalty at the rate of Rs. 80/kVA/month on the sanctioned contract demand or contracted demand under Open Access, as may be applicable, shall be levied.

4. In case the designated consumer, fails to install the Power Quality meter by 30th September, 2024, then such consumer shall be liable to pay compensation @ 10% of the total monthly consumption charges (fixed and energy charges) till installation of the Power Quality meter. After installation of Power Quality meters, the compensation, if any, shall be governed by Regulation 13.11 of the Power Quality Regulations.
5. With effect from 1st October 2024, all the designated consumers, as specified in the first proviso to clause (1) of Regulation 5 of Power Quality, Regulations 2023, shall be liable to pay compensation to the distribution licensee as per the provisions of Regulation 13.11 of the Power Quality Regulations in case the Total Demand Distortion (TDD) values exceeds the limits specified in Regulation 13.7.2 of Power Quality Regulations.
6. The designated consumers may opt to be governed by the provisions of Regulation 13.11 of the Power Quality Regulations before 1st October, 2024 as per first proviso to Regulation 13.8 of the Power Quality Regulations.

PSPCL has failed to implement the timelines of Regulation 13 of the PQ Regulations allowed vide Order dated 06.12.2023 in Petition No.49 of 2023.

PSPCL in its ARR petition for FY 2024-25 had proposed procurement of Power Quality meters for the designated consumers and charging monthly rentals as approved by the Commission from these consumers. The Commission vide Order dated 24.01.2024 in Petition No.72 of 2023 (suo-moto) approved the proposal of PSPCL and allowed the designated consumers to exercise option up to 15.03.2024 for installation of Power Quality meter through PSPCL by paying monthly rental.

PSPCL vide Petition No. 46 of 2024, sought extension for a period of six months for completion of the procurement process and delivery of power quality meters. Vide Interim Order dated 04.03.2025 in Petition No. 46 of 2024, the Commission observed as under:

“.....PSPCL has repeatedly failed to perform its duties and obligations as envisaged in the PQ Regulations. PSPCL procured 114 Power Quality meters to be installed on PSPCL feeders against a tender Enquiry No.MQP-194 and further empaneled two firms for private sale of PQ meters to the consumers. Tender Enquiries MQP-204 and MQP-219 were floated to empanel more vendors for private sale of PQ meters but the tender enquiries were dropped as the samples of the firms failed during testing. Further, the tender enquiry MQP-233 for procurement of 1000 Power Quality meters was floated by PSPCL but was also dropped due to the same reason. Again, a short-term

tender enquiry MQP-241 was floated but the same has also been dropped by PSPCL. Now it has been submitted by CE/Metering that a fresh tender enquiry has been floated. Thus, PSPCL has repeatedly failed to adhere to the timelines committed before the Commission to procure Power Quality meters for the designated consumers who have opted for installation of PQ meters through PSPCL by paying monthly rental and has thus jeopardized the timelines for operationalisation of the compensation mechanism for the designated consumers as per Regulation 13.11 of the PQ regulations. PSPCL has also not yet fully addressed the issues of data sharing and other operational/technical concerns raised by the designated consumers from time to time, including putting in place the robust billing system to operationalise the compensation mechanism as per Regulation 13.11 of the Power Quality regulations. The designated consumers are also requesting for some more time to take remedial measures to control current harmonics injection in the system and to put in place other logistics to implement the provisions of PQ Regulations.....”

The Commission, as an interim measure, vide order dated 04.03.2025 in Petition No. 46 of 2024, decided as under:

- 1. From the billing cycle starting from 01.04.2025, all the designated consumers covered under the first proviso to Clause (1) of Regulation 5 of Power Quality Regulations, who have already installed the PQ meters or may install Power Quality meters after the issue of this order in accordance with the Regulation 13.4, shall be billed as general category industrial consumers in case the TDD values during all the measurement periods of continuous seven days completed during a billing month are within the limits specified in Regulation 13.7.2 of the Power Quality Regulations. In case the Total Demand Distortion (TDD) values exceed the limits specified in Regulation 13.7.2 of the Power Quality Regulations during any measurement period of continuous seven days completed during a billing month, the designated consumer shall be levied PIU tariff during that billing cycle.*
- 2. The designated consumers who, as per first proviso to Regulation 13.8, have already opted to be governed as per the provisions of Regulation 13.11 of the Power Quality regulations, may continue to be governed by the provisions of Regulation 13.11. However, relaxing the provision that such option shall be irrevocable, the Commission, as an interim measure, allows such designated consumers to opt to be governed by para (1) of this interim order till further orders.*
- 3. The designated consumers who have exercised the option to get the PQ meter installed through PSPCL by paying meter rental as per the Commission’s Order*

dated 24.01.2024 in Suo-moto Petition No.72 of 2023, shall have the option to procure the PQ meter from approved vendors and install the same to get the benefit as provided in Para (1) above. The provision as per the Commission's order dated 24.01.2024 that such option shall be irrevocable is relaxed to that extent.

- 4. The designated consumers, who have neither submitted the option to get the PQ meters installed through PSPCL by paying rental within the stipulated date nor have installed the PQ meter, may now submit their option to get the PQ meters installed through PSPCL by paying rental from the date of issue of this order and up to 31.03.2025. After the issue of this order, all such designated consumers shall be deemed to have complied with the requirement of installation of Power Quality meter from the date of receipt of option and shall not be levied penalty as per Regulation 13.5 of PQ regulations after the date of receipt of their option to get the PQ meters installed through PSPCL by paying rental. However, the penalty as per Regulation 13.5 shall be payable up to the date of receipt of option.*
- 5. All applicants covered under the first proviso to Clause (1) of Regulation 5 of PQ Regulations seeking new connections or extension in demand after the date of notification of PQ regulations are required to install Power Quality meters as per proviso to Regulation 13.4. PSPCL has informed that some field officers had released new connections/extension in demand without getting PQ meters installed from the designated consumers. Proceedings under section 142 of the Act against PSPCL for violation of the regulations have been initiated as brought out above. However, to mitigate the hardship of the designated consumers covered under proviso to Regulation 13.4 of PQ Regulations who had been released connection or extension in demand without installation of PQ meter, such consumers may also submit their options to get PQ meters installed through PSPCL by paying rental from the date of issue of this order and up to 31.03.2025. Such designated consumers shall be liable to pay penalty, as per Regulation 13.5, from the date of release of connection/extension in demand and up to the date of receipt of option or installation of PQ meter. The designated consumer shall be considered to have complied with the proviso to Regulation 13.4 of PQ Regulations from the date of submission of PQ meter to PSPCL for testing and installation. However, with effect from 01.04.2025, PSPCL shall ensure strict compliance of the proviso to Regulation 13.4 of the PQ Regulations and facility of option to get PQ meter installed on rental basis shall not be available to designated consumers seeking new connections or extension in demand after 01.04.2025.*
- 6. The date for operationalization of Regulation 13.11 for the designated consumers, as specified in Regulation 13.10 read with Commission's order dated 06.12.2023*

in petition no 49 of 2023, shall be notified separately by the Commission. The above decisions, in relaxations to the provisions of the PQ Regulations, have been taken only as an interim measure to allow more time to PSPCL and the designated consumers to put all the systems in place for smooth implementation of the Power Quality Regulations.

Further, vide Order dated 06.08.2025 in Petition No. 46 of 2023, the Commission noted that the PQ regulations could not be timely and smoothly implemented due to various acts of omission and commission by PSPCL. Accordingly, the Commission felt constrained to relax the provisions of the regulations to protect the legitimate interests of the consumers using its inherent powers vested in it by Regulation 69 of PSERC (Conduct of Business) Regulations, 2005, in supersession of the earlier interim orders to the following extent:

- (i) The penalties leviable/levied to the designated consumers who gave the rental option for PQ meter at any time before 31.03.2025, are waived off.
- (ii) The penalties applicable to the designated consumers who were released new connection/extension of load/demand after 21.03.2023 without installation of PQ meter as per proviso to Regulation 13.4 of PQ Regulations but submitted rental option at any time up to 31.03.2025, are waived off.
- (iii) Till further orders, the designated consumers/applicants applying for new connection/extension in load/demand or to whom new connection/extension in load was released after 01.04.2025 shall have the option either to install PQ meter or submit rental option.
- (iv) The designated consumers who have not installed PQ meters nor submitted rental option till 31.03.2025 despite repeated relaxations, shall be charged penalties as per Regulation 13.5 of the PQ regulations w.e.f. 01.04.2025 till the date they install PQ meters or submit the rental option.

Keeping above in view, the Commission decides to retain a separate tariff for Power Intensive Units and general industry for FY 2026-27 or till the operationalisation of the compensation mechanism as per Regulation 13.11 of Power Quality regulations, whichever is earlier.

4.5 Increase of existing load limit of small power from 20 kVA to 50 kVA.

PSPCL, vide its additional submission dated 04.02.2026, has proposed and requested the Commission to increase the existing load limit of 20kVA to 50 kVA for small power category. The Commission has also received similar suggestions from the consumers during public hearings. **The Commission, after careful consideration of the**

stakeholders' submissions and the evolving energy needs of the Micro, Small, and Medium Enterprises (MSME) sector, decides to enhance the load limit for small power consumers from 20 kVA to 50 kVA. This regulatory intervention is aimed at promoting the 'Ease of Doing Business' by allowing consumers to scale their operational capacity within the existing infrastructure. By optimizing the utilization of existing distribution networks and reducing administrative hurdles for load enhancement, this shall help to balance consumer affordability with the operational efficiency of PSPCL.

4.6 Applicability of Tariff to Home Stay/BnB Units:

During the course of public hearings, the Commission received representations from various stakeholders seeking extension of the Domestic Supply (DS) tariff to Bed & Breakfast (BnB)/Home Stay units duly registered with the Department of Tourism, Punjab. The Commission notes that the Bed & Breakfast (BnB)/Homestay Scheme of the Punjab Department of Tourism & Cultural Affairs has been formulated with the objective of providing safe, comfortable and affordable accommodation to tourists, while simultaneously promoting Punjabi culture and boosting tourism in the State. The Commission also takes note of the recommendation of the State Government for applicability of domestic electricity tariff to such registered BnB/Home Stay units.

Further, it is observed that in several States, including Himachal Pradesh, Delhi, Uttarakhand, Madhya Pradesh and Gujarat, residential/domestic tariff is applicable to registered homestay establishments.

In view of the above, the Commission has decided to include BnB/Home Stay units duly registered with the Department of Tourism, Punjab using electricity strictly for domestic/residential purposes, under the Schedule of Tariff for Domestic Supply (DS).

4.7 Applicability of Tariff to lawyers' chambers registered with the Bar Council of Punjab & Haryana High Court, Chandigarh and situated in the Court Complexes across the State of Punjab

PSPCL, vide its presentation made before the Commission on 24.02.2026, has proposed as under:

"PSPCL respectfully prays to the Hon'ble Commission that the applicable tariff for electric connections of lawyers' chambers registered with the Bar Council of Punjab & Haryana High Court, Chandigarh and situated in the Court Complexes across the State of Punjab may kindly be changed from Non-Residential Supply (NRS) to Domestic Category (DS) without any subsidy."

Further, PSPCL has also filed Petition No. 10 of 2026 with a similar prayer. The Commission observes that lawyers' chambers in court complexes function as a professional study, serving as an intellectual workspace indispensable to the administration of justice rather than a profit-driven commercial establishment. Unlike

private commercial property, these chambers are allotted by the Court to advocates in their capacity as 'Officers of the Court', specifically to ensure their availability to assist the bench in daily proceedings. This allotment is a discretionary facility provided to facilitate intellectual labor such as legal research, case preparation, and drafting of pleadings etc. rather than a license to conduct a "business". As established by the Supreme Court of India in *M.P. Electricity Board v. Shiv Narayan* (2005), the legal profession is a noble pursuit based on personal skill and intellect, fundamentally distinct from trade or commerce. Under the Advocates Act, 1961, and the Bar Council of India Rules, advocates are statutorily prohibited from engaging in commercial trade or advertising; hence, these chambers cannot be treated as commercial "shops", instead they are state-allotted workspaces dedicated to a non-commercial public duty.

Furthermore, the Commission notes that the shift from Non-Residential Supply (NRS) to Domestic Supply (DS) for lawyers' chambers, while resulting in a marginal revenue reduction of approximately Rs. 3.59 Crore per annum (as submitted by PSPCL in Petition No. 10 of 2026), is justified by the significant public interest served in reducing overhead costs for practitioners. This reduction ultimately facilitates more affordable access to legal aid as envisioned under Article 39A of the Constitution of India. **Consequently, the Commission hereby decides that electric connections of lawyers' chambers registered with the Bar Council of Punjab & Haryana, situated in Court Complexes across the State, shall be included under the Domestic Supply (DS) Schedule, provided they are used exclusively for legal professional work and not for secondary commercial activities such as canteens, photocopy centres etc. This reclassification is unique to the legal profession due to its specific role in the judicial machinery and shall not create an automatic precedent for other professionals.**

4.8 Further, the following clarifications are given:

During the public hearing, several stakeholders expressed their objections/ sought clarifications on certain issues regarding the applicability of Tariff for certain categories. Having considered these submissions/objections, the Commission clarifies as under:

- a) In view of Regulation 12(9) of the Punjab State Electricity Regulatory Commission (Electricity Supply Code, Standards of Performance and Related Matters) Regulations, 2024 it is clarified as under:
 - Domestic Tariff shall be applicable in case of Supply for common services used primarily to provide basic amenities to the residents/occupiers viz lifts, school, dispensary, club, community hall, water supply & sewerage etc. in residential colonies developed under bye-laws/ rules of state government as per Supply Code, 2024.

- Non-Residential Supply (NRS) Tariff shall be applicable in cases of supply for commercial establishments such as shops, multiplex etc. in residential colonies developed under bye-laws/ rules of state government as per Supply Code, 2024.
Supply for common services in commercial complexes, industrial park/estate and IT park developed under bye-laws/ rules of state government as per Supply Code, 2024.
- b) All allied activities integral to the industrial process of textile industry like activities such as stitching, sewing, embroidery, and buttoning which are inseparable components of the textile industry shall be governed by the relevant industrial tariff schedule.

Chapter-5

Directives for FY 2026-27

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27																																																																														
5.1 (i)	Reduction in T&D losses	The Commission observes that the overall distribution losses have been reported to have reduced to 11.81% in FY 2023-24 from 12.67% in FY 2022-23. Even then, the feeder-wise losses present a very grim picture i.e., against 414 nos. feeders with losses more than 50% last year, the number has increased significantly to 543 nos. Moreover, there are still 2605 nos. feeders with losses more than 15%. Similar situation is getting repeated year after year. PSPCL needs to take drastic action to focus on such high loss feeders for reduction in losses to reduce the burden on the consumers of the State. PSPCL has always been taking shelter behind the excuse of theft/public resistance etc. The status quo cannot be allowed to continue as such. Accordingly, PSPCL is directed to immediately take measures to	PSPCL has intimated the following data regarding losses:	PSPCL has reported the distribution losses for FY 2024-25 as 13.12% against 11.81% during FY 2023-24 (12.11% determined by the Commission). This sudden increase in the distribution loss compared to the decreasing trend of distribution losses in the previous years (13.43% in FY 2020-21, 12.68% in FY 2021-22, 12.93% in FY 2022-23 and 12.11% in FY 2023-24) is inexplicable. A huge capital investment for loss reduction schemes is allowed to PSPCL despite which the distribution losses have increased. PSPCL has further submitted that 471 No. feeders are having																																																																														
			<table><tr><th rowspan="2">Sr. no</th><th rowspan="2">Zone</th><th colspan="7">%age loss of no. of feeders</th><th rowspan="2">Total</th></tr><tr><th>15-25 %</th><th>25-50 %</th><th>50-60 %</th><th>60-70 %</th><th>70-80 %</th><th>80-90 %</th><th>more than 90%</th></tr><tr><td>1</td><td>BORDER</td><td>208</td><td>285</td><td>48</td><td>71</td><td>52</td><td>24</td><td>1</td><td>689</td></tr><tr><td>2</td><td>CENTRAL</td><td>40</td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>45</td></tr><tr><td>3</td><td>NORTH</td><td>270</td><td>7</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>277</td></tr><tr><td>4</td><td>SOUTH</td><td>244</td><td>318</td><td>41</td><td>14</td><td>3</td><td>0</td><td>0</td><td>620</td></tr><tr><td>5</td><td>WEST</td><td>317</td><td>540</td><td>96</td><td>77</td><td>42</td><td>2</td><td>0</td><td>1074</td></tr><tr><td colspan="2">TOTAL</td><td>1079</td><td>1155</td><td>185</td><td>162</td><td>97</td><td>26</td><td>1</td><td>2705</td></tr></table>		Sr. no	Zone	%age loss of no. of feeders							Total	15-25 %	25-50 %	50-60 %	60-70 %	70-80 %	80-90 %	more than 90%	1	BORDER	208	285	48	71	52	24	1	689	2	CENTRAL	40	5	0	0	0	0	0	45	3	NORTH	270	7	0	0	0	0	0	277	4	SOUTH	244	318	41	14	3	0	0	620	5	WEST	317	540	96	77	42	2	0	1074	TOTAL		1079	1155	185	162	97	26	1	2705	
			Sr. no				Zone	%age loss of no. of feeders							Total																																																																			
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			TOTAL		1079	1155	185	162	97	26	1	2705																																																																						
Further, the RDSS Scheme for Loss Reduction is under implementation in Punjab with an aim to further reduce the AT&C Losses and ACS-ARR Gap to zero. Under this scheme Rs. 2577 Crore Is being spent on HT/LT Loss reduction, Rs. 1104 Crore for 66 KV works and Rs. 134 Cr. for IT/OT works which includes Bifurcation of Overloaded feeders, cabling, augmentation and reconductoring of HT/LT lines, installation of new Distribution TFs, augmentation of 66 kV system. PSPCL is in the process of rolling out consumer and system smart metering which is being implemented under the RDSS scheme on Totex mode with approved DPR cost of Rs. 5747 Crore. and the same will automate the metering and billing process, reducing manual intervention and consequently minimizing losses.																																																																																		
S. No.	Component		Total Quantity (No.)	Project Cost (Rs. Crore)																																																																														
1.	Consumer Metering																																																																																	
(i)	Single phase whole current Smart Meter		81,48,066	4,888.84																																																																														
(ii)	Three Phase whole current Smart Meter		5,85,186	351.11																																																																														
(iii)	Three phase LT-CT operated Smart Meter		37,094	22.26																																																																														
(iv)	Three phase CT-PT operated Smart Meter HT Consumer Meter		14,461	8.68																																																																														
Sub-total (Consumer Metering)			87,84,807	5,270.88																																																																														
2.	DT Metering	Three phase LT-CT operated Smart Meter – DT Meter	1,84,044	423.30																																																																														

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL					PSERC Comments and Directives for FY 2026-27
		significantly reduce losses on their feeders. In this regard, the action plan finalized by PSPCL, the details of assistance of civil administration taken by PSPCL and the results of such efforts be intimated to the Commission within three months of the issue of Tariff Order.	3.	Feeder Metering	Three phase CT/PT operated Smart Meter – Feeder Meter	12,563	52.76	losses more than 50%. Also, there are still 2705 feeders having losses more than 15% which shows an increase of 100 over the previous year. The neighboring states like Haryana and Himachal Pradesh have already achieved distribution losses much lower than that of PSPCL. PSPCL has reported that it is incurring expenditure on loss reduction works in high loss divisions from RDSS Loss Reduction Scheme. It is imperative that PSPCL prioritizes the effective execution of the loss reduction works to ensure that these investments yield measurable and visible reduction in distribution losses. The Commission has already approved smart metering
			Sub-total (System Metering)			1,96,607	476.07	
			Grand Total (Metering)			89,81,414	5,746.95	

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
				projects under the RDSS. PSPCL is directed to implement the scheme within the prescribed timelines and submit the status report to the Commission at end of each quarter.
5.1 (ii)	Reduction in T&D losses	Though the overall distribution losses have been reported to have reduced to 11.81% in FY 2023-24 from 12.67% in FY 2022-23, even then, 8 nos. divisions have losses more than 50% against 6 nos. last year. PSPCL must take immediate action to focus on such high loss divisions to reduce the burden on consumers. PSPCL is directed to immediately take measures to significantly reduce losses in these divisions to 15%. In this regard, the action plan finalized by PSPCL, the details of assistance of civil administration taken by PSPCL and the results of such efforts be intimated to the Commission within three months of the issue of Tariff Order.	PSPCL has intimated that the Revamped Distribution Sector Scheme (RDSS) for Loss Reduction is under implementation in Punjab with the objective of bringing AT&C losses and the ACS-ARR gap to zero. Under this scheme, works amounting to Rs. 3816 Crore are being executed for bifurcation of overloaded feeders, underground cabling, augmentation and reconductoring of HT/LT lines, installation of new distribution transformers, augmentation of existing transformers, strengthening of the 66 kV system, and other related activities. Loss reduction works such as feeder bifurcation, augmentation, installation of new DTs, and augmentation of existing DTs have already been approved and taken up under RDSS across the State. With regard to the observation on eight divisions having losses above 50%, PSPCL has submitted that these divisions largely fall in border and theft-prone areas, where scattered habitations, socio-economic conditions and resistance from public pose major challenges. However, PSPCL is fully committed to reducing these losses substantially and has formulated a comprehensive action plan. The measures include intensive checking, installation of smart meters, feeder and DT metering under RDSS, segregation of mixed-load feeders, strengthening of the distribution system, and dedicated monitoring of high-loss feeders with periodic review. Further, PSPCL has already achieved a consistent reduction in distribution losses, and with the implementation of the RDSS loss-reduction scheme, the losses are expected to decline further. In line with the Commission's directions, PSPCL is targeting to progressively bring down the losses in these identified divisions to below 15%. Further work orders under RDSS have been issued for almost all packages, surveys have commenced, and execution works are expected to start shortly.	PSPCL has not intimated the division-wise losses but the quantum of investment to be made under RDSS for loss reduction in 8 divisions has been intimated. PSPCL is directed to expedite the planned loss reduction works and intimate the loss reduction achieved in these divisions.

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27																																					
			The 8 nos. divisions have losses more than 50% and the investment proposed in these divisions under RDSS is as detailed below: <table><tr><th rowspan="2">Sr No</th><th rowspan="2">Division</th><th>Ending Sept-24 (Excluding AP) FY-2024-25</th><th rowspan="2">Investment to be made under RDSS for Loss Reduction Works (in Crores)</th></tr><tr><th>% age Distribution Losses</th></tr><tr><td>1</td><td>WEST AMRISTAR</td><td>67.81%</td><td>15.42</td></tr><tr><td>2</td><td>AJNALA</td><td>63.24%</td><td>31.43</td></tr><tr><td>3</td><td>CITY TARN TARAN</td><td>53.24%</td><td>30.34</td></tr><tr><td>4</td><td>Patti</td><td>67.46%</td><td>39.03</td></tr><tr><td>5</td><td>Bhikhiwind</td><td>74.87%</td><td>21.09</td></tr><tr><td>6</td><td>Bhagta Bhai Ka</td><td>58.34%</td><td>13.50</td></tr><tr><td>7</td><td>Jalalabad</td><td>50.93%</td><td>19.55</td></tr><tr><td>8</td><td>Zira</td><td>58.16%</td><td>27.51</td></tr></table> With completion of Loss Reduction works with proposed investment as detailed above it is expected that Distribution Losses in above divisions would be reduced considerably.	Sr No	Division	Ending Sept-24 (Excluding AP) FY-2024-25	Investment to be made under RDSS for Loss Reduction Works (in Crores)	% age Distribution Losses	1	WEST AMRISTAR	67.81%	15.42	2	AJNALA	63.24%	31.43	3	CITY TARN TARAN	53.24%	30.34	4	Patti	67.46%	39.03	5	Bhikhiwind	74.87%	21.09	6	Bhagta Bhai Ka	58.34%	13.50	7	Jalalabad	50.93%	19.55	8	Zira	58.16%	27.51	
Sr No	Division	Ending Sept-24 (Excluding AP) FY-2024-25	Investment to be made under RDSS for Loss Reduction Works (in Crores)																																						
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5.1 (iii)	Reduction in T&D losses	The Commission notes that there has not been much progress in shifting of the meters outside the consumer premises. Since last year, only 7,000 meters have been shifted i.e., 3.94 lakh meters were pending for shifting last year against the latest intimated figure of 3.87 lakhs. PSPCL is directed to ensure the following: (i) Under RDSS, priority be given for replacement of meters, where the meters are yet to be shifted outside the consumer premises.	PSPCL has intimated that the total number of balance meters pending for shifting outside consumer premises ending 30.09.2025 is 3.83 Lacs. Public resistance is being faced by PSPCL employees in shifting of meters outside consumer premises. However, PSPCL is trying its best to shift balance meters outside consumer premises. PSPCL is in the process of rolling out Smart metering project under, RDSS for 87 Lac Smart Meters. With the introduction of Smart metering the manual intervention in metering and billing will be eliminated leading to a reduction in losses.	The Commission notes that there has not been much progress in shifting of the meters. Since last year, only 4000 meters have been shifted. PSPCL has also not intimated if any action has been taken against the directions imparted last year. PSPCL is thus directed (i) to give priority under RDSS, for replacement of meters where the meters are yet to be																																					

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27								
		(ii) Till the implementation of RDSS, vigorous efforts for shifting of meters be also ensured. (iii) Wherever public resistance is faced, active help of the civil administration be taken. The status report in respect of the above including the result of the efforts to take the help of civil administration, be sent within three months of the issue of Tariff Order.		shifted outside the consumer premises. (ii) to take active help of civil administration wherever public resistance is faced. The status report in respect of Sr.No.(i)&(ii) alongwith the timelines in respect of Sr.No.(i) above be intimated within three months of issue of tariff order.								
5.1 (iv)	Reduction in T&D losses	The Commission notes that there has not been much progress in replacement of electromagnetic meters. Since last year, only 20,000 meters have been replaced i.e., 1.99 lakh meters were pending for shifting last year against the latest intimated figure of 1.79 lakhs. PSPCL is directed to ensure the following: (i) Under RDSS, priority be given for replacement of meters where the electromechanical meters are installed. (ii) Till the implementation of RDSS, vigorous efforts for	PSPCL has intimated that total 1.70 Lac Electromechanical meters are balance to be replaced with Smart meters under the RDSS scheme. The status as on 30-09-2025 as under: <table><tr><th>Description</th><th>SAP area</th><th>Non-SAP area</th><th>Total</th></tr><tr><td>Balance as on 30.09.2025</td><td>148586</td><td>27163</td><td>169749</td></tr></table> - PSPCL is facing resistance from public in rural areas during replacement of damaged meters and opposing the installation of smart meters for replacement of damaged meters. Implementation of RDSS Scheme in Punjab: - Consumer and system smart metering is being implemented under the RDSS scheme on Totex mode with approved DPR cost of Rs. 5747 Crore and the same will automate the metering and billing process, reducing manual intervention and consequently minimizing losses.	Description	SAP area	Non-SAP area	Total	Balance as on 30.09.2025	148586	27163	169749	The Commission again notes that there has not been much progress in shifting of the meters. PSPCL has also not intimated if any action has been taken against the directions imparted last year. PSPCL is directed (i) to give priority under RDSS, for replacement of meters where the meters are yet to be shifted outside the consumer premises.
Description	SAP area	Non-SAP area	Total									
Balance as on 30.09.2025	148586	27163	169749									

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		replacement of electromechanical meters be also ensured. (iii) Wherever public resistance is faced, active help of the civil administration be taken. The status report in respect of the above including the result of the efforts to take the help of civil administration, be sent within three months of the issue of Tariff Order.		(ii) to take active help of civil administration wherever public resistance is faced. The status report in respect of Sr.No.(i)&(ii) alongwith the timelines in respect of Sr.No.(i) above be intimated within three months of issue of the tariff order.
5.2 (i)	Metering Introduction of prepaid and smart meters	The Commission notes the position intimated by PSPCL. PSPCL is directed to submit status report regarding starting of prepaid facility on all the government connections of PSPCL within three months of issue of tariff order. PSPCL is also directed to expeditiously extend the facility of prepaid meters to all the Government connections and other categories of consumers also. The status report in this regard be also furnished within three months of the issue of the tariff order.	As per PSPCL commercial circular, pre-paid facility is to be initially introduced for all the existing & new govt. connections of Punjab. Accordingly, out of 3079 Govt. connections of PSPCL, pre-paid functionality has been enabled on 1376 connections and out of this, the said pre-paid metering is being implemented on 1088 SAP based connections. On the Govt. connections other than PSPCL, pre-paid facility can be started only after the clearance of outstanding electricity dues, appointment of nodal officer and advance recharge of minimum credit amount as per commercial instructions.	PSPCL has not intimated anything regarding the steps being taken for implementation of prepaid metering on govt.-connections and other categories of consumers. PSPCL is directed to submit a clear roadmap and timelines within three months of issue of the Tariff Order for implementation of the prepaid metering.
5.2 (ii)	Metering AMR of HT/MS consumers	The Commission notes the positions intimated by PSPCL that 343 HT Smart meters have been	Total 2559 HT Smart Meters have been installed till 30.09.2025 as per MDM. The status of installation of Smart Meters as mapped in MDM as on 30.09.2025 is as follows:	The Commission notes the position

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL						PSERC Comments and Directives for FY 2026-27
		installed and further, 2500 HT Smart meters have also been procured by PSPCL. PSPCL is directed to submit quarterly progress report regarding installation of HT Smart meters		Allied	Avon	HT	HPL	Grand Total	intimated by PSPCL. PSPCL is directed to submit quarterly progress report regarding installation of HT smart meters.
			Single Phase WC	8,26,187	6,95,443	0	0	15,21,630	
			Three Phase WC	1,12,351	28,221	0	83,056	2,23,628	
			Three Phase LT CT/HT	0	4,303	2,559	7,045	13,907	
			Grand Total	9,38,538	7,27,967	2,559	90,101	17,59,165	
5.2 (iii)	Metering Accreditation of ME labs	The Commission notes the position intimated by PSPCL that the ME Labs at Patiala and Ludhiana will be accredited by March, 2025 and civil infrastructure for ME lab at Bathinda and Amritsar is being created. PSPCL is directed to submit updated status within three months of issue of tariff order.	In this regard, it is submitted that directives of the Commission are being followed and accreditation of existing ME Labs from NABL is under process as under: - 1) Civil works of ME Lab Patiala have been completed and new test bench is also installed and working at ME Patiala. The scope of Accreditation of ME Lab Patiala has been finalised and the required Test Procedures as per the scope have also been made. All the instruments/equipment have also been got calibrated and ME Patiala has completed Inter Lab Comparison (ILC) (mandatory before applying for accreditation) 2) The civil works of ME Lab Ludhiana are near completion and ME Lab Ludhiana is also going for the ILC process shortly. Further, the activities like preparation of manuals, Laboratory procedures etc have been started. 3) The present building of ME complex PSPCL Verka situated in the 132KV PSTCL complex has been declared unsafe by the concerned civil authorities and the agenda for new building has already been submitted. Further, the civil works of ME Lab Bathinda are also under final stage. 4) The Scope of Accreditation of ME Lab Amritsar and ME Lab Bathinda has been finalized and the required Test Procedures as per the scope have also been made. These offices are now preparing for the procurement / calibration of required instruments and after all the prerequisites have been complied with, ME Lab Bathinda and ME Lab Amritsar will participate in the Inter Lab Comparison ILC (Mandatory before applying for accreditation). PSPCL submitted that the NABL works will be completed in the shortest possible time.						PSPCL had earlier intimated that the ME labs at Patiala and Amritsar would be accredited by March, 2025. But the accreditation of these labs is yet to be completed. No timeline for accreditation of the ME labs has been intimated PSPCL is directed to intimate the timelines for accreditation of ME labs within one month of issue of the Tariff Order and to submit the updated status within three months of issue of the Tariff Order.
5.3 (i)	AP Consumption AMR of AP feeders	PSPCL has committed to send AP Feeder energy reports and AP ledger data regularly on monthly basis. PSPCL is directed to	PSPCL has intimated that month-wise AP Feeder energy reports are submitted by PSPCL to the Commission in ARR Petition every year. AP Feeder energy reports and AP feeder ladger data is being submitted on monthly basis within stipulated timelines.						PSPCL is directed to provide progress report on installation of smart meters on AP feeders and

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		ensure that data is submitted monthly without fail.		their integration with the NFMS/MDM system. Additionally, PSPCL must ensure availability of monthly AMR data and updated load information for all AP feeders and provide the Commission immediate access to the online AP metering portal.
5.3 (ii)	AP Consumption Kandi Area Feeder	PSPCL has submitted that it has segregated 100 Kandi feeders under DDUGJY Scheme. PSPCL has also identified 216 more Kandi Feeders for segregation under RDSS Scheme at a cost of Rs. 368.3 Crore. But nothing has been intimated about segregation of remaining Kandi Mixed AP feeders. PSPCL is directed to take time bound action for segregation of all the Kandi Mixed AP feeders and to intimate the time schedule within one month of the issue of tariff order.	PSPCL has intimated that 216 Kandi feeders have been identified for segregation under the RDSS scheme at an estimated cost of Rs. 368.3 crore, for which the tendering process has already been completed. Work orders under RDSS have been issued for almost all packages, surveys have commenced, and execution works for segregation of mixed-load feeders are expected to begin shortly. It is anticipated that these works will be completed within two years, i.e., by 31.08.2027.	PSPCL is directed to ensure strict adherence to the prescribed timeline for the completion of bifurcation work for Kandi Mixed Feeders. PSPCL is also directed to submit regular feeder wise progress report to the Commission.

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5.3 (iii)	AP Consumption 100% metering on A.P. consumers fed from urban feeders	The timelines and status report for segregation of AP connections to AP feeders, virtual feeder segregation and AP connection metering wherever the other options are infeasible, be intimated within one month of the issue of the tariff order.	100% metering on A.P. consumers fed from urban feeders. The delay has been on account of resistance from local public and there was no intention of PSPCL to non-comply with the directives. At present only 1260 AP connections are pending where PSPCL is facing public resistance in installing meters. The detail of balance meters to be installed on AP consumers fed from Urban Feeders as on 30-09-2025 is as under: <table border="1"> <thead> <tr> <th>Sr. No.</th><th>Name of Zone</th><th>Total No. of AP Consumers fed from Urban Feeders</th><th>Meters installed</th><th>Balance Meters to be Installed</th></tr> </thead> <tbody> <tr> <td>1</td><td>BORDER</td><td>3180</td><td>2379</td><td>801</td></tr> <tr> <td>2</td><td>CENTRAL</td><td>1085</td><td>1085</td><td>0</td></tr> <tr> <td>3</td><td>NORTH</td><td>1752</td><td>1752</td><td>0</td></tr> <tr> <td>4</td><td>SOUTH</td><td>1048</td><td>1048</td><td>0</td></tr> <tr> <td>5</td><td>WEST</td><td>1219</td><td>760</td><td>459</td></tr> <tr> <td colspan="2">PSPCL</td><td>8284</td><td>7024</td><td>1260</td></tr> </tbody> </table> 3682 such connections have been identified which do not have resistance or right of way issues. Plan has been framed for shifting these connections on agriculture feeders at a cost of about Rs. 89 Cr. 11 No. Urban Feeders with AP load more than 30% have been covered for segregation under RDSS loss reduction scheme for shifting AP consumers from Urban feeders to AP Feeders. Further, Virtual Feeder Separation has been proposed in modernization works under the RDSS Scheme to ensure 8 hrs supply to the AP connections running on urban feeders.	Sr. No.	Name of Zone	Total No. of AP Consumers fed from Urban Feeders	Meters installed	Balance Meters to be Installed	1	BORDER	3180	2379	801	2	CENTRAL	1085	1085	0	3	NORTH	1752	1752	0	4	SOUTH	1048	1048	0	5	WEST	1219	760	459	PSPCL		8284	7024	1260	There has been no progress for installation of the meters on AP connections of urban feeders since December, 2020. 1260 meters are still required to be installed. PSPCL has not submitted the timelines for the work of shifting of 3682 connections identified by it on agriculture feeders, virtual feeder segregation etc. PSPCL is directed to formulate and submit a comprehensive, time-bound execution plan for these works.
Sr. No.	Name of Zone	Total No. of AP Consumers fed from Urban Feeders	Meters installed	Balance Meters to be Installed																																			
1	BORDER	3180	2379	801																																			
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PSPCL		8284	7024	1260																																			
5.3 (iv)	AP Consumption Assessment of T&D losses on AP feeders	The work of 100% metering of 1% sample AP feeders was reported to be completed in FY 2017-18. PSPCL has still not able to compute T&D losses on these AP feeders despite repeated directive in this regard. Now PSPCL has submitted that the project is being	PSPCL has intimated that in compliance to the directions of the Commission all the CE/DS Zones and circle offices were asked to take up the matter with law enforcing authorities requesting for support in replacement of damaged/non-functional meters and also installation of new meters where meters could not be earlier installed due to opposition from Kissan Unions. This was further followed up to expedite the installation by writing reminder letters to the DS offices. But of late the ground situation was analysed for implementation of above directive. The DS offices are facing steep resistance from the farmer's unions which are explicitly giving press briefings about their intent to not allow the installation of meters. There is strong resistance to the installation of	The work of 100% metering of 1% sample AP feeders was reported to be completed in FY 2017-18. PSPCL has still not able to compute the T&D losses on these AP feeders despite repeated																																			

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		highly opposed by public, the meters installed are either being removed or destroyed/damaged and installation of new meters is not permitted by the public due to which the project is not getting executed. The matter is of serious concern. PSPCL is directed to take up the matter with law enforcing authorities to get the directive completed in an earnest way. A status report in this regard be sent within three months of issue of the tariff order.	smart meters on domestic connections also. As far as AP connections are concerned, this seems uphill task in present scenario. Further, even if distribution offices seek the help of police in installation of energy meters at the farmers premises, it is almost impossible to guard these meters as it is most likely to be dismantled/damaged by the farmers as has happened previously. Also, farmers are reportedly sitting in protest in front of the offices of several SEs and XENs as part of state-level protests by numerous Kissan Unions against the installation of smart meters. Public across Punjab, led by farmer unions, are strongly resisting the smart meter installation, citing financial and procedural concerns, and are calling for a rollback. PSPCL has cited Numerous incidents of protest in this regard. So, in the light of above situations, PSPCL has requested to dispense with this exercise & to drop the directives.	directives in this regard. Now PSPCL has submitted that the work is being highly opposed by the farmers' union, the meters installed are either being removed or destroyed/damaged and installation of new meters is not permitted by the farmer unions due to which the project is not getting executed. PSPCL has also requested relaxation in this directive. It is noted that PSPCL was earlier specifically directed to take up the matter with the law-enforcing agencies to ensure compliance of the directive. However, PSPCL has failed to submit any action taken or progress made in compliance with the aforesaid directions and has only placed on record instances of

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27																																																	
				protests by the public/farmers' unions against the installation of smart meters. PSPCL is again directed to take up the matter with the law-enforcing authorities and ensure implementation of the directive in an earnest and time-bound manner.																																																	
5.4	Receivables	The Commission notes the reply submitted by PSPCL. However, the progress in the clearance of outstanding defaulting amount is not convincing. Moreover, the same is increasing. The Commission reiterates its directive. PSPCL is directed to take concrete steps for the clearance of outstanding amount. The progress in this regard be sent by 30.06.2025.	Status of Defaulting Amount ending 31.12.2024 and 30.09.2025 is as under: - (In Cr.) <table><tr><th>Cate gory</th><th>Total Defaul ting Endin g 12/202 4</th><th>Govt. Defaulti ng Ending 12/2024</th><th>General Defaulti ng Ending 12/2024</th><th>Total Defaul ting Endin g 09/202 5</th><th>Govt. Defaul ting Endin g 09/202 5</th><th>General Defaulti ng Ending 09/2025</th></tr><tr><td>a</td><td>b</td><td>c</td><td>d=(b-c)</td><td>E</td><td>F</td><td>g=(e-f)</td></tr><tr><td>Indu stry</td><td>2868</td><td>2230</td><td>638</td><td>2817</td><td>2167</td><td>650</td></tr><tr><td>AP</td><td>11</td><td>0</td><td>11</td><td>11</td><td>0</td><td>11</td></tr><tr><td>GSC</td><td>2631</td><td>284</td><td>2347</td><td>3128</td><td>272</td><td>2856</td></tr><tr><td>Othe rs</td><td>193</td><td>173</td><td>20</td><td>179</td><td>167</td><td>12</td></tr><tr><td>Total</td><td>5703</td><td>2687</td><td>3016</td><td>6135</td><td>2606</td><td>3529</td></tr></table> Out of the total outstanding amount of Rs. 6135 Crore, the amount to the tune of Rs. 2606 Crore is pending towards Govt. connections. Recovery of the Defaulting amount is a routine process of PSPCL. All out efforts are being made by PSPCL, and time to time special recovery drives are also initiated by PSPCL for the recovery of defaulting amount from Government Departments and General Consumers.	Cate gory	Total Defaul ting Endin g 12/202 4	Govt. Defaulti ng Ending 12/2024	General Defaulti ng Ending 12/2024	Total Defaul ting Endin g 09/202 5	Govt. Defaul ting Endin g 09/202 5	General Defaulti ng Ending 09/2025	a	b	c	d=(b-c)	E	F	g=(e-f)	Indu stry	2868	2230	638	2817	2167	650	AP	11	0	11	11	0	11	GSC	2631	284	2347	3128	272	2856	Othe rs	193	173	20	179	167	12	Total	5703	2687	3016	6135	2606	3529	The reply has been noted. PSPCL is directed to take concrete steps for the clearance of outstanding amount. The progress in this regard be sent by 30.06.2026.
Cate gory	Total Defaul ting Endin g 12/202 4	Govt. Defaulti ng Ending 12/2024	General Defaulti ng Ending 12/2024	Total Defaul ting Endin g 09/202 5	Govt. Defaul ting Endin g 09/202 5	General Defaulti ng Ending 09/2025																																															
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Total	5703	2687	3016	6135	2606	3529																																															
5.5	Employee Cost	The Commission notes the progress. PSPCL is directed to complete the restructuring within the time line as given by PSPCL i.e. 30.06.2025 positively.	PSPCL has intimated that restructuring (i.e. creation or abolition of posts) of various institutions has already been completed based on the restructuring proposals received from various HODs of PSPCL. The restructuring is a continuous process and the posts are increased/decreased as per the requirement of PSPCL institutions with the approval of the BODs. Therefore, the proposed directive is being followed by PSPCL. The Commission shall be informed about the restructuring done from time to time in future.	The reply has been noted. This directive is dropped.																																																	

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
5.6	Accounting of Defective Transformers after repair	The quantum of disposal of slow moving/dead items seems not to be satisfactory. Neither time-line has been given nor quarterly report in this regard has been submitted. PSPCL is directed to submit the same in timely manner.	Quantum of Disposal of Slow Moving/Dead Items: - During the last three financial years, store inventory, including surplus, obsolete and dead items worth Rs. 7.57 Crore have been disposed of under various stores of PSPCL. As per the provisions of Subject Code 29 of the PSEB Material Accounting Manual (2008), the disposal process begins with the preparation of a half yearly list of non-moving and dead items in the months of January and July which are to be surveyed off at the end of March and September. Items valuing Rs. 4.65 lakh were sold vide Sale Order dated 10.11.2025 and items valuing to Rs. 166010 were sold vide E-Auction on 24.04.2025 and items worth Rs. 2.66 lakh which were surveyed off by outlet Store Nabha were disposed of vide Sale order dated 06.08.2025. The next such lists are scheduled to be submitted by the end of January-2026 by SDO Stores to the Divisional Officers of Stores. With regard to the timelines, it has been intimated that the disposal of slow-moving and dead items is an ongoing process, influenced by various factors such as market trends, bidder demand and the acceptability of offered rates. Therefore, exact timelines for the disposal of such items cannot be predetermined. However, to expedite the process, PSPCL is conducting weekly e- auctions.	The reply has been noted. This directive is dropped. However, PSPCL is directed to submit the reports in a timely manner.
5.7	(i) Fixed Asset Register (ii) segregation of Accounts	(i) The Commission notes the progress. PSPCL is directed to complete the same within the time line as given by PSPCL i.e. 28.02.2025 positively. (ii) The reply submitted by PSPCL is not satisfactory. The Commission reiterates its directive that segregation of the accounts for distribution and generation (project wise) business for	PSPCL has intimated that the system is yet to be declared Go-Live as some developments and integrations are pending at the end of concerned firm. The firm has been given directions to complete all activities by 31.12.2025. Further, as per directives, field offices were directed to use ERP for various activities concerned with Fixed Assets and detailed training was also imparted to the concerned officers/ officials. However, due to ongoing paddy season, the roll out of the software in field and data entry by field offices is limited. The complete implementation is expected to be completed by 31.12.2025. Hence, a timeline till 31st December, 2025 for implementation may be allowed. PSPCL is required to maintain Cost Accounting Records separately for its generation and distribution activity as per Section 148 of the Companies Act, 2013, Cost Accounting Records (Electricity Industry) Rules, 2011 and Companies (Cost Records and Audit) Rules, 2014. PSPCL is maintaining separate Cost Accounting Records for its generation and distribution business which is duly audited by a practicing Cost Auditor in compliance of above-mentioned statutory regulations applicable on PSPCL. Further, PSPCL is engaged in business of the generation, transmission (upto 66kV) and distribution of electricity. The	(i) The Commission notes the progress. PSPCL is directed to ensure the compliance as time limit proposed by PSPCL is already over. Compliance report be submitted. (ii) Reply submitted by PSPCL is not satisfactory. The Commission reiterates its directive that segregation of the accounts for

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		determination of tariff shall be made available which has not been done till date. The Commission directs PSPCL to do the needful by 30.06.2025, positively.	accounts of various offices are prepared at branch/division level spread across various business functions i.e. generation, transmission and distribution. However, assets, liabilities, manpower resources, management and funds of company are common and not segregated in accounts. Further, company considers entity as a whole for resources allocations. Hence, the conditions of para 5 of Ind AS-108 'Operating Segments doesn't qualify. Accordingly, there is no requirement of segment reporting as per Ind AS-108. However, distinct location codes are assigned to various field units as per their function, enabling the accurate booking of costs on a function and cost-centre basis. Accordingly, office of the Cost Controller, PSPCL, maintains costing records based on apportionment of actual expenditures for generation and distribution business.	the distribution and generation (project wise) businesses for determination of tariff shall be made available which has not been done till date. The Commission directs PSPCL to do the needful by 30.06.2026, positively.
5.8	Harmonics Measurement	Since the matter is being separately considered by the Commission in Petition No. 46 of 2024. Accordingly, PSPCL is directed to comply with the Commission's order to be issued in the aforementioned petition.	PSPCL has intimated that at present compliance to all the interim orders passed by the Commission in Petition No 46 of 2024 is being made.	PSPCL is directed to ensure compliance with the power Quality Regulations read with interim orders in Petition 46 of 2024 and to ensure expeditious procurement of the meters which are to be installed against the rental option given by the consumers.
5.9	Recording of maximum demand of DS/NRS consumers	PSPCL has submitted that as per Electricity (Rights of Consumers) (Amendment) Rules, 2023, notified by Ministry of Power on dated 14.06.2023, ToD tariff for Commercial and Industrial consumers having maximum demand more than 10 kW shall be made	Public resistance is being faced by PSPCL employees in the replacement of Balance Electromechanical/ Electrostatic Meters with Smart Meters specially in border areas and rural areas. Whenever smart meters are installed, then public removes the meter. Despite of this PSPCL is trying hard to replace these meters. In the above matters, it is brought out that Single phase meters, three phase meters, LT CT Smart Meters and HT/ HT Meters/ HT Smart Meters being procured by PSPCL have the provisions of recording Time of Day (TOD) zone wise energy reading. Further, PSPCL is procuring smart meters for proper implementation of Electricity (Right to consumers) amendment rules, 2023. Status of Procurement of smart meters is as under:	PSPCL has submitted that public resistance is being faced in the process of replacement of Balance Electromechanical/Electrostatic Meters with Smart Meters specially in border areas

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		effective from a date not later than 1 st April, 2024. PSPCL has now submitted that PSPCL can implement Time-of-Day (TOD) tariffs for commercial and industrial consumers with maximum demand exceeding 10 kW after completing the installation of smart meters under the ongoing RDSS Scheme. PSPCL has not submitted any time frame for implementing MoP rules. PSPCL is directed to replace these electromechanical/el electrostatic meters expeditiously with help of law enforcing authorities so that the notified rules of MoP can be implemented.	Single Phase Smart Meters: <table border="1"> <thead> <tr> <th>S.No</th><th>PO NO.</th><th>PO QUANTITY</th><th>SUPPLIED</th><th>PENDING</th></tr> </thead> <tbody> <tr> <td>1</td><td>M-185/MQP-187</td><td>3,00,000</td><td>3,00,000</td><td>NIL</td></tr> <tr> <td>2</td><td>M-191/MQP-201</td><td>2,50,000</td><td>2,50,000</td><td>NIL</td></tr> <tr> <td>3</td><td>M-190/MQP-201</td><td>2,50,000</td><td>2,50,000</td><td>NIL</td></tr> <tr> <td>4</td><td>M-190/MQP-201 Amendment No-1</td><td>50,000</td><td>50,000</td><td>NIL</td></tr> <tr> <td>5</td><td>M-209/MQP-210</td><td>2,50,000</td><td>2,50,000</td><td>NIL</td></tr> <tr> <td>6</td><td>M-221/MQP-232</td><td>5,00,000</td><td>5,00,000</td><td>NIL</td></tr> <tr> <td>7</td><td>M-222/MQP-232</td><td>3,00,000</td><td>3,00,000</td><td>NIL</td></tr> <tr> <td>8</td><td>M-223/MQP-232</td><td>2,00,000</td><td>90,000</td><td>1,10,000</td></tr> <tr> <td></td><td>TOTAL</td><td>21,00,000</td><td>19,90,000</td><td>1,10,000</td></tr> </tbody> </table> Three Phase Smart Meters: <table border="1"> <thead> <tr> <th>S.No</th><th>PO NO.</th><th>PO NO QUANTITY</th><th>SUPPLIED</th><th>PENDING</th></tr> </thead> <tbody> <tr> <td>1</td><td>M-148/MQP-145</td><td>96,000</td><td>96,000</td><td>NIL</td></tr> <tr> <td>2</td><td>M-148/MQP-145</td><td>19200</td><td>19200</td><td>NIL</td></tr> <tr> <td>3</td><td>M-193/MQP-196</td><td>100000</td><td>100000</td><td>NIL</td></tr> <tr> <td>4</td><td>M-210/MQP-221</td><td>60,000</td><td>60,000</td><td>NIL</td></tr> <tr> <td>5</td><td>M-211/MQP-221</td><td>40,000</td><td>40,000</td><td>NIL</td></tr> <tr> <td></td><td>TOTAL</td><td>3,15,200</td><td>3,15,200</td><td>NIL</td></tr> </tbody> </table> LT CT Smart Meters: <table border="1"> <thead> <tr> <th>S.No</th><th>PO NO.</th><th>PO QUANTITY</th><th>SUPPLIED</th><th>PENDING</th></tr> </thead> <tbody> <tr> <td>1</td><td>M-180/MQP-195</td><td>15,000</td><td>15,000</td><td>NIL</td></tr> <tr> <td>2</td><td>M-181/MQP-195</td><td>15,000</td><td>15,000</td><td>NIL</td></tr> </tbody> </table> HT Meters/HT Smart Meters: <table border="1"> <thead> <tr> <th>S.No</th><th>PO NO.</th><th>PO QUANTITY</th><th>SUPPLIED</th><th>PENDING</th></tr> </thead> <tbody> <tr> <td>1</td><td>M-210/MQP-221 + Amendments</td><td>2,400</td><td>2,400</td><td>NIL</td></tr> <tr> <td>2</td><td>M-211/MQP-221 + Amendments</td><td>1,600</td><td>1,600</td><td>NIL</td></tr> <tr> <td></td><td>TOTAL</td><td>4000</td><td>4000</td><td>NIL</td></tr> </tbody> </table> Govt. of India has launched Revamped Distribution Sector Scheme (RDSS) to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient	S.No	PO NO.	PO QUANTITY	SUPPLIED	PENDING	1	M-185/MQP-187	3,00,000	3,00,000	NIL	2	M-191/MQP-201	2,50,000	2,50,000	NIL	3	M-190/MQP-201	2,50,000	2,50,000	NIL	4	M-190/MQP-201 Amendment No-1	50,000	50,000	NIL	5	M-209/MQP-210	2,50,000	2,50,000	NIL	6	M-221/MQP-232	5,00,000	5,00,000	NIL	7	M-222/MQP-232	3,00,000	3,00,000	NIL	8	M-223/MQP-232	2,00,000	90,000	1,10,000		TOTAL	21,00,000	19,90,000	1,10,000	S.No	PO NO.	PO NO QUANTITY	SUPPLIED	PENDING	1	M-148/MQP-145	96,000	96,000	NIL	2	M-148/MQP-145	19200	19200	NIL	3	M-193/MQP-196	100000	100000	NIL	4	M-210/MQP-221	60,000	60,000	NIL	5	M-211/MQP-221	40,000	40,000	NIL		TOTAL	3,15,200	3,15,200	NIL	S.No	PO NO.	PO QUANTITY	SUPPLIED	PENDING	1	M-180/MQP-195	15,000	15,000	NIL	2	M-181/MQP-195	15,000	15,000	NIL	S.No	PO NO.	PO QUANTITY	SUPPLIED	PENDING	1	M-210/MQP-221 + Amendments	2,400	2,400	NIL	2	M-211/MQP-221 + Amendments	1,600	1,600	NIL		TOTAL	4000	4000	NIL	and rural areas. As per the Electricity (Rights of Consumers) Amendment Rules, 2023, notified by the Ministry of Power on 14.06.2023, ToD tariff for Commercial and Industrial consumers having maximum demand more than 10 kW was required to be made effective from 01.01.2024. PSPCL is directed to replace these meters expeditiously with the help of law enforcing authorities so that the notified rules of MoP can be implemented. Progress reports be submitted to the Commission at the end of every quarter without fail.
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			Distribution Sector and to reduce the AT&C losses to 12-15% by 2024-25.PFC vide their letter no. 02:10:RDSS:2021:I:PSPCL/ O79860 dated 21.11.2022 has approved action plan and DPR for SMART Metering project under RDSS. Accordingly, 5 no. RFP/Tender Enquiry for five zones each and 1 no. tender of system metering for whole Punjab were floated by PSPCL. However, none of the participating firms are found to be techno-commercial suitable therefore these tenders were got dropped. New Tender Enquiries for consumer Smart Metering were floated; however, they were dropped with the approval of Competent Authority (WTDs). Further, fresh tender enquiries for smart metering for consumer smart metering (Zone wise) for whole of Punjab have been floated, detail of which is as under: <table><tr><th>Sr. No</th><th>Zones</th><th>Single phase whole current Smart Meter (in lacs)</th><th>Three Phase whole current Smart Meter (in lacs)</th><th>Three phase LTCT operated Smart Meter (in lacs)</th><th>Three phase HT Smart Meter (in lacs)</th><th>Total Consumer Metering (in lacs)</th></tr><tr><td></td><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td><td>F</td></tr><tr><td>1.</td><td>Border Zone</td><td>4.09</td><td>0.37</td><td>0.02</td><td>0.05</td><td>4.53</td></tr><tr><td>2.</td><td>Central Zone</td><td>3.68</td><td>0.69</td><td>0.05</td><td>0.10</td><td>4.52</td></tr><tr><td>3.</td><td>North Zone</td><td>4.76</td><td>0.63</td><td>0.02</td><td>0.05</td><td>5.46</td></tr><tr><td>4.</td><td>South Zone</td><td>5.57</td><td>0.88</td><td>0.05</td><td>0.07</td><td>6.58</td></tr><tr><td>5.</td><td>West Zone</td><td>4.34</td><td>0.49</td><td>0.04</td><td>0.04</td><td>4.91</td></tr><tr><td></td><td>Total</td><td>22.44</td><td>3.07</td><td>0.18</td><td>0.31</td><td>26.00</td></tr></table> Quantity for system metering:- <table><tr><th>Zones</th><th>Border Zone</th><th>Central Zone</th><th>North Zone</th><th>South Zone</th><th>West Zone</th><th>Total</th></tr><tr><td>No. of DTs Meters (Non-AP feeders)</td><td>31,436</td><td>25,252</td><td>37,356</td><td>42,647</td><td>47,353</td><td>1,84,044</td></tr><tr><td>Feeder Meter</td><td>2117</td><td>1,867</td><td>1,925</td><td>3,289</td><td>3,365</td><td>12,563</td></tr></table> Timelines for installation of smart consumer metering as per RFP is as under: - <u>For consumer smart meters</u> I. Delivery, site installation, integration and operationalization of 5% of Smart Meters each and	Sr. No	Zones	Single phase whole current Smart Meter (in lacs)	Three Phase whole current Smart Meter (in lacs)	Three phase LTCT operated Smart Meter (in lacs)	Three phase HT Smart Meter (in lacs)	Total Consumer Metering (in lacs)		A	B	C	D	E	F	1.	Border Zone	4.09	0.37	0.02	0.05	4.53	2.	Central Zone	3.68	0.69	0.05	0.10	4.52	3.	North Zone	4.76	0.63	0.02	0.05	5.46	4.	South Zone	5.57	0.88	0.05	0.07	6.58	5.	West Zone	4.34	0.49	0.04	0.04	4.91		Total	22.44	3.07	0.18	0.31	26.00	Zones	Border Zone	Central Zone	North Zone	South Zone	West Zone	Total	No. of DTs Meters (Non-AP feeders)	31,436	25,252	37,356	42,647	47,353	1,84,044	Feeder Meter	2117	1,867	1,925	3,289	3,365	12,563	
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			successful operational go-live-----within 7 months from date of execution of contract. II. Delivery, site installation, integration and operationalization of 50% of Smart Meters each and successful operational go-live -----within 18 months from date of execution of contract. Delivery, site installation, integration and operationalization of 100 % of Smart Meters each and successful operational go-live -----within 27 months from date of execution of contract. Current Status under RDSS: A) System Metering: - Letter of Award (LOA) for the System Metering Works amounting to ₹620.41 Crore was issued to M/s BGPL on 13.05.2025, post Cabinet approval and rate negotiation. - A Direct Debit Facility (DDF) Account was established on 12.09.2025 by the competent authority a pre-condition to contract award, and the contract was signed subsequently on 12.09.2025. - Solution design & implementation is under process. B) Consumer Metering: - With the approval of the competent authority, five zone-wise tenders no. MQP-254 to MQP-258 for consumer smart metering have been re-floated on 19.09.2025 under RDSS for the installation of 26 lakh smart meters, as per the approved scope and methodology. - The bids for these tenders have been opened on 10.11.2025. Technical Evaluation is under process. Further As brought out in Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023, notified by the Ministry of Power dated 14.06.2023 states that ToD tariff for Commercial and Industrial consumers having a maximum demand more than 10 kW shall be made effective from a date not later than 1st April 2024 and for other consumers except AP, the ToD tariff shall be made effective not later than 1st April 2025. PSPCL can implement Time-of-Day (TOD) tariffs for commercial and industrial consumers with a maximum demand exceeding 10 kW after completing the installation of smart meters under the ongoing RDSS scheme. Consumer smart metering is being implemented under the RDSS scheme on TOTEX mode with approved DPR cost of Rs. 5271 Cr. The tendering of the same is in process.	

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
5.10	Transmission charges and losses-power drawn by other states through PSPCL Transmission system.	PSPCL is directed to coordinate with PSTCL to expedite the recovery of the requisite charges. The issue is already more than 2 years old and requires immediate coordination & sorting out the issue. The status report in this regard be furnished within three months of the issue of the tariff order.	PSPCL has intimated that the methodology to recover the requisite charges is to be framed by PSTCL and the action regarding the same is also being taken by the PSTCL. Moreover, the commission has issued a similar Directive No. 4.8 in <i>PSTCL tariff order for FY 2025-26</i> pertaining to <i>Transmission charges and losses power drawn by other states through PSTCL Transmission system</i>” and the same is reproduced as under: “PSTCL is directed to expedite the recovery of transmission charges from UT Chandigarh for 220KV Ganguwal-Mohali line and associated 4 No. 66kV Chandigarh bays, HVPNL for 132kV Ropar Pinjore Line and with JKPDD for 66kV bay at 132kV Pathankot.” Though the para primarily relates to PSTCL, yet as directed by the PSERC, PSPCL has been coordinating with PSTCL, and letters dated 25.07.2025 & dated 03.12.2025 have been written to PSTCL in this regard. Further, as verbally intimated by PSTCL officers, the matter regarding signing of MoU between PSTCL’s and UT Chandigarh for recovery of O&M charges is in advanced stage, while PSTCL’s discussions with HVPNL for signing of MoU are also in process. PSTCL has also submitted status report in this regard.	PSPCL is directed to coordinate with PSTCL to expedite the recovery of the requisite charges.
5.11	Monitoring Power factor	PSPCL is directed to continue to diligently monitor the abnormal Power Factor and to do the necessary rectifications.	The wrong PF cases are due to feeding of incorrect manual readings while meter reading. A report in SAP is available to monitor wrong PF cases sub division wise. Field offices routinely refer to this report to look for wrong PF cases and take corrective action accordingly. This has resulted in reduction of wrong PF cases over time.	The reply is noted. This directive is dropped. However, PSPCL is directed to continue monitoring the abnormal Power Factor, if any, diligently.
5.12	Damage rate of DTs	The Commission notes with concern that overall damage rate of Distribution Transformers without warranty and theft has increased from 3.10% as on September, 2023 to 3.25% as on September, 2024. The damage rate in Border and West zone is alarming 4.17% and 3.5%.	PSPCL has furnished the age-wise analysis of capacity-wise damaged transformers, along with the total number of capacity-wise installed transformers for the period 01.01.2025 to 30.09.2025. The details of division-wise DTs installed and damaged has also been furnished. PSPCL has already adopted an online real-time Material Management System for all its distribution stores. Any DT issued against damage is monitored and locations where repeated damage of DTs is being observed, checking teams are sent to these specific locations to analyze the cause of repeated damage. At present, the RDSS Scheme for Loss Reduction is under implementation. Under which Rs. 2577 Cr. is being spent on HT/LT Loss reduction, Rs. 1104 Cr. for 66 KV works and	PSPCL has provided the age-wise and capacity-wise data in respect of damaged transformers. But PSPCL has not analysed that data to identify the focus area for reducing the transformer damage rate.

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		PSPCL is directed to bring down damage rate below 2.5%. The age-wise analysis submitted by PSPCL is not comprehensive. It must show the total number of DTs and number of damaged DTs for various age bands and kVA rating categories. The same along with the status of damage rate of DTs be supplied with three months of the issue of the tariff order.	Rs. 134 Cr. for IT/OT works which includes bifurcation of overloaded feeders, cabling, augmentation and reconductoring of HT/LT lines, Installation of new Distribution TFs, augmentation of 66 KV system. With de-loading of feeders and DTs, the damage rate will reduce further.	PSPCL is directed to analyse the data comprehensively to identify the transformers most vulnerable to damage and prepare an action plan to mitigate such damage and losses. Further PSPCL has furnished the division-wise data of damaged transformers. 53 nos. divisions have damage rate of more than 2.5% out of which 11 divisions have damage rate of more than 4%, with 4 nos. divisions (Jandiala Guru, Patti Sub, Bagapurana and city Ferozepur) with a damage rate higher than 5% even for 6 months ending 09/2025. PSPCL is directed to prepare an action plan to address such a high rate of transformer damage. PSPCL is further directed to furnish a division-wise,

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
				zone-wise and an overall damage rate of distribution transformers for FY-2025-26 along with the above mentioned action plan within 3 months of issue of the Tariff Order.
5.13	Monthly Category-wise load curve & Monthly Power availability curve.	PSPCL is directed to continue to submit monthly load/demand curve.	Monthly load/demand curve has been furnished by PSPCL.	PSPCL is directed to continue to submit monthly load/demand curve reports.
5.14	Reconciliation between Revenue Data as per audited accounts and billing data	PSPCL has submitted that the provision regarding sorting and accounting of all parameters under distinct revenue heads slab-wise and category-wise has been made under the Single Billing Solution being implemented under RDSS. The same is expected to be available by 31.03.2025. PSPCL is directed to implement the same as per the target date and to submit the status report within one month of the issue of the tariff order.	The reconciliation of billing data with accounts data has been undertaken. Necessary action is being taken to ensure proper reconciliation in accordance with the directive issued by the Commission. Further, for reconciliation between Revenue Data as per audited accounts and Billing data, the provision of availability of all parameters under distinct revenue heads slab-wise and category-wise has been made under the Single Billing Solution being implemented under RDSS. The required Revenue Parameters have been made available under the Reports "Assessment and Realization" and "Billing Ledger" in the Single Billing Solution. At present the Single Billing Solution has been rolled out in Sirhind Sub Division as a Pilot implementation and is going to be rolled out in 15 nos. SAP sub divisions of Sangrur circle in the 3rd week of Nov 2025. Very soon the implementation shall be completed in all the Zones of PSPCL also. The above-mentioned provision regarding sorting and accounting of all parameters under distinct revenue heads slab-wise and category-wise shall be made available by 31.03.2026.	The reply has been noted. This directive is being dropped.
5.15	Creation of accounting heads	The Commission notes the reply submitted by	PSPCL has intimated that company uses inhouse accounting system for preparation of accounts and SAP and NIELT (Non-SAP) as billing system/ subsidiary ledger	The Commission notes the reply submitted by

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		PSPCL. However, PSPCL is directed to comply with the directive as the information sought is vital, provision for the same be made.	for maintaining records assessment/ collection consumer-wise. As matter regarding creation of category-wise accounts is concerned, the existing chart of accounts already have provision of all major categories like Domestic Supply (DS), Commercial Supply (CS), Small Power (SP), Medium Supply (MS), Large Supply (LS), Agriculture Supply (AP), Grid Supply (GS), Railway Traction Supply and Others (for all other categories). Thus, relevant account codes are already in place. Further, as regards sub-categories in tariff order like: 2 KW, above 2 KW to 7 KW, above 7 KW etc or slabs like 0 — 100 kwh, 101 — 300 kwh, above 300 etc are based on various additional parameters which is being stored in subsidiary ledgers/ billing software. Also, the subcategories are in abundance and tends to change very frequently. Thus, maintaining same set of data in billing software and in accounts package is not justifiable. This will outburst the concept of subsidiary ledgers in accounting. Moreover, subcategory wise introduction of account codes will only lead to over segmentation to make financial reporting and analysis more complex. Excessive account codes can lead to inefficiencies in financial reporting and analysis as misclassification and wrong booking cannot be ruled out for manual posting data from billing software to accounting software. Further, existing chart of accounts has allocated 61.2 parent code consisting around 100 codes for accounting of revenue categorywise in which around 10 account codes are allocated to each category, which are already utilised. Thus, the addition of sub-categories doesn't seem practical in existing chart of accounts. Most advance business management software like ERP and SAP also maintain data in same format wherein billing details or consumer centric details are captured and maintained in billing module and GL accounts are maintained for summarised information only. Other Discom's also prepares accounts using similar methodology. In addition to above, subcategory-wise reports/ledgers can be generated/ made readily available, through billing software's. Hence, PSPCL has requested that this directive for creation of accounting heads may be relaxed please.	PSPCL. However, PSPCL is directed to comply with the directive as the information sought is vital and provision for the same should be made. It provides for better data analysis which will go long way in increasing efficiency and productivity in consumer billing and analysis.
5.16	Category-wise breakup of off-season individual consumers	PSPCL has submitted that the provision regarding sorting and accounting of all the under distinct	The provision has been made available in SAP/ ISU Billing System. Also, the same shall be available in report level itself in Single Billing Solution positively by 31.03.2026.	It is noted that PSPCL previously committed that the requisite provision is

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		revenue heads slab-wise and category-wise has been made under the Single Billing Solution being implemented under RDSS. The same is expected to be available by 31.03.2025. PSPCL is directed to implement the same as per the target date and to submit the status report within one month after the issue of the tariff order.		being implemented in the Single Billing Solution under the RDSS scheme and is expected to be available by March 31, 2025. PSPCL has now revised this timeline, submitting that the provisions will be positively made available by March 31, 2026. PSPCL is directed to ensure the implementation of the Single Billing Solution strictly within the revised timelines and submit a compliance report to the Commission by April, 2026.
5.17	Element-wise uploading of sundry charges/allowances	PSPCL has submitted that the provision regarding sorting and accounting of all the parameters under distinct revenue heads slab-wise and category-wise has been made under the Single Billing Solution being implemented under RDSS and the same is expected to be available by 31.03.2025. PSPCL is directed to implement the same	The implementation of the Single Billing System is under process. The pilot Sub Division is live for billing and complete towns of Punjab will take some additional time for Go Live. So, the element wise/head wise data availability of sundry charges/allowances in SAP and Non-SAP shall be made after complete implementation of Single Billing System positively by 31.3.2026.	It is noted that PSPCL previously committed that the requisite provision is being implemented in the Single Billing Solution under the RDSS scheme and is expected to be available by March 31, 2025. PSPCL has now revised this timeline, submitting that

Sr. No.	Issues	PSERC Directive for 2025-26	Reply by PSPCL	PSERC Comments and Directives for FY 2026-27
		as per the target date.		the provisions will be positively made available by March 31, 2026. PSPCL is directed to ensure the implementation of the Single Billing Solution strictly within the revised timeline and submit a compliance report to the Commission by April, 2026.

New Directives

Sr. No	Issue	PSERC Directives for FY 2026-27
5.18	Monthly Sales and Revenue	PSPCL has submitted that monthly sales data consists of many discrepancies like wrong PF cases, N code estimations etc. which are corrected only at the end of year. However, for proper validation of revenue data, monthly sales and revenue data is essential. Accordingly, PSPCL is directed to submit the correct monthly sales and revenue data for the relevant financial year in the next ARR and Tariff petition.
5.19	Self explanatory consumer bills	PSPCL is directed to make the consumer bills self-explanatory clearly showing calculations of rebates/surcharges and subsidy etc.

Chapter 6

Determination of Tariff for FY 2026-27

6.1 Aggregate Revenue Requirement for FY 2026-27

The Commission, in Table 3.110 of Chapter 3 of this Tariff Order, has determined the net Revenue Requirement for FY 2026-27 as Rs. 48996.28 Crore. The cumulative revenue gap at existing tariff, ARR and the Average Cost of Supply for FY 2026-27 is worked out as follows:

Table 6.1: Cumulative revenue gap up to FY 2026-27 at Existing Tariff
(Rs. Crore)

Sr. No.	Particulars	FY 2026-27
I	II	III
1.	Net Revenue Requirement	48996.28
2.	Revenue from existing tariff	52791.41
3.	Gap: (Surplus)/Deficit during FY 2026-27	(3795.13)
4.	Cumulative Gap: (Surplus)/Deficit upto FY 2024-25	(3873.80)
5.	Impact of Petition No. 28 of 2025	(52.85)
6.	Impact of Revenue Gap and carrying cost of FY 2024-25 (PSTCL's ARR for FY 2026-27)	(130.13)
7.	Cumulative Gap: (Surplus)/ Deficit upto FY 2026-27	(7851.91)
8.	ARR for the year required to be recovered through tariff	44939.50
9.	Average Cost of Supply (for Energy Sales of 73065 M kWh)	615.06 paise/kWh

The Commission has notified the PSERC 4th MYT Regulations, 2025 (made applicable for the 4th MYT Control Period starting from FY 2026-27, wherein ACoS has been defined as under:

“Average Cost of Supply means ratio of the Aggregate Revenue Requirement of the Distribution Licensee for the year including unrecovered revenue gaps of previous years along with carrying cost to the extent proposed to be recovered through retail tariffs, to the total sales of the Distribution Licensee for the respective year”.

Accordingly, the ACoS for FY 2026-27 works out to 615.06 paise/kWh as indicated above.

6.2 Determination of Tariff

In determining the tariff, the Commission is guided by the principles laid down in Section 61 of the Act as well as its own Regulations, which provide the framework for working out the ARR of the distribution licensee and tariff for different categories of

consumers. The Commission has also kept in view the relevant aspects of the National Electricity Policy, Tariff Policy, the norms adopted by it in earlier Tariff Orders and inputs received from various stakeholders in their objections/suggestions and during the course of public hearings.

As worked out in para 6.1 above, the overall cumulative surplus at the current tariff is Rs. 7851.91 Crore. While maintaining the financial viability of PSPCL, the Commission has prioritised consumer interest by passing on the benefits of operational efficiencies through a downward revision of the tariff schedule for all consumer categories with overall relief of Rs. 7851.91 Crore and has also kept in mind the regulatory requirements to keep cross subsidy levels within $\pm 20\%$ as per policy guidelines. Further, as explained in Para 4.5, the Commission, after detailed deliberation, has decided to accept PSPCL's proposal to increase the existing load limit of 20kVA to 50 kVA in respect of small power category. This regulatory intervention is aimed at promoting the 'Ease of Doing Business' by allowing consumers to scale their operational capacity within the existing infrastructure. By optimizing the utilization of existing distribution networks and reducing administrative hurdles for load enhancement, this shall help to balance consumer affordability with the operational efficiency of PSPCL. Accordingly, the tariff for FY 2026-27 determined by the Commission is as follows:

Table 6.2: Existing Tariff and the new Tariff for FY 2026-27

(Rs.)

Sr. No.	Category		Existing Tariff for FY 2025-26			New Tariff w.e.f. 01.04.2026 to 31.03.2027		
			Slabs	*Fixed Charges per Month	**Energy Charges	Slabs	*Fixed Charges per Month	**Energy Charges
I	II		III	IV	V	VI	VII	VIII
A	PERMANENT SUPPLY							
1.	Domestic Supply	Upto 2 kW	0- 300 kWh	50/kW	5.40/kWh	0- 300 kWh	50/kW	3.85/kWh
			Above 300 kWh		7.75/kWh	Above 300 kWh		7.05/kWh
		Above 2 kW & upto 7 kW	0- 300 kWh	75/kW	5.72/kWh	0- 300 kWh	70/kW	4.25/kWh
			Above 300 kWh		7.75 /kWh	Above 300 kWh		7.05 /kWh
		Above 7 kW & upto 20 kW	0- 300 kWh	110/kW	6.44/kWh	0- 300 kWh	100/kW	5.00/kWh
			Above 300 kWh		7.75/kWh	Above 300 kWh		7.05/kWh
		Above 20 kW/kVA & upto 100 kVA	All Units	130/kVA	6.75/kVAh	All Units	130/kVA	6.20/kVAh
		Above 100 kVA	All Units	140/kVA	6.96/kVAh	All Units	140/kVA	6.40/kVAh
		Bulk Supply (Domestic)	All Units	130 kVA	6.75/kVAh	All Units	130 kVA	6.20/kVAh
		Sri Harmandir Sahib & Sri Durgiana Mandir	First 2000 kWh	NA	Free	First 2000 kWh	NA	Free
			Above 2000 kWh		6.41/kWh	Above 2000 kWh		6.10kWh
2.	Non-Residential Supply	Upto 7 kW	0- 500 kWh	70/kW	6.89/kWh	0- 500 kWh	70/kW	6.10/kWh
			Above 500 kWh		7.75/kWh	Above 500 kWh		7.10/kWh

Sr. No.	Category		Existing Tariff for FY 2025-26			New Tariff w.e.f. 01.04.2026 to 31.03.2027		
			Slabs	*Fixed Charges per Month	**Energy Charges	Slabs	*Fixed Charges per Month	**Energy Charges
I	II		III	IV	V	VI	VII	VIII
		Above 7 kW & upto 20 kW	0- 500 kWh	110/kW	6.89/kWh	0- 500 kWh	100/kW	6.10/kWh
			Above 500 kWh		7.75/kWh	Above 500 kWh		7.10/kWh
		Above 20 kW/ kVA & upto 100 kVA	All Units	130/kVA	6.75/kVAh	All Units	130/kVA	6.25/kVAh
		Above 100 kVA	All Units	140/kVA	6.96/kVAh	All Units	140/kVA	6.45/kVAh
		Electric Vehicle Charging Stations	All Units	NA	6.28/kVAh	All Units	NA	5.00/kVAh
3.	Industrial Power Supply							
a.	Small Power	Upto 50 kVA (upto 20 kVA in FY 2025-26)	All Units	110/kVA	5.82/kVAh	All Units	100/kVA	5.70/kVAh
b.	Medium Supply	Above 50 kVA & upto 100 kVA (Above 20 kVA & upto 100 kVA in FY 2025-26)	All Units	145/kVA	6.25/kVAh	All Units	130/kVA	5.83/kVAh
c.	Large Supply							
	General Industry	Above 100 kVA & upto 1000 kVA	All Units	210/kVA	6.60/kVAh	All Units	210/kVA	5.90/kVAh
		Above 1000 kVA	All Units	280/kVA	6.70/kVAh	All Units	280/kVA	6.00/kVAh
	PIU Industry	Above 100 kVA & upto 1000 kVA	All Units	225/kVA	6.64/kVAh	All Units	225/kVA	5.90/kVAh
		Above 1000 kVA & upto 2500 kVA	All Units	310/kVA	6.95/kVAh	All Units	310/kVA	6.25/kVAh
		Above 2500 kVA	All Units	350/kVA	7.04/kVAh	All Units	350/kVA	6.34/kVAh
d	For use of electricity exclusively during night hours applicable for industrial consumers (Large Supply/Medium Supply/Small Power)		10 PM to 06 AM (next day)	50% of Fixed Charges specified under relevant category	5.50/kVAh	10 PM to 06 AM (next day)	50% of Fixed Charges specified under relevant category	5.50/kVAh
			06 AM to 10 AM		Normal Energy charges (throughout the year)	06 AM to 10 AM		Normal Energy charges (throughout the year)
4.	Bulk Supply	LT	All Units	260/kVA	7.01/kVAh	All Units	235/kVA	6.46/kVAh
		HT	All Units	340/kVA	6.78/kVAh	All Units	315/kVA	6.18/kVAh
5.	Railway Traction		All Units	360/kVA	7.17/kVAh	All Units	330/kVA	6.57/kVAh
6.	Public Lighting		All Units	135/kW	7.79/kWh	All Units	135/kW	6.79/kWh
7.	Agricultural Pumpset (AP)		All Units	6.70/kWh or 492/BHP/ month		All Units	5.38/kWh or 395/BHP/ month	
8.	AP High Technology/ High Density Farming		All Units	NA	6.70/kWh	All Units	NA	5.38/kWh
9.	Compost/ Solid Waste Management Plants for Municipalities of Urban Local Bodies & Water Supply Schemes		All Units	65/kVA	5.51/kVAh	All Units	65/kVA	5.36/kVAh
10.	Charitable Hospitals set-up under PwD Act		All Units	100/kVA	6.00/kVAh	All Units	100/kVA	5.90/kVAh
11.	Start up Power for Generators and CPPs		All Units	NA	7.81/kVAh	All Units	NA	7.40/kVAh
B	SEASONAL INDUSTRY (as per Condition 18 of General Conditions of Tariff):							
a)	During Season							
	Small Power		All Units	220/kVA	Same as applicable to corresponding General Industry	All Units	200/kVA	Same as applicable to corresponding General Industry
	Medium Supply		All Units	290/kVA		All Units	260/kVA	
	Large Supply	101-1000 kVA	All Units	420/kVA		All Units	420/kVA	
		>1000 kVA	All Units	560/kVA		All Units	560/kVA	
b)	During Off Season (SP/MS/LS)		All Units	Nil		All Units	Nil	
C	ICE FACTORIES & CANDIES AND COLD STORAGES							
a)	During April to July							
	Small Power		All Units	220/kVA		All Units	200/kVA	

Sr. No.	Category	Existing Tariff for FY 2025-26			New Tariff w.e.f. 01.04.2026 to 31.03.2027		
		Slabs	*Fixed Charges per Month	**Energy Charges	Slabs	*Fixed Charges per Month	**Energy Charges
I	II	III	IV	V	VI	VII	VIII
	Medium Supply	All Units	290/kVA	Same as applicable to corresponding General Industry	All Units	260/kVA	Same as applicable to corresponding General Industry
	Large Supply	All Units	420/kVA		All Units	420/kVA	
b)	During August to March						
	Small Power	All Units	55/kVA		All Units	50/kVA	
	Medium Supply	All Units	73/kVA		All Units	65/kVA	
	Large Supply	All Units	105/kVA		All Units	105/kVA	
D	TEMPORARY SUPPLY (All Categories)	All Units	1.25 times the charges (highest slab in case of slab rates) specified under the relevant schedule for permanent supply corresponding to the sanctioned load /contract demand		All Units	1.25 times the charges (highest slab in case of slab rates) specified under the relevant schedule for permanent supply corresponding to the sanctioned load /contract demand	

**Fixed Charge (unless otherwise specified in Schedule of Tariff) shall be levied on 80% of the sanctioned/contracted load (actual load recorded or detected, if higher) or contract demand (actual demand recorded, if higher, restricted to the sanctioned contract demand) as may be applicable.*

***In addition to energy charges, FPPAS, Voltage Surcharge/Rebate and ToD Tariff shall be applicable in accordance with conditions 8, 13 and 15 respectively of the General Conditions of Tariff (Annexure-I of the Tariff Order)*

Note:

- The Schedules of Tariff with tariff rates and other details for various categories of consumers as approved by the Commission are as per **Annexure II** of this Tariff Order. These Schedules shall be read with the updated provisions of the General Conditions of Tariff approved by the Commission as per **Annexure I** of this Tariff Order;*
- The single point supply including the rebate shall be governed by the provisions of the Supply Code, 2024 read with the model agreement approved by the Commission.*

6.3 Cross Subsidy

Regulation 48.1 of the PSERC 4th MYT Regulations, 2025 specifies that Cross-subsidy for a consumer category means the difference between the average realization per unit from that category and the average cost of supply per unit expressed in percentage terms as a proportion of the average cost of supply.

To work out the average realization per unit for a category, category-wise revenue has been assessed as per the applicable tariff rates. Impact of Surcharges/Rebates (Voltage surcharge/ rebate, ToD Tariff and other charges) have also been appropriately considered. Accordingly, the cross-subsidy levels for different categories of consumers worked out for FY 2026-27, as per tariff rates depicted in Table 6.2, is as follows: -

**Table 6.3: Cross Subsidy Levels for FY 2026-27
(Average Cost of Supply= 615.06 Paise/kWh)**

Sr. No.	Category of Consumers	Sales	Revenue		Surcharge/ Rebates	Total Realization	Realisation per kWh	Cross Subsidy levels
			Fixed Charges	Variable Charges				
		MkWh	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	Rs. / kWh	%age
I	II	III	IV	V	VII	VIII	IX	X
1.	Domestic Supply	22784	1293.25	10757.44	(1.72)	12048.97	5.29	-14.02%
2.	Non-Residential Supply	5785	572.94	3693.94	(3.35)	4263.53	7.37	19.82%
3.	Small Power	1674	209.21	1022.7	0	1231.91	7.36	19.65%
4.	Medium Supply	1857	219.18	1127.74	18.59	1365.51	7.35	19.55%
5.	Large Supply	22496	2006.61	13982.33	(228.69)	15760.25	7.01	13.90%
6.	Public Lighting	179	7.69	121.54	0	129.23	7.22	17.38%
7.	Bulk Supply	769	90.17	486.38	(9.53)	567.02	7.37	19.88%
8.	Railway Traction	99	21.43	72.27	9.84	103.54	10.46	
9.	Agriculture Pumpsets	16323	-	8781.77	-	8781.77	5.38	-12.53%
10.	AP High technology/ High Density farming	0.01	-	0.01	-	0.01	-	-
11.	Compost/ Solid waste Management Plants for Municipalities of Urban Local Bodies/ I Water Supply schemes	487	16.6	300.04	20.64	337.28	6.93	12.60%
12.	Charitable Hospitals set-up under PwD Act	-	-	-	-	-	-	-
13.	Start-up Power for generators/ CPPs	81	-	60.81	(1.67)	59.14	7.30	18.71%
14.	Golden Temple & Durgiana Mandir, Sri Amritsar Sahib	11	-	6.71	(0.23)	6.48	5.89	-
15.	Temporary Supply	214	-	164.53	-	164.53	-	-
16.	Common Pool	306		120.33	-	120.33	-	-
17.	Grand Total	73065.01	4437.08	40698.54	(196.12)	44939.50	6.15	-

The Commission has been consistently maintaining cross subsidy levels of various categories of consumers within $\pm 20\%$ of the Average Cost of Supply as guided by the Tariff Policy and provisions of the PSERC Regulations.

Further, the Hon'ble APTEL vide its judgment dated 17.12.2014 in Appeal No. 142 of 2013 and 168 of 2013 has directed the Commission to show the cross-subsidy for each

category of consumer with respect to voltage wise Cost of Supply (CoS) in the Tariff Orders. In compliance, the cross-subsidy level for each category of consumer with respect to voltage wise cost of supply is shown in Annexure-IV of this Tariff Order.

Since PSPCL is an integrated utility carrying out the businesses of a Generating company as well as a distribution licensee, segregation of its accounts on actual basis is required for the Generation and Distribution businesses, Retail and Supply businesses and finally based on voltage parameters to enable determination of voltage-wise CoS. So far, PSPCL has not been able to submit the segregated accounts on actual basis for its Generation and Distribution businesses and is submitting the same on the basis of allocation only. Thus, voltage-wise/category-wise CoS worked out on the basis of estimated/allocated data supplied by PSPCL may not depict the actual cost of supply. However, in order to move in the direction of tariff based on CoS, the Commission has been allowing indicative rebates in the Tariff to various categories of consumers getting supply at higher voltages as mentioned in Condition 13.2 of the General Conditions of Tariff.

6.4 Subsidy Payable for FY 2025-26

PSPCL vide petition no 61 of 2024 has claimed subsidy of Rs. 20432.82 Crore for FY 2025-26. GoP, Department of Power (Power Reforms Wing) vide its memo No. POWER-PR/28/2024-POWER REFORMS/213(E-816190) dated 11th March,2025 in its para-12 has conveyed its decision regarding the payment of subsidy to different categories of consumers. The Commission estimates the subsidy payable by the GoP during FY 2025-26 as under:

Table 6.4: Subsidy payable by GoP for different Categories for FY 2025-26

(Rs. Crore)		
Sr. No.	Category	Allowed by the Commission
1	AP Consumption	10413.14
2	300 units free to all Domestic Consumers and Concessional tariff of Rs.2.50 per unit for all Domestic Consumers having load upto 7 KW	6859.93
3	Small Power (concessional tariff @ Rs.5.835 per kVAh along-with full waiver of full fixed charges)	137.28
4	Medium Supply Consumers (concessional tariff @ Rs.5.835 per kVAh along-with and 50% waiver in fixed charges)	271.99
5	Large Supply Consumers (Concessional tariff @ Rs.5.835 per kVAh)	1975.02
6	Total	19657.36

Note:

- *In case of A.P. consumption, PSPCL records AP Consumption at the feeder level and the Commission allows the same by considering normative line losses as per the approved trajectory of losses for computing AP consumption at the consumer end. As*

*such, AP Consumption at sr.no. 1 works out as Rs.10413.14 (15542 MUs. *6.70) Crore.*

- Subsidy for Sr. No.2 has been taken as per the submission of PSPCL.*
- Subsidy for Sr. No 3 has been taken as per the projected revenue of small power at the existing tariff less concessional tariff i.e. Rs. (-)1.36Crore (638.64-640.10(1097 MkVAh x 583.5 paise)), taken as NIL plus fixed charges Rs.137.28 Crore)). Thus, the total subsidy comes to Rs.137.28 Crore.*
- Subsidy for Sr. No 4 has been taken as per the projected revenue of medium power at the existing tariff less concessional tariff i.e. Rs.110.57(1667.93-1557.36(2669.00MkVAh x 583.5 paise)) Crore plus fixed charges Rs.161.42 Crore (50% of Rs.322.84 Crore). Total subsidy comes to Rs.271.99 Crore (110.57+176.26).*
- Subsidy for Sr. No 5 has been taken as per the projected revenue of large power at the existing tariff less concessional tariff i.e. Rs.1975.02 (14164.34 -12189.32 (20890.00 MkVAh x 583.5 paise)) Crore.*

There was a shortfall of Rs.9,509.93 Crore in subsidy dues, including legacy dues as on 31st March 2025. Based on projections submitted by PSPCL, the Government of Punjab had released only two instalments of legacy dues out of the five instalments approved for clearing such dues. The instalment due in FY 2025–26 was the fourth instalment of legacy dues, amounting to Rs.1,804.00 Crore.

The Punjab State Power Corporation Limited (PSPCL) has submitted the date-wise details of subsidy released by the Government of Punjab (GoP) during FY 2025–26 vide its Memo No. 285/ARR/DY.CAO/237/Vol-3 dated 26.02.2026. The GoP released subsidy amounting to Rs. 18,877.00 Crore during FY 2025–26 up to 26.02.2026. The Commission considers Rs. 18,877.00 Crore as the final subsidy released by the GoP for FY 2025–26, which shall be trued up in the respective year.

The Commission observes that, as per the details contained in the above memo, there was a delay in the release of subsidy by the GoP during FY 2025–26. Accordingly, with a view to compensating PSPCL on this account, the Commission levies interest on the delayed payment of subsidy at the rate of 8.857314% (the effective rate of interest on working capital loans as approved in the true-up of FY 2024–25), which works out to Rs. 819.41 Crore which shall be reviewed at the time of true up of the respective year(s).

Accordingly, the subsidy payable for FY 2025-26, inclusive of interest on delayed payment of subsidy, has been determined by the Commission to be Rs.29986.70 (9509.93+19657.36+819.41) Crore against which GoP had paid subsidy of Rs.18877.00 Crore. As such there is a short fall of payment of subsidy dues amounting to Rs.11109.70 (29986.70-18877.00) Crore at the close of FY 2025-26(i.e. as on 31.03.2026). This will be reviewed at the time of true up of the respective year(s).

Subsidy Payable for FY 2026-27

PSPCL, vide Petition No. 70 of 2025, has estimated a subsidy of Rs. 22,249.73 crore for FY 2026–27. The Government of Punjab (GoP), Department of Power (Energy Branch), Chandigarh, vide Memo No. 13/01/2023-EV2/442 dated 04 March 2026, in Para 2, has conveyed its decision regarding the payment of subsidy to different categories of consumers as under:

“The State Government shall continue to provide subsidy to the industrial, agriculture and domestic category consumers in the State as detailed below: -

- a) Free power to all Agriculture consumers;*
- b) Upto 600 units bi-monthly/300 units monthly of free electricity alongwith Fixed charges, Meter rental and Government levies/taxes to all domestic consumers (using electricity for residential purpose only) belonging to Scheduled Caste (SC), Non-SC BPL, Backward Class (BC), Freedom Fighter category. In case their consumption is more than 600 units bi-monthly/300 units monthly, then they will pay only for the units consumed in excess of 600 units bi-monthly/300 units monthly alongwith full fixed charges and meter rentals and Government levies/taxes. The electricity consumption in excess of 300 units per month shall be billed as per the applicable slabs of monthly tariff above 300 units;*
- c) Upto 600 units bi-monthly/300 units monthly of free electricity alongwith Fixed Charges, Meter rental and Government levies/taxes to all the domestic consumers (other than those mention in (b) above) using electricity for residential purpose only. In case their consumption is more than 600 units bi-monthly/300 units monthly, these consumers shall pay energy charges for their entire consumption as per applicable slabs of monthly tariff alongwith fixed charges, Meter rentals and Government levies;*
- d) subsidized tariff @ Rs.5.835 per Kvah (Energy Charges) and no increase in fixed charges to all Industrial manufacturing industries and IT & ITES industries in approved industrial parks and Amusement Parks/Adventure Parks developed on minimum area of 50 acres duly registered with Department of Tourism in the State with full waiver of fixed charges to Small Power (SP) and 50% waiver of fixed charges to Medium Supply (MS).*

The difference in tariff decided by the regulator and subsidized tariff shall be borne by the Government as subsidy. No subsidy is allowed to Central/State/PSU/PSPCL /PSTCL/BBMB offices and Government water supply connections having electricity connection under industrial category (SP/MS/LS) and they shall be charged under relevant tariff.”

Based on the above communication from the Government of Punjab regarding the subsidy to be borne by the Government for various categories of consumers, the Commission estimates the subsidy payable by the Government of Punjab during FY 2026–27 as follows:

Table 6.5: Subsidy payable by GoP for different Categories for FY 2026-27

(Rs. Crore)		
Sr. No.	Category	Allowed by the Commission
1	AP Consumption	8781.77
2	600 units bi-monthly/300 units monthly free to all Domestic Consumers	5490.86
3	Small Power (concessional tariff @ Rs.5.835 per kVAh along-with full waiver of full fixed charges)	209.21
4	Medium Supply Consumers (concessional tariff @ Rs.5.835 per kVAh along-with and 50% waiver in fixed charges)	109.59
5	Large Supply Consumers (Concessional tariff @ Rs.5.835 per kVAh)	609.11
6	Total	15200.55

Note:

- *In the case of AP consumption, PSPCL records AP consumption at the feeder level, and the Commission allows the same after considering normative line losses as per the approved loss trajectory for computing AP consumption at the consumer end. Accordingly, AP consumption at Sr. No. 1 works out to Rs 8,781.77 Crore (16,323 MUs × 5.38).*
- *The subsidy for Sr. No. 2 has been considered as per the submission of PSPCL on a proportionate basis.*
- *The subsidy for Sr. No. 3 has been considered based on the projected revenue from Small Power at the proposed tariff, less the concessional tariff, i.e., Rs. Nil [Rs. 1,022.70 Crore – Rs. 1,046.91 Crore (1,794.21 MkVAh × 583.5 paise)], plus fixed charges of Rs. 209.21 Crore. Thus, the total subsidy works out to Rs. 209.21 Crore.*
- *The subsidy for Sr. No. 4 has been considered based on the projected revenue from Medium Power at the proposed tariff, less the concessional tariff, i.e., Rs. Nil [Rs. 1,127.74 Crore – Rs. 1,128.70 Crore (1,934.38 MkVAh × 583.5 paise)], plus fixed charges of Rs. 109.59 Crore (50% of Rs. 219.18 crore). Thus, the total subsidy works out to Rs. 109.59 Crore.*
- *The subsidy for Sr. No. 5 has been considered based on the projected revenue from Large Power at the proposed tariff, less the concessional tariff, i.e., Rs. 609.11 Crore [Rs. 13,982.23 Crore – Rs. 13,373.12 Crore (22,919 MkVAh × 583.5 paise)].*

As indicated in the earlier paragraphs, there is a shortfall of Rs. 11,109.70 Crore in subsidy, which includes legacy subsidy dues, dues subject to true-up, and the interest thereon as of 31st March 2026. The Government of Punjab, based on projections submitted by PSPCL, has released only two instalments (for FY 2022–23 and FY 2023–24) of the legacy dues amounting to Rs. 3,608.00 Crore (Rs.1,804.00 Crore × 2) up to 31 March 2026, out of the five instalments already approved. The instalments due for FY 2024–25 and FY 2025–26 have not been released by the Government of Punjab. The instalment due in FY 2026–27 is the fifth and final instalment.

The total projected subsidy for FY 2026–27, including pending dues and the current instalment of legacy dues payable by the Government of Punjab (GoP), amounts to Rs 26,310.25 Crore (Rs 15,200.55 Crore + Rs 11,109.70 Crore). This amount is payable quarterly in advance, as per the SOP issued by the Government of India, Ministry of Power, New Delhi, vide Memo No. F. No. 14/12/2022-URsSI-11-Part (1)-E(-263842) dated 1st July, 2022.

Accordingly, advance quarterly instalments of Rs 6,577.56 Crore (Rs 26,310.25/4) are payable by the GoP during FY 2026–27. The GoP may either release these quarterly instalments in lump sum at the beginning of each quarter or release three equal monthly instalments at the beginning of each month of the relevant quarter.

This shall be reviewed at the time of true-up for the respective year(s).

6.5 Feed-in-Tariff:

a) Methodology:

The PSERC (Grid Interactive Rooftop Solar Photo Voltaic Systems) Regulations 2021 provides that accounting of the solar energy fed in to the grid shall be based on the feed-in tariff approved by the Commission. Accordingly, in Suo-Motu Petition No. 06 of 2022 after following the due process of public consultation, the Commission has decided to adopt the methodology for approving the Feed-in-Tariff based on the weighted average of the solar tariffs discovered through Competitive Biddings as adopted/allowed by the Commission in the previous Financial Year.

b) PSPCL's Submission:

PSPCL's submission is that, in FY 2025-26, the Commission has not yet adopted/approved any solar tariff discovered through Competitive Bidding.

c) Commission's Analysis:

The Commission notes that it had approved the Feed-in-tariff of Rs. 2.97/kWh for FY 2025-26 based on the tariff discovered by PSPCL through Competitive Biddings for procurement of power from grid-connected 400 MW Solar PV Projects located in Punjab and adopted in Petition No. 67 of 2024. Considering that no such new tariff is yet available for FY 2025-26, the Commission deems it proper to continue with the same Feed-in-tariff i.e. Rs. 2.97/kwh for FY 2026-27.

6.6 Green Energy Tariff:

a) Methodology:

The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules 2022 read with Amendment Rules 2023 provides an option to the consumers to avail exclusive green energy (in place of normal mix energy) from the DISCOM, on a voluntary basis, in steps of Twenty five per cent and going upto Hundred per cent of its consumption, at the green tariff determined separately by the Appropriate

Commission covering the prudent cost of the DISCOM for providing the same. Accordingly, after following the due process of public consultation, vide Order dated 11.05.2023 (Annexure-VII to PSPCL Tariff Order for FY 2023-24), the Commission has decided as under:

“5. Tariff for the Green Energy:

a) *The Commission has ... observed that:*

.....

(iii) Since, the consumers who opt for green energy shall also be paying the applicable retail tariff consisting of the average pooled power purchase cost (including Fixed Cost) from various tied up sources, applicable cross-subsidy charge and service charges covering the prudent cost of the distribution licensee, only the additional expenses for sourcing of exclusive green energy is required to be determined. However, no separate administrative cost for the same is to be considered as power procurement and billing to its consumer is the normal activity of any distribution licensee which it has to undertake irrespective of the consumer opting for green power or otherwise.

(iv) The Commission is of the view that such additional expenses for supply of green power need to be recovered in full from such consumers opting for the same, without burdening the other consumers. However, in case, such consumer opts not to avail the RPO benefits of the said green energy, he shall be levied only 50% of the charge determined as Tariff for the Green Power, since the distribution licensee would be able to use such power towards compliance of its RPO targets.

b) The Commission observes that in order to supply the green energy requisitioned by its consumers, the distribution licensee would need to re-arrange its power procurement portfolio by procuring additional requisitioned green energy and simultaneously surrendering/ backing-down corresponding power from its existing tied up conventional (Coal/Gas) sources. ...

c) Further, as the capital intensive Large Hydro Projects (LHPs) are generally tied up under long term contracts, the demand of such additional requisition of green energy is expected to be met from the RE sources other than LHPs.”

b) PSPCL’s Submission:

PSPCL has submitted the computation of Rs. 0.15/unit, as the difference in its ‘Average Pooled Power Purchase Cost of RE Power’ and ‘Average Variable Cost of power from conventional sources”, based on its power purchase cost projections submitted in the ARR Petition. In addition, PSPCL has sought to gross-up the same with a uniform T&D Loss and the Administrative Cost @10%.

c) Commission’s Analysis

The Commission observes that:

- i) The green energy tariff is worked out by the Commission on the basis of data for PSPCL's power procurement cost at the State's periphery. For levy of the same at the consumer end, the methodology provides for grossing up of the same with the applicable voltage wise T&D losses as specified in the Tariff Order depending upon the supply voltage of the respective consumer. PSPCL's suggestion to consider a uniform T&D Loss for all consumers would be a retrograde step, particularly so, when consumers are consistently making out a case for moving forward to the voltage wise retail tariffs.
- ii) Further, PSPCL's suggestion to charge an Administrative Cost on the green energy tariff already stands dealt with while finalising the methodology of the same, as under:

"5. a)(iii)....., no separate administrative cost for the same is to be considered as power procurement and billing to its consumer is the normal activity of any distribution licensee which it has to undertake irrespective of the consumer opting for green power or otherwise."

The administrative costs of the Discom, including for power procurement and billing to its consumers, are already factored in its normative O&M Cost provided for in the Tariff Order.

- iii) Accordingly, the Commission determines the Tariff for requisition of Green Energy for FY 2026-27, under the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, based on the figures of PSPCL's power purchase projections considered for FY 2026-27, as under:

Table: 6.6 Green Energy Tariff for FY 2026-27

Average Pooled Power Purchase Cost of RE Power at the State Periphery			Weighted Average Variable Cost of Power Purchase from Conventional (Coal/Gas) Sources			Green Energy Tariff (Incremental cost for supply of green energy at the State periphery)	Tariff applicable to Consumers who transfer their green attributes to the DISCOM for RPO Compliance
MU	Rs. Crore	Rs./unit	MU	Rs. Crore	Rs./unit	Rs./unit	Rs./unit
A	B	C	D	E	F	G=(C-F)	H=50% of G
9330	3575	3.83	51900	19096	3.68	0.15	0.075

Note:

- (i) The tariff for the Green Energy is purely optional which shall be applicable only to the consumers exercising an option for the same as per the provisions of the Rules;
- (ii) The DISCOM shall indicate separately the quantum of green energy supplied to such consumers, in their monthly bills. These monthly bills can

be submitted as a documentary proof of consuming green energy by such consumers.

(iii) The Green Energy Tariff determined above shall be payable in addition to the regular retail Tariff applicable for the respective consumers. Further, since the additional tariff for green energy has been worked out on the basis of data for power procurement cost at the State periphery, levy of the same at the consumer end shall be computed by grossing up with applicable voltage wise T&D losses, specified in the Tariff Order for intra-State open access consumers, depending upon the supply voltage of the respective consumer.

6.7 Separate Tariff for each Function

A summary of the ARR of Thermal Generating Stations, Hydel Generating Stations and Distribution Business of PSPCL approved by the Commission for FY 2026-27 has been shown in Chapter 3 of this Tariff Order. Accordingly, Aggregate Revenue Requirement (ARR)/Annual Fixed Charges (AFC) of PSPCL's Generating Stations, Wires Business and Retail Supply Business required to be recovered through tariff has been compiled as under:

Table 6.7: ARR/AFC of PSPCL's Generating Stations (Project wise), Wires Business and Retail Supply Business for FY 2026-27
(Rs. Crore)

S. No	Particulars	SGSSTP	GHTP	Shanan	UBDC	RSD	MHP	ASHP	Micro	BBMB	Total Generation	Wires Business	Retail Supply Business	Total Distribution	Total
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI
1	Net Revenue Requirement	2224.33	2240.42	85.05	120.08	372.67	191.26	111.95	0.75	453.71	5800.22	5462.24	37733.82	43196.06	48996.28
2	Cumulative Gap:(Surplus) /Deficit upto FY2024-25	(175.86)	(177.13)	(6.72)	(9.49)	(29.47)	(15.12)	(8.85)	(0.06)	(35.87)	(458.58)	(431.86)	(2983.35)	(3415.22)	(3873.80)
3	Impact of Petition 28 of 2025	(2.40)	(2.42)	(0.09)	(0.13)	(0.40)	(0.21)	(0.12)	0.00	(0.49)	(6.26)	(5.89)	(40.70)	(46.59)	(52.85)
4	Impact of Revenue Gap and carrying costof FY 2024-25 (PSTCL's ARR for FY 2026-27)	(5.91)	(5.95)	(0.23)	(0.32)	(0.99)	(0.51)	(0.30)	0.00	(1.21)	(15.40)	(14.51)	(100.22)	(114.73)	130.13
5	Aggregate Revenue Requirement	2040.16	2054.92	78.01	110.14	341.82	175.42	102.67	0.69	416.14	5319.98	5009.98	34609.55	39619.52	44939.50
6	Fuel Cost	1753.20	1783.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3536.33	0.00	0.00	0.00	3536.33
7	Variable cost of Power Purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31533.00	31533.00	31533.00
8	AFC (5-6-7)	286.96	271.79	78.01	110.14	341.82	175.42	102.67	0.69	416.14	1783.65	5009.98	3076.55	8086.52	9870.17

6.8 Generation Tariff

Regulation 14 of the PSERC 4th MYT Tariff Regulations, 2025, specifies that, the tariff for sale of electricity from a generating plant shall comprise of two parts, namely;

6.8.1 Annual Fixed Charges (Capacity Charges)

Regulation 36 of the PSERC 4th MYT Tariff Regulations, 2025, specifies that, the fixed cost of a generating station shall be computed on an annual basis, based on norms specified under these regulations, and recovered on a monthly basis under its capacity charge (inclusive of incentive and energy charge for Hydro stations), which shall be payable by the beneficiaries in proportion to their respective share/allocation in the saleable capacity of the generating station. Accordingly, based on the project wise ARR/AFC determined for FY 2026-27 as shown in Table 6.7, the Annual Fixed Charges (Capacity Charges) for PSPCL's Generating Stations are determined as under:

Table 6.8: Annual Fixed Charges (AFC) of Generation Projects for FY 2026-27

Sr. No.	Plant	Annual Fixed/ Capacity Charges (Rs. Crore)	Generation (MkWh)		Indicative FC (paise/kWh)	
I	II	III	IV		V	
A	Thermal Plants	558.75				
1.	GGSTP	286.96	*5723	**4501	*50.14	**63.76
2.	GHTP	271.79	*6058	**4614	*44.86	**58.91
B	Hydel Plants	404.38 (50% of AFC) (Rs. Crore)				
1.	Shanan	39.00	490.00		79.60	
2.	UBDC	55.07	362.00		152.12	
3.	RSD	170.91	1509.00		113.26	
4.	Mukerian	87.71	1180.00		74.33	
5.	Anandpur Sahib	51.34	462.00		111.12	
6.	Micro Hydel	0.34	10.00		34.10	
7.	BBMB	***				

* Worked out by taking Normative Annual Plant Availability Factor (NAPAF) of 85%.

** Worked out as per estimated schedule Generation.

*** AFC is determined by CERC.

Accordingly, the total AFC (50% for Hydro Plants) recoverable in the case of thermal and hydro plants are:

- i) Thermal - Rs. 558.75 Crore
- ii) Hydro (excluding BBMB) - Rs. 404.38 Crore

Full AFC for both thermal and hydro plants will be payable on achievement of normative plant availability as specified in the PSERC 4th MYT Tariff Regulations, 2025.

6.8.2 Energy Charges

Regulation 37.1 of the PSERC 4th MYT Tariff Regulations, 2025, specifies that, the Energy (Variable) Charges for a thermal generating plant shall cover the primary fuel cost, secondary fuel cost, cost of limestone or any other reagent, as applicable and, shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month (with fuel price adjustment). Accordingly, based on the project

wise Fuel Cost/AFC for FY 2026-27, as shown in Table 6.7, the Energy Charges for PSPCL's Generating Stations are determined as follows:

Table 6.9: Energy Charges for Thermal Generating Station FY 2026-27

Sr. No.	Plant	Fuel Cost (Rs. Crore)	Generation (MkWh)	Energy Charges (paise/kWh)
I	II	III	IV	V
1.	GGSTP	1753.20	4501	389.54
2.	GHTP	1783.13	4614	386.49

Table 6.10: Energy Charges for Hydro Generating Station FY 2026-27

Sr. No.	Plant	Variable Cost (50% of AFC) (Rs. Crore)	Generation (MkWh)	Energy Charges (paise/kWh)
I	II	III	IV	V
1.	Shanan	39.00	490	79.60
2.	UBDC	55.07	362	152.12
3.	RSD	170.91	1509	113.26
4.	Mukerian	87.71	1180	74.33
5.	Anandpur Sahib	51.34	462	111.12
6.	Micro Hydrel	0.34	10	34.40

6.8.3 Total charges for Generating Stations (Thermal and Hydel)

The total charges (Capacity and Energy) for generating plants are summarized as under:

**Table 6.11: Total charges for PSPCL's Generating Stations for FY 2026-27
(Paise/kWh)**

Sr. No.	Plant	Capacity Charges	Energy Charges	Total Charges
I	II	III	IV	V = (III+IV)
A	Thermal Generating Stations			
a)	For generation as per NAPAF			
1.	GGSTP	50.14	389.54	439.68
2.	GHTP	44.86	386.49	431.35
b)	For generation as per Scheduled energy			
1.	GGSTP	63.76	389.54	453.30
2.	GHTP	58.91	386.49	445.40
B	Hydel Plants			
1.	Shanan	79.60	79.60	159.20
2.	UBDC	152.12	152.12	304.24
3.	RSD	113.26	113.26	226.52
4.	Mukerian	74.33	74.33	148.66
5.	Anandpur Sahib	111.12	111.12	222.24
6.	Micro Hydrel	34.40	34.40	68.80

* The Charges for BBMB work out to be Rs. 1.03 per unit (Rs. 416.14 Crore for 4047 MkWh)

6.9 Wheeling Charges for using the distribution network of PSPCL

The Commission has worked out the total distribution capacity of PSPCL for FY 2026-27 as 16431 MW (net of transformation losses and auxiliary consumption). Accordingly, wheeling charges for FY 2026-27 are determined as under:

Table 6.12: Wheeling Charges for FY 2026-27

Sr. No.	Details	Units	Wheeling Charges
I	II	III	IV
1.	Input Energy at the distribution periphery (Table 3.11)	MkWh	80843
2.	Distribution capacity of PSPCL (Net)	MW	16431
3.	Revenue requirement for wire business of distribution network	Rs. Crore	5009.98
4.	Wheeling charges for using distribution network of PSPCL	Rs./MWh	619.72
		Rs. /MW /month	2,54,092

6.10 Open Access (OA) Charges

OA charges from 01.04.2026 onwards for FY 2026-27, are determined as under:

6.10.1 Wheeling Charges

Regulation 25 of the PSERC (Terms and Conditions for Intra-state Open Access) Regulations, 2011 provides that, Wheeling Charges shall be payable by an Open Access customer who utilises the distribution network for wheeling of electricity. Accordingly, wheeling charges for the use of the distribution network of PSPCL are determined as under:

a) **For Long Term/Medium Term Open Access Customers = Rs. 2,54,092/MW/Month**

b) **For Short Term Open Access Customers = Rs. 619.72/MWh**

However, in case of wheeling of power generated from NRSE project for consumption within the State, transmission and wheeling charges shall be levied @ 2% of the energy injected into the State Grid, irrespective of the distance i.e. additional 2% of the total energy shall be injected at injection point(s). Provided that open access customers availing power from such NRSE projects shall be liable to pay additional transmission and wheeling deviation charges for overutilizing the intra-state open access capacity as per Regulation 23(2) (f) and Regulation 25(9). Provided further that for open access injection where 132kV and above transmission system is involved, 25% of the average revenue realized by distribution licensee from such additional injection shall be passed on to the STU/Transmission licensee for compensating on account of transmission charges. In case of wheeling of power generated from NRSE project outside the state, full transmission and wheeling charges alongwith transmission deviation and wheeling deviation charges (if any) shall be leviable.

6.10.2 Transmission & Distribution losses

As per Regulation 30(2) of PSERC (Terms and Conditions for Intra-state Open Access) Regulations, 2011, the Open Access customers shall bear Transmission & Distribution losses as under: -

- (i) OA customers at 132/220/400 kV 2.19%
- (ii) OA customers at 66/33 kV 15% of distribution losses (10.00%), which works out to 1.50%, in addition to the Transmission Loss of 2.19%.
- (iii) OA customers at 11 kV 40% of distribution losses (10.00%), which works out to 4.00%, in addition to the Transmission Loss of 2.19%.

6.10.3 Cross subsidy surcharge

As per Regulation 26(2) of PSERC (Terms and Conditions for Intra-state Open Access) Regulations, 2011, the cross-subsidy surcharge for various categories of consumers is determined as under:-

Large Supply		86	paise/kWh
Domestic Supply	:	0	paise/kWh
Non-Residential supply	:	122	paise/kWh
Bulk Supply	:	122	paise/kWh

The cross-subsidy surcharge is not exceeding the 20% of the average cost of Supply for any of these categories in accordance with Rule 13 of the Electricity Amendment Rules, 2022.

6.11 Date of Effect

The Commission decides to make the new tariff/Charges applicable from April 1st, 2026 except where specified otherwise in this Order. The tariff determined above shall remain operative till March 31st, 2027.

This Order is signed and issued by the Punjab State Electricity Regulatory Commission on this day, the 06th March, 2026.

Date: 06.03.2026

Place: CHANDIGARH

**Sd/-
(Ravi Kumar)
MEMBER**

**Sd/-
(Ravinder Singh Saini)
MEMBER**

**Sd/-
(Viswajeet Khanna)
CHAIRPERSON**

Certified

**Sd/-
Secretary**
Punjab State Electricity Regulatory Commission, Chandigarh

GENERAL CONDITIONS OF TARIFF**1. General**

Supply of electric energy to various categories of consumers shall be chargeable under the relevant Schedule of Tariff. The particular schedule applicable to a new consumer shall be determined with reference to the nature and/or quantum of load/demand and intimated to the prospective consumer at the time of issue of Demand Notice. This shall be subject to review on the basis of any change in nature and/or the quantum of actual connected load/demand.

2. Tariffs to be exclusive of levies

The tariffs i.e. Fixed and Energy Charges shall be exclusive of electricity duty, cesses, taxes and other charges levied by the Government or other competent authority from time to time.

3. Tariffs to be exclusive of general charges

The tariffs shall be exclusive of rentals and other charges as per the Schedule of General Charges as approved by the Commission from time to time.

4. Point of Supply

Unless otherwise approved by the Commission, the tariffs shall be applicable to supply at a single point and at the voltage specified in the Supply Code, 2024 as amended from time to time. Supply at other points and/or other voltages shall be billed separately, if otherwise permissible.

5. Connected Load shall be as specified in the Supply Code 2024 as amended from time to time.**6. Applicability of Industrial Tariff Category**

The applicable category of tariff, under Schedules for Large Power Supply (LS), Medium Power Supply (MS) & Small Power supply (SP) industrial consumers, shall be based on the total of industrial and general demand (kVA) i.e. bona-fide factory lighting, residential quarters and colony lighting including street lighting. While computing the total demand (kVA) for determining the applicable schedule, fraction of half and above shall be taken as whole kVA and fraction below half shall be ignored.

7. Periodicity of Billing

Periodicity of Billing shall be as per the Supply Code 2024 as amended from time to time. However, in case of bimonthly billing, consumption slabs shall be doubled while applying the relevant tariff.

8. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

- 8.1** To neutralize the changes in fuel and power purchase cost, FPPAS as per provisions of the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulation, 2025 and the PSERC (Conduct of Business) Regulations, 2005, as amended from time to time, shall be applicable in addition to the energy charges specified in the relevant Schedule of Tariff.
- 8.2** FPPAS clause shall be applicable to all metered and un-metered categories of consumers.

9. Two Part Tariff (TPT) Structure/Fixed Charges

All consumers (except AP, AP High-Technology/High Density Farming, EV Charging Stations, Start up power for Generators and CPPs, Sri Harmandir Sahib and Sri Durgiana Mandir) shall be covered under the Two Part Tariff structure, as approved by the Commission in the Tariff Order. Further, fixed charges (unless otherwise specified in Schedules of Tariff) shall be charged as under:

- (a) For consumers covered under the Contract Demand system as per condition 10 below, the Fixed Charges shall be levied on 80% of the sanctioned Contract Demand or Actual demand recorded during the billing cycle/month (restricted to sanctioned Contract Demand), whichever is higher. In case, the consumer exceeds the sanctioned Contract Demand during a billing cycle/month, he/she shall be liable to pay applicable demand surcharge as provided in the Schedule of Tariff for the relevant category.
- (b) For other consumers (not covered under the Contract Demand system as per condition 10 below), the Fixed Charges shall be levied on 80% of the sanctioned/contracted load (actual load recorded or detected, if higher) in kW as may be applicable.

10. Contract Demand

- 10.1** Contract demand shall mean the maximum demand in kVA sanctioned to the consumer.
- 10.2** All consumers (except DS consumers with load upto 20 kW, NRS consumers with load upto 20 kW, Public Lighting, AP, AP High-Technology/High Density Farming, Sri Harmandir Sahib and Sri Durgiana Mandir) are required to get their contract demand sanctioned in kVA.
- 10.3** The maximum load/demand for any day or month, shall be considered as the highest average load/demand measured in kilovolt Ampere (kVA) during a block of 30 or 15 minutes period as per the capability of the meter installed.

11. Metering

Metering equipment for HT/EHT consumers for the entire supply including general load shall normally be installed on the HV side of the transformer at the point of commencement of supply.

12. Non availability of Metering Equipment

In case of an HT/EHT consumers receiving supply at 11 kV and above, where metering equipment is installed on the LV side of the transformer due to non-availability of metering equipment, both the energy consumption (kWh/kVAh) and the maximum demand shall be enhanced by 3% to account for the transformation losses.

13. Voltage Surcharge/rebate

13.1 Voltage Surcharge:

The levy of voltage surcharge on the energy charges shall be as under: -

- i) All consumers catered at 400 volts against specified voltage of 11 kV shall be levied surcharge at the rate of 15%.
- ii) All consumers catered at 11 kV against specified voltage of 33/66 kV shall be levied surcharge at the rate of 10%.
- iii) All consumers catered at 33/66 kV against specified voltage of 132/220 kV shall be levied surcharge at the rate of 5%.
- iv) The exemptions from levy of surcharge(s) shall continue as under:
 - (a) LS consumers existing as on 31.03.2010 availing supply at 33/66 kV but required to convert their system so as to receive supply at 132/220 kV will not be levied any surcharge related to supply voltage, till such consumers request for change of their Contract Demand.
 - (b) DS/NRS/BS consumers existing as on 31.03.2010 catered at a voltage lower than specified in the Supply Code 2024 will be liable to pay surcharge only in case of any change in the Contract Demand.

13.1.1 The release of new connection or additional load/demand to the consumers at the specified supply voltage or at lower/higher voltage level or conversion of supply voltage as per the amended limits shall be governed by the Supply Code, 2024, as amended from time to time.

13.2 Voltage Rebate

As the cost to serve at higher voltage is lower than the cost to serve at lower voltage, therefore the rebate on energy charges to the consumers getting supply at HT/EHT voltages shall be applicable as under:

- a) 40 paise/kVAh to all consumers getting supply at 400kV,
- b) 30 paise/kVAh to all consumers getting supply at 220/132 kV,
- c) 25 paise/kVAh to all consumers getting supply at 66/33 kV,
- d) 20 paise/kVAh to DS (including Charitable Hospitals setup under the PWD Act), NRS, MS consumers (including water works supply Schemes & Compost / Solid Waste Management Plants for Municipalities/ Urban Local Bodies) getting supply at 11 kV and
- e) 20 paise/kWh to AP/AP High-Technology/High Density Farming consumers getting supply at 11 kV shall be continued.

14. Steel Rolling Mill Surcharge (Deleted in Tariff Order FY 2018-19)

15. Time of Day (ToD) Tariff

Time of the Day (ToD) tariff shall be applicable to NRS/BS consumers with sanctioned Contract Demand exceeding 100 kVA, all LS/MS consumers (including water works Supply Schemes & Compost/Solid Waste Management Plants) as under:

Period	Time period	ToD Tariff
1 st April to 15 th June	06.00 AM to 06.00 PM	Normal Tariff*
	06.00 PM to 10.00 PM	
	10.00 PM to 06.00 AM (next day)	Normal Tariff* minus Rs.0.50/kVAh
16 th June to 15 th October	06.00 AM to 06.00 PM	Normal Tariff*
	06.00 PM to 10.00 PM	Normal Tariff* plus Rs. 2.00/kVAh
	10.00 PM to 06.00 AM (next day)	Normal Tariff*
16 th October to 31 st March	06.00 AM to 06.00 PM	Normal Tariff*
	06.00 PM to 10.00 PM	
	10.00 PM to 06.00 AM (next day)	Normal Tariff* minus Rs. 1.00/kVAh

**As per applicable Schedule of Tariff for the year.*

However, the cumulative effect of ToD rebate on the Energy Charges (including use of electricity exclusively during night hours) at any time shall be limited to the Energy Charge of Rs. 5.50/kVAh. Further, the limiting value of energy charges while considering the cumulative effect of ToD rebate on the energy charges for 'Compost/ Solid Waste Management Plants for Municipalities of Urban Local Bodies & Water Supply Schemes' shall be Rs. 5.30/kVAh.

16. Non-availability of MDI reading and/or kVAh Consumption

16.1 Defective MDI:

In case the MDI of a consumer becomes defective, the maximum demand shall be computed as under:

- 16.1.1** Higher of the average of maximum demands recorded during the preceding three months before the MDI became defective or the maximum demand of the corresponding month of the previous year provided there was no change of load/demand thereafter, shall be adopted for billing purposes for the period the MDI remained defective.

16.1.2 If there was change of load/demand immediately before the MDI became defective, the maximum demand computed as above shall be adjusted on pro-rata basis.

16.1.3 In case of new connections where the previous reading record is not available the maximum demand shall be taken as 80% of the sanctioned contract demand for billing purposes during the period MDI became defective.

16.2 Non-availability of kVAh consumption

16.2.1 In case kVAh consumption is not available due to a defective meter or otherwise, monthly average power factor of the consumer's installation recorded during the last three correct working months preceding the period of overhauling (i.e. period of review of billing account) shall be taken as monthly average power factor for the purpose of power factor surcharge/incentive to the applicable category till such time the kVAh consumption is available.

16.2.2 Where the billing is done on kVAh consumption basis, the procedure given in the Supply Code 2024 shall be followed for billing purposes as applicable to defective/dead stop meters.

17. Tariff for News Paper Printing Presses

Accredited news paper printing presses shall be treated as industrial premises and therefore the supply to these consumers shall be considered as industrial supply and shall be charged under the relevant industrial tariff. However, the lighting load in the premises of accredited news paper presses shall be metered separately and charged as per rates under the Schedule as Non-Residential Supply.

18. Seasonal Industries

18.1 Seasonal industries mean industries/factories which by virtue of the nature of their production, work during a part of the year up to a maximum of 9 months during the year, as specified below in Condition 18.2.

18.2 Approved seasonal industries are as under:

- (i) All cotton ginning, pressing and bailing plants
 - (ii) All rice shellers
 - (iii) All rice bran stabilization units (without T.G. Sets)
 - (iv) Kinnow grading & Waxing Centers
 - (v) Maize Dryer Plants
 - (vi) Food (including fruits and vegetables) processing, packaging and storage units.
- Seasonal period for industries at Sr. No. (i), (iii) and (iv) shall be considered from 1st September to 31st May next year and seasonal period for rice sheller industry at Sr. no. (ii) shall be from 1st October to 30th June next year. The seasonal industrial consumers at Sr. no. (i) to (iv) shall not be required to serve advance notice before starting or closing the unit.

- Seasonal industrial consumers at Sr. No. (v) and (vi) shall be required to intimate the period of their season, subject to a maximum of 9 months, by 31st May or one month prior to the start of the season, whichever is earlier.
- Seasonal industry consumers shall not be required to give any undertaking not to run his seasonal industry during their off season.

18.3 Rice bran stabilization units having T.G. Sets, Rice Huller Mills, Ice Factories and Ice Candy Plants shall not be treated as seasonal industries.

18.4 The seasonal Industry consumers shall have the option to be covered under General Industry Category and the relevant Industrial Tariff shall be applicable in such cases. The seasonal industrial consumers shall exercise their option one month prior to the start of the season. In such cases, the billing as general industry shall be done for the whole one year i.e. for a period of 12 months from the date of the start of the season.

18.5 Billing of Seasonal Industries

Billing for all seasonal industries shall be done on a monthly basis and charged as under:

18.5.1 For exclusive Seasonal industries mentioned above, billing shall be as per the tariff (comprising of fixed and energy charges) applicable in the respective schedule of tariff for seasonal industry. However, the Fixed Charges, as applicable in the respective schedule of tariff for seasonal period, shall be levied only for the period of six months from the beginning of the seasonal period, in accordance with condition 9 above. Thereafter, only energy charges, as applicable in the respective schedule of tariff, shall be levied on actual consumption recorded during the month. However, demand surcharge shall be leviable for the excess demand, if any, as per the relevant schedule of tariff.

18.5.2 For mixed Industries, comprising of seasonal Industry and general industry, billing shall be done monthly as under:

- a) Energy Charges shall be levied on actual consumption recorded during the month, as applicable in the respective Schedule of Tariff for General Industry, throughout the year.
- b) Fixed Charges in accordance with condition 9 above, shall be levied on sanctioned contract demand for general load, as applicable in the respective Schedule of Tariff for General Industry throughout the year and on sanctioned contract demand for the seasonal load for six months at seasonal rates, as applicable in the respective Schedule of Tariff, from the beginning of the seasonal period, irrespective of the actual period of the running of the seasonal load.

19. Agricultural Pumping Supply

- 19.1** All AP connections shall be released only after the installation of atleast a four star labeled motor. The supply shall be metered.
- 19.2** Chaff cutters, threshers and cane crushers for self use shall be allowed to be operated on agriculture pumping supply connections.
- 19.3** The water from the agriculture tube well shall be allowed to be used by the consumers only to irrigate the land in their possession.

20. Rounding-off Energy Bill

The charges i.e. both Fixed and energy charges including surcharges, rebates, octroi (if applicable), meter/MCB rentals, electricity duty as well as total energy bill (net as well as gross) shall be rounded-off individually to the nearest rupee by ignoring 1 to 49 paise and taking 50 to 99 paise as one rupee. Thus, the amount mentioned in the bill shall be in whole rupees. The net amount payable in all electricity bills shall be rounded-off to the nearest Rs. 10/- (Rupees ten) and difference due to rounding-off shall be adjusted in subsequent bills.

21. Interest for delay in Payment

In the event of the energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied interest for delay in payment as under:

“In the event of the energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied simple interest on delayed payment @ 1.5% per month, on the gross unpaid amount of the bill till the deposit of outstanding amount. Part of the month shall be treated as full month for this purpose.”

22. Use of electricity exclusively during night hours

Reduced tariffs as may be decided by the Commission in the Tariff Order for the year shall be applicable to Industrial consumers who opt to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day. They shall also be entitled to use electricity from 06:00 AM to 10:00 AM at normal tariff rate of energy charges applicable to the respective category. Other conditions shall be as under:

- i) ToD rebate shall not be allowed on the reduced tariff under this category, as the tariff rate is already reduced.
- ii) A maximum of 10% of total units consumed during night hours (10:00 PM to 06:00 A.M. next day) in a billing period can be availed during the period of 10.00 AM to 10.00 PM.
- iii) In case the consumer exceeds the %age specified in condition no. (ii) above

during any billing month, then the fixed charge and energy charges for the entire energy consumption during the relevant billing month shall be billed as per the normal tariff applicable to the respective category. Besides, ToD surcharge, as applicable, shall be chargeable for the consumption, if any, during the peak hours.

- iv) This tariff shall be applicable if the consumer opts to be so charged in place of the normal tariff by using electricity exclusively during the night hours as above. The option can be exercised to switch over from normal tariff to the exclusive night time tariff by giving not less than one month's notice in writing.
- v) Other terms and conditions shall remain the same as applicable to the respective categories as per the relevant Schedule of Tariffs.

23. Load/Demand Surcharge

23.1 Load/Demand Surcharge for Consumers covered under Contract Demand System

23.1.1 Load Surcharge

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise, thereby exceeding sanctioned load. However, the installation of extra load shall conform to the CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances, wherever applicable, shall be obtained by the consumer.

23.1.2 Demand Surcharge for exceeding the Contract Demand

If a consumer exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of Rs. 750/- per kVA per month on excess demand irrespective of the number of defaults in a month.

However, for Open Access customers and CPPs demand surcharge shall be charged on a daily basis at a rate of Rs. 50/- per kVA per day on the excess demand irrespective of the number of defaults in a day. Provided that the demand surcharge so levied in a month shall not exceed the demand surcharge applicable on monthly basis.

This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand for billing purpose shall be computed as per clause 16 of the General Conditions of Tariff. However, no surcharge for demand consequent to such computation shall be levied.

23.2 Load Surcharge for Consumers not covered under the Contract Demand System

If the connected load of a consumer including temporary DS/NRS consumers (except DS/NRS permanent supply consumers) exceeds the sanctioned load, the excess load shall be subject to load surcharge at a rate of Rs. 1000/- per kW or part thereof for each default. This load surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. The excess load so detected shall be got removed. However, if the excess load is up to 10% of the sanctioned load, the consumer shall be required to pay load surcharge and the connection shall not be disconnected. The excess load up to 10% of the sanctioned load so detected shall either be removed or got regularized by the consumer.

23.3 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the distribution licensee for all damages caused to its equipments or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

24. Interpretation of Tariff

If a question arises as to the applicability of tariff to any class of consumer or as to the interpretation of various clauses of tariff or General Conditions of Tariff, decision of the Commission shall be final.

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SCHEDULES OF TARIFF
For FY 2026-27 w.e.f. 01.04.2026

(To be read with General Conditions of Tariff annexed at Annexure-I)

SI. SCHEDULE OF TARIFF FOR LARGE SUPPLY INDUSTRIAL POWER(LS)

SI.1 Availability

SI.1.1 This tariff shall apply to all industrial power supply consumers having contract demand exceeding 100 kVA, including IT units covered under the definition of 'Electronic Hardware and Information Technology (IT) Sector' as per the GoP notification no. 17/7/2014-AS 1/ 1372 dated 09.11.2015 or as amended from time to time.

Oil/Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery, fish farming (exclusive), dairy farms, Maize Dryer Units and Food (including fruits and vegetables) processing, packing & storage units, meeting above criteria shall also be covered in this schedule.

Single Point Supply to IT parks and industrial parks/estate developed under bye-laws/rules of the State Government as per the terms and conditions in the Supply Code, 2024.

SI.1.1.1 A separate NRS connection in the premises of LS consumers shall be permissible for regular conduct of commercial activities as specified in the Supply Code, 2024 provided such activity is permissible under by laws/Rules of the Govt. The electric wiring and portion of the building for such activity should be separate.

All allied activities integral to the industrial process of textile industry like activities such as stitching, sewing, embroidery, and buttoning which are inseparable components of the textile industry shall also be covered in this schedule.

SI.2 Character of Service

SI.2.1 Alternating Current, 50 cycles/second, Three Phase 11 kV or higher Voltage as specified in the Supply Code 2024, depending on quantum/type of load/ contract demand and availability of bus voltage & transformer winding capacity at the feeding sub-station.

SI.3 Tariff

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
SI.3.1	General Industry		
	i) Above 100 kVA and upto 1000 kVA	5.90	210
	ii) Above 1000 kVA	6.00	280
SI.3.2	Power Intensive Units i.e. Induction furnaces, Chloroalkaline units, Billet heaters, Surface hardening Machines, Electrolytic process industries, Electrical Bell Furnace for Annealing, Arc Furnaces (including Electro Slag Refining units) etc.		
	i) Above 100 kVA and upto 1000 kVA	5.90	225
	ii) Above 1000 KVA and upto 2500 kVA	6.25	310
	iii) Above 2500 KVA	6.34	350
SI.3.3	Seasonal Industries covered under condition 18 of the General Conditions of Tariff		
	a) Seasonal Rate	Same as applicable for the relevant general Industrial category	
	i) Above 100 kVA and upto 1000 kVA		420 (for 6 Months)
	ii) Above 1000 KVA		560 (for 6 Months)
	b) Off Seasonal Rate		Nil

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
SI.3.4	Ice Factories, Ice Candies& Cold Storages		
	i) April to July		420
	ii) August to March next year		105
SI.3.5	For use of electricity exclusively during night hours (in accordance with condition 22 of General Conditions of Tariff)		
	i) 10.00 PM to 06.00 AM (next day)	5.50	50% of the charges specified for the relevant category
	ii) 06.00 AM to 10.00 AM	Normal rates as applicable to the respective category under relevant Schedule	

Note: In addition to the Energy Charge:

- (i) Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff;
- (ii) ToD tariff shall be applicable in accordance with condition 15 of the General Conditions of Tariff.

SI.3.6 In the case of mixed industrial load having total load more than 100kVA while its installed/connected kVA rating of PIU load is up to 100kVA, LS General category tariff shall be charged.

For industries where the load is of a mixed nature, i.e. in addition to the General Industrial loads, Arc/ Power Intensive loads having an installed/connected kVA rating of more than 100 kVA are also running, Fixed and Energy Charges shall be determined by computing the Maximum Demand and energy consumption for the billing month on pro-rata basis in proportion to such demands sanctioned by the distribution licensee and applicable tariff (Fixed Charge and Energy Charge) shall be as specified against the corresponding demand slab (without clubbing of Arc/Power Intensive and general load) under the relevant schedule of tariff. Provided that the total charges payable by such Mixed Industry consumer shall not be less than the charges payable, in case his total load (General and PIU) is considered as the general load.

In such cases, Power Intensive loads shall comprise of loads as mentioned in para SI.3.2, including auxiliary loads, loads of pollution control machinery, gas plants & corresponding lighting loads. General industrial loads in such cases shall comprise loads of rolling mills and its allied loads, related workshop, general engineering machinery and corresponding lighting load, for the purpose of levy of Fixed Charges. Provided that PIU loads having total installed/connected kVA rating upto 100 kVA shall not be considered as PIU load. Where rating in kVA is not available, rated load in kW shall be converted into kVA considering unity power factor.

SI.3.7 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SI.4 Seasonal Industries

Seasonal industries shall be billed as per condition 18 of the General Conditions of Tariff.

SI.5 Factory Lighting and Colony Lighting

All consumption for bona fide factory lighting shall be included for charging under the above tariff. The consumption for residential purposes i.e. staff quarters of factory, street lighting etc. shall also be charged under this Schedule. However, a

separate single point connection may be allowed to the Employer for his employees for residential purposes as specified in the Supply Code, 2024

SI.6 Load/Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SI.7 Force Majeure applicable for Arc/Induction furnaces

In such events, where the normal working of the industry is affected as a result of lock out due to a labour problem, there is damage of the EHV Power Transformer, failure on the part of the distribution licensee to supply power, fires, earth-quakes, floods, tempests or lightning, directly resulting in the closure of the industry or reduction of normal supply hours through a specific order of the distribution licensee for power regulation purposes, the consumer shall be entitled to proportionate reduction in fixed charges with the approval of the load sanctioning authority provided that such closure or reduced working hours continue for at least seven days consecutively in a billing cycle month directly as a consequence of any of the above conditions. In the event of relief being allowed in fixed charges under the above conditions, the consumers shall, however, be required to pay atleast fixed charges as applicable to the general Industry large supply consumers.

SII SCHEDULE OF TARIFF FOR MEDIUM SUPPLY INDUSTRIAL POWER (MS):

SII.1 Availability

This tariff shall apply to all industrial power supply consumers having contract demand above 50 kVA but not exceeding 100kVA, including IT units covered under the definition of 'Electronic Hardware and Information Technology (IT) Sector' as per the GoP notification no. 17/7/2014-AS 1/ 1372 dated 09.11.2015 or as amended from time to time.

Oil/Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery, fish farming (exclusive), dairy farms, Maize Dryer Units and Food (including fruits and vegetables) processing, packing & storage units, meeting the above criteria shall also be covered in this schedule.

SII.1.1 A separate NRS connection in the premises of MS consumers shall be permissible for regular conduct of commercial activities as specified in the Supply Code, 2024 provided such activity is permissible under by laws/Rules of the Govt. All allied activities integral to the industrial process of textile industry like activities such as stitching, sewing, embroidery, and buttoning which are inseparable components of the textile industry shall also be covered in this schedule.

SII.2 Character of Service

SII.2.1 Alternating Current, 50 cycles/ second, Three Phase 400 volts or 11 kV (at consumer's discretion), as specified in the Supply Code 2024.

SII.2.2 Metered supply connections to poultry, goatery, piggery, fish farming (exclusive) and dairy farms may be released from category-1 or UPS or AP feeder at the option of the consumer subject to the technical feasibility to release such connection. However, the consumer opting for supply from AP feeder shall be entitled to limited hours of supply as per power supply schedule applicable to AP consumers. The consumers opting for supply from AP feeder shall not be eligible for tariff applicable to agriculture consumers.

SII.3 Tariff

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
SII.3.1	General Industry	5.83	130
SII.3.2	Seasonal Industries covered under condition 18 of the General Conditions		

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
	of Tariff:		
	(i) Seasonal Rate	5.83	260 (for 6 Months)
	(ii) Off Seasonal Rate		Nil
SII.3.3	Ice Factories, Ice Candies& Cold Storages		
	(i) April to July	5.83	260
	(ii) August to March next year		65
SII.3.4	For use of electricity exclusively during night hours (in accordance with condition 22 of General Conditions of Tariff)		
	i) 10.00 PM to 06.00 AM (next day)	5.50	50% of the charges specified for the relevant category
	ii) 06.00 AM to 10.00 AM	5.83	

Note: In addition to the Energy Charge:

- (i) Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff;
- (ii) ToD tariff shall be applicable in accordance with condition 15 of the General Conditions of Tariff.

SII.3.5 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SII.3.6 In case of Rice Shellers, Ice Factories, Cold Storage & Stone Crushers falling under this schedule, where the metering is done on 11 kV and the consumer has installed his own transformer, additional rebate of 3 paise per kVAh shall be admissible over and above the voltage rebate admissible as per condition 13 of the General Conditions of Tariff.

SII.4 Seasonal Industries

Seasonal industries shall be billed as per condition 18 of the General Conditions of Tariff.

SII.5 Factory Lighting

The consumption for the bona fide factory lighting and residential quarters, if any, attached to the factory shall not be metered separately. Only one meter shall be installed for industrial & general load and entire consumption shall be charged at the rate for industrial consumption.

SII.6 Load/Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SIII SCHEDULE OF TARIFF FOR SMALL POWER INDUSTRIAL SUPPLY (SP)

SIII.1 Availability

This tariff shall apply to Industrial Power Supply consumers with sanctioned contract demand not exceeding 50 kVA, including IT units covered under the definition of 'Electronic Hardware and Information Technology (IT) Sector' as per the GoP notification no. 17/7/2014-AS 1/ 1372 dated 09.11.2015 or as amended from time to time.

Oil/Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery, fish farming (exclusive), dairy farms, Maize Dryer Units and Food (including fruits and vegetables) processing, packing & storage units, meeting the above criteria shall also be covered in this schedule.

SIII.1.1 A separate NRS connection in the premises of SP consumers shall be permissible for regular conduct of commercial activities as specified in the Supply Code, 2024 provided such activity is permissible under the by laws/Rules of the Govt.

All allied activities integral to the industrial process of textile industry like activities such as stitching, sewing, embroidery, and buttoning which are inseparable components of the textile industry shall also be covered in this schedule.

SIII.2 Character of Service

SIII.2.1 Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts, as specified in the Supply Code 2024.

SIII.2.2 Metered Supply connections to poultry, goater, piggery, fish farming (exclusive) and dairy farms may be released from category-1 or UPS or AP feeder at the option of the consumer subject to the technical feasibility to release such a connection. However, the consumer opting for supply from AP feeder shall be entitled to limited hours of supply as per the power supply schedule applicable to AP consumers. The consumers opting for supply from an AP feeder shall not be eligible for tariff applicable to agriculture consumers.

SIII.3 Tariff

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
SIII.3.1	General Industry	5.70	100
SIII.3.2	Seasonal industriescovered under condition 18 of the General Conditions of Tariff:		
	i) Seasonal Rate	5.70	200 (for 6 Months)
	ii) Off Seasonal Rate		Nil
SIII.3.3	Ice Factories, Ice Candies& Cold Storages		
	i) April to July	5.70	200
	ii) August to March next year		50
SIII.3.4	For use of electricity exclusively during night hours (in accordance with condition 22 of General Conditions of Tariff)		
	i) 10.00 PM to 06.00 AM (next day)	5.50	50% of the charges specified for the relevant category
	ii) 06.00 AM to 10.00 AM	5.70	

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SIII.3.5 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SIII.4 Seasonal Industry

Seasonal industries shall be billed as per condition 18 of the General Conditions of Tariff.

SIII.5 Factory Lighting

The consumption for the bona fide factory lighting and residential quarters, if any, attached to the factory shall not be metered separately. Only one meter shall be installed for industrial & general load and the entire consumption shall be charged at the rate for industrial consumption.

SIII.6 Load/Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SIV SCHEDULE OF TARIFF FOR AGRICULTURAL PUMPING SUPPLY (AP)

SIV.1 Availability

This tariff shall apply to irrigation pumping supply loads including Kandi Area tube wells, tube wells in the farms of PAU, Lift irrigation tube wells, PSTC tube

wells, IB tube wells, tube wells installed under Technical Co- operative Assistance Scheme, tube wells of Co-operative Societies formed by marginal farmers for installing deep bore tube wells under Central Assistance Schemes, tube wells used to provide irrigation for horticulture/floriculture in open field conditions or net houses, green/hot houses, tube wells of Harijan farmer's cooperative societies and Punjab Water Resources Management and Development Corporation's tube wells for reviving ecology of the Holy Bein. Power utilized for any other purpose shall be separately metered and charged under the relevant schedule.

SIV.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or higher voltage, as specified in the Supply Code 2024.

SIV.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charge (Rs./month)
SIV.3.1	Agricultural Pumping Supply (AP)	5.38/kWh or 395/BHP/month	

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SIV.3.2 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SIV.4 Flat rate supply shall only be allowed to consumers getting supply from agriculture feeders. The consumers located within Municipal Limits of cities/towns or getting supply from Urban/City/Urban Pattern Supply/Kandi area feeders shall be covered under metered supply only.

SIV.4.1 20% surcharge on flat rate charges or as may be determined by the Commission in the Tariff Order, shall be leviable in case of agricultural consumers covered under flat rate/metered supply category until a consumer fulfils the following requirements:

SIV.4.1.1 Delivery pipe should not be more than 2 feet above the ground level water channel except for the consumers who are having an underground irrigation system.

SIV.4.1.2 Bend used in the delivery pipe should not be sharp but of suitable curvature.

SIV.4.1.3 Motor-Pump should be installed on a Pucca leveled foundation in case of mono-block or belt driven pump-sets.

SIV.4.2 Extra fixed charges shall be levied wherever an agricultural tube well covered under this schedule is also used for fish farming as below:

SIV.4.2.1 Fish culture in a pond up to half acre: Rs. 900/- per annum

SIV.4.2.2 Fish culture in a pond above half acre, but up to one acre: Rs. 1800/- per annum

SIV.4.2.3 Additional area under fish pond to be charged in multiples of the half acre rate. The pond area shall include bundhing.

SIV.4.2.4 Relevant industrial tariff shall be applied for such tube wells which are exclusively used for fish farming.

SIV. 4.3 Misuse of AP supply

The misuse of AP supply provided to agricultural tube wells for other purposes shall be dealt with as per provisions of the Electricity Act, 2003.

SIV.5 Pump House Lighting

The consumption for bona fide lighting of the pump or machine house of 2 CFLs with total wattage aggregating 40 watts shall be allowed per tube well connection.

SIV.6 Load Surcharge

Load surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SIV.7 Installation of Shunt Capacitors

SIV.7.1 No tube well connection shall be released without the installation of an ISI mark Shunt Capacitors of requisite capacity. The kVArh capacity of Shunt Capacitors to be installed shall be as prescribed by the distribution licensee with the approval of the Commission.

SIV.7.2 AP consumers having got installed Shunt Capacitors at their tube well premises from the distribution licensee against payment of monthly rentals, shall be charged rentals @ Rs. 4/- per kVArh per month from the date of installation. The rentals shall, however, be recovered on half yearly basis i.e. Rs. 24 per kVArh in April and October every year.

SIV.7.3 Before being allowed extension in load/regularization of load by the distribution licensee, the existing AP consumers shall install capacitors of adequate capacity as prescribed by the distribution licensee as per the approval of the Commission.

SV SCHEDULE OF TARIFF FOR NON-RESIDENTIAL SUPPLY (NRS)**SV.1 Availability**

SV.1.1 This tariff shall apply to:

Non-residential premises such as business houses, cinemas, clubs, offices, hotels/motels, marriage palaces, hot mix/ready mix plants, departmental stores, shops, guest houses, restaurants for lights, fans, pumping set, air conditioning units/plants, lifts, welding sets, small lathes, electric drills, heaters etc.;

EV Charging Stations, battery chargers, embroidery machines, printing presses, ice candy machines, dry cleaning machines, power presses, small motors, Street lighting connections by private colonizers/private companies/individuals etc.

Private hospitals (other than charitable), Private unaided educational institutions i.e. schools, colleges and universities, hostels and residential quarters attached thereto where such institutions/installations are not covered under the schedule DS/BS;

Telecommunication/Cellular Mobile Phone Towers and all private sports institutions/ facilities including gymnasiums.

Single Point Supply to commercial complexes/Malls as per the terms and conditions in the Supply Code, 2024.

Non-Residential Supply (NRS) Tariff shall be applicable in cases of supply for commercial establishments such as shops, multiplex etc. in residential colonies and common services in commercial complexes, industrial park/estate and IT park, developed under bye-laws/ rules of state government as per Supply Code, 2024.

SV.1.2 If a portion of residential/industrial premises is regularly used for any commercial activity permitted under the law, the consumer shall be required to obtain a

separate connection under the NRS category for the portion put to commercial use as specified in the Supply Code, 2024. In such an event, two connections, one under Schedule DS/Industrial and the other under Schedule NRS shall be permitted.

SV.1.3 Any of the following activities carried out in a part of residential premises shall also be covered under this schedule.

- a) A private out patient clinic/hospital or laboratory.
- b) PCO.
- c) Milk processing (other than chilling plant)) for commercial purposes.
- d) Offices of any other professional service provider.
- e) ATM.

SV.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024, depending on quantum of load/contract demand and availability of bus voltage & transformer winding capacity at the feeding sub-station.

SV.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charge (Rs./month)
SV.3.1	Loads upto 7 kW		
	i) Upto 500 kWh	6.10/kWh	70/kW
	ii) Above 500 kWh	7.10/kWh	
SV.3.2	Loads exceeding 7 kW & upto 20 kW		
	i) Upto 500 kWh	6.10/kWh	100/kW
	ii) Above 500 kWh	7.10/kWh	
SV.3.3	Load/Demand exceeding 20 KW/kVA & upto 100 kVA (All units)	6.25/kVAh	130/kVA
SV.3.4	Demand exceeding 100 kVA (All Units)	6.45/kVAh	140/kVA
SV.3.5	EV Charging Stations	5.00/kVAh	NA

Note:

- i) *Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in addition to the energy charges, in accordance with condition 8 of the General Conditions of Tariff;*
- ii) *ToD tariff to NRS consumers with sanctioned Contract Demand exceeding 100 kVA shall be applicable in accordance with condition 15 of the General Conditions of Tariff;*
- iii) *The energy charges shall be increased by 10% for private hospitals & MRI/CT Scan centres getting continuous supply through independent feeders under this Schedule;*
- iv) *Marriage Palaces and Hot Mix/Ready Mix Plants shall pay Fixed Charges on 25% of Sanctioned Load/Contracted Load/Contract Demand. In case, the consumer exceeds its Contract Demand during a billing cycle/month, he shall also be liable to pay applicable demand surcharge.*

SV.3.6 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SV.4 Load/ Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SVI SCHEDULE OF TARIFF FOR DOMESTIC SUPPLY (DS)

SVI.1 Availability

This tariff shall apply to the following:

SVI.1.1 Supply to a residential premise for lights, fans, single/three phase domestic pumping set/toka machine not exceeding 2 BHP and other house hold appliances. Where a room or a part of a residential house is being utilized by a person for imparting education/tuition work or for cookery classes/beauty parlour/tailoring work etc., supply for such purposes shall also be covered under this schedule.

Where a portion of the residential premises is used regularly for the conduct of business, the supply in that portion shall be separately metered under separate connection and billed under Schedule NRS.

SVI.1.2 Supply to Govt. sports institutions/facilities, including gymnasiums, Govt./Govt. aided educational institutions viz. schools, colleges, universities, I.T.Is, including hostels and residential quarters attached to these educational institutions, Paying Guests using electricity for domestic / residential purposes shall be covered under this schedule

Supply to hostels and/or residential quarters attached with the private educational institutions, where separately metered, shall also be covered in this schedule. Hostels will be considered as one unit and billed without compounding. Bread & Breakfast (BNB)/Home Stay units duly registered with the Department of Tourism, Punjab using electricity strictly for domestic/residential purposes shall also be covered in this schedule.

SVI.1.3 Supply to all places of worship, provided that concerned authorized officer of the distribution licensee certifies the genuineness of place being used for worship by the general public.

SVI.1.4 Supply to Sainik Rest Houses of Rajya Sainik Board.

SVI.1.5 Supply to Govt. hospitals, primary health centres, civil dispensaries and hospitals run by charitable institutions covered under section 80(G) of the Income Tax Act. Single Point Supply to Residential Colonies/Multi-Storey Residential Complexes, Co-operative Group Housing Society/Employers as per the terms and conditions in the Supply Code, 2024.

Electric connections of lawyers' chambers registered with the Bar Council of Punjab & Haryana, situated in Court Complexes across the State, being used exclusively for legal professional work and not for secondary commercial activities such as canteens, photocopy centres etc. shall also be covered in this schedule.

SVI.1.6 Electric Crematoria. However, DS tariff will be applicable only to the portion catering to such Crematoria activities. In case a part of the area is being used for any other commercial purposes, then a separate meter will have to be provided for the same and the consumption for this separate meter will be chargeable to the Non-Residential Supply category.

SVI.1.7 Release of more than one connection in the premises of Domestic Supply consumer shall be admissible as specified in the Supply Code, 2024 as amended from time to time.

SVI.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024, depending on quantum of load/contract demand and availability of bus voltage & transformer winding capacity at the feeding sub-station.

Supply for common services used primarily to provide basic amenities to the residents/occupiers viz lifts, school, dispensary, club, community hall, water supply & sewerage etc. in residential colonies developed under bye-laws/ rules of State Government as per the Supply Code, 2024.

SVI.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charge (Rs./month)
SVI.3.1	Load upto 2kW		
	i) Upto 300 kWh	3.85/kWh	50/kW
	iii) Above 300 kWh	7.05/kWh	
SVI.3.2	Load exceeding 2 kW & upto 7 kW		
	i) Upto 300 kWh	4.25/kWh	70/kW
	iii) Above 300 kWh	7.05/kWh	
SVI.3.3	Load exceeding 7 kW & upto 20 kW		
	i) Upto 300 kWh	5.00/kWh	100/kW
	iii) Above 300 kWh	7.05/kWh	
SVI.3.4	Above 20 kW/kVA & upto 100 kVA (All units)	6.20/kVAh	130/kVA
SVI.3.5	Demand above 100 kVA (All units)	6.40/kVAh	140/kVA
SVI. 3.6	Bulk Supply (Domestic)*	6.20/kVAh	130/kVA
SVI.3.7	Sri Harmandir Sahib and Sri Durgiana Mandir, Amritsar		
	First 2000 kWh	Free	NA
	Beyond 2000 kWh	6.10/kWh	

*Single Point Supply to Residential Colonies/Multi-Storey Residential Complexes, Co-operative Group Housing Society/Employers as per the terms and conditions in the Supply Code, 2024.

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SVI.3.8 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SVI.4 Load/ Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SVII SCHEDULE OF TARIFF FOR BULK SUPPLY (BS)**SVII.1 Availability**

This tariff shall apply to the following:

SVII.1.1 General or mixed loads exceeding 10 kW/kVA to MES, Defence Establishments, Railways, Central PWD institutions, Irrigation Head works, Jails, Police/Para Military Establishments/Colonies and Govt. Hospitals/ Medical Colleges/Govt. Educational Institutions having mixed load subject to a minimum of 25% domestic load and motive/Industrial load not exceeding 50%, where further distribution will be undertaken by the consumer.

SVII.1.2 General or mixed loads exceeding 10 kW/kVA to all private educational institutes/ universities/ colleges/ hospitals etc. having mixed load subject to a minimum of 25% domestic load and motive/Industrial load not exceeding 50%, for their own use and to run the affairs connected with the functions of such educational institutes/ universities/ colleges/ hospitals etc. provided the entire LD system has been laid at the cost of the consumer.

SVII.1.3 However, institutions/Installations having DS load less than 25% will be covered under the relevant NRS Schedule of Tariff. Where motive/Industrial load of any installation exceeds 50% of the total load, such an installation will be charged applicable industrial tariff.

SVII.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024, depending on the quantum of contract demand and availability of bus voltage & transformer winding capacity at the feeding sub-station.

SVII.3 Tariff

	Description	Energy Charge (Rs./kVAh)	Fixed Charge (Rs./kVA/month)
SVII.3.1	LT	6.46	235
SVII.3.2	HT	6.18	315

Note:

- i) Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in addition to the energy charges in accordance with condition 8 of the General Conditions of Tariff;
- ii) ToD tariff to BS consumers with sanctioned Contract Demand exceeding 100 kVA shall be applicable in accordance with condition 15 of the General Conditions of Tariff;
- iii) Energy charges shall be increased by 10% in case of private hospitals & MRI/CT Scan centers getting continuous supply through independent feeders under BS Schedule.

SVII.3.3 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SVII.4 Load /Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SVIII SCHEDULE OF TARIFF FOR PUBLIC LIGHTING SUPPLY**SVIII.1 Availability**

Available for lighting system of streets, roads, parks, chowks, highways, toll plaza etc. including signalling system undertaken by local bodies like Municipal Corporations, Municipal Committees, Nagar Councils, Panchayats, Development Authorities, Institutions, any Central Government agency etc.. However, it shall not include lighting used for advertisements, Hoardings and displays etc..

SVIII.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or higher voltage, as specified in the Supply Code 2024.

SVIII.3 Tariff

Energy Charge (Rs.)	Fixed Charge (Rs./month)
6.79/kWh	135/kW

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SVIII.4 Rates of Line Maintenance and Lamp Renewal Charges**SVIII.4.1 Category-A**

Where the initial installation of complete street light fittings & lamps and their subsequent replacement shall be carried out at the licensee's cost, the line maintenance and lamp renewal charges shall be as under:

SVIII.4.1.1 Ordinary/CFL/LED lamps

(i)	Lamps up to 150 watts	Rs.16/-per lamp per month
(ii)	Lamps above 150 watts	Special quotation

SVIII.4.1.2 Mercury/ Sodium Vapour lamps

(i)	Lamps of 80 watts	Rs. 49/- per lamp per month
(ii)	Lamps of 125 watts	Rs. 53/- per lamp per month
(iii)	Lamps of 250 watts	Rs. 90/- per lamp per month
(iv)	Lamps of 400 watts	Rs. 101/-per lamp per month

SVIII.4.1.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	Rs. 26/- per point per month
(ii)	Single 4 ft 40 watts	Rs. 43/- per point per month
(iii)	Double 2 ft 20 watts	Rs. 43/- per point per month
(iv)	Double 4 ft 40 watts	Rs. 68/-per point per month

SVIII.4.2 Category-B

Where the initial installation and subsequent replacement of complete street light fittings shall be done at the cost of the licensee and initial installation & subsequent replacement of lamps shall be done at the cost of Street Lighting consumers i.e. lamps to be supplied by the consumer, the line maintenance and lamp renewal charges shall be as under:

SVIII.4.2.1 Ordinary/CFL/LED lamps

(i)	Lamps up to 150 watts	Rs. 14/- per lamp per month
(ii)	Lamps above 150 watts	Special quotation and special lamps

SVIII.4.2.2 Mercury/Sodium Vapour lamps

(i)	Lamps of 80 watts	Rs. 29/- per lamp per month
(ii)	Lamps of 125 watts	Rs. 36/- per lamp per month
(iii)	Lamps of 250 watts	Rs. 63/- per lamp per month
(iv)	Lamps of 400 watts	Rs. 68/-per lamp per month

SVIII 4.2.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	Rs. 23/- per point per month
(ii)	Single 4 ft 40 watts	Rs. 40/- per point per month
(iii)	Double 2 ft 20 watts	Rs. 39/- per point per month
(iv)	Double 4 ft 40 watts	Rs. 61/-per point per month

SVIII.4.3 Category-C

Where the initial installation of complete street light fittings and lamps as well as their subsequent replacement shall be done at the cost of Street Lighting consumer i.e. fittings and lamps to be supplied by the consumer, the line maintenance and lamp renewal charges shall be as under:

SVIII.4.3.1 Ordinary/CFL/LED lamps

(i)	Lamps up to 150 watts	Rs. 11/- per lamp per month
(ii)	Lamps above 150 watts	Special quotation and special lamps

SVIII.4.3.2 Mercury/Sodium Vapour lamps

(i)	Lamps of 80, 125, 250 and 400 watts	Rs. 13/- per lamp per month

SVIII.4.3.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	Rs. 13/- per point per month
(ii)	Single 4 ft 40 watts	Rs. 13/- per point per month
(iii)	Double 2 ft 20 watts	Rs. 13/- per point per month
(iv)	Double 4 ft 40 watts	Rs. 13/-per point per month

Note: Where the work of lamp renewal/replacement is being carried out by the local bodies, the charges pertaining to line maintenance and lamp renewal/ replacement shall be shared by licensee and the Municipal Corporation/ Committee/Council/Panchayat in the ratio of 50:50.

SVIII.4.4 Category-D

Where the initial installation of complete street light fittings and lamps as well as subsequent replacement of fittings shall be carried out at the cost of Street Lighting consumer but the replacement of fluorescent tubes shall be done at the

cost of the licensee i.e. fluorescent tubes to be supplied by the licensee, the line maintenance and fluorescent tube replacement charges shall be as under:

(i)	Single 2 ft 20 watts	Rs.16/- per point per month
(ii)	Single 4 ft 40 watts	Rs.16/- per point per month
(iii)	Double 2 ft 20 watts	Rs.18/- per point per month
(iv)	Double 4 ft 40 watts	Rs.21/-per point per month

SVIII.4.5 Category-E

Where the erection of the Public lighting electrical infrastructure viz poles, conductor along with fittings etc. has been carried out by the street lighting consumer along with complete street light fittings and lamps and the subsequent maintenance/replacement is also done at their own expense without the use of any infrastructure and/or manpower of the distribution licensee, no line maintenance and lamp renewal charges shall be recoverable from such public lighting consumer. Such consumer shall be liable to pay only the tariff as per clause SVIII.3.

SVIII.5 Rebate to Village Panchayats

For Street Lighting supply to Village Panchayats, a rebate of twenty five percent over the standard tariff (i.e. energy charges and line maintenance and lamp renewal charges under all categories) shall be admissible.

SIX SCHEDULE OF TARIFF FOR RAILWAY TRACTION (RT)

SIX.1 Availability

Available to the Railways for traction load.

SIX.2 Character of Service

Alternating Current, 50 cycles/second, Single/Two/Three Phase 132 kV or higher voltage, as specified in the Supply Code 2024, depending upon the availability of bus voltage & transformer winding capacity at the feeding sub-station wherever possible at the discretion of the distribution licensee.

SIX.3 Tariff:

Energy Charges (Rs.)	Fixed Charges (Rs./month)
6.57/kVAh	330/kVA

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SIII.3.1 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SIX.4 Demand Surcharge

Demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SIX. 5 Single Point Delivery

The above tariff is based on the supply being given through a single delivery & metering point and at a single voltage. Supply at any other point or at other voltage shall be separately metered and billed.

SX. SCHEDULE OF TARIFF FOR TEMPORARY METERED SUPPLY (TM)

Availability

Temporary supply shall be permitted to an applicant as per Supply Code 2024 for a period as per the applicant's request, but not exceeding two years in the first instance. However, the distribution licensee may extend such supply on an application by the consumer.

Fixed Charges for Temporary Supply shall be levied @ 12*2A/365 per day, where 'A' is the Monthly Fixed Charge applicable to the corresponding permanent supply consumer category. Provided that fixed charges so computed shall not exceed the fixed charges applicable on monthly basis.

SX.1 Tariff for Domestic and Non-Residential Supply**SX.1.1 Availability**

Temporary supply shall be permitted on an application to domestic and non-residential supply applicants (excluding touring cinemas).

SX.1.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024.

SX.1.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charges (Rs.)
SX.1.3.1	Domestic Supply	1.25 times the charges (highest slab rate) specified under the relevant schedule for permanent supply corresponding to the Connected Load/Demand	
SX.1.3.2	Non-Residential Supply		

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SX.1.3.3 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per Condition 13 of the General Conditions of Tariff.

SX.1.4 Load/ Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his sanctioned load/contract demand at his premises, the consumer shall be levied load/demand surcharge in accordance with condition 23 of the General Conditions of Tariff.

SX.2 Tariff for Temporary Small, Medium and Large Power Industrial Supply**SX.2.1 Availability**

Temporary supply shall be permitted to all industrial consumers for loads, including pumps for dewatering in case of floods, on an application as per the applicant's request.

SX.2.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024.

SX.2.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charges (Rs.)
SX.2.3.1	SP	1.25 times the charges specified under the relevant schedule for permanent industrial supply corresponding to the Contract Demand	
SX.2.3.2	MS		
SX.2.3.3	LS		

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SX.2.3.4 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SX.2.4 Factory Lighting

In case of temporary supply to Large Supply, Medium Supply & Small Power Industrial consumers, the bonafide factory lighting and motive/ Industrial power consumption shall be measured through one and the same meter and charged at the relevant tariff as per para SX.2.3 of this Schedule.

SX.2.5 Load/Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his contract demand at his premises, the consumer shall be levied demand surcharge at double the rates as applicable under the relevant schedule for permanent supply.

SX.3 Tariff for Wheat Threshers**SX.3.1 Availability**

Available for threshing of wheat for the period between 1st April to 30th June.

SX.3.2 Character of Service

Alternating Current, 50 cycles/ second, Three Phase 400 volts or as specified in the Supply Code 2024.

SX.3.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charges (Rs.)
SX. 3.3.1	SP	1.25 times the charges specified under the relevant schedule for permanent industrial supply corresponding to the Contract Demand	
SX. 3.3.2	MS		
SX. 3.3.3	LS		

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SX.3.3.4 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SX.3.4 Load/Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his contract demand at his premises, the consumer shall be levied demand surcharge at double the rates as applicable under relevant schedule for permanent industrial supply.

SX.4 Tariff for Fairs, Exhibitions, Melas and Congregations**SX.4.1 Availability**

Available for temporary loads of Fairs, Exhibitions, Melas and Congregations.

SX.4.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024.

SX.4.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charges (Rs.)
SX. 4.3.1	LT	1.25 times the charges specified under the relevant schedule for permanent bulk supply	
SX. 4.3.2	HT		

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SX.4.3.3 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SX.4.4 Load/Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his contract demand at his premises, the consumer shall be levied demand surcharge at the same rate as applicable under the relevant schedule for bulk supply.

SX.5 Tariff for Touring Cinemas**SX.5.1 Availability**

SX.5.1.1 Available to all touring cinemas, theatres, circuses etc.. However, supply shall be given separately for general loads (Lights/fans and motive loads).

SX.5.1.2 The connection shall be sanctioned in the first instance for the entire period of validity of license or for the period requisitioned for, whichever is less.

SX.5.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024.

SX.5.3 Tariff

	Description	Energy Charge (Rs.)	Fixed Charges (Rs.)
SX.5.3.1	Lights and fans	1.25 times the charges (highest slab rate) specified under the relevant schedule for permanent NRS supply corresponding to the Sanctioned Load/Demand	
SX.5.3.2	Motive load	1.25 times the charges specified under the relevant schedule for permanent Industrial supply corresponding to the Contract Demand	

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SX.5.3.3 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff.

SX.5.4 Load/ Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his sanctioned load/contract demand at his premises, the consumer shall be levied load/demand surcharge in accordance with condition 23 of the General conditions of Tariff.

SXI SCHEDULE OF TARIFF FOR AP HIGH TECHNOLOGY/HIGH DENSITY FARMING SUPPLY

SXI.1 Availability

Available for High Technology green house farming and High Density AP farming. The AP (High Technology) Supply shall be subject to fulfilling the conditions as mentioned at SXI.1.1, 1.2 & 1.3 whereas High Density AP Supply shall be subject to conditions mentioned at SXI.1.4

SXI.1.1 Setting up a green house with a minimum area of 2000 sq. metres.

SXI.1.2 Production of certificate from Director/Agriculture and/or Director/Horticulture or any other officer authorized by the Govt. of Punjab, to the effect that the farming being carried out by the consumer involves use of high technology requiring power supply to produce quality products such as vegetables/ fruits/seeds/flowers etc., to meet the standards of domestic/International markets.

SXI.1.3 A distribution licensee shall take necessary steps to annually verify that all consumers continue to fulfil the obligations as above for coverage under this category. In the event of a consumer ceasing to fulfil these obligations, connection released shall be disconnected after giving at least 15 days notice.

SXI.1.4 The farmers opting for High Density Farming supply shall furnish a certificate from Director/Agriculture and/or Director/Horticulture department to the effect that farming being carried out by the applicant is covered under High Density farming as per the State Government policy.

SXI.2 Character of Service

Alternating Current, 50 cycles/second, three phase 400 volts for loads not exceeding 100 kW and 11 kV or higher voltage supply for loads above 100 kW as specified in the Supply Code 2024.

SXI.3 Tariff

Energy Charge (Rs.)	Fixed Charges (Rs./month)
5.38/kWh	Not Applicable

Note: In addition to the Energy Charge, Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SXI.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SXI.4 The provisions of Regulation 9 and 32 of the Supply Code 2024 shall be applicable for the release of a connection under this category. Connections with a load of more than 100 kW shall be released at 11 kV. An independent feeder shall be provided at the consumer's expense if uninterrupted supply is required. Connection with a load not exceeding 100 kW may be released from the AP feeder or category-1 or UPS feeder at the option of the consumer, subject to the technical feasibility to release such connection. However, the consumers opting for supply from agriculture feeders shall be entitled to limited hours of supply as per the power supply schedule applicable to AP consumers. Only metered supply shall be admissible under this category.

SXI.5 Load Surcharge

Load surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SXI.6 Power Factor Surcharge/Incentive

Consumers shall be required to maintain a monthly average power factor of 0.90. The monthly average power factor shall mean the ratio of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two decimal points.

SXI. 6.1 Low Power Factor Surcharge

If the monthly average power factor falls below 0.90, the consumer shall pay on the energy charges a surcharge of 1% for each 0.01 decrease in the monthly average power factor below 0.90. The surcharge shall be 2% for each 0.01 decrease of monthly average power factor below 0.80.

SXI.6.2 Power Factor Incentive

If the monthly average power factor exceeds 0.90, incentive @ 0.25%, for each increase of 0.01 above 0.90 shall be allowed on the energy charges.

SXI.6.3 For power factor surcharge & incentive, the energy charges shall also include the surcharge or rebate as applicable under para SXI.3.1 of this schedule.

SXII. SCHEDULE OF TARIFF FOR COMPOST PLANTS/SOLID WASTE MANAGEMENT PLANTS AND WATER SUPPLY SCHEMES**SXII.1 Availability**

Available for Industrial/motive loads of compost plants/solid waste management plants including pumps etc., for Municipalities/Urban Local Bodies and Water Works Supply schemes for use of general public residing in urban or rural areas.

SXII.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as per Supply Code 2024 depending on quantum of demand.

SXII.3 Tariff

Energy Charge (Rs.)	Fixed Charges (Rs./month)
5.36/kVAh	65/kVA

Note: In addition to the Energy Charge:

- (i) Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in accordance with condition 8 of the General Conditions of Tariff.
- (ii) ToD Tariff (for loads with contract demand exceeding 20kVA) shall be applicable in accordance with condition 15 of the General Conditions of Tariff.

SXII.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SXII.4 Load/Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

SXIII. SCHEDULE OF TARIFF FOR START UP POWER

SXIII.1 Availability

Available to Generators (including Co-Gen/CPP, who is neither a consumer of distribution licensee nor has a provision for availing of the same in the PPA signed with distribution licensee), who seeks supply for start up power for pre-commissioning or planned/forced outages.

This power shall also be available to such generators connected to CTU grid with proper accounting.

SXIII.2 Character of service

Alternating Current, 50 cycles/second, Three Phase 11kV or higher voltage as specified in the Supply Code, 2024, as amended from time to time.

SXIII.3 Tariff

Energy Charge (Rs.)	Fixed Charges (Rs.)
7.40/kVAh	Not Applicable

Note: In addition to the energy charges, Fuel and Power Purchase Adjustment Surcharge (FPPAS) shall be applicable in accordance with condition 8 of the General Conditions of Tariff.

SXIII.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per condition 13 of the General Conditions of Tariff.

SXIII.4. Demand Surcharge

The Demand Surcharge for exceeding the Contract Demand shall be as applicable to Large Supply Industrial Consumers (General).

SXIII.5. Terms and Conditions

SXIII.5.1 The Contract Demand for supply for start up power shall not exceed 15% of the rated capacity of the unit with the highest rating in the power plant.

SXIII.5.2 The generator shall execute an agreement with the distribution licensee for meeting the requirement for start up power incorporating the above terms and conditions.

SXIII.5.3 Provided that Start up Power to CPPs shall be governed by terms and conditions as specified in PSERC (Harnessing of Captive Power Generation) Regulations, 2022 as amended from time to time.

SXIV. SCHEDULE OF TARIFF FOR CHARITABLE HOSPITALS SET-UP UNDER PERSONS WITH DISABILITY (EQUAL OPPORTUNITIES, PROTECTION OF RIGHTS AND FULL PARTICIPATION), ACT 1995.

SXIV.1 Availability

Available to Charitable Hospitals set-up under Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation), Act 1995. The connections shall be released under this category as per terms and conditions applicable to domestic consumers.

SXIV.2 Character of Services

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2024, depending on quantum of load/demand.

SXIV.3 Tariff

	Energy Charge (Rs./kVAh)	Fixed Charges (Rs./Month)
SXIV.3.1	5.90/kVAh	100/kVA.

Note: Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the relevant period shall be applicable in addition to the energy charges, in accordance with condition 8 of the General Conditions of Tariff.

SXIV.3.2 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per Condition 13 of the General Conditions of Tariff.

SXIV.4 Load/ Demand Surcharge

Load/demand surcharge shall be applicable as per Condition 23 of the General Conditions of Tariff.

Minutes of the Meeting of PSERC State Advisory Committee, Chandigarh held on 23rd January, 2026.

A meeting of the PSERC, State Advisory Committee was held in the office of the Commission at Chandigarh on **23rd January, 2026**. PSERC had invited comments of the members on the ARR and Tariff Petition for 4th Control Period i.e. FY 2026-27 to FY 2028-29 including True-up for FY 2024-25 and Determination of Tariff for FY 2026-27 of Punjab State Power Corporation Limited (PSPCL) & Punjab State Transmission Corporation Limited (PSTCL) alongwith the agenda items as proposed by some of the members of the PSERC State Advisory Committee. The following were present/represented in person in the meeting: -

Sr. No.	Name and Address	Designation
1.	Sh. Viswajeet Khanna, Chairperson, PSERC, Site No.3, Sector-18-A, Chandigarh.	Chairperson
2.	Er. Ravinder Singh Saini, Member, PSERC, Site No.3 Sector-18-A, Chandigarh.	Ex-officio Member
3.	Sh. Ravi Kumar, Member, PSERC, Site No.3, Sector-18-A, Chandigarh.	Ex-officio Member
4.	Capt. Karnail Singh, Secretary, PSERC, Site No.3 Sector-18-A, Chandigarh	Ex-officio Secretary
5.	Secretary, Department of Power, Government of Punjab, Chandigarh – Represented by Ms. Neelima, IAS	Member
6.	Principal Secretary, Food & Civil Supplies and Consumer Affairs, Government of Punjab, Chandigarh.- Represented by Mr. Tarwinder Singh Chopra, Jt. Director	Ex-officio Member
7.	Secretary, New and Renewal sources of Energy (NRSE), Government of Punjab, Chandigarh - Represented by Ms. Neelima, IAS	Member
8.	Chairman-cum-Managing Director, PSPCL, The Mall, Patiala - Represented by Director (Finance) and Director (Distribution)	Member
9.	Chairman-cum-Managing Director, PSTCL, The Mall, Patiala.- Represented by Director (Finance) and Director (Technical)	Member
10.	Chairman Farmers' Commission for the State of Punjab, Punjab Mandi Board, Sector 62, SAS Nagar, Punjab - Represented by Gagandeep Research Associate	Member
11.	Chairman, CII, Punjab State Council, Sector 31-A, Chandigarh - Represented by Deepti Sharma, Deputy Director, CII	Member
12.	Chairman or its nominee, PHDCCI Punjab Committee, Sector 31-A, Chandigarh - Represented by Er Kewal Krishan Singla Advisor Power, PHD Chamber	Member

13.	Dr. Harish Anand, House No.59, Sector-39, Chandigarh Road, Ludhiana, Punjab.	Member
14.	Indian Energy Exchange Limited, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16 B, Noida, Gautam Buddha Nagar - Mr. Saurabh Srivastava, Sr. Manager Regulatory	Member
15.	Sh. Raj Kumar Jindal, CMD, Vivek Re-Rolling Mill, Mandi Gobindgarh and Sr. Vice President All India Steel Re-Rolling Association, New Delhi.	Member
16.	Sh. Karan Gilhotra, Chairman, PHD Chambers of Commerce & Industry, Chandigarh	Member

At the outset, the Chairperson, PSERC welcomed the members of the State Advisory Committee. The Chairperson thereafter, requested the members to offer suggestions/comments on the ARR and Tariff Petition for the 4th Control Period i.e. FY 2026-27 to FY 2028-29 including True-up for FY 2024-25 and Determination of Tariff for FY 2026-27 of Punjab State Power Corporation Limited (PSPCL) & Punjab State Transmission Corporation Limited (PSTCL) along with the agenda items as proposed by some of the members of PSERC State Advisory Committee. Some Members could not attend the meeting, however, they have sent their comments/inputs which have been incorporated in the Minutes of Meeting. Thereafter, the members gave their comments/suggestions/views as under:

1. Dr. Harish Anand of CII, Punjab State Council stated that:

Dr. Anand appreciated efforts of the Commission for conducting tariff determination exercise in a very transparent manner and for achieving the desired goal of ensuring financial viability of the Discom through sufficient tariff. It is the result of hard work put in by the PSERC that the Discom has achieved almost a surplus situation not only in the true up based on norms but also a projected surplus in FY 2026-27. This gives encouragement to all of us to seek next level of reforms in the direction of improving the power quality in the State for industrial, domestic and all other categories of consumers in terms of substantial reduction in power cuts – whether imposed by design or by default – as well as minimizing the voltage drop out cases, and made efforts to bring down electricity tariff by focusing on more usages of renewable power through conventional and non-conventional methods.

The Discom has projected about 7% CAGR growth for FY 2026-27 to FY 2028-29 as stated in table 3.9, para 3.6.6, page 69 of the ARR. Extrapolating the same for about 10 years, it suggests about near-doubling of power consumption in Punjab from 74308 MU in FY 2026-27 to about 143000 MU by 2036-a 10 years period.

This would necessitate near-doubling of power sourcing arrangement, through a mix of power purchase and own generation, both within the state as well as outside the state, This power mix would include thermal as well as non-thermal sources,

supported by direct supplies from generation sources, battery storage system and pump storage methods based on the hydro resources available with the State.

Such a huge increase in power requirement would also require a matching power transmission and distribution infrastructure, inter-state as well as intra-state to handle the power transmission effectively. Unfortunately, it is also apprehended that with the doubling of power demand, even existing level of T&D losses would lead to near-doubling of wastage of power and theft of power in some regions of the State.

It is also important to prepare for greater private participation in power generation through rooftop solar installations for industrial, domestic, and other categories of consumers as well as power procured through Open Access for captive consumption and other permitted modes should be encouraged. These sources should be viewed as supplementary to Discom's supplied power rather than competing force. The expectations of public from the Commission have also risen seeking benefits of lower tariff for the DISCOM's consumers, which should be competitive, to keep the industrial consumers drawing power from DISCOM viable and for other domestic consumers at a lower tariff than the existing tariff.

This is also high time to look into the relationship of the Discom and the commission as it is observed that Discom, when denied certain expenses from the Commission, seeks legal remedies resulting in endless legal battles which are not restricted to claiming return on higher amount of equity, not matching with actual cash flow, high power purchase cost, employee cost, high thermal power generation parameters. The same are contested on the expenses of general public as DISCOMs claim these legal expenses in the ARR and which are also largely allowed by the commission. This arrangement might be defensible in a competitive power sector; however, no such competition exists in Punjab. Consumers have no alternative supplier and are compelled to rely solely on the Discom. It is an issue to ponder over that till there is competition for the State DISCOM in the power sector, there must be some check on that Discom's power to challenge the commission's orders given in cases of tariff determination and not related to any particular consumers. In case of dispute between a consumer/group of consumers and Discom, litigation may be an open choice for all affected parties.

Therefore, we request the Commission to instruct Discom and Power Department of Punjab Government to come out with a Vision Statement for next 10 years. The statement should clearly outline the projected power demand, source of supply of power and roadmap for a significant increase in renewable energy share in total power procurement mix with the objective of reducing overall cost of supply and electricity tariff in the State of Punjab. Some of the specific suggestions are also given for Commission's perusal:

For industrial consumers

- i. Independent study of cost of supply should be conducted to determine category wise cost of supply at different voltage level with the objective of assessing the true extent of cross subsidy paid/given by different categories of consumers to move towards phasing out of the same.
- ii. Banking facility be linked with sanctioned contract demand rather than actual power taken from Discom in order to promote Ease of Doing Business.
- iii. Open access for green energy should be allowed up to the sanctioned contract demand, along with the provision of a banking facility.
- iv. Allowing the use of banked power during peak seasons/hours.
- v. Allow unused banked power from one financial year to be carried forward to the next instead FY of being forfeited.
- vi. Voltage rebate to HT consumers need to be increased from present level of 25 paisa/unit to minimum 50 paisa/unit as the same is not revised since many years while tariff keeps on increasing year after year.
- vii. Frequent power cuts are seriously affecting the working of the factories in Punjab, which needs to be studied and minimized.

Domestic consumers

- viii. Reduction in daytime power tariff may not be feasible due to the non-availability of ToD meters; however, the overall power tariff may be rationalized downward keeping in view the likely surplus in the ARR.
- ix. To improve power quality by reducing power cuts and frequent voltage dropouts, preventive maintenance of domestic consumers' distribution lines, transformers, and related infrastructure should be outsourced to private agencies. This should be supported by a comprehensive, standardized checklist of preventive maintenance activities to be mandatorily followed by such agencies. The current fault-correction-based system has proven ineffective and is resulting in an increased frequency of power interruptions.
- x. At present, there is no formal mechanism to accurately record power outages affecting domestic consumers. A suitable system should therefore be developed to capture such outage data and make it available to the public on the PSERC/PSPCL website on a real-time basis. These power cuts result in collective losses—both in terms of revenue for the DISCOM and significant hardship for the general public. Accordingly, such data must be systematically compiled, analysed, and acted upon with the objective of reducing the frequency and duration of outages.

- xi. A public awareness program fund be also created by PSERC about power quality related issues.

Lack of awareness about this non-preventative maintenance by Discom in the Public is the main cause of the discom's lackadaisical approach in this regard. Therefore, the Commission may earmark specific fund for creating such awareness among masses in cooperation with civil society so that civil society can also come forward in seeking preventative maintenance by discom/designated agencies, which has a monopoly in power distribution in the State.

- xii. With economic growth, society is also witnessing increased awareness and active participation of civil society in matters relating to public goods such as electricity. In this context, it is essential that information relating to consumer grievances and their resolution is made publicly available. Therefore, it is submitted that all decisions and orders passed by Electricity Consumer Grievance Redressal Authorities as well as the Ombudsman's office relating with electricity must be available for public on PSPCL/PSERC websites. The study of such orders would significantly aid in understanding the nature and frequency of disputes, which in turn can be systematically analysed. This analysis would help competent authorities, academic institutions, and other interested stakeholders to make informed representations and develop effective action plans for improving the electricity system in the State.
- xiii. Renewable energy is the energy of the future, and there is an urgent need to promote its adoption in the State of Punjab. However, due to the existing scheme of providing 300 units of free electricity, public enthusiasm for installing rooftop solar power plants has considerably declined. Therefore, it is submitted that roof top solar power plants on public/social/religious institutions be actively promoted. Such institutions serve the common interest, and individual financial considerations are generally not involved, making them ideal locations for promoting renewable energy. In this regard, it is further brought to notice that solar power plants installed on rooftops of religious places and other common-interest institutions often face undue delays in the provision of two-way (net) meters, which are essential for the effective utilization of generated solar power. These delays adversely affect the functioning and motivation of such initiatives and must be strictly curbed. It is, therefore, respectfully requested that PSPCL may be instructed to provide two-way meters on demand without delay. In cases where immediate installation of a two-way meter is not feasible, PSPCL may be directed to install two separate meters—one for incoming power and one for outgoing

power—within a stipulated time frame of one or two days. These may subsequently be replaced with a two-way meter as and when it becomes available.

It is further prayed that such meters should also be available in the private sector/market place of recommended makes/suppliers and onus of the same should be on DISCOM to check their correctness and consumers should be permitted to install the same. These meters may be inspected on the spot by the DISCOMs for any defect or non-compliance. There is no justifiable reason for restricting the authority to check the correctness of such meters exclusively to DISCOM laboratories, thereby creating an artificial shortage in the market. The meters in question are industrial products, manufactured and available throughout the year.

Others common issues

- xiv. PSPCL has reported extra ordinary income of Rs. 3581.95 crore in the annual audited account for FY 2024-25, which is not made part of ARR and shown as P&L item. It is submitted that the same should be treated as part of the ARR and should be reduced from income or highest interest bearing loan amount be reduced to that extent and accordingly interest should also be reduced. It is worth mentioning that PSERC has been approving many expenses like employee cost, terminal benefits of previous years, which are not contributing to cost of supply and should have been provided by Discom through some trust/fund but same is not done. It is pertinent to note that the Commission has, over the years, approved several expenses on an actual, pay-as-you-go basis, even when such expenses do not directly contribute to the current cost of supply. These include, inter alia, employee costs, terminal benefits pertaining to previous years, prior-period power purchase expenses, and other similar claims allowed at the time of true-up. Further, even higher T&D losses—arising due to theft of power or commercial inefficiencies—are allowed to be passed through to consumers. Therefore, there is no reason that money received from the government which relates to power business only and is not given for any other business like agriculture/floriculture etc. undertaken by Discom, be kept out of the preview of the ARR. It may also be important that discom has been contesting case of higher equity which is not approved by the Commission and even contesting in Supreme Court for equity disallowed by the Appellate Tribunal, then how come any income to discom be kept out of ARR?

Therefore, it is submitted that amount of Rs.3581.95 crore be considered as part of the ARR and either ARR be reduced by that amount or highest paying loan be reduced and interest on the same be disallowed giving benefits to the electricity consumers of the State.

- xv. Surplus generated in the Discom's balance sheet due to profit should be used to create fund for paying terminal benefits to employees pertaining to the previous years and to that extent the employee cost be reduced in ARR.
- xvi. Through public media, it is also learnt that discom should have more thermal power generation capacity in Punjab to meet the demand of power on regular basis. In this regard, it is submitted that discom should come out with detailed proposal of taking hybrid power with storage facility through third parties outside, which can replace need of thermal power to the extent possible.
- xvii. It is a well-known fact that with the higher availability of renewable energy, particularly solar power during daytime hours, thermal power stations in the State are frequently subjected to back-down. This results in higher fixed charges being recovered and, consequently, an overall increase in the cost of power generation from such thermal stations. Further, several of these thermal power plants are ageing and are likely to face escalating maintenance requirements and obsolete technology issues, which must be looked into and, if required, may be closed down.
- xviii. Discom may be asked to take up matter with Govt. of India to supply the surplus thermal power in day time to other states or to central grid, if possible, to ensure that such plants can work on full capacity in day time also to reduce the overall power generation cost of thermal power in the state.
- xix. Punjab is a land locked state and has a relatively small geographical area, most of which comprises fertile agriculture land. Therefore, installation of renewable energy like solar on large scale is not possible in Punjab. Further, owing to its terrain and climatic conditions, the potential for wind power generation in the State is almost nil. In such situation, the state is dependent on import of renewable power from outside the state. It is also in public knowledge that transmission line laying charges are quite significant. Keeping in view the regional balanced economic growth and to overcome some of the disadvantages of the state of Punjab, the Govt. of India may be approached through State Government/through related agencies to provide partial funding support for the transmission line laying and augmentation work. Such support would help strengthen Punjab's connectivity with the

national grid and ensure that renewable power sourced through open access remains technically and economically viable for consumers in the State.

2. Sh. Raj Kumar Jindal PHDCCI stated that:

With specific to the steel Industry, it is suggested that greater deployment of ground level staff like linemen is urgently required to control Power failures. It is further submitted that the steel industry is already under severe stress due to external factors such as the increase in import duties by the USA and the dumping of surplus finished steel by China into India and neighboring countries. Therefore, despite availing the invest Punjab Subsidy offered by Govt of Punjab, the steel industry continue to remain under pressure. It is suggested that relief in power tariff be extended to the steel industry in the coming financial years, especially considering that the Board is currently in a relatively comfortable financial position.

3. Dr. Ranjit Singh Ghuman, Professor of Economics:

He did not attend the SAC meeting but sent his suggestions which are as under:-

- i. T&D Losses in 2019-20 were 15.67%, thereafter, there was downward trend till 2023-24 which is appreciable. But in 2024-25 again T&D Losses rose to 14.98 percent. What are the reasons for this trend? And what is being done to reduce these T&D losses?
- ii. The annual integrated rating of PSPCL was A+ in 2018-19, but in 2019-20, 2021-22 and 2023-24 it was having 'A' rating. In 2020-21 and 2022-23, its rating slipped down to 'B'. The reasons for this decline and inconsistency in ratings be clearly brought out. And what measures are being taken by the Utility to attain higher rating?
- iii. There is a significant increase in the number of consumer connections (domestic as well as commercial) from 2019-20 to 2024-25 and the projections for 2026-27 and for later years indicates continuous rise. Connected load has also increased significantly during this period. Similar is the case for metered energy sales across all categories of consumers. And it is going to increase as demand for energy is bound to rise with the growth rate of the economy and per-capita income in the State and of course with the changing life style. In view of this, what is the medium- and long-term planning and strategy of the Utility?
- iv. The number of agricultural connections have increased from 13.85 lakh in 2019-20 to 13.92 lakh in 2024-25, an increase of just 7 thousand. The connected load in this sector had increased from 103.48 lakh kW to 115.07 lakh kW, an increase of 11.59 lakh kW. The energy sales to agriculture

increased from 11538 million units to 14943 million units, an increase of 3405 million units. As compared to increase in connections, the increase in connected load and sale of electricity in units has been much higher; how does the utility explain it? Is it due to increasing demand for higher BHP (may be because of depleting water table and requirement of more energy for abstracting ground water from deeper depth) and or increasing cost of generation, transmitting and distribution?

- v. Total amount of subsidy in the year 2024-25 was Rs. 20799.16 crores but estimation has not been given for the year 2025-26, instead estimated amount of subsidy for the year 2026-27 is Rs. 22250 crores, for 2027-28 and 2028-29 the respective amount is Rs. 23691 crores and Rs. 25227 crores. What is the basis for this estimation? In AP sector, how is the year-on-year increase in subsidy justified?
- vi. How does the utility meet the revenue gap?
- vii. What is the rationale behind installing smart meters? Why the consumers, especially farmers' unions are opposing it?
- viii. What is the strategy of the PSPCL to enhance efficiency in generation, transmission and distribution?

4. The Representative of Punjab State Farmers' and Farm Workers' Commission observed and stated as under:

- i. PSPCL needs to promote the scheme of Pani Bachao Paise Kamao for judicious use of Farm Electricity.
- ii. The State should focus on promotion of Solar Power connections for Agriculture use.

5. Indian Energy Exchange Limited observed and stated as under:

i. Power purchase –

- a. PSPCL has actively used the Exchange market to optimise its power purchase cost. The average Market Clearing Price (MCP) at IEX in the Day Ahead Market (DAM) and Real Time Market (RTM) during FY 2025-26 (till date) is around Rs. 3.7/kWh and Rs. 3.3/kWh respectively which is almost 50-60 paisa less than the average of FY 2024-25. The discom must continue to leverage the market to bring down its power purchase cost. It is suggested that entering into several forward agreements of long duration may be assessed with market dynamics to avoid locking into expensive agreements.

- b. Being an import-dependent State, the transmission costs are likely to increase in the near term with higher integration of Renewable Energy. The only way to reduce the overall cost of power through optimal utilization of power markets.
- ii. **Renewable Consumption Obligation (RCO)-** The projected RCO deficit for ensuing three financial years should be addressed in a timely manner through available mechanisms. The Exchange based REC market has seen prices come down to around 35 paisa per unit i.e., Rs. 350/REC. This prevailing market price needs to be viewed in comparison with the proposed penalty of ₹3.72 per unit for RCO non-compliance as indicated by the Bureau of Energy Efficiency (BEE).
- iii. **Resource adequacy assessment-** Resource adequacy exercise may be continually done to assess the resource requirements for maintaining the necessary LOLP, ENS parameters in the State and to avoid tying up excess capacity and stranded costs.

6. Confederation of Indian Industry (CII) gave its recommendations as under:

i. Non-implementation of Fixed Charge Subsidy and Freeze as per Industrial Policy (Clause 12.3-ii)

The Industrial Policy under Clause 12.3-ii clearly provides for freezing of fixed charges for a period of five years to ensure cost stability for industrial consumers; however, electricity bills issued to industrial units are reflecting fixed charges as per the revised/new tariff, which is contrary to the policy intent.

The policy further envisages that any increase in fixed charges during the freeze period is to be offset through subsidy, but the subsidy on fixed charges applicable from May 2023 has not been extended or adjusted in the bills issued so far. This non-implementation has resulted in an undue financial burden on industrial units. It is therefore requested that fixed charges be frozen in accordance with Clause 12.3-ii and the applicable subsidy on fixed charges be extended retrospectively from May 2023 with necessary bill adjustments.

ii. Transparency in Billing

The electricity bills should clearly indicate the base rate and the percentage used to calculate all applicable taxes and surcharges. Consumers are concerned that taxes appear to have been increased silently, possibly to compensate for other constraints where PSPCL's hands are tied, leading to a lack of clarity and trust in the billing process. Transparent disclosure of these components is necessary to ensure fairness, accountability, and to prevent any perception of undue burden on consumers.

iii. Non-Implementation of Relief to Sick MSME Units under Industrial Policy

The Industrial Policy of the Government of Punjab (2013/2017) provides specific relief to sick MSME units. As per the policy, minimum charges or standing charges of PSPCL for industries classified as sick under RBI guidelines and which have ceased operations are to be exempted, with the unit liable to pay only for actual units consumed to safeguard plant and machinery. PSPCL officers have admitted that the Industrial Policy notification grants relief by stipulating the applicable unit rates and calculation of standing charges. However, despite this, relief is being denied to sick MSME units, with only partial provisions of the policy being applied. The reason cited is that instructions regarding implementation have not yet been circulated by the PSPCL Board. This selective application results in undue financial burden on sick MSME units, contradicts the policy intent, and undermines the support promised to revitalize the sector. It is requested that full relief under the Industrial Policy, including exemption from minimum/standing charges, be implemented immediately, and the necessary instructions be issued by PSPCL to ensure compliance.

7. Director Distribution, PSPCL submitted that:

- i. The Revamped Distribution Sector Scheme (RDSS) will significantly strengthen the power distribution infrastructure and provide a clear, structured roadmap for implementing effective **preventive maintenance**, leading to improved reliability and quality of supply.
- ii. PSPCL has recruited more than 5,000 staff with the objective of improving the quality of service delivery.
- iii. The Kisan Urja Suraksha evam Utthaan Mahabhiyaan Scheme (KUSUM) has been implemented; however, the response from farmers has been extremely limited, with only about 20 applicants so far. It is submitted that despite the potential benefits of the scheme, there is inadequate awareness and motivation among farmers and PSPCL is trying to pursue farmers to opt for the scheme due to its benefits.
- iv. It was ensured that Billing system will be looked into and streamlined.

8. Director Finance, PSPCL submitted that:

- i. PSPCL has reduced the interest burden by availing loans at lower interest rates.
- ii. PSPCL have reduced its GPF liability by making payments to GPF Trust.

9. Director Technical, PSTCL stated that:

- i. AI-based drone surveys have been undertaken to inspect/check the lines with the objective of improving preventive maintenance and reducing the losses.

- ii. The additional staff hired are being imparted structured training by Superintending Engineers (SEs) to ensure proper and efficient maintenance practices.

The Chairperson PSERC thanked all the members for their valuable comments and directed PSPCL & PSTCL to look into the observations and suggestions made by the members, with a view to improve the quality of electricity supply to the consumers and reduce the losses.

The meeting ended with a vote of thanks to the chair.

**Category-wise & Voltage-wise Cost of Supply and Cross Subsidy comparison
with Cost of Supply**

Voltage Level	Consumer category	FY 2026-27	
		Cost of Supply	Cross subsidy level w.r.t. cost of Supply
		Rs./unit	
I	II	III	IV
400 kV	Industrial	5.11	37.10%
220 kV	Industrial	5.38	30.23%
	Bulk	5.28	39.74%
132 kV	Industrial	5.43	29.07%
	Bulk	5.43	35.68%
66 kV	Industrial	5.99	16.89%
	Domestic	5.87	-9.93%
	Bulk	6.25	18.00%
	Commercial	6.37	15.73%
33 kV	Industrial	6.03	16.16%
	Domestic	6.06	-12.79%
11 kV	Industrial M.S	7.68	-4.24%
	Industrial L.S	7.08	-1.05%
	Domestic	6.72	-21.28%
	Commercial	6.63	11.12%
	Bulk	7.27	1.46%
LT	Industrial S.P	8.41	-12.50%
	Industrial M.S	7.57	-2.85%
	Industrial L.S	6.82	2.76%
	Domestic	7.11	-25.58%
	Agriculture	7.08	-24.04%
	Commercial	7.43	-0.86%
	Bulk	7.64	-3.49%

Note:

The Commission has worked out the voltage-wise/category-wise Cost of Supply (VCos) on the basis of estimated/allocation data supplied by PSPCL in the ARR Petition, however, the same may not be depicting the actual cost of supply or cross subsidy. The Commission notes that PSTCL has calculated the losses at 400 kV @ 0.18% which is quite low and accordingly the Commission is of the view that the benefit of such low losses should be passed on to such consumers connected at 400 kV. Thus, to reward and encourage the consumers to operate on such high voltage the Commission decides to give a voltage rebate of 40 paise/kVAh to all consumers getting supply at 400 kV.

Further, the Commission notes that PSTCL vide letter dated 166/67 dated 12.01.2026 has also provided the details of voltage wise losses to PSPCL. PSPCL is thus directed to work out the revised voltage wise cost of supply based on the losses provided by PSTCL and submit the same to the Commission alongwith the comprehensive report of the study conducted by it within four months of the issuance of the Tariff Order.

LIST OF OBJECTORS

Objection No.	Name & Address of Objector
1.	HPCL-Mittal Energy Limited, Regd. Office: Village Phulokhari, Taluka Talwandi Saboo, Bathinda, Punjab
2.	Power Foundation of India, New Delhi.
3.	Jal Vayu Vihar Residents Welfare Association, Sector-67, Mohali.
4.	The PHD Chamber of Commerce & Industry, Punjab Chapter
5.	Mandi Gobindgarh Induction Furnace Association (Regd.). Grain Market, Mandi Gobindgarh, Punjab.
6.	Induction Furnace Association of North India (Regd.), Room No. 204, 2 nd Floor, Savitri Complex-I, G.T. Road, Dholewal, Ludhiana.
7.	Focal Point Industrial Welfare Association (Regd.), Amritsar.
8.	SAANJH Forum for Electricity Consumers.
9.	Sh. Gurmeet Singh Bhatia, Amritsar.
10.	AIIMS Bathinda, Mandi Dabwali Road, Bathinda.
11.	Federation of Industrial & Commercial Organization (FICO), Focal Point, Ludhiana.
12.	Kakka Road Industrial Welfare Association, Ludhiana.
13.	Sh. Upkar Singh Ahuja, President, Chamber of Industrial & Commercial Undertakings, Focal Point, Ludhiana.
14.	Indus Towers Limited, Gurugram.
15.	Steel Furnace Association of India (Punjab Chapter), Dhandari Industrial Focal Point, Ludhiana.
16.	Sh. Pawan Dewan, Ex-Chairman: Punjab Large Industrial Development Board, Ex-President: District Congress Committee, Ludhiana (Urban).
17	Gp. Capt RC Goyal VSM (Retd), H. No. 1579, Sector-36D, Chandigarh
18	All India Power Engineers Federation, 45, Ranjit Bagh, Patiala
19	PSEB Engineers Association (Regd.)
20	Prateek Singh; 463, Krishna Enclave, Dhakoli, Punjab.

PSPCL-OBJECTIONS**Objection No. 1: HMEL (HPCL-Mittal Energy Limited)****Issue 1:**

1) The Commission in its order dated 11.04.2025 in Review Petition No. 05 of 2023 in Petition No 74 of 2022 had mentioned that in absence of Factual / Analytical data, the Voltage Wise Cost of Supply worked out by the commission on the basis of estimated / allocated data supplied by PSPCL does not truly depict the actual Cost of Supply. However, as an interim relief / measure, the Commission has been allowing indicative rebates in the Tariff Orders to various Categories of Consumers getting supply at higher voltages including at 400kV.

2) in the above order, the Commission once again directed PSPCL to conduct fresh and proper study of voltage wise Cost and asset distribution and submit the actual voltage wise cost of supply.

3) The Commission also directed PSTCL to figure out the actual voltage wise losses and simultaneously work in tandem with PSPCL to finalize the correct / actual voltage wise cost of supply to be submitted to the commission for consideration and approval by 31.07.2025.

4) However, as per our knowledge, till date no study / methodology for determination of voltage wise cost of supply has been submitted by PSPCL although PSTCL/SLDC vide memo no. 15 dated 20.01.2025 had intimated that they are now in position to calculate voltage wise losses on PSTCL network.

5) it is a fact that to receive Power at Higher Voltage, the consumer has to set up matching infrastructure which is much costlier as compared to the infrastructure required for receiving power at lower voltage.

6) The efforts and encouragement provided by the Commission by giving voltage rebate to consumers at 400kV is not adequate as the Cost of Supply for Consumers at 400kV is much lower as compared to consumers at Lower Voltage.

7) Further, the cross subsidy for 400kV consumers if worked out on basis of actual cost of supply shall be more than 40% as presently it is being working out on the basis of Average Cost of Supply.

Reply of PSPCL:-

The Cost of Supply (CoS) has been computed strictly in accordance with Methodology-II of the study conducted by TERI, as duly approved by the Commission in the ARR for FY 2013-14. PSPCL has consistently adhered to the said approved methodology while filing its ARR and tariff petitions, in compliance with the regulatory framework prescribed by the Commission. Further, in compliance with the directions of the Commission issued in RP No. 05 of 2023 for ascertaining the Cost of Supply at various voltage levels, PSPCL has constituted a dedicated committee to examine the continued relevance of Methodology-II, including the consideration of the 400 kV voltage level. The committee's report is presently under consideration by the PSPCL's management and, upon approval, the same shall be respectfully submitted to the Commission for its kind consideration.

However, for the purpose of computing the Voltage-wise Cost of Supply (VCoS) for FY 2026-27, PSPCL has provisionally considered the transmission losses for 400 kV lines in accordance with Regulation 12 of the CERC (Rates, Charges and Terms and Conditions for Use of Intervening Transmission Facilities) Regulations, 2010, as amended from time to time, as directed by the Commission vide Order dated 19.12.2025 in Petition No. 70 of 2025. This approach has been adopted till such time as PSTCL submits the actual transmission loss data, as directed by the Commission.

The determination of category-wise tariff rates, rebates, cost of supply etc. squarely falls within the exclusive jurisdiction of the Commission under the provisions of the Electricity Act, 2003. Further, PSPCL faithfully implements the directions and orders issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders approved by the Commission, without any deviation.

Commission's view:- PSTCL has calculated and submitted the voltage wise transmission loss for the month of Nov, 2025 as under: -

Transmission Loss	Overall Losses	400 KV System Losses	220 KV System Losses	132 KV System Losses
Loss %	1.69%	0.18%	1.41%	2.20%

The Commission has already directed PSPCL to work out voltage wise cost of supply as per these losses. PSPCL is directed to submit its comprehensive report at the earliest.

Issue 2: HMEL's Assessed Cost of Supply for Consumers at 400 kV

For the Consumers connected at 400kV System/network, the voltage wise Cost of Supply shall have three components detailed as under: -

- PSPCL's Power Purchase cost say Rs. 4.81/unit
- PSTCL's Transmission & SLDC charges as per PSTCL Petition 71 of 2025 ARR– Part 1 say Rs. 0.21/unit
- PSPCL's cost for 400kV consumers incurred for Power Purchase, Billing & Revenue Collection. PSPCL has a vast consumer base of approx. 1,07,41,902 consumers across various categories and with this vast consumer base, the PSPCL charges for consumers connected to the PSTCL system should be negligible considering fewer activities like Procurement, Billing and Revenue collection only for them. We assume that this cost shall not be more than Two Paise i.e. Rs. 0.02 /unit.

As per above, the Cost of Supply for consumers at 400kV should be Rs. 5.04/unit (Rs.4.81 + 0.21+0.02) which is at large variance to PSPCL worked out cost of Supply.

Reply of PSPCL: As a distribution utility, PSPCL caters to a large and diverse consumer base comprising various categories of consumers. Accordingly, the operations and functions of the utility are undertaken to serve the interests of all consumer categories in an equitable manner and are governed by the provisions of the Electricity Act, 2003 and the guidelines, regulations, and directions issued by the Commission from time to time.

The expenses incurred by the utility are largely common in nature and are incurred for the integrated operation of the distribution system, as a whole. Such expenses cannot be practically or accurately segregated and attributed exclusively to a single category of consumers in isolation. Accordingly, the Cost of Supply is required to be assessed at the utility level, keeping in view the overall consumer mix and system characteristics.

In view of the above, the Cost of Supply as worked out by the objector, based on selective assumptions and isolated allocation of costs, does not present a true or realistic picture of the prevailing operational and cost structure of PSPCL and, therefore, merits no consideration at the present stage.

Commission's view:- The objector may note the reply of PSPCL.

Issue 3: Fixed Charges Per month - Fixed Charges levied on Large Supply Consumer are amongst the highest and this also adds to Cost of Supply (say approx. Rs. 0.40/unit). It is suggested that consumers with higher utilization of their Contract Demand should be charged lower Fixed Charges as this promotes better planning and efficient utilization of system assets.

Reply of PSPCL: Any integrated power distribution utility serving consumers across an entire State is characterized by a large and diverse consumer base comprising multiple categories of consumers. Accordingly, the functions and operations of such a utility are undertaken to serve the collective requirements of all consumer categories in an integrated and equitable manner. The Commission determines the fixed charges applicable to various consumer categories by considering the distribution system as a whole, taking into account the aggregated network costs and system characteristics, rather than on the basis of any single consumer category in isolation.

Commission's view:- The Commission has taken note of the concern of the objector.

Issue 4: PSPCL have included various considerations (cost) of the Distribution System while working out the cost of Supply for EHT consumers directly connected with PSTCL system. For EHT consumers directly connected with PSTCL system, a lot of above consideration

(cost) by PSPCL are not applicable and should be excluded. This shall correctly reduce the Cost of Supply for EHT consumers considerably.

Some examples are listed below:

S. No.	Particulars	Remarks
1	Employee Cost	PSPCL activity limited to Power Procurement, Billing and Revenue Collection for EHT consumers
2	A & G Expenses	
3	Depreciation	Not applicable as PSPCL's expenditure is for distribution system (66 kV and below)
4	R&M Expenses	
5	Interest & Finance Charges	
6	Interest on Working Capital	
7	Return on equity	

Reply of PSPCL: PSPCL caters to a very large consumer base for the distribution of electricity across the State of Punjab, served through multiple voltage levels. Accordingly, while computing the Cost of Supply (CoS) at different voltage levels, PSPCL considers its expenses at the utility level as a whole and thereafter allocates such costs across voltage levels in accordance with the methodology approved by the Commission. The approved study appropriately identifies voltage-wise assets and allocates expenses in a rational and transparent manner corresponding to each voltage level. Further, the electricity sector is continuously evolving, with assets being created over time under various central and state schemes, different regulatory frameworks, accounting practices, and changing technological requirements. It is also pertinent to note that several network assets simultaneously serve multiple voltage levels. Additionally, historical capitalization records do not consistently capture a clear voltage-wise segregation of costs.

In this context, the computation of voltage-wise Cost of Supply based purely on actual asset-wise allocation presupposes the availability of a fully segregated and voltage-tagged asset register, which would enable precise attribution of expenses to specific voltage levels. However, in the absence of such granular and uniformly available data, such an approach may not yield reliable or practical results. Therefore, PSPCL approach of computing the Cost of Supply by considering the utility as an integrated whole, followed by allocation across voltage levels based on an approved and scientifically established methodology, is appropriate, reasonable, and consistent with regulatory principles, and enables fair assessment of costs for serving its diverse consumer base.

Commission's view:- The Commission has taken note of the concern of the objector.

Issue 5: Point 2.29 Resultant Revenue Gap / Surplus: it is heartening to note the following

- PSPCL for FY 2024-25 in True up have lowered Average Cost of Supply to Rs. 7.09 / Unit, which is less by Rs. 0.06/ Unit when compared to Approved Average Cost of Supply of Rs. 7.15/ Unit as per tariff Order
The True up for FY 2024-25 is lower by Rs. 0.22 /Unit (twenty-two paise per unit) when compared to the last ARR petition for True up of FY 2023-24 wherein they had intimated the actual average Cost of Supply of Rs. 7.31/ unit.
- This lowering of Rs. 0.22 / Units in average Cost of Supply, should be passed on to EHT consumers, who have invested heavily in terms of high-cost infrastructure and are constantly contributing to lowering overall losses.

Reply of PSPCL: PSPCL respectfully appreciates the observations raised by the objector and seeks to clarify that any increase or reduction in the average Cost of Supply during a financial year is duly accounted for and is automatically passed on to consumers in the subsequent ARR through the adjustment of the revenue gap or surplus for that year, as per the regulatory framework approved by the Commission. Further, the determination of tariff, including the pass-through of costs, as well as the fixation of rebates and surcharges, lies solely within the exclusive prerogative and jurisdiction of the Commission. PSPCL strictly abides by and implements the Tariff Orders and directions issued by the Commission from time to time.

Commission's view:- The Commission notes the concern of the objector. The objector may note the reply of PSPCL.

Issue 6: Prayer: We request the Commission to: -

1. As directed while deciding Review Petition No. 05 Of 2023, the Commission is requested to redirect PSTCL to figure out the actual voltage wise losses and simultaneously work in tandem with PSPCL to finalize the correct/actual voltage wise cost of supply.
2. The cost of supply as worked out in the present form does not represent the ground realities and needs to be made more realistic and finer tuned with more data being collected and reported on an actual basis.
3. The high voltage rebate presently being allowed to the 400KV consumers is not adequate considering the cost of supply at 400KV and the expenditure incurred by such consumers for receiving supply at 400KV as compared to the consumers at 220/132KV supply voltage. Considering present Tariff of Rs. 6.70 / unit with Rs. 0.35 / unit rebate for consumers at 400 kV, the additional rebate should be at least Rs.1.31/unit.
4. As per the present system, the tariffs for various category of consumers are fixed based on Average cost of supply. The tariffs be fixed based on realistic voltage wise category wise cost of supply principle and reduction of cross subsidy levels.

Reply of PSPCL: The Cost of Supply (CoS) has been worked out as per Methodology-II of the study conducted by TERI, which was approved by the Commission in the ARR for FY 2013-14 and has since been consistently adopted. The Commission has directed PSPCL to examine the voltage-wise Cost of Supply. In compliance thereof, PSPCL has constituted a committee to review the applicability of the approved methodology, including the 400 kV voltage level. The committee's report is under consideration and shall be placed before the Hon'ble Commission in due course. The voltage-wise Cost of Supply determination is a lengthy and complex process involves practical challenges on account of the integrated nature of the network, multi-voltage usage of assets, and non-availability of uniform voltage-wise asset data in historical capitalization records. In the absence of fully segregated voltage-tagged asset data, PSPCL continues to follow the methodology approved by the Commission. With respect to the issue of rebate for 400 kV consumers, the tariff determination, including rebates, surcharges, cost of supply, and cross-subsidy levels, is solely the prerogative of the Commission in terms of the Electricity Act, 2003. PSPCL has no role in determining such parameters and it implements the Tariff Orders issued by the Commission. In view of the above, PSPCL submits that the objections raised by the objector are being addressed in accordance with the regulatory framework and directions of the Commission.

Commission's view:- PSPCL is directed to submit its comprehensive report at the earliest. The prayers of the objector are noted.

Objection No. 2: Power Foundation of India

Issue A-I: Sales Projection- Agricultural

1. PSPCL has projected unmetered Agricultural sales by considering CAGR growth of 6% on the actual sales of FY 2024-25, mainly attributed to introduction of third crops by farmers, climate change and decreasing water table. The Commission has been reiterating multiple directions every year in Tariff Order for 100% metering of unmetered AP consumers which is around 22% of the total sales as submitted by PSPCL in FY 2024-25. PSPCL projection of growth in unmetered AP sales is clear violation of the Commission direction and the same may not be considered.
2. PFI has analyzed the trend of AP sales (unmetered and metered) as projected by PSPCL and as approved by the Commission for the last 6 years, it is observed that no efforts were made by the PSPCL in order to meter the unmetered AP consumers. PFI has analyzed DISCOMs of Rajasthan and found that the DISCOMs have metered all the unmetered Agricultural sales within a short span of 2-3 years.
3. "Standard operating Procedure for subsidy accounting and payment" by Ministry of Power mention that no electricity connection should be released without metering as per extant law and accordingly assessment of energy supplied to subsidized category of consumers to be

computed on measured energy through proper metering only. Further, in line with the Commission's directions of 100% metering of unmetered AP consumers, PFI requested the Commission to consider the action plan as proposed for 100% metering of unmetered AP sales.

4. PFI has also submitted an action plan under which all the unmetered AP consumers will be metered within next 5 years by considering the 5yr CAGR growth as actually approved by the Commission in metered and unmetered AP Sales.

5. PFI requested the Commission to consider unmetered AP sales as proposed by the PFI in above para i.e., 15,916 MU against the proposal of 16,790 MU and direct PSPCL to follow the above action plan and meter all the unmetered AP consumers in five years.

Reply of PSPCL: All consumer categories in the State, except the AP category, are fully metered. AP consumers are largely supplied through exclusive 11 kV feeders, which are provided with feeder meters for assessment of pumped energy, except in the case of Kandi feeders. The metering of individual AP connections has been facing practical challenges due to field-level resistance and law-and-order sensitivities in certain areas. The PSPCL has, from time to time, apprised the Commission of the practical and financial constraints associated with large-scale metering of approximately 14 lakh AP connections, including the substantial capital outlay involved. the accounting of subsidy and related claims are being carried out strictly in accordance with the Standard Operating Procedure issued by the Ministry of Power, and petitions are being filed before the Commission accordingly.

Commission's view:- AP consumption is determined by the Commission after prudence check. Refer para 2.2.2 of Chapter 2.

Issue A-2: Distribution Loss Trajectory

1. PSPCL has submitted the distribution loss for FY 2026-27 as 12.75% based on the actual loss achieved during FY 2024-25 of 13.12% and after considering the increase in number of consumers and sales at LT network. The Commission in its Tariff Regulations 2025 has not provided any distribution loss trajectory for PSPCL for FY 2026-27 and mentioned that PSPCL need to submit distribution loss trajectory with Business Plan, based on the submission, Commission will approve the distribution loss trajectory. Accordingly, PSPCL has submitted the Distribution Loss for FY 2026-27 in the Petition. The Commission has approved Distribution Loss trajectory for control period of FY 2023-24 to FY 2025-26 vide its Order dated 11.01.2023, wherein the Commission has mentioned that considering actual distribution loss of 14.35% for FY 2019-20 as a baseline figure for setting the loss trajectory for the 2nd MYT period would reward PSPCL for its inefficiency of not being able to bring its losses down to the target levels and it would be unjust to pass on the impact of increased losses in FY 2019-20 to the consumers of PSPCL.

2. Further, PSPCL in its ARR Petition for FY 2023-24 has submitted details of the steps taken to reduce Technical Loss and Commercial Loss along with other initiatives like DSM, online payment facilities, strengthening of sub-transmission and distribution network under DDUGJY and IPDS, etc. which resulted in lower Distribution Loss of 12.59% during FY 2021-22, and accordingly requested to consider Distribution Loss trajectory as filed under Business Plan including Capital Investment Plan for MYT Control Period from FY 2023-24 to FY 2025-26. The Commission vide its Tariff Order for FY 2023-24 dated 15.05.2023 has reiterated the Order dated 11.01.2023 and considered the Distribution Loss as per Order.

3. PSPCL has mentioned that significant increase of domestic consumers in FY 2024-25 has resulted in higher losses. PFI analyzed the trend of increase in number of consumers and sales of last 6 years (FY 2019-20 to FY 2024-25), and similar trends were observed in past also. However, distribution loss as claimed by PSPCL was below 13%.

4. Further, as per RDSS portal, only work under Loss Reduction was started on ground and as of now physical progress is only 17%, while work under Smart Metering is still to be taken up under which around 90 lakh smart meter will be installed at Consumer, Feeder and Distribution Transformer level. PFI is of the view that projects under RDSS will help DISCOM in reducing the Distribution Loss at a faster pace.

5. The other DISCOMs with similar consumer mix have lower distribution loss, like APSPDCL & APCPDCL of Andhra Pradesh and UGVCL of Gujarat. DISCOMs of Andhra

Pradesh (APSPDCL & APCPDCL) have actual distribution loss of 8.06% & 7.99% respectively in FY 2023-24 with significant Agricultural sales. UGVCL have actual distribution loss of 8.08% in FY 2023-24 with significant Agricultural sales (38%).

6. PFI has analyzed the AT&C loss trajectory for PSPCL under RDSS, Actual Distribution loss claimed by PSPCL and Distribution loss trajectory by the Commission of last few years, and accordingly proposed a distribution loss trajectory for PSPCL for the period FY 2026-27 to FY 2029-30 after considering the factors as mentioned in above paras, as follows:

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
AT&C Loss under RDSS	18.03%	16.50%	15.00%	14.00%	13.50%					
Actual Distribution Loss claimed by PSPCL	12.99%	12.59%	12.76%	11.81%	13.12%	12.95%	12.75%	12.50%	12.20%	
Distribution Loss approved by Commission		12.34%	12.04%	12.30%	12.10%	11.90%				
Distribution Loss proposed					12.10%	11.90%	11.43%	10.97%	10.50%	10.03%

7.) PSPCL has collection efficiency of only 92% in FY 2024-25 as per the Audited Accounts, which is much lower than the national collection efficiency of 96.51% as per PFC report on "*Performance of Power Utilities 2023-24*", this gap shows the inefficiency of PSPCL which result in additional financial burden. The Commission has not projected any collection efficiency target for PSPCL in the Tariff Regulations or Tariff Orders, but it is important for any DISCOM to have maximum collection efficiency at least 99.50% to have minimum commercial losses. PFI proposed the Commission to consider Distribution Loss as 11.43% for FY 2026-27 against the proposed distribution loss of 12.75%.

Reply of PSPCL: PSPCL respectfully acknowledges the concerns raised by the Objector regarding the level of distribution losses and submits that continuous efforts are being made for improvement in both technical and commercial parameters. The billing efficiency constitutes a major component of T&D losses and is impacted by instances of electricity theft in certain pockets, particularly in some border area divisions. PSPCL is undertaking sustained measures in coordination with the local administration, law enforcement agencies and stakeholder groups to address these issues and mitigate losses. Further, PSPCL is making concerted efforts for recovery of outstanding dues from general consumers as well as Government Departments and has taken up the matter with the concerned authorities for timely clearance of dues. A higher share of LT sales in the overall energy mix has an inherent bearing on technical losses. The Enforcement Wing of PSPCL is carrying out regular inspections to curb theft of electricity and appropriate disciplinary action is initiated wherever any official/officer is found involved in such malpractices. PSPCL has achieved 100% collection efficiency during FY 2024-25. Distribution losses have been projected strictly in accordance with the applicable MYT Regulations, based on past actuals and subject to prudence check and approval of the Hon'ble Commission. PSPCL remains committed to sustained reduction of overall losses in a phased and realistic manner.

Commission's view:- Refer para 2.3 and para 3.3 of this Traiff Order.

Issue A-3: Transmission Loss

PSPCL has projected Transmission Loss of 2.19% for FY 2026-27. PSPCL has projected Transmission loss as per actual Transmission Loss of FY 2024-25, which found to be in Order and may be considered by the Commission.

Reply of PSPCL: The above objection relate to PSTCL and shall be taken up with the concerned accordingly.

Commission's view: Noted.

Issue A-4: Energy Balance

PSPCL has projected the Energy requirement as 87,385 MU for FY 2026-27 based on the projected sales of 74,308 MU and distribution loss of 12.75%. Based on the inputs provided w.r.t. revision in unmetered AP sales and Distribution Loss, PFI has recomputed the Energy

requirement as 85073 MU against the PSPCL claim of 87,385 MU and to reduce the Power Purchase Quantum & Cost, based on the above Energy balance. The impact of excess energy procured over and above the projected sales and distribution loss should be borne by Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL has consistently maintained transparency in the filing of its ARR petition. The methodology adopted for preparation of the petition has been clearly elaborated therein and is fully aligned with the regulatory principles laid down by the Commission and the provisions of the prevailing PSERC MYT Regulations. The projections for the MYT control period have been formulated after due consideration of various prevailing factors, including sales data of the last five years, environmental conditions, changes in the LT sales mix, and other relevant technical parameters. The Commission, thereafter, undertakes detailed scrutiny of these projections through a transparent process and exercises its discretion in approving the final figures.

Commission's view:- Refer para 3.6 of this Tariff Order

Issue A-5: Revenue Projection

1. PSPCL has projected Revenue of Rs. 53,850 Crore based on the Tariff approved by the Commission in the Tariff Order dated 28.03.2025. PFI has recomputed the Revenue at existing Tariff after reducing the un-metered Agricultural sales as proposed above. The revised revenue is as follows:

Particulars	Projected by PSPCL	Proposed by PFI	Difference
Agricultural Sales	16,790	15,916	(874)
Average Billing Rate of Agricultural consumers (Rs. / kWh)	6.70	6.70	0
Revenue Projected (Rs. cr.)	11,249	10,663	(586)
Total Revenue (Rs. Cr.)	53,850	52,264	(586)

2. Accordingly, PFI requested the Commission to consider the Revenue at existing Tariff as Rs. 52,264 Crore against the projected Revenue of Rs. 53,850 Crore. The excess revenue as projected by PSPCL may be borne by Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL has consistently maintained transparency in the filing of its ARR petition. The methodology adopted for preparation of the petition has been clearly elaborated therein and is fully in accordance with the regulatory principles laid down by the Commission and the provisions of the prevailing PSERC MYT Regulations. The Commission thereafter undertakes detailed scrutiny of the petition through a transparent process and exercises its discretion in approving the figures.

Commission's view:- The Revenue is determined by the Commission after detailed prudence check.

B. Power Purchase Quantum & Cost

Issue B-1: Power Purchase Cost against Higher sales projection & Distribution Loss

1. PSPCL has projected net Power Purchase Quantum of 69,676 MU at Power Purchase Cost of Rs. 32,122 Crore. PFI has recomputed the Energy balance based on revised Sales and Distribution Loss. Accordingly, PSPCL has reduced the Power Purchase Quantum by 2,312 MU and corresponding Power purchase cost based on the Merit Order Dispatch principle wherein lower energy is procured from higher Energy Charge Rate plants. PFI requested the Commission to consider Power Purchase Cost as Rs. 31,477 Crore against the projected Power Purchase Cost of Rs. 32,122 Crore. The additional Power purchase cost as claimed by DISCOM, should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL submits that as the proposed reduction in power purchase cost has been worked out by PFI after revision in unmetered AP sales and Distribution Loss projected by PSPCL for FY 2026-27. However, the projections based on the regulatory principles set by Commission as defined in the PSERC MYT Regulations, 2025. The Commission allows the same after its prudence check.

Commission's view:- Refer para 2.10 of this Tariff Order. The Power Purchase cost is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue B-2: Power Purchase cost without considering escalation

1. PSPCL has considered same Fixed Cost and Energy Charge Rate for most of the Power Plants as in FY 2025-26 without any escalation. PFI welcome the PSPCL move of not considering escalation in Fixed Cost and Energy Charge Rate of Power Plants as it reduces the upfront loading of the same on Tariff and ultimately on the consumers as large.

2. Due to unavailability of actual Fixed Cost and Energy Charge Rate of each plant for HI FY 2025-26, PFI is unable to analyze the variation in Fixed Cost and Energy Charge Rate. However, PFI analyzed the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS) for FY 2025-26. PSPCL has submitted negative FPPAS in last 9 months of FY 2025-26, even during the summer season when the State touches its Peak demand. It is evident that the Power Purchase Cost and Transmission Charges approved by the Commission in Tariff Order for FY 2025-26 is on higher side than the actual.

2. Further, the Central Government has increased the GST rate on coal from 5% to 18%; and abolished the Compensation Cess of Rs. 400/ MT, wef 22.09.2025. The abolition of the Compensation Cess and the increase in the GST rate on coal have impact on the cost of coal to be procured by the generating companies. Hon'ble CERC vide its Suo-moto order dated 01.10.2025, has mentioned that changes due to GOI notifications dated 17.09.2025, squarely fall within the ambit of a "Change in Law" event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Act, except in case of the generating companies having captive coal mines.

3. As per PFI analysis, it is expected that rationalization of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators. Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden, with coal grades G6 to G17 seeing decreases in the range of Rs. 13.40 per tonne to Rs. 329.61 per tonne. Further, for the power sector, the average reduction is around Rs. 260 per tonne, translating into a cut of 17—18 paise per kWh in the cost of generation. PFI requested to the Commission to consider FC & ECR for FY 2026-27 equal to FY 2025-26 without any escalation. In case of any variation, the same may be recovered through monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS) which was already approved by the Commission.

Reply of PSPCL: The Power Purchase Cost and Transmission Charges are determined by the Commission in-line with the prevailing PSERC MYT Regulations after prudence check. Power Purchase for PSPCL is being managed through power procurement from long term, short term and other alternative sources apart from PSPCL's own generation. All efforts have been made to optimize the power purchase cost in FY 2024-25. Merit Order Dispatch is being strictly complied with to meet the power requirement. The actual power purchase cost is influenced by multiple factors, including fuel price variability, generating station efficiency, and applicable tax or regulatory changes. In addition, weather conditions and day-to-day operational performance also affect the final cost incurred.

Further, the Variable/ Energy Charges of Thermal Generating Stations are primarily dependent on the Landed Price of Fuel and Grade/GCV of Fuel. The Landed Price of Fuel mostly increases with time due to increase in mining costs, transportation cost of fuel etc. Moreover, the Landed Price of Fuel is volatile, especially in view of guidelines regarding use of imported fuel and biomass pellets issued by Ministry of Power, Govt. of India, from time to time. The proposed escalation of Variable/ Energy Charges not only takes care of the unprecedented increase in Variable/ Energy Charges but also the increase/ revision in Annual Fixed Cost (AFC) of generating stations, which is though considered the same as that of last year, yet there are always significant chances of upward revision of same.

Commission's view:- Suggestion is noted.

Issue B-3: Short-term Power Purchase

1. PSPCL has projected to procure 5689 MU Short-term power from Exchange at an average rate of Rs. 5.11/ kWh totaling to Rs. 2907 Crore. PSPCL further submitted that they have considered average rate based on the trend observed in last three years (FY 2022-23 to FY 2024-25) but PSPCL has not provided any details or breakup related to short-term

power purchase quantum during peak period slots and off-peak period slots on monthly basis and corresponding average Power purchase cost in last three years i.e., FY 2022-23 to FY 2024-25. In view of significant expenditure on short-term power purchase, PFI requested the Commission to direct PSPCL to submit the details of short-term power procured and corresponding cost during the month-wise peak/ off-peak slots for the last 3 years to provide the trend of short-term power purchase cost before allowing Power Purchase cost against short-term power purchase projection.

Reply of PSPCL: The projected average rate of short-term power purchase has already been submitted based upon the prevailing trend of market prices. The short-term power procurement by PSPCL is purely need-based and is undertaken to meet the real-time demand–supply gap in the most economical manner. PSPCL procures short-term power depending upon dynamic system conditions such as demand variation, generation availability, grid constraints, market liquidity and price signals prevailing at that time. PSPCL makes continuous efforts to source power from the least-cost options available, including allocation from Central Generating Stations, bilateral arrangements, banking, power exchanges and other economical sources, with the sole objective of ensuring reliable and uninterrupted power supply to consumers at the lowest possible cost. The short-term power purchases are not planned on a rigid peak and off-peak hour basis on a monthly format. Such procurement is carried out on real-time operational requirements depending upon exigencies of the power system and market conditions. Relevant data as and when directed by the commission is submitted from time to time like in matters of TOD, etc.

Commission's view:- The objector may note PSPCL's reply.

Issue B-4: Power Purchase Cost from Plants whose PPAs are expiring

1. PSPCL has considered power from multiple Power Plants whose PPAs are expected to expire in the FY 2025-26 or in FY 2026-27 like M/S CDBL 3.9 MW, Killa MHP, Sahoke MHP, etc.,; or already expired but considered due to Hon'ble APTEL or Hon'ble High Court Order like M/S Indian Sucrose Ltd., M/S Northstar Solar Power Pvt. Ltd., etc.

PFI requested the Commission to allow Power Purchase Quantum and Cost after Prudence check of the Power Purchase Agreements, availability of Power, Hon'ble APTEL or Hon'ble High Court Order on expired and expected to expire PPAs during FY 2026-27.

Reply of PSPCL: The power purchase quantum and cost from the said generating stations have been considered strictly in accordance with the respective PPAs and the specific directions/orders passed by the Hon'ble APTEL and the Hon'ble High Court, as applicable. Accordingly, the inclusion of such power is fully compliant with the prevailing contractual provisions and judicial orders. Further, the Commission allows the same after its prudence check.

Commission's view:- The Power Purchase cost is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue B-5: Renewable Purchase Obligation (RPO)

1. PSPCL has projected RPO shortfall of 5,249 MU in FY 2026-27 against the target of 30,662 MU. PSPCL submitted that the shortfall will be met by purchase of short-term RE power or by purchasing REC. PSPCL also projected to procure REC of Rs. 236.78 Crore for FY 2026-27. PFI observed that there is variation in the RPO Trajectory specified by the Commission and MoP Trajectory for FY 2026-27. PSPCL has considered the RPO targets in line of PSERC RPO Regulations 2022. However, Ministry of Law & Justice through Gazette Notification dated 30.12.2022 amended the Energy Conservation (Amendment) Act, 2022 and gave power to Central Govt. to specify minimum share of consumption of non-fossil sources by designated consumers as energy or feedstock, provided different share of consumption may be specified for different types of non-fossil sources for different designated consumers. Subsequently, Ministry of Power notified minimum share of consumption of non-fossil sources (renewable energy by designated consumers including DISCOMs vide its notification dated 23.10.2023). Accordingly, Ministry of Power notification dated 23.10.2023 will supersede the Commission Regulation.

2. Further, with respect to the Commission consolidated RPO targets, energy transition is the need of the hour and in order to achieve the Country's target of 500 GW of RE by 2030

and Net Zero by 2070, it is important that every designated consumer including DISCOM should procure Renewable Energy at least equivalent to meet the yearly RPO targets. In last few years the share of Renewable Energy has increased significantly which resulted in the concern of grid stability due to intermittent nature of RE and raised the challenges of providing Round the Clock power at affordable prices. To overcome these concerns, Renewable Energy Implementing Agencies like SECI have evolved from plain Vanilla tenders (procuring only Solar or wind energy to the new age Tenders like RTC or FDRE tenders assuring providing Round the Clock power or peak power through Renewable plus storage combination. The intent of National RPO target is to provide firm and dispatchable renewable energy by providing power through Solar, Wind, Hydro, other Renewable Energy sources and Energy Storage. Further to save transmission loss and charges, it is also important to have Distributed Renewable to meet the load at the injecting point. PFI observed that PSPCL in Table 3-29 of the Petition has not considered energy against projected RECs and projected shortfall. Further, PSPCL has projected to procure approx. 5,700 MU short-term power through Exchange/ Trader at an average rate of Rs. 5.11 / kWh which is on higher side. Accordingly, PFI requested the Commission to align States RPO Target as per MoP Notification dated 23.10.2023. Further, PFI requested the Commission to direct PSPCL to explore the option to procure Renewable energy instead of short-term power as per requirement like base load or peak load by using multiple options offered by REIAs like vanilla Renewable Energy or hybrid Renewable Energy or RTC or FDRE. It will reduce the financial burden on DISCOM by purchasing short-term power at higher rates and procuring RECs for complying RPO Targets.

Reply of PSPCL: Keeping in view the year-wise increase in RPO/RCO targets, following specific measures being taken up by PSPCL to procure renewable energy (RE) on long term basis.

Upcoming Renewable Energy Projects/Expected RE capacity addition:

(i) The details of various agreements signed are as listed below:

Solar Projects					
Sr. No.	Date of PPA/PSA	Name of Trader/SPD	Capacity (MW)	Likely schedule/CoD	Project Location
1	04.04.2022	Adani Solar Energy AP Three Limited	150	30.09.2026	Outside Punjab
2	04.04.2022	Renew DinkarJyoti Private Limited	100	20.10.2025, disputed (SPD has issued termination notice invoking Force Majeure Clauses of PPA)	Outside Punjab
3	23.06.2022	SJVN Green Energy Limited	100	Likely to be delayed beyond March 2026 as land issues with forest department and RoW issues are pending.	Within Punjab
4	16.05.2023	CPSU Scheme (NHPC)	100	02.03.2026	Outside Punjab
5	14.08.2023	SGEL anywhere in India	1000	500 MW = 30.10.2026 & 500 MW = 30.03.2027	Outside Punjab
6	14.08.2023	SGEL within Punjab	200	31.03.2026, may be delayed due to Connectivity vis-à-vis Land issues	Within Punjab
7	19.06.2025	4x4 Scheme (PEDA), Shergarh, Bathinda.	4	18.06.2026	Within Punjab
8	19.06.2025	4x4 Scheme (PEDA), Kothe Maluana, Bathinda	4	18.06.2026	Within Punjab
9	11.08.2025	SECI 3 (SPDs)	600	24.02.2027	Outside Punjab
10	21.05.2025	SAEL Industries Limited	400	May 2027	Within Punjab
11	11.08.2025	SECI (2 SPDs)	450	30.06.2027	Outside Punjab
12	11.08.2025	SECI (4 SPDs)	900	30.06.2027	Outside Punjab
13	11.08.2025	SECI (1 SPDs)	250	30.06.2027	Outside Punjab
		TOTAL	4258		
- Also, installation of Roof-top solar on various PSPCL buildings at 1013 no. locations throughout Punjab of capacity 31.37 MW is in progress. - In addition, about 100 MW/year solar roof-top net-metering capacity is also expected to be added.					

Non-Solar Projects					
Sr. No.	Date of PPA/PSA	Name of Trader/SPD	Capacity (MW)	Likely schedule/CoD	Project Location
1	11.01.2023	M/s Thind Power Pvt. Ltd.(MHP), Dhariwal, Gurdaspur.	2	On the firm's request, SCoD was extended upto 31.12.2026 but Supplementary PPA is yet to be signed.	Within Punjab
2	01.09.2023	The Batala Co-operative Sugar Mills Ltd., Batala. (Cogen based upon Biomass and Bagasse)	8.45	31.03.2026	Within Punjab
3	06.09.2024	Waste to Energy Plant MC Gobindgarh	0.1	SCoD was 05.09.2025, as per PPA, developer has requested to extend the SCoD upto 31.03.2026. Agenda is being placed before BoD's for decision.	Within Punjab
		TOTAL	10.55		

Hydel Projects			
S.No.	Name of Project	Capacity (MW)	Remarks
1	Vishnugad Pipatkot Hydroelectric Power Plant, Distt. Chamoli, Uttarakhand (THDCL)	27	Expected to be commissioned in March 2027
2	Shahpur Khandi Project (own)	206	Scheduling is expected to be achieved by May-2026.
	TOTAL	233.00	

(ii)Procurement of RE power through following schemes is under process:

(a)2594 MW Solar Projects in pipeline, details of which is as under:

(i) Rfs has been floated for 500 MW solar power within Punjab

(ii)Another Rfs has been floated for 500 MW solar power within Punjab from bidders submitting land documents with Bid.

(iii)Floating of Tender for 1000 MW (1-5 MW) solar power within Punjab is under process

(iv)Rfs to be floated by PEDDA for Procurement of 340 MW Solar Power under FLS scheme.

(v)Procurement of 250 MW solar power from SECI is also under process.

(vi)MoU was signed with Department of Water resources (Irrigation Deptt.) of capacity 4 MW solar PV power project near HarikePattan in Distt. Shri Mukatsar Sahib.

(b)FDRE Power:

(i) PSPCL has floated a tender for procurement of 1000MW Firm and Dispatchable RE Power (FDRE) on demand following manner as per load profile of PSPCL. Last date for bid submission was 27.01.2026. Due to non-participation of bidders and extension of tender by more than a year, a consolidated case has been put up for approval of PSPCL's management to drop this tender.

(ii) BoDs of PSPCL have granted approval for procurement of 910 MW FDRE power from M/s SJVN Ltd. and M/s NHPC Ltd. The signing of PSAs with M/s SJVN Ltd. and M/s NHPC Ltd. is in process and petitions for approval from the Commission shall be filed shortly.

(c)1200 MW Wind Power in pipeline, details of which is as under:

(i) M/s SECI Ltd. and M/s SJVN Ltd. has floated tenders on behalf of PSPCL for procurement of ISTS connected 600 MW Wind Power each (total 1200 MW) with commissioning as per guidelines.

d)750 MW/1500 MWh BESS in pipeline, details are as under:

PSPCL has floated two number of tenders for Standalone Battery Energy Storage System (BESS) as follows:

(i) Rfs No.58/PSPCL/500MWh/ELEC/BIO-43/(BESS-I) Dated: 13.01.2026 for Selection of eligible bidders for setting up of 250 MW/500 MWh Standalone Battery Energy Storage Systems (BESS) in Punjab under Tariff-Based Global Competitive Bidding with Viability Gap Funding supported through PSDF

(ii) RfS No.59/PSPCL/1000MWh/ELEC/BIO-43/(BESS-II) Dated: 13.01.2026 for Selection of eligible bidders for setting up of 500 MW/1000 MWh Standalone Battery Energy Storage Systems (BESS) in Punjab under Tariff-Based Global Competitive Bidding.

(e) 483 MW large hydel Projects in pipeline:

(i) About 483 MW hydel power is under consideration for which either MoP, GoI has allocated the power to PSPCL, or in-principal consent issued by PSPCL.

Commission's view:- The objector may note the response of PSPCL. The Regulations issued by the Commission are based on prudent principles and are issued after following due regulatory process.

C. Transmission Charges

Issue C-1: Transmission charges without considering escalation over FY 2025-26

1. PSPCL submitted that they have projected Transmission Charges for FY 2026-27 after considering escalation of 5% over FY 2025-26 Transmission Charges. PFI analyzed the past trend of Inter & Intra-state Transmission Charges and observed that the five-year CAGR growth is around 8.60% and 4.72% respectively. In view of above, PFI requested to the Commission to consider Transmission Charges for FY 2026-27 as proposed by PSPCL.

Reply of PSPCL: The PFI projections are in line with the PSPCL's projections. Further, PSPCL projections are based on the regulatory principles set by the Commission as defined in the PSERC MYT Regulations, 2025

Commission's view:- Suggestion is noted.

D. Interest Charges

Issue D-1: Interest on Long term loans & Finance Charges

1. PSPCL has claimed Rs. 1250 Crore as Interest Cost on Long term Loans. PFI observes that computation of Interest on Long term Loans is not as per the Regulatory provisions stipulated in the PSERC MYT Regulations, 2025. PFI has recomputed the interest on Loan for FY 2026-27 as per the applicable Regulatory Provisions considering Closing Loan approved for FY 2025-26 as the Opening loan for FY 2026-27. Addition of loan for FY 2026-27 has been considered as proposed by PSPCL in the Petition. As per regulation 23.2 of the PSERC MYT Regulation 2025, the repayment of loan is considered equal to the Depreciation. The weighted average interest on loan is considered as per the overall weighted average loan for Generation Business and Distribution Business as considered in True up for FY 2024-25. Accordingly, the interest on long term loan is reworked as per the Regulatory provisions as shown below:

Sr. No.	Particulars	Proposed by PFI (Rs. cr.)
1	Opening Loan	5,758
2	Addition during the Year	8,593
3	Less: Repayment	
4	Closing Loan	12,635
5	Average Loan	9,196
6	Rate of Interest on Loan	8.86%
7	Interest on Long Term loans	815

In view of the above, PFI requested the Commission to consider Rs. 815 Crore of normative Interest on Long Term loans in the ARR of FY 2026-27 as against Rs. 1250 Crore as submitted by the PSPCL for FY 2026-27. The additional Interest on Term Loan as claimed by DISCOM, should be borne by Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL has claimed interest for long term loans for the FY 2025-26 which will likely to be borne and the same is prayed before the Commission to be allowed.

Commission's view:- The interest on long term loans is determined by the Commission in line with the prevalent PSERC MYT Regulations.

Issue D-2: General Provident Fund (GPF) Liability

1. PSPCL has projected GPF liability of Rs. 31.40 Crore in FY 2026-27. It is observed that the Commission in its Tariff Order dated 28.03.2025 has disallowed interest on GPF and mentioned that initial corpus along with interest was to be fully paid/deposited by PSPCL to

the GP Fund Trust on or before 31.03.2023 and no interest on outstanding initial corpus balance was allowable after 31.03.2023.

PFI requested the Commission to not allow GPF Liability as this interest amounts to the interest charge towards default payment of initial corpus as well as subscription to the GP Fund Trust. PSPCL has claimed interest on GP fund Liability which is interest on default payments of initial corpus as well as subscription to the GP Fund Trust, as recorded by the Commission in Tariff Order dated 28.03.2025. The same may be borne by the Govt. of Punjab in the form of subsidy

Reply of PSPCL: As per regulation 41(a) of the Provident Fund Regulation 1960, G.P. fund balances, after deducting final payments, permanent and temporary advances as admissible under these regulations will be available for use by the Board in meeting its capital expenditure under the plan. Accordingly, PSPCL is paying interest at rate fixed from time to time. In case the outstanding balance was remitted to trust the same would have been arranged by availing the loan which would have been more than the rate of interest paid to the subscriber. The Commission has allowed rate of interest on working capital loans and long-term loans at much higher than the rate of interest on general Provident fund which is 7.10% per annum. The rate of interest on GPF is less than the rate approved by the Commission. It is requested to allow the GPF interest on actual.

Commission's view:- Suggestion is noted.

Issue D-3: Guarantee Fee & Other Interest

1. PSPCL has projected Guarantee Fee of Rs. 130.27 Crore & Other Interest of Rs. 32.20 Crore in FY 2026-27. PSPCL has not submitted the break-up and reason of claiming Guarantee Fee and Other Interest. However, the Commission in its Tariff Order dated 28.03.2025 has allowed the Guarantee Fee & Other Interest for FY 2025-26 equal to Guarantee Fee & Other Interest approved in True-up of FY 2023-24, which will be reviewed at the time of True-up of FY 2025-26. PFI requested the Commission to allow Guarantee Fee & Other Interest equal to Guarantee Fee & Other Interest allowed for FY 2024-25 after prudence check of the claim in line with the Commission past practice as per Audited Accounts. The additional interest as claimed by DISCOM, should be borne by Govt. of Punjab in the form of subsidy.

Particulars	Protected by PSPCL	Proposed by PFI	Difference
Guarantee Fee	130.27	48.53	(81.74)
Other Interest	32.20	32.20	0

Reply of PSPCL: PSPCL avail loans secured against the State Government's Guarantee and the guarantee fee is paid at the rate of 2% on the long term loan amount. Accordingly, the guarantee fee of Rs. 130.27 Crore have been claimed on long term loans of Rs. 6513.49 Crore likely to be availed during FY 2026-27.

Commission's view:- Suggestion is noted.

Issue D-4: Interest Capitalized

1. PSPCL has projected Interest Capitalized of Rs. 423.85 Crore for FY 2026-27. It is observed that PSPCL has not submitted the break-up of Interest Capitalized. However, the Commission in its Tariff Order dated 28.03.2025 has allowed the Interest Capitalized equal to Interest Capitalized approved in the True-up of FY 2023-24, which will be reviewed at the time of True-up of FY 2025-26. PFI requested the Commission to allow Interest Capitalized equal to the Interest Capitalized allowed for FY 2024-25 after prudence check of the claim, as PSPCL has claimed interest capitalized majorly under the head of Shahpur Kandi Plant which has not been commissioned yet. Accordingly, PFI requested the Commission to allow Interest Capitalized as Rs. 55.22 Crore in line with the Commission past practice as per the Audited Accounts. The additional interest as claimed by DISCOM, should be borne by the Govt. of Punjab in the form of subsidy.

Particulars	Projected by PSPCL	Proposed by PFI	Difference
Interest Capitalized	423.85	55.22	(368.63)

Reply of PSPCL: The projections for the ensuing years are based on the prevailing MYT regulations and historical data. The Commission allows the expenses including the capex & capitalization after its prudence check.

Commission's view:- Suggestion is noted.

Issue D-5: Interest on Working Capital

1. PSPCL projected Rs. 391.19 Crore as Interest on Working Capital for FY 2026-27 as per the regulatory provisions. However, PSPCL has requested the Commission to allow Interest on Working Capital as per actually incurred by the DISCOM as working capital is required to fund their deficits in the financials which have disallowed and for funding the delay payment from the consumers. PFI has analyzed the pending dues from consumers and pending subsidy for FY 2024-25 and found that around Rs. 9800 Crore subsidy is still pending with the Govt. of Punjab along with Rs. 2328 Crore from the State Govt. Departments. Due to such huge outstanding, PSPCL is dependent on working capital loans to run its operations resulting in the burden of interest thereof.

The Commission determines the IoWC as per the applicable Regulatory Provisions, however, Sections 61 (d) of the Act stipulate that the appropriate Commission should specify Tariff Regulations considering various parameters including safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner. Also, Electricity (Second Amendment) Rules, 2023 dtd. 26.07.2023 stipulates that the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system should be allowed. The relevant extract of the said Rules is as follows:

"(4) All the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system in accordance with sub-section (1) of section 42 of the Act shall be pass through."

2. In view of the above, PFI requested the Commission to consider amending the applicable Regulatory provisions to allow actual interest on Working Capital for the DISCOMs considering the fact that there is huge outstanding subsidy to be paid by the Govt. Such interest on Working Capital is a prudent cost incurred by the DISCOM which if not allowed will become financial losses to the stressed DISCOM. However, for the purpose of ARR of FY 2026-27, PFI requested the Commission to allow Interest on Working Capital equal to Interest on Working Capital actually paid by DISCOM in FY 2024-25 i.e., Rs. 816.55 Crore.

Reply of PSPCL: PSPCL avails the working capital loans to meet with its working capital requirement due to non-receipt of the Government dues, non receipt of subsidy from Government of Punjab in time and due to cash losses of PSPCL. PSPCL is claiming interest charges on the basis of actual interest paid against the loan availed by PSPCL. Moreover, PFI also supported the claim of PSPCL and requested to amend the applicable regulatory provision to allow actual interest borne on working capital and the same needs to be allowed in full by the Commission.

Commission's view:- The interest on working capital is determined by the Commission in line with the prevalent PSERC MYT Regulations.

E. Operation & Maintenance Expenses

Issue E-1: Employee Expenses

1. PSPCL has projected employee expenses as Rs. 7,881 Crore for FY 2026-27 based on the actual/provisional expenses of past years. PFI observed that PSPCL has also claimed Terminal Benefits of Rs. 773 Crore while computing the Employee Expenses which is not in line with the Regulatory provision. As per Note-4 of the Regulation 25 of MYT Regulation 2025, Terminal Benefits will be approved as per actuals paid by the Petitioner.

Accordingly, PFI requested the Commission to not consider Terminal Benefits of Rs. 773 Crore while allowing Employee expenses. PFI has recomputed Employee Expenses as Rs. 7,107 Crore against the projected Employee Expenses of Rs. 7,881 Crore.

Reply of PSPCL: PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles set by the Commission as defined in the PSERC MYT Regulations, 2025. The methodology adopted by PSPCL for filing the petition is very well elaborated in

the Petition and is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations, 2025. Further, the Commission does a thorough scrutiny of the Petition filed by PSPCL and follows a transparent process for determination of tariff.

Commission's view:- Employee Cost is determined by the Commission in-line with the prevailing MYT Regulations after prudence check.

Issue E-2: Higher Employee Expenses

1. PFI observed that Employee expenses of PSPCL are very high when compared with other DISCOMs as per benchmarking of O&M Expenses on per consumer and per sales for PSPCL (Punjab), UHBVNL & DHBVNL (Haryana) & DWNL (Uttar Pradesh) done by PFI.

It is also observed that the Commission has neither projected nor provided any normative employee expenses on per unit sold or per consumer or per asset basis as in their Tariff Regulations as provided by other State Electricity Regulatory Commissions like Delhi, Rajasthan, Andhra Pradesh, Telangana, Maharashtra etc. Further, CEA issued Guidelines for benchmarking of O&M Norms for Distribution Utilities in Jan' 2025, wherein CEA has recommended computation of O&M Expenses based on number of consumers and GPA.

2. Normative norms bring a check and balance as during the process for preparing norms for next MYT period, the Commission analyzes the past trend of O&M expenses and analyze the reason of any abrupt variation and compare the same with other States and disallow or not consider non-periodic expenses from the norms.

In view of above, PFI requested the Commission to bring out O&M norms for the Control Period (FY 2026-27 to FY 2028-29) on the basis of sales, consumers, assets or GFA after prudence check of the PSPCL actual O&M expenses of last 5 years and analyze the reason of high O&M expenses especially Employee expenses of PSPCL as it put additional financial burden on consumers through Tariff and defeats the basic principle of Electricity Act, 2003 of protecting interest of consumers, efficiency and economical use of the resources.

PFI proposed the Commission to limit the employee expenses of PSPCL to the extent of average of employee expenses per unit sold for PSPCL, UHBVNL, DHBVNL & DVVNL. Accordingly, PFI has computed the employee expenses for FY 2026-27 as follows:

Particulars	UoM	Values
Avg. employee expense per unit sold for FY 2024-25	Paisha/kWh	4.36

Particulars	UoM	Values
Inflation factor		2.10%
Avg. employee expense per unit sold for FY 2025-26	Paisha/ kWh	4.54
Sales Proposed by PFI		73434
Employee expenses as per PFI	Rs. Crore	3334

Particulars	Projected by PSPCL	Proposed by PFI	Difference
Employee Expenses	6,771	3,334	(3,437)

PFI proposed to reduce the employee expenses by Rs. 3,437 Crore and the balance employee expense as claimed by PSPCL should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL files all its expenses in line with the annual audited accounts and the regulatory principles set by the Commission as defined in the prevailing PSERC MYT Regulations. Further, the Commission allows the same after its prudence check. Moreover, as per the decision of Hon'ble APTEL also, the actual employee cost is to be allowed to a distribution licensee.

Commission's view: Suggestion is noted.

Issue F: Demand Side Management (DSM) Fund

PSPCL has projected Rs. 5.06 Crore for DSM activities in FY 2026-27. PFI observed that PSPCL has also not submitted any proposal related to DSM initiatives with the Petition. DSM is a strategic approach to energy conservation that seeks to manage consumer demand for energy rather than simply supply it. It is a coordinated set of activities and programs undertaken by electric utilities, developers, government agencies, and end-use consumers

to ensure that electric power service can be delivered to consumers at the lowest cost consistent with reliable supply. DSM also seeks to promote energy conservation and peak load reduction through voluntary or mandatory actions taken by the above-mentioned participants. In view of above, PFI requested the Commission to direct PSPCL to focus on the DSM activities and submit detailed proposal w.r.t. activities proposed under DSM.

Reply of PSPCL: Demand Side Management (DSM) has been traditionally recognized as one of the major interventions to achieve reduction in energy demands while ensuring continuous development. In recent past, DSM has gained unprecedented importance and has become an integral part of almost all the central and state missions on promotion of Energy Efficiency. DSM interventions have helped utilities not only to reduce the peak electricity demands but also to defer high investments in generation, transmission, and distribution networks. So, it is utmost important to have a budget for DSM works. Further, the Commission will approve the expenses only after the prudence check of the entire submission of PSPCL based on the audited balance sheet and future projections.

Commission's view: The objector may note the response of PSPCL. The Commission encourages all DSM initiatives.

Issue G: Norms of Operation for Thermal Generating Stations

1. PSPCL has submitted to relax the Norms of operation for Thermal Generating Stations which was mainly affected due to ageing of units and partial load & frequent start/ stop of the units. It is observed that the Commission in its PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2025 has laid down the principle of setting the norms for operation of Generating Stations. PFI requested the Commission to consider the norms for operation of Generating Stations in line with the norms determined by the CERC.

2. Further, PSPCL has considered escalation cost of coal, oil and biomass for GHTP & GGSSTP plant by 5% & 2% respectively for FY 2026-27. PFI requested the Commission to consider one time increase of 5% on price of coal, oil and biomass over the actual price in FY 2024-25 as claimed by PSPCL. PFI requested the Commission to consider the nonnative Operational Performance Parameters for GGSSTP & GHTP for FY 2026-27. In view of this, PFI requested the Commission to allow the Fuel cost as Rs. 3401 Crore (based on normative performance parameters) against the claimed Fuel cost of Rs. 4066 Crore. The additional fuel cost, as claimed by DISCOM, should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL submits the Plant wise reply as below:

GGSSTP: Norms of operation for Thermal generating Station like GGSSTP may be relaxed in view of the constrained operation of age old GGSSTP units whereby the operational parameters like SHR, APC and Oil Consumption are badly affected.

The GGSSTP units are running since year 1988 for more than 37 years and no major R&M has been carried out so far. These units are often operated on partial load due to cyclic power demand conditions of the state of Punjab and many a time, have to be stopped also. Many a times during backing down the GGSSTP units have to run at as low as 160 MW of load and at this level of partial load operation the heat rate is deteriorated.

Factors like Nos. of Start/stops, part-load operation of units, efficiency of equipment etc. badly affect the performance of the units. This type of operation is beyond the control of GGSSTP. Accordingly, GGSSTP has submitted for relaxation & consideration of SHR, APC, Oil Consumption and Transit Loss on actual basis. Further, it is brought out that for the similar plants of the age of GGSSTP, the other respective SERCs are also giving relaxation in the SHR, APC and Oil Consumption approved for FY 2024-25 as tabulated below:

Sr. No	State	Unit Capacity (210 MW)	Year of commissioning	SERC	SHR (Kcal/Kwh)	APC (%)	Sp. Oil cons (ml/Kwh)
1	Gujarat	Wanakbori TPS-6	11/87	GERC	2575	9.00	1.00
		Gandhinagar TPS-	1990-91		2625	9.00	1.00
2	Mahara-shtra	Khaparkhera TPS-I	1989-2000	MERC	2630	9.70	1.20
3	Haryana	PTPS-6	2001	HERC	2550	9.00	1.00

GHTP: Due to the cyclic power demand conditions of the state of Punjab, GHTP units are often operated on partial load and many a time has to be stopped, when the power demand drops beyond a limit. Factors like high Nos. of Start/stops, partial load operation of GHTP units badly affect the efficiency of equipment results to lower performance of the GHTP units. The Cyclic nature power demand is beyond the control of GHTP. So PSPCL requested the Commission to relax the operating parameters of generating station should in line with CERC as it allows relaxation in older units. PSPCL further submits that considering recent Gol notification w.r.t rationalization of GST rates on coal, GST on coal has been increased from 5% to 18% and compensation cess of Rs. 400 per ton has been removed. However, Jharkhand Mineral land bearing cess has been increased from Rs. 250/- to Rs.450/-. This increase in GST rates & Jharkhand Mineral land bearing cess resulted in higher landed price of coal as the maximum coal received in GHTP is from Pachwara coal mine, Jharkhand (DBL Coal). Further 5% escalation has been projected for coal, oil & biomass prices in 4th MYT 2026-27 to 2028-29 due to anticipation of market prices. PSPCL further requests the Commission to kindly consider PSPCL requests and allow relaxation in norms of thermal power plants and approve the requested expenses.

Commission's view:- The Commission approves the energy cost of PSPCLs own thermal plants after due prudence check and as per normative parameters.

Issue H: SUMMARY OF PSPCL ARR & TARIFF PETITION FOR FY 2026-27

1. In view of above, it is observed that PSPCL is Revenue Surplus by Rs. 6,174 Crore instead of surplus of Rs. 1,485 Crore as proposed by PSPCL. PFI requests the Commission to kindly consider the same. Accordingly, there will be no requirement of Tariff hike as proposed by DISCOM. Further, the Govt. of Punjab should provide additional subsidy of Rs. 4,689 Crore, on account of higher claims of PSPCL as tabulated above, over and above the subsidy decided by Govt. of Punjab for FY 2026-27.

Reply of PSPCL: The methodology adopted by PSPCL for filing the petition is in line with the regulatory principles set by the Commission and as per the provisions of the PSERC MYT Regulations, 2025. The same is very well elaborated in the petition itself. Further, Commission does thorough scrutiny of the petition filed by PSPCL and follows a transparent process for determination of tariff and the consumers are given every opportunity to present their objections.

Commission's view:- Revenue gap is determined by the Commission in-line with the prevailing MYT Regulations after thorough prudence check.

Issue I. PM SURYA GHAR - MUFT BIJLI YOJNA

1. PM Surya Ghar: Muft Bijli Yojana is projected to add 30 GW of solar capacity through rooftop installations in the residential sector, significantly contributing to India's renewable energy goals. Through this rooftop solar scheme many domestic consumers will have Net metering connections which will have a sizeable impact on the domestic category sales. However, in the Tariff Petition for ARR of FY 2026-27, PSPCL has not submitted any proposal related to PM Surya Ghar — Muft Bijli Yojna. In view of above, PFI submitted that Sales forecast for PSPCL in ARR of FY 2026-27 may be done considering the impact of PM Surya Ghar — Muft Bijli Yojna and Demand Side Management (DSM) initiatives.

Reply of PSPCL: PSPCL is the designated nodal agency for implementing the PM Surya Ghar – Muft Bijli Yojana in the State of Punjab. PSPCL is making all out efforts to make the scheme successful in the State of Punjab. For this, details of the best practices being implemented by PSPCL to enhance the uptake of PM Surya Ghar: Muft Bijli Yojana (PM-SGMBY) are briefed as below: -

1. PSPCL has done the integration with National Portal for Rooftop Solar.

2. All the Solar Roof Top connections are being released with both consumer meter and generation meter being smart meter only. In case an existing Conventional Meter is replaced with Smart Meter then no amount shall be charged, however cost of additional one Smart meter to be installed shall be taken as per the rates defined by PSPCL.

3. Technical feasibility for systems up to 10 KW has been waived off and any commensurate enhancement of the sanctioned load of the consumer is also being carried out accordingly.

4. Technical feasibility for System greater than 10 KW is being accorded within 15 days.
5. Instructions have been passed as per which PSPCL shall complete signing of connection agreement, installation of meter and successful commissioning of the roof top solar photovoltaic system within fifteen days from the date of submission of the installation certificate.
6. SMS on monthly basis are being sent to all domestic consumers of the State encouraging them to install RTS plants at their residential premises under the scheme.
7. For widespread promotion of the scheme advertisements have been Published in the leading newspapers of the state.
8. Training of approx. 1160 nos. officials (SDO/JE/other officials of PSPCL) have been conducted under capacity building component of PM SG: MBY scheme.
9. The Commission, vide Petition No. 65 of 2025, exercising powers under Regulation 24 of the PSERC (Grid Interactive Rooftop Solar PV Systems) Regulations, 2021, has approved waiver of application fee and meter testing charges as specified under Regulation 11.3 and Regulation 7.4, respectively, for domestic prosumers up to 10 kW installing rooftop solar under PM Surya Ghar: Muft Bijli Yojana, till achievement of the target of 2.5 lakh installations. Further, for consumer convenience, the connection agreement under Regulation 11.13 shall be executed by PSPCL during site visit.
10. Further, it is submitted that the present status of RTS plants under the said scheme is as under (data as on 20.01.2026):

Financial Year	No. of Consumers with RTS/Projects Commissioned	Total Installed Capacity (MW)
2024-25	4964	24.47
2025-26	4974	21.08

Commission's view:- The objector may note the response of PSPCL. The Commission encourages all DSM initiatives

Issue J: ENERGY STORAGE SYSTEMS (ESS)

1. In a significant regulatory development, the MoP clarified Legal Status to ESS on January 29, 2022. The order identifies ESS as an essential component of the power system under the Electricity Act 2003, permitting ESS to function as a standalone or integrated element within generation, transmission, or distribution networks. The ESS can be operated by various entities, and standalone ESS projects can be licensed independently and granted connectivity under specific rules, broader ESS applications and ownership models.

2. The Waiver of Inter-State Transmission System (ISTS) Charges for solar, (onshore and offshore), and green hydrogen projects was mandated by the Ministry of Power (MOP) on November 23, 2021, with subsequent amendments in November 2021, December 2022, May 2023, June 2023 & June 2025. The Central Electricity Authority (CEA) on 28.06.2023, has established RA planning guidelines at both national and state levels, an important step forward, and has recently come up with state-wise RA reports with up to 5-year or 10-year RA projections. The CEA Resource Adequacy guidelines also outline a framework for incorporating ESS in RA planning.

3. Recent national and state government policies have begun to lay a foundation that will support ESS deployment and its integration into RA planning and procurement, electricity markets, and system operations. The CEA in its Report for Resource Adequacy Plan for the State of Punjab from FY 2025-26 to FY 2035-36 has identified that:

- Punjab is likely to witness an energy deficit ranging from 9.7BU to 26.7BU in different years from 2024-25 to 2035-36 with the existing and planned capacity addition only.
- In addition to the existing and already planned contracts, Punjab needs to tie up approximately 9,248 MW of solar-based capacity, 4,500 MW of wind-based capacity, 1,902 MW of DRE, 1000 MW of FDRE and 2812 of Storage BESS by 2035-36.

Further, PSPCL has not projected any capacity during FY 2026-27 under Power Purchase Quantum and Cost. However, CEA has projected additional requirement of 262 MW Storage capacity in FY 2027-28.

4. PFI submitted that Energy Storage is an effective tool for Energy arbitrage for DISCOMs in optimization of their Power Purchase Cost. For instance, in BESS, Batteries can be charged in the off-peak hours and can be discharged in Peak hours, thus, avoiding reliance of DISCOMs on high-cost short term Power from markets or not scheduling the high-cost Power Plants. With steep reduction in Battery prices and active participation by various companies, PSPCL necessitates to also consider Energy Storage as part of their Power Procurement Planning in line with RA Planning formulated by CEA for Punjab.

Reply of PSPCL: PSPCL has already floated two number of tenders for Standalone Battery Energy Storage System (BESS). The details of the same are as below:

- I. **RfS No.58/PSPCL/500MWh/ELEC/BIO-43/(BESS-I) Dated: 13.01.2026** for Selection of eligible bidders for setting up of 250 MW/500 MWh Standalone Battery Energy Storage Systems (BESS) in Punjab under Tariff-Based Global Competitive Bidding with Viability Gap Funding supported through PSDF.
- II. **RfS No.59/PSPCL/1000MWh/ELEC/BIO-43/(BESS-II) Dated: 13.01.2026** for Selection of eligible bidders for setting up of 500 MW/1000 MWh Standalone Battery Energy Storage Systems (BESS) in Punjab under Tariff-Based Global Competitive Bidding.

Commission's view:- The suggestions are noted. The objector may note the PSPCL's reply. The Commission agrees that ESS are the need of the hour and need to be promoted and deployed for meeting peak energy needs.

Issue K: TIME OF DAY (ELECTRICITY (RIGHTS OF CONSUMERS) AMENDMENT RULES, 2023 DTD. 14/06/2023)

1. The Electricity (Rights of Consumers) Amendment Rules, 2023 stipulates that every consumer category except Agriculture should have Time of Day (TOD) Tariff wef 01.04.2025 and shall be made effective immediately after installation of Smart Meters, for the consumers with Smart Meters. It is to be noted that PSPCL has not proposed TOD for Domestic consumers, where Smart Meters have been installed, for FY 2025-26. Further, the Rules also stipulate that TOD Tariff for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff. Further TOD during Off-peak hours should be at least 20% less than the normal tariff (not more than 80% of the normal tariff). However, PSPCL has not proposed any Off-peak Tariff for the period 1st June to 15th October which is non-compliance of the Consumer Rules formulated by the MoP. Similarly, the Licensee has not proposed any Peak Tariff for the period 16th Oct to 30th Nov and 1st March to 31st March.
2. Further, PSPCL has also not submitted the status of ToD in their area (tariff category wise). The said status report should provide benefit derived from ToD through flattening of Load Curve and avoiding procurement of costly power in Peak Period.
3. PFI observes that the cost of power purchase during peak hours is quite high. ToD Tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high-cost peaking power purchases. The TOD Tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the Tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency.
4. Introduction of higher peak hour Tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower Tariff during off peak hours. In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would be and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.
5. The TOD Tariff would thus have immediate as well as long-term benefits for both consumers as well as the utility and contribute towards controlling the rise in power purchase costs. Thus, PFI requested the Commission to formulate TOD Tariff for all eligible consumers in line with the MoP Electricity (Rights of Consumers) Amendment Rules, 2023 as amended from time to time.

Reply of PSPCL: The Electricity (Rights of Consumers) Amendment Rules, 2023 stipulates that every consumer category except Agriculture should come under the Time of Day (TOD). Considering the same, PSPCL submitted its proposal for the TOD tariff in the additional submission made by PSPCL on dated 04.02.2026.

Commission's view:- Refer para 4.1 and 4.2 of Chapter 4 of this Tariff Order in this regard.

PFI Comments/Suggestions: PSPCL's True-up Petition for FY 2024-25

L.SALES

Issue L-1. Un-metered Agriculture Consumers

1. The Commission has been reiterating multiple directions every year in Tariff Orders for 100% metering of AP consumers. It is noted by PFI that PSPCL in True-Up Petition for FY 2024-25 has considered huge unmetered AP consumption of 14,817.73 MU (22% Approx. of the total Sales in the State). Further, the Commission in previous Tariff Orders has been reiterating its directions to PSPCL for ensuring supply of monthly Automated Meter Reading (AMR) data of Agricultural Pump (AP) feeders. PFI observes that PSPCL in Compliance to the Directive section has claimed that they have submitted the monthly AMR data for AP Feeders for FY 2024-25 and has mentioned that it has taken cognizance of Electricity (Amendment) Rules 2022 dtd. 29.12.2022 with regards to "*Measurement of Energy Supplied to Subsidized categories (AP consumers)*".

2. The total AP consumption claimed by PSPCL is 14,817.73 MU for FY 2024-25 which is arrived at by considering 15,252.46 MU as Energy Pumped in case of 3-phase 3-wire AP Feeders. However, the detailed calculations for computing AP consumption in line with the MoP Rules has not been provided. PSPCL has neither provided the detailed calculations for arriving at AP consumption as mandated by above mentioned MoP Rules (also in no case assessment of energy to be done on HP/lumpsum basis) nor has provided monthly AMR Data for AP Feeders. Due to lack in transparency of information submitted by PSPCL, the AP consumption and Distribution losses cannot be accurately ascertained or estimated with minimal error for True-up of FY 2024-25.

3. The Commission is requested to take suitable action against PSPCL for repeated non-compliance of directions, as provided under Section 142 of the Electricity Act, 2003. It is noted from the previous True-ups of relevant FYs that the Commission recognizes lack of supporting evidence in PSPCL claims and non-compliance of directives has approved 98%-99% of the Agricultural Sales as claimed by PSPCL. Thus, as a deterrent measure, over and above penalty under Section 142, the same ratio may be considered for approving AP Sales for FY 2024-25. Further, the Commission may obtain complete information along-with all feeder details (dedicated & mixed AP feeder) for ensuring compliance of the Electricity (Amendment) Rules, 2022 dtd. 29.12.2022 which stipulates that Accounting of due subsidy for the purpose shall be done in accordance with the Standard Operating Procedure issued by the Central Government. Standard Operating Procedure has also been issued by Gol on 03.07.2023. The relevant extract of the MoP rule is as follows:

"15. Subsidy Accounting—Accounting of due subsidy for the purpose of section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard Operating Procedure issued by the Central Government, in this regard."

Reply of PSPCL: PSPCL is fully cognizant of and compliant with the directions of the Commission regarding progressive metering of the AP consumers and feeder-level energy accounting. The Utility is implementing feeder metering and AMR-based monitoring in a phased manner, and monthly AMR data of AP feeders for FY 2024-25 has been furnished to the Commission in compliance with the deficiency observations.

The AP consumption for FY 2024-25 has been assessed based on feeder-wise energy pumped data for 3-phase, 3-wire AP feeders, as adopted in earlier years and accepted by the Commission, subject to prudence check. Detailed feeder-wise data, working sheets and ledgers in support of AP sales (metered connections) and unmetered assessment have already been placed on record before the Commission in response to deficiencies. The methodology is aligned with the applicable regulatory framework and directions of the Commission and does not involve HP/lumpsum based assessment.

The accounting of subsidy for AP category is being carried out strictly in accordance with the Standard Operating Procedure issued by the Central Government under the Electricity (Amendment) Rules, 2022, and the relevant ledgers and reconciliations have been furnished to the Commission. In view of the above, PSPCL submitted that the estimation of AP consumption and corresponding distribution losses is based on the approved regulatory methodology, supported by records placed before the Commission, and remains subject to prudence check. The allegations of non-compliance are, therefore, denied.

Commission's view:- PSPCL has submitted the ledger data vide reply dated 17.12.2025 in response to the query raised by the Commission vide Order dated 05.12.2025. The Commission has directed PSPCL to ensure that AMR system for providing AMR data to the Commission be made functional at the earliest and progress in this regard be submitted within one month from the date of issuance of this Tariff Order. Further, AP consumption is determined by the Commission after prudence check. Refer para 2.2.2 of Chapter 2 of this Tariff Order.

Issue L-2. Adjusted units (Theft/Short assessment/ unbilled)

1. PFI observed that PSPCL has claimed "Adjusted units (Theft / Short assessment / unbilled)" of 255.56 MU under sales for FY 2024-25. Such a significant quantum of adjusted energy indicates commercial losses arising from theft, unbilled, or short assessments, which are primarily attributable to deficiencies in metering, billing, and enforcement mechanisms. In this regard, it is necessary that the adjusted units are to be mapped consumer-category-wise to clearly identify the consumer categories contributing to such losses and factor in appropriate revenue. Thus the Commission is requested to seek category-wise details of theft from PSPCL and allocate appropriate revenue as per Section 126 (6) of the Electricity Act, 2003 by considering all such assessments at rate equal to twice the tariff rates applicable to relevant category.

Reply of PSPCL:

PSPCL has submitted 255.56 MU adjusted units. The bifurcation of the same is as below:

- a. Unbilled -00.62 MU
- b. Short Assessment – 45.13 MU
- c. Theft: Enforcement Wing – 106.88 MU
Operation wing – 102.93 MU

The details of revenue assessed under the adjusted units are as below:

Unbilled units: Revenue against these units has already been adjusted in March monthly account and is already included in gross revenue in the books of accounts.

Short assessment by audit: Revenue against these units (short assessment detected by the audit wing) is charged through sundry charges thereby booked in monthly accounts by the subdivisions, hence already included in the gross revenue in the accounts.

Theft: Revenue of Rs. 123.61 Crore has been booked on account of theft/UUE units that is 209.81 MUs (20.98 Crore).

Commission's view:- The objector may note PSPCL's reply.

Issue M: DISTRIBUTION LOSS

1. PSPCL has claimed actual Distribution Loss as 13.12% for FY 2024-25 against the approved 12.10%. Accordingly, PSPCL has computed the energy balance as per actual Distribution Loss of 13.12%. PFI requested the Commission to consider the Distribution Loss as 12.10% as approved for the Control Period. Accordingly, PFI has recomputed the energy balance as per the Commission's approved Distribution Loss and observed that PSPCL has procured surplus power to the extent of about 892.91 MU. The impact of excess procured over and above the normative distribution loss should be borne by Govt. of Punjab in the form of subsidy.

Reply of PSPCL: The Distribution Loss of 13.12% for FY 2024-25 is based on actual energy input and sales data, and the energy balance in the True-Up Petition has been prepared on actuals, as per settled regulatory practice, subject to prudence check by the Commission. The approved loss trajectory for the Control Period is a normative target, and deviations therefrom are examined by the Commission during true-up after prudence check, considering ground realities such as network constraints, load growth, Capitalisation

timelines and higher LT share in the energy mix. Power purchase planning for FY 2024-25 was undertaken on the basis of projected demand and system stability and security requirements, as per approvals. Any post-facto variation on account of difference between normative and actual losses cannot be treated as surplus procurement attributable to PSPCL. The request to pass on the impact of such variation to the State Government as subsidy is not envisaged under the regulatory framework. Any adjustment, if considered necessary, is subject to determination by the Commission in accordance with the applicable MYT Regulations.

Commission's view:- The Commission retained the distribution loss target of FY 2024-25 as 12.10% in line with the distribution loss trajectory already approved by the Commission for the 3rd MYT Control Period in the Business Plan and CIP Order dated 11.01.2023 in Petition No. 49 of 2022 and Tariff Order for FY 2023-24 dated 15.05.2023. Also refer para 2.3 of Chapter 2 of this Tariff Order.

N. COLLECTION EFFICIENCY

Issue N-I: Govt. department dues & Outstanding subsidy

1. PSPCL has submitted collection efficiency of 92% for FY 2024-25. PFI observed that although the Commission has not projected any collection efficiency target for PSPCL in the Regulation, however, it is observed that as per PFC's report on "*Performance of Power Utilities 2023-24*", *national collection efficiency was 96.51% in FY 2023-24. Collection efficiency claimed by PSPCL is even lower than the National average. Although the Distribution Loss of DISCOM is below National Average but it is also important to have higher collection efficiency*".

2. Further, it is observed that the State Govt. departments have pending dues of Rs. 2328 Crore and the Govt. of Punjab has not disbursed subsidy of Rs. 3907 Crore for the FY 2024-25. Further the cumulative pending subsidy till FY 2024-25 to be disbursed by the Govt. of Punjab is Rs. 9804 Crore, this resulted in lower collection efficiency of DISCOM. Further, such dues put additional financial burden on the DISCOM in the form of short-term loan leading to higher Interest on Working Capital. Since these two components are attributable to Govt. of Punjab, therefore the State Govt. should bear the burden so that this burden will not be socialized at large among the consumers through Tariff. PSPCL has considered full subsidy while computing its Revenue and not Govt. department dues. However, it is submitted before Commission that both Govt. dept. dues and pending subsidy to be considered while computing collection efficiency and revenue.

In view of the above, PFI requested the Commission to consider Revenue as Rs. 50,099 Crore and the gap of Rs. 3,907 Crore against the pending dues of Govt. departments should be borne by Govt. of Punjab in the form of subsidy of FY 2024-25. Non-payment by Govt. department results in lower collection efficiency of PSPCL which is reflected as Revenue gap in the financial year. Therefore, the inefficiency on account of non-payment of Govt. departments should not be socialized to consumers of Punjab but it should be considered by Govt. of Punjab in the form of subsidy.

Reply of PSPCL: The responsibility for addressing the outstanding amounts of the government electricity bills lies with the government itself. PSPCL continually provides the details of outstanding amount of the Government of Punjab's department connections compiled based on connections mapped by field offices on the GoP Portal and billing and payment details available on the GoP Portal to PSPCL Management. Further, PSPCL is regularly taking up the matter of clearance of outstanding dues of Govt. departments. In line with the same, the Govt. of Punjab is making payments to clear the outstanding amount of various govt. offices.

Commission's view:- PSPCL needs to take appropriate steps to recover the dues receivable. The Tariff is determined on the basis of assessed revenue and not on the actual received revenue. Any shortfall in recovery or dues by the DISCOM is to their operational detriment. PSPCL has been advised to use prepaid meters in those connections whose recovery of dues is chronically delayed or take other appropriate action as per rules, regulations and the provisions of the Act.

O. Power Purchase Quantum & Cost

Issue O-1: Merit Order Dispatch adherence

1. PSPCL has claimed that they have adhered to the Merit Order Dispatch (MOD) while procuring power subject to must run profile, technical minimum and market availability to meet the increasing demand. PFI observed that PSPCL has not submitted monthly reports certified by SLDC that Merit Order Dispatch principle has been followed in true spirit while scheduling the Power from various Generating Stations. Therefore, it is requested that the Commission directs PSPCL to submit the details along with certification from Punjab SLDC that MoD has been followed in true letter and spirit.

Reply of PSPCL: The SLDC itself is ensuring integrated operation of the Power System in the State along with optimum dispatch of electricity. It is also controlling & monitoring the system parameters to always maintain healthiness of the Power System. PSPCL gives requirements from available sources to meet demand, which is finally implemented by SLDC itself on real time basis on that time demand availability scenario.

Commission's view:- The objector may note the reply of PSPCL.

Issue O-2: Power Purchase Cost over normative Distribution Loss

PFI has computed the excessive Power Purchase w.r.t. higher distribution loss by removing/reducing power procurement from costly power plants (based on Energy Charge Rate). Accordingly, PFI requests the Commission to reduce the Power Purchase Cost by Rs. 343.02 Crore from the claimed Power Purchase Cost of Rs. 27692 Crore and the same should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL : As the proposed reduction in power purchase cost has been worked out by PFI after revision in the actual distribution Loss of PSPCL for FY 2024-25. However, PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles set by the Commission as defined in the PSERC MYT Regulations, 2022. The Commission allows the same after its prudence check.

Commission's view:- The Power Purchase cost is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue O-3: RENEWABLE POWER PURCHASE OBLIGATION

1. PSPCL, in its True-up Petition for FY 2024-25, has submitted that it has considered the Renewable Purchase Obligation (RPO) targets on a technology-neutral basis in line the Commission's Regulation. PSPCL has further claimed RPO shortfall of 1,398.60MU for FY 2024-25. However, after considering carry forwarded of the surplus Renewable of 3352 MU of FY 2023-24 to FY 2024-25 as per the Commission Order, PSPCL projected surplus in Renewable Energy in FY 2024-25. There exists a material variation between the RPO trajectory specified by the Commission under the PSERC RPO Regulations, 2022 and the RPO trajectory notified by the Ministry of Power (MOP) for FY 2024-25. PFI submitted that the MOP Notification does not permit carry forward of compliance. However, the Commission through Order dated 21.08.2025, has further allowed PSPCL to carry forward its cumulative surplus RPO of FY 2024-25 to FY 2025-26.

2. Further, with respect to the Commission's consolidated RPO targets, it is submitted that energy transition is the need of the hour and in order to achieve the Country's target of 500 GW of RE by 2030 and Net Zero by 2070, it is important that every designated consumer including DISCOM should procure Renewable Energy at least equivalent to meet the yearly RPO Targets. In the last few years the share of Renewable Energy has increased significantly which resulted in the concern of grid stability due to intermittent nature of RE and raised the challenges of providing Round the Clock power at affordable prices. To overcome these concerns, Renewable Energy Implementing Agencies like SECI have evolved from plain Vanilla tenders (procuring only Solar or wind energy) to the new age Tenders like RTC or FDRE tenders assuring providing round-the-clock power or peak power through Renewable plus storage combination. The intent of National RPO target is to provide firm and dispatchable renewable energy by providing power through Solar, Wind, Hydro, other Renewable Energy sources and Energy Storage. Further to save the transmission loss and charges, it is also important to have Distributed Renewable Energy to

meet the load at the injecting point. It is evident from the above para that every source is important to provide round the clock power and have minimum impact on grid.

PFI requested the Commission to align RPO trajectory in line with the Ministry of Power's RPO Trajectory and direct DISCOM to procure REC or Green Power from respective source for meeting the compliance.

Reply of PSPCL: PSPCL submitted its pointwise reply as below:

1. The specific measures being taken up by PSPCL to procure renewable energy (RE) on long term basis to achieve its RPO/RCO targets has already been provided in the reply to point no. B 5 above.

2. Further, w.r.t. RPO trajectory, all the state specific factors, RE resources, geographical conditions and peculiar load conditions (i.e. peak & lean demand period) may be taken into consideration while specifying RPO targets for the State of Punjab.

3. In respect of Wind RE targets, the wind potential is almost negligible in Punjab and Wind Power Projects are available only outside the State of Punjab. Further, after signing and approval of the PSA/PPA/power, at least 2 to 2.5 years are required for the wind power to practically flow in the system from that specific project.

4. In respect of Hydro RE targets, the pace of Hydro Power development is very slow due to factors which are beyond the control of State Utility. The only project in the pipeline is the 206 MW Shahpur Kandi Power Project with revised SCoD of the project is now FY 2026-27. Further, most of the Hydro Power addition is taking place in Central Sector in India and considering the past scenario, the in process Large Hydel projects may further get delayed or even some of them may be dropped by the Govt. of India.

5. With respect to the Distributed RE targets, the pace of installation of net-metering, gross metering etc. solar plants in the State of Punjab is not enough to meet the specified targets of DRE. Other factors such as land availability, high land cost etc. may be attributed for hindering DRE Projects in the State. Moreover, this component is non-adjustable with the excess of other RE components.

6. Keeping in view above, it is requested that the RPO targets to meet with RE power should be fixed irrespective of any categorization/sectorization. However, the overall year-wise targets specified by the Commission vide notification dated 12.12.2022 are almost same as that specified vide MoP order dated 20.10.2023. Further, except DRE component, other RE components are adjustable with each other. Now, even excess of DRE has been allowed to adjust it with other components. The remaining shortfall, if any, is also allowed to meet with by the procurement of RECs/buyout price.

7. In past, PSPCL has achieved the RPO targets as specified by the Commission from time to time and is committed to comply with the RPO targets, rules & regulations as directed by the Commission in future. Further, keeping in view the efforts/difficulties faced for the achievement of RPO targets, the provision for carry forward of shortfall/surplus of RPOs to next financial year may also be provided.

Commission's view:- The objector may note the response of PSPCL. The Regulations issued by the Commission are based on prudent principles and are issued after following due regulatory process.

Issue O-4: PRIOR PERIOD ADJUSTMENT CHARGES

1. PSPCL booked prior period adjustment charges of Rs. 739 Crore in FY 2024-25 under Power Purchase Cost. PSPCL has not submitted the details of reason of such prior period adjustment like True-up or Tariff Order of Generating Plant, the Hon'ble APTEL or the CERC's order resulting in arrears etc. with the Petition. PFI requested the Commission to direct the DISCOM to furnish nature of the prior period expenses along with supporting documents, and consider allowance of such prior period expenses, if any, only after due prudence check and verification. The same should be borne by the Govt. of Punjab in the form of Subsidy.

Reply of PSPCL:- The details of prior period adjustment charges under Power Purchase Cost have already been submitted by PSPCL in reply to the Commission's Order Dated 05.12.2025 in petition no. 70 of 2025.

Commission's view:- The objector may note the response of PSPCL. The Power Purchase cost is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

P. O&M EXPENSES

Issue P-1: Employee Expenses

1. PFI in the ARR section has highlighted the higher employee expenses of PSPCL in comparison to other DISCOMs. Based on that, PFI has computed the employee expenses for FY 2024-25 as Rs. 2851 Crore against PSPCL's claim of Rs. 6075 Crore. In view of above, PFI proposed to reduce the employee expenses by Rs. 3,224 Crore and the balance employee expense as claimed by PSPCL should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL: PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles set by the Commission as defined in the PSERC MYT Regulations. The methodology adopted by PSPCL for filing the petition is very well elaborated in the Petition and is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations. Further, the Commission does thorough scrutiny of the Petition filed by PSPCL and follows a transparent process for determination of tariff.

Commission's view:- The employee expenses are determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue P-2: REPAIR & MAINTENANCE Expenses

1. PSPCL has claimed Rs. 884 Crore as Repair and Maintenance Expenses in the True-up Petition. However, they have not computed R&M expenses as per the applicable Regulatory provisions. As per the applicable Regulatory provisions, R&M and A&G expenses are to be determined as per Regulation 25.1 of the PSERC MYT Regulations, 2022. For determining the normative value of R&M expenses, the Commission considers the closing GFA for Generation and Distribution business for previous FY as the opening GFA. The Commission considers the 'K' factor as approved in the true-up Orders and actual CPI and WPI are considered. R&M expenses for nth year to be computed as:

$$R \text{ \& Mn} = K \times GFA \times WPI_n / WPI_{n-1}$$

2. As per this, the normative R&M expenses for PSPCL for FY 2024-25 arrives out to Rs. 492 Crore as compared to Rs. 884 Crore submitted by PSPCL. Thus, PFI requested the Commission to consider Rs. 492 Crore of normative R&M expenses in the True-Up of FY 2024-25 and the remaining Rs. 392 Crore should be borne by the State Government of Punjab in the form of Subsidy.

Reply of PSPCL: - PSPCL has always been transparent in filing of the ARR petition. The methodology adopted by PSPCL for filing the detailed petition is very well elaborated in the petition and is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations, 2022. Further PSPCL has submitted that the O&M Expenses of FY 2024-25 are claimed in line with the regulatory principles & based on the actual annual audited accounts. The Commission does a thorough scrutiny of the Petition filed by PSPCL and follows a transparent process and has discretion to approve the appropriate gap.

Commission's view:- The R&M expenses are determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue Q: Interest on Loan

1. PSPCL has claimed Interest on Loan as Rs. 1,758 Crore which include Interest on Long term Loans, Interest on Working Capital, Interest on Security Deposit, GPF, Interest Capitalized, Guarantee Fee and Other Interest/ charges. PFI observed that PSPCL has requested to consider interest cost related to Shahpur Kandi Project, which is even under construction. PSPCL further requested that significant funds have been spent on the project and the same should be allowed.

2. CERC and other SERCs' regulations allow Capitalization of Plants once the CEA confirms the Commercial Operation Date (COD) of a plant and after achieving COD all the expenses related to capital expenditure, interest cost including Interest During Construction (IDC) etc., are considered by the Commission to compute Tariff of the Plant. However, PSPCL without

achieving COD of the Shahpur Kandi Project is requesting capitalization of Interest. In view of this, PFI requested the Commission to not consider the interest cost related to Shahpur Kandi project.

Reply of PSPCL: As per the Commission's Order, the Capital investment and Capitalization shall be considered after the COD of the project.

Commission's view:- The objector may note the response of PSPCL.

Issue R: INTEREST ON WORKING CAPITAL

1. PSPCL has claimed Rs. 816.55 Crore of Interest on Working Capital Loan in the True Up of FY 2024-25 as per its Audited Accounts for FY 2024-25. PSPCL has submitted that the actual working capital loan for PSPCL as on 31.03.2025 is huge i.e. Rs. 7692 Crore on which interest rate@8.86% has been worked out to arrive at the interest on Working Capital. However, the Commission determines interest on working capital as per Regulation 32 and Regulation 42 of the PSERC MYT Regulations, 2022. These Regulations allow deduction of Consumer Security Deposit from the total working capital requirement. The interest on working capital is allowed on normative basis as per the Regulations and not on working capital loans taken by the utility as per the annual audited accounts.

2. Working for Normative interest on working Capital as per the Regulatory provisions is as follows wherein the normative Interest on Working Capital for PSPCL for FY 2024-25 comes out to be Rs. 110.21 Crore as against Rs. 754.51 Crore as submitted by the Licensee:

3. It is observed that there is a huge outstanding subsidy amount payable by the State Govt. (Rs. 9804 Crore as on 31.03.2025 including Rs. 3907 Crore for FY 2024-25) and pending dues of Rs. 2328 Crore from the State Govt.'s departments which makes PSPCL dependent on huge working capital loans resulting in a burden of interest thereof. Further, Section 61 (d) of the Act stipulates that appropriate Commission should specify Tariff Regulations considering various parameters including safeguarding of consumers' interest and at the same time. recovery of the cost of electricity in a reasonable manner. Also, Electricity (Second Amendment) Rules, 2023 dtd. 26.07.2023 stipulate that the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system should be allowed.

4. PFI requested the Commission to consider amending the applicable Regulatory provisions and allow actual interest on Working Capital for the DISCOM considering the fact that there is huge outstanding subsidy / Govt. department dues payable to PSPCL for which the DISCOM is compelled to take short-term Working Capital that may be attributable to payment to GENCOs/ TRANSCO/creation of assets etc. If actual Working Capital is not considered by the Commission, then same may be borne by State Government in the form of subsidy as the Working Capital is mainly raised to meet the Revenue Requirement on account of delayed subsidy by the State Government.

Reply of PSPCL: PSPCL avails the working capital loans to meet with its working capital requirement due to non-receipt of the Government dues, non-receipt of subsidy from Government of Punjab in time and due to cash losses of PSPCL.

PSPCL is being claiming interest charges on the basis of actual interest paid against the loan availed by PSPCL. Moreover, PFI also supported the claim of PSPCL and requested to amend the applicable regulatory provision to allow actual interest borne on working capital and the same needs to be allowed in full by the Commission.

Commission's view:- The interest on working capital is determined by the Commission in line with the prevalent PSERC MYT Regulations.

Issue S: GENERAL PROVIDENT FUND (GPF) LIABILITY

1. PSPCL has projected GPF liability of Rs. 40.35 Crore in FY 2024-25. The Commission in its Tariff Order dated 28.03.2025 has disallowed interest on GPF and mentioned that initial corpus along with interest was to be fully paid/deposited by PSPCL to the GP Fund Trust on or before 31.03.2023 and no interest on outstanding initial corpus balance was allowable after 31.03.2023. In view of above, PFI requested the Commission to not allow GPF Liability as this interest amounts to the interest charge towards default payment of initial corpus as well as subscription to the GP Fund Trust. PSPCL has claimed interest on GP fund Liability which actually is interest on default payments of initial corpus as well as subscription to the

GP Fund Trust, as recorded by the Commission in previous True-up Order dated 28.03.2025. The same may be borne by the State Government in the form of subsidy.

Reply of PSPCL: Please refer to PSPCL's reply in D2 above.

Commission's view:- Suggestion is noted.

Issue T: NORMS OF OPERATION OF GENERATING STATIONS

1. PSPCL has reported the actual Operational Performance Parameters for GGSSTP and GHTP for FY 2024-25 against the normative parameters approved by the Commission in line with the CERC Tariff Regulations. PSPCL has requested to the Commission to consider actual operational performance parameters for GGSSTP and GHTP. PFI observed that the Commission has clearly specified normative benchmarks for key performance parameters such as Auxiliary Consumption, Station Heat Rate, Secondary Fuel Oil Consumption and Transit Loss for the control period, based on the applicable CERC norms. Accordingly, PFI requested the Commission to allow the Fuel cost as Rs. 3093 Crore (based on normative performance parameters) against the claimed Fuel cost of Rs. 3489 Crore and the remaining Rs. 396 Crore should be borne by the Govt. of Punjab in the form of subsidy.

Reply of PSPCL: The projection of GGSSTP and GHTP for FY 2026-27 to FY 2028-29 have been taken based on actual performance in first half year (H1) of FY 2025-26. The weighted average costs of coal, oil and biomass have also been projected based on H-1 of FY 2025-26 by escalating costs as per the normal process of projections of past years. PSPCL further submits that as per the recent GoI notification w.r.t rationalization of GST rates on coal, GST on coal has been increased from 5% to 18% and compensation cess of Rs. 400 per ton has been removed. However, Jharkhand Mineral land bearing cess has been increased from Rs. 250/- to Rs.450/-. This increase in GST rates & Jharkhand Mineral land bearing cess resulted in higher landed price of coal as the maximum coal received in GHTP is from Pachwara coal mine, Jharkhand (DBL Coal). Further 5% escalation has been projected for coal, oil & biomass prices in 4th MYT 2026-27 to 2028-29 due to anticipation of market prices. PSPCL further requests the Commission to kindly consider PSPCL requests by allowing relaxation in norms of thermal power plants and approve the requested expenses.

Commission's view:- The Commission approves the energy cost of PSPCL's own thermal plants after due prudence check and as per normative parameters.

Issue U: SUMMARY OF PSPCL TRUE-UP PETITION FOR FY 2024-25

In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by the Govt. of Punjab in the form of subsidy. Accordingly, the revised subsidy is of Rs. 27,791 Crore instead of booked subsidy of Rs. 20,799 Crore for FY 2024-25 which should be paid by the Govt. of Punjab to PSPCL.

Reply of PSPCL: PSPCL makes every effort to minimize costs while providing high-quality power to its consumers. Moreover, PSPCL has always been transparent in filing of the ARR petition. The methodology adopted by PSPCL for filing the detailed petition is very well elaborated in the petition and is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations. Further, the Commission approves the same only after its prudence check & determines the tariff, gaps or surplus of the year in line with the provisions of the Electricity Act, 2003 and PSERC Tariff Regulations further guided by various provisions of Tariff policy only. Further, Subsidy to the consumers is a policy matter of the Government of Punjab. PSPCL shall follow the directions given by the Government of Punjab.

Commission's view:- Revenue gap is determined by the Commission in-line with the prevailing MYT Regulations after thorough prudence check.

Objection No. 2 (Additional)

O&M Benchmarking	FY 2022-23				FY 2023-24	
	Punjab	Haryana		UP	Punjab	HARYANA
Particulars	PSPCL (Dist.)	UHBVNL	DHBVNL	DVVNL	PSPCL (DIST.)	UHBVNL
Employee Expenses (Rs. Cr.)	5929	1401	1683	567	6102	1,30
R&M Expenses (Rs. Cr.)	287	94	131	542	356	17
A&G Expenses (Rs. Cr.)	202	113	146	131	173	20
O&M Expenses (Rs. Cr.)	6419	1607	1959	1239	6631	168
Sales (MU)	59301	21655	31008	22194	61122	22,30
No. of Consumes (*000)	10514	3552	4113	6430	10748	372
Employee Expenses (Paise per unit)	100	65	54	26	100	5
R&M Expenses (Paise per unit)	5	4	4	24	6	
A&G Expenses (Paise per unit)	3	5	5	6	3	
O&M Expenses (Paise per unit)	108	74	63	56	108	7
Employee Expenses (Rs. Per consumer)	5640	3944	4091	881	5678	350
R&M Expenses (Rs. Per consumer)	273	264	319	843	331	46
A&G Expenses (Rs. Per consumer)	192	318	354	203	161	54
O&M Expenses (Rs. Per consumer)	6105	4525	4764	1927	6169	451

Objection No. 3 : Jal Vayu Vihar Residents Welfare Association.

Issue 1: Uniformity in tariff to the connections for common services used primarily to provide basic amenities to the residents in a residential colony/Society:

The Commission in the new Supply Code 2024 issued on 23rd October 2024 has decided as under:

"12(9) The connection for common services used primarily to provide basic amenities to the residents/ occupiers viz lifts, school, dispensary, club, community hall, water supply & sewerage etc. in a residential colony shall be obtained by the promoter under Schedule of DS tariff. Other commercial establishments such as shops, multiplex etc. shall be covered under Schedule of NRS tariff...."

However, PSPCL is interpreting it to be applicable only for the new connections and is continuing to bill our common service connections under the Commercial/NRS Tariff category. Such an interpretation by PSPCL has resulted in different tariffs for a similar category of consumers, which cannot be the intention of the Commission considering the mandate of Electricity Act 2003 reproduced below:

"62(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

Therefore, in order to curtail any discretionary/arbitrary interpretation by PSPCL, it is suggested that the said amendment in the tariff provision for supply of electricity to common services in a residential colony/Society be also incorporated in the Availability Clause of Schedule of Tariff for Domestic Supply (DS) in the Tariff Order.

Reply of PSPCL: PSPCL submits that the Supply Code, 2024 has been implemented w.e.f. 14.11.2024 as per the approval accorded by the Commission. Any change in the instructions is applicable w.e.f. 14.11.2024 previous instructions are applicable as per Supply Code, 2014 amended up to 13.11.2024. The present objection is related to Supply Code clause which is

directly not related to the present tariff petition. Objector is advised to take up the matter with the field office for resolution.

Commission's view:- Suggestion is noted. The objector may also note the response of PSPCL.

Issue 2: Tariff Cross-subsidy level:

It is brought out that the 3-room flats in our society are having a connected load of about 10 kW. Otherwise also, an average family unit, without resorting to the prevalent practice of load/ connection splitting to avail the benefit of 300-unit free scheme, generally fall in the 7-20 kW tariff category. However, with time, this set of DS consumers have been got burdened with the highest per unit fixed charge/ tariff purportedly on account of an inadvertent increase in their Cross-subsidy levels. A comparative is placed below evidencing an increase in their cross-subsidy level FY 2018-19 to now in excess of 23% i.e. even higher than the Commercial and Industrial categories:

Sr. No.	Tariff Category	FY 2025-26 (Extracted from Format D-26A of the petition)						FY 2018-19 Cross Subsidy
		Sales	FC	FC/unit	Total Revenue	Avg. Tariff/Unit	Cross Subsidy	
		MU	Rs.Cr	Rs.	Rs. Cr	Rs.	%	
	DS							
1	Upto 2 KW	12710	269.69	0.21	7533.96	5.93	-17.87%	-1.25%
2	> 2 to 7 kW	7847	727.25	0.93	5637.23	7.18	-0.46%	5.50%
	> 7 to 20 kW	1942	336.93	1.73	1732.53	8.92	23.61%	3.90%
	...	...	...	...	...	...	...	...
	DS Total	22873	1372.37	0.60	15208.36	6.65	-7.87%	1.61%
2	NRS	5713	586.29	1.03	4726.72	8.27	14.64%	17.85%
3	SP	909	144.08	1.59	778.95	8.57	18.73%	2.35%
4	MS	2264	323.79	1.43	1860.97	8.22	13.89%	3.08%
5	LS	22750	1830.91	0.80	17338.76	7.62	5.60%	8.25%
								
	Total	74614	4634.75	0.62	53850.42	7.22	0.00%	0.00%

In view of the above, it is suggested that the DS tariff category of 7-20 kW be also clubbed with DS tariff category 2-7 kW for tariff purpose.

Reply of PSPCL: Since the Determination of tariff, cross-subsidy, rebate & surcharge to any category of consumers comes under the purview of the Commission.

Commission's view:- The Commission notes the concern of the objector.

Issue 3: Issue of Roof Top Solar Net metering consumer's Bill:

Presently there is no effective incentive/benefit in installation of Roof Top Solar for the majority of DS Consumers considering the present scheme of 300 free units. It is felt that some action is required to be taken, to insulate the Roof Top Solar generation from being subsumed in the 300 free units, so as to promote the installation of Roof Top Solar by making it an attractive proposition for the DS category consumers. It is felt that following steps, if taken, will go a long way in promoting the Roof Top Solar installation by the DS category consumers in the State:

- Considering that such consumers shall be meeting a part of their load from the solar panels installed in their premises, levy of Fixed Charge be relaxed to that extent;
- Feed in tariff be allowed/ Variable bill charged on the units= (Solar generation + 300 units free scheme) — Consumption

Reply of PSPCL: The consumers of the Roof-top Solar category are being billed as per the regulation approved by the Commission for Rooftop Solar Photo voltaic regulation 2021 amended up to date and as per the instructions vide Circular no. 19/2022 dated 23.07.2022 regarding free electricity unit 300 being provided by the GoP. Any change in the regulation comes under the purview of the Commission.

Commission's view:- Suggestion is noted. The objector may also note the response of PSPCL.

Objection No. 4: The PHD Chamber of Commerce & Industry

Issue B-1: Capping of Power Supply to Agriculture Sector:

The power supplied to the agriculture sector has been growing consistently at a very high rate due to increase in capacity of the tube wells, depletion of water table, lower power factor at tubewells, defective meters at the feeder end, inefficient pumps etc. Providing the power at the subsidized rate of Rs. 6.70/kWh, which is far less than the average cost of supply of Rs. 7.15/kWh and projected Voltage wise cost of supply for 2025-26 worked out as Rs. 7.31/kWh is leading to serious financial crisis for the PSPCL. This will ultimately seriously affect the interest of Industrial consumers in the State as they are being charged tariff of Rs 6.70 as Variable Charges + Rs 280/- as Fixed Charges whereas Voltage wise Cost of Supply for Industry at 66 kV is Rs 6.13, Rs 5.54 at 220 kV and Rs 5.51 at 400 kV. Industry is already reeling under recession and high electricity rates for Industry are further aggravating the situation. Moreover, the Industry has also to bear 20% ED+IDF on SoP which are not applicable for Agriculture Consumers. In this regard the provisions of National Tariff Policy are extracted as under: -

8.3.4 Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied.

The subsidized rates of electricity should be permitted only up to a preidentified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

Therefore, it is imperative to cap the maximum amount of power year wise as approved by the commission that can be supplied to the agriculture sector at the subsidized rate inclusive of additional connections projected in a year and the power supplied above that limit should be billed as per Cost of Supply for agriculture power as worked out in ARR/Tariff Order.

Reply of PSPCL: The supply to agriculture tube wells is free as per the policy of the Government and capping of the same is at the discretion of the Government of Punjab. Moreover, supply to AP consumers is limited only up to 8 hours that too during the months of June to September for paddy cultivation. As far as supply of power to agriculture category of consumers at cost of supply rate is concerned, the said issue is under the prerogative of the Commission and PSPCL would comply with the directions of the Commission.

Commission's view:- Providing subsidy and imposition of taxes like ED, IDF etc. to a consumer or class of consumers is the prerogative of the State Government. Rest of the tariff is determined by the Commission in line with the prevailing MYT Regulations after prudence check.

Issue B-2: Distribution Loss Level of PSPCL.

PSPCL has achieved Distribution Loss level of 13.05% during 2024-25 against approved loss level of 12.10%. However, while calculating Energy requirement for 2024-25, the loss figure has been considered as 13.12%. Thus, actual loss level is more by 1.02%. As against this, for the year 2026-27, the Projected loss level is 12.75% whereas in the approved business plan order dated 11.12.2025, the Commission has approved loss level of 11.80% against PSPCL Projection of 12.75%. PSPCL is being allowed loans and getting grants for system improvement works under Central schemes and capital investment plans being approved by the Commission based on the projections that such investments will improve the operational efficiency and reduction in losses. Consumers are being made to bear the cost of such works directly and indirectly. However, Distribution losses are in fact increasing/decreasing at the will of PSPCL. As such, the trajectory approved by the Commission be strictly followed.

Reply of PSPCL: PSPCL is striving hard for improvement in technical as well as commercial parameters to reduce losses. Further PSPCL is working on strengthening its sub transmission and distribution network under various schemes and every effort is being made to achieve the Distribution Loss trajectory approved by the Commission. Moreover, to reduce Distribution & AT&C Losses, Smart meters are being installed which will help in achieving 100% billing and also reduce human interface. Thus, it will increase billing efficiency, leading to reduction in AT&C Losses. With all collective efforts as mentioned above, PSPCL is continuously improving the system efficiency. Further to note that PSPCL has been transparently submitting the annual tariff petition every year in which true up of the last concluded year is filed before the Commission. The methodology adopted is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations. Therefore, PSPCL requested to the Commission to approve the same which are based on the audited annual accounts.

Commission's view:- Refer para 2.3 of Chapter 2 of this Tariff Order.

Issue B-3: Interest on Short Term Loans for Working capital

The PSPCL has been admitting to raise short term loans to meet the revenue shortfall arising out of disallowances of ARR components, non-receipt of subsidy from the Government, incurring expenditure on unapproved schemes and delayed payments from consumers etc. The interest on delayed receipt of subsidy is being loaded to the State Govt. while determining the subsidy amount in the tariff orders. Further, the Commission is allowing the carrying cost of difference in revenue and ARR amount including delay in recovery of revenue from consumers. For late payments by consumers, PSPCL is getting Late Payment Surcharge. Therefore, WC interest should be allowed on normative basis only and after deducting the Security (Consumption) parked with PSPCL as per Regulations and practice being followed by the Commission so far.

Further, while details of Year wise GPF Liability for PSPCL as a whole has been given in Table 3-35 as Rs 31.40 Crore, Rs 27.32 Crore and Rs 23.59 Crore for FY 2026-27, FY 2027-28 and FY 2028-29 respectively, the Figures for GPF in Format G-11 are indicated as Rs 60 Crore, Rs 55 Crore and Rs 50 Crore for 2026-27, 2027-28 and 2028-29 respectively. Corresponding figures for Distribution system are not available in any format. This needs to be clarified.

Reply of PSPCL: PSPCL has been availing working capital loans to meet with its working capital requirements including cash gap arisen due to non-receipt of timely Government dues & subsidy from GoP and due to huge disallowances of expenditure by the Commission. PSPCL has been claiming interest charges on the basis of actual interest paid against the loans availed by PSPCL. So far as Security (consumption) ACD is concerned, the Commission has deducted the ACD while calculating the working capital requirement in previous years. As such the interest burden of excess working capital loan is being borne by PSPCL and is not being passed on to the consumers.

Further, Rs. 31.40 Crore, Rs. 27.32 Crore and Rs. 23.59 Crore pertains to the interest on GPF, which are depicted in format G-14 and the figures of Rs. 60 Crore, Rs. 55 Crore and Rs. 50 Crore in format G-11 for 2026-27, 2027-28 and 2028-29 respectively pertain to the repayment of GPF liability itself. Furthermore, the segregation of GPF liability in Generation and Distribution is not available as such the total amount has been depicted in G-11 only.

Commission's view:- The Commission allows interest after prudence check in line with the prevailing PSERC MYT Regulations.

Issue B-4: RETURN ON EQUITY

1. The Commission has approved 15.5% return on equity for 2012-13 to 2015-16 purportedly as per PSERC Regulations as per the FRP approved by GoP increasing the cost of assets by their revaluation and merging the Consumer Contribution, Subsidies and Grants with GoP equity leading to increase in the equity share capital of PSPCL from Rs 2617.61 Crore to 6081.43 Crore which has led to increase of ROE from Rs. 405.73 Crore to Rs. 942.62 Crore i.e. an increase of 232% in both the figures without any fresh investment or infusion of cash by GoP or PSPCL. This issue was challenged in APTEL and vide judgment Dated 17.12.2014 in Appeal No 168 and 142 of 2013, PSERC was directed to reconsider the issue.

Accordingly, the Commission is requested to re determine RoE for all the years w.e.f. 2011-12 onwards and adjust the same along with carrying cost to provide relief to consumers.

2. Regarding request of PSPCL to consider part of UDAY loans as equity and allowing RoE on the same, APTEL had observed in its order on Appeal No 168 and 142 that the Govt can hold any amount as equity in PSPCL (and PSTCL) but RoE needs to be granted only on actually subscribed and paid up equity only i.e. cash money which has been infused, only need to be counted as equity for the purpose of ROE. Further, it is also to be noted that

a) UDAY MoU between PSPCL, GoP and MoP clearly laid down that 25% of fund taken over by GoP will be converted into equity and balance as GoP grant.

b) PSPCL and GoP have failed to achieve the targets set in UDAY scheme and therefore, the whole amount be treated as grant of GoP. It is between PSPCL and GoP to decide on the issue between themselves and consumers cannot be made to suffer twice on the same count.

c) The amount of Rs 15,628 Crore approved under UDAY scheme includes unapproved capital and WC loans and funds diverted by PSPCL which cannot form part of funds for conversion into equity and grant.

It has become known that GoI had written to GoP to pay the 50% amount of Rs 4700 Crore (Loss for the year 2022-23) to PSPCL under UDAY scheme. All this will be subject to the outcome of appeal filed by PSPCL in APTEL.

3. The Annual Financial Statement for 2024-25 that PSPCL has received Rs 3581.95 Crore towards loss funding by GoP under additional borrowing of state 0.5% of GSDP linked to performance in Power Sector Schemes as per Fifteenth Finance Commission. This amount has presumably been received to lessen the burden of consumers in the shape of higher tariff for non-achievement of targets under various schemes including Uday Scheme. However, this amount has not been accounted for in the true up of 2024-25. The Commission may look into this for proper accounting of the scheme.

Reply of PSPCL: As per clause 1.2 of the MoU under UDAY Scheme, 75% of PSPCL's debt on 30.9.2015 amounting to Rs. 15,628.26 Crore is to be taken over by Government of Punjab (GoP). In compliance with the MOU, NON-SLR Bonds amounting to Rs. 15,628.26 Crore were issued by GoP and transferred this amount to PSPCL as GoP Loan up to FY 2019-20 and on 31.3.2020, GoP converted its loan into equity. As such, the Capital Expenditure incurred through diversion of Working Capital Loans (Rs. 2,346.19 Crore) and Capex Loans (Rs. 2,246.77 Crore), which have been converted into equity, are eligible for claiming Return on Equity as these loans have been specifically used for creation of assets of PSPCL, due to the fact that GoP has infused equity by taking over these loans of PSPCL of equivalent amount. In this regard, PSERC has not allowed any interest on these loans to PSPCL after conversion into equity by GoP. As such, PSPCL's plea of claiming RoE of Rs. 1,684 Crore on equity of Rs. 10,673.96 Crore (6,081 + 2,346.19 + 2,246.77) is justifiable.

Commission's view:- The Commission allows Return on equity only after prudence check in line with the prevailing PSERC MYT Regulations.

Issue B-5: Segregation of Accounts for Generation and Distribution Business:

PSPCL is still following the short cut route of Allocation methodology for segregation of ARR between Generation, Distribution and Retail tariff segments though Electricity Act came into force in 2003 and PSEB was split on 16.4.2010. PSPCL is submitting the same set of excuses for following the segregation methodology. Every time new regulations are drafted for Determination of tariff during the last 23 years since 2003 and 16 years since 16.4.2010. We request the Commission to fix the deadline (preferably from 1.4.2026) for PSPCL to start compiling separate accounts for the 3 segments when MYT regulations for next control period from 2026-27 to 2028-29 are implemented failing which it should use its powers to advise GoP to make separate companies for Generation and Distribution.

Reply of PSPCL: The company's assets, liabilities, manpower resources and funds are common and can't be suitably bifurcated. Further, the company has also been considered entity as a whole for resource allocations and decision making as per para 5(b) of Ind AS-108. Hence the mandatory condition of para 5(b) of Ind AS-108 is not met, therefore the company is not mandatorily required to disclose the segment results of generation and

distribution. Further, the statement of allocation and apportionment of expenses project wise for Distribution and Generation business separately is already being furnished before the Commission which is being prepared by the professional cost accountant and duly certified by the Cost Auditor.

Commission's view:- The Commission has taken note of the suggestion. PSPCL to comply with the provisions of Regulation 5 & 6 of PSERC MYT Regulations 2025 with regards to segregation of ARR.

Issue B-6: Separate Petition for Determination of Tariff for GATPL:

Vide order dated 05.12.2024 in Petition No. 25 of 2024, the Commission had directed PSPCL that GATPL shall file a separate petition for approval of the Commission for determination of tariff on an annual basis. PSPCL has purchased GVK Power plant at a very meagre lump sum cost of Rs 1080 Crore (Capital cost of Rs 2 Crore/MW) and is making available cheap coal from its own Pachwara mine to this plant and all the claims/disputed amounts have been brought to NIL. As such, the Consumers should be benefited from the investment to be borne by the consumers. Further, filing of separate Petition for ARR will ensure healthy competition between PSPCL's own thermal plants at Lehra and Ropar vis a vis GATPL owned Goindwal Sahib.

Reply of PSPCL: PSPCL is in process of finalising the petition for True-up of FY 2024-25 and 4th MYT and filling the same shortly.

Commission's view:- Any change on account of finalization of GAPTL's True-up for FY 2024-25 and ARR for FY 2026-27 petition shall be considered in the subsequent Tariff Orders.

Issue B-7: COST OF SUPPLY / HT REBATE:

In compliance to APTEL orders, PSPCL had carried out the study on Cost of Supply, which was a part of ARR 2013-14 and PSERC accepted methodology II of the study. While submitting the comments on cost of supply study, we had pointed out that the study is based on lot of assumptions and sample feeders taken are quite inadequate.

- I. 3619 feeders were identified initially out of 6000+ feeders of PSPCL for study. Sample size was reduced to 30% i.e.1800 by mutual consent of PSPCL and TERI
- II. PSPCL could supply data for 200 feeders only. These were further filtered and finally data of only 166 feeders was used for the study.

The study indicated that even with this data, assumptions had to be taken at every step due to absence of one or other parameter required for the study. Further, even the assumptions had been so taken that HT/EHT consumers were loaded with unjustified costs and made to share big burden of the ARR. The T&D losses for 220 and 132 kV consumers had been taken as 6.6% against 2.5% assumed by the commission in the tariff order. T&D losses for agriculture had been taken as 22% whereas these should have been more than 30% as it is well known that these consumers do not install Capacitors, use high wattage bulbs against CFLs permitted free with pump set, use of non- ISI motors and theft of power during paddy season. It was also pointed out as to how a consumer connected at 220 kV level has been equated with that at 400V LT domestic consumers, this is beyond justification.

Even some figures worked out like cross subsidy figure for 132 and 33 kV looked very unconvincing compared with other voltage levels. It is evident from the above that cost of supply as worked out in methodology II is not representing the ground realities and needs to be made realistic and finetuned with more data collection on actual basis.

PSERC had accepted methodology II and had worked out Voltage wise and category wise Cost of supply for 2013-14 in TO 2013-14. The Commission had further observed in para 5.2.10 of TO as under: -

5.2.10 It would be ideal to fix electricity tariff for all consumers on cost to serve basis. But historically, there has been extensive cross subsidization in electricity sector. The tariff for consumers, who pay less than the cost to serve, will need to be hiked significantly to cover the gap between the tariff of subsidized consumers and cost to serve these consumers. As such, the Commission is raising tariff of subsidized consumers gradually to reduce such gap, and at the same time avoiding tariff shock to

subsidized consumers and bringing the tariffs of various consumers within reasonable difference as compared to cost to serve these consumers

Accordingly rebate for EHT consumers was reintroduced. The practice was continued in 2014-15 and PSERC ordered in the TO as under: -

7.5.3 On the basis of data submitted by PSPCL in its Petition for ARR and Determination of Tariff for FY 2014-15 and the ARR approved by the Commission for FY 2014-15, the Commission has determined the indicative voltage-wise, category-wise cost of supply for the year 2014-15, using Methodology II (Appendix II, Volume-I). Further, in order to move further in the direction of cost of supply, the Commission decides to give rebate as mentioned in para 9.2.2 [Note (vii) under Table 9.1].

The same voltage rebate has been continued in 2015-16 and 2016-17 though the gap of cost of Supply is much more. The Commission is therefore requested to: -

- a) Direct the PSPCL to be transparent on the cost of supply and make the complete calculations a part of ARR. In the ARR for the FY 2025-26, PSPCL had considered the same losses as 2.21% for 400, 220 and 132 kV but in the ARR of PSTCL for the FY 2025-26, the losses at 400 KV were worked out as 0.27%, 1.39% at 220 kV and 0.58% at 132 kV. Thus, the Cost of Supply as worked out by PSPCL is not realistic and reliable.
- b) The cost of supply study be made more realistic and reliable by firming up the data required for the study since lot of computerization/digitization has taken place and IT practices have been introduced under APDRP schemes in PSPCL/PSTCL.
- c) As per recent orders of APTEL in an appeal filed by the Objector, it has been ordered that Cross Subsidy Levels worked out on the basis of Cost of supply should be kept less than that of last year. Further cross subsidy levels based on average cost of supply basis should not exceed 20% limit. Till the tariffs are determined based on cost of supply, voltage rebate be further enhanced to make it commensurate with the cost of supply.
As per directions of the Commission, PSPCL issued a Public Notice that it is proposed to hire an agency to conduct fresh "Cost of Supply Study" and sought stake holders comments for preparing the tender Documents. Now as per Para 24.2 and 24.3 of the Orders dated 5.12.2025 and 29.12.2025, the Commission has directed PSPCL as under:-
- d) Point No. 24.2: *Vide letter No. 1506 dated 03.11.2025, PSPCL was directed to submit the detailed report of the Committee constituted by it based on which it has concluded that the current approach / methodology used by PSPCL based on TERI study in 2013 is still most relevant approach for determination of voltage wise cost of supply. PSPCL to submit the same to the Commission and put the same in public domain for any objections/suggestions from the stakeholders.*
- e) Point No. 24.3: *MS Excel Voltage wise cost of supply including 400kV along with detailed approach and methodology adopted for the computation of the same be submitted. PSPCL is directed to consider the transmission losses for 400kV lines as per Regulation 12 of the Central Electricity Regulatory Commission (Rates, Charges and Terms and Conditions for use of intervening Transmission Facilities) Regulations, 2010 as amended from time to time till the time PSTCL submit the actual losses.*

We request that PSPCL be directed to urgently initiate process for conducting the Cost of Supply Study so as to enable the Commission to fix the higher voltage rebates and cross-subsidy levels on realistic basis.

Reply of PSPCL: PSPCL has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Commission for FY 2013-14. However, as per directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the Commission thereafter. Further, determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Commission. PSPCL complies with the directions issued by the the Commission.

Commission's view:- The Commission has taken note of the suggestion. PSPCL is directed to submit its comprehensive report at the earliest.

C) Comments on True up 2024-2025 (Chapter 2 and Formats)

Issue C-1: The Total Energy requirement of 79105 MU was projected by PSPCL in its ARR for FY 2024-25 against which 78649 MU were approved by PSERC. Accordingly, the Revenue requirement of power purchase was approved in the tariff order. However, now PSPCL has submitted the energy requirement for true up of 2024-25 as 78003 Mus. This shows that there is no scientific forecast of the requirement of energy and consumers were made to pay excess tariff worked out on the basis of lower sales of energy figures and PSPCL is now coming out with profit for 2024-25. Further, PSPCL had sought Net Revenue Requirement in the ARR for 2024-25 as Rs. 46382 Crore against which PSERC approved Rs. 44239 Crore. Now in the True up, Net Revenue Requirement has been indicated as 46951 Cr. This needs to be thoroughly studied particularly when the previous ARR's up to 2023-24 ended with a revenue Gap of Rs. 3980.21 Crore.

Reply of PSPCL: The actual energy requirement for FY 2024-25 was approximately the same as previously projected. The characterization of the forecast as "unscientific" is considered unwarranted, as the actual decrease in energy consumption is relatively small, at 1.4% below projected sales and 0.8% below approved sales. Furthermore, the Net Aggregate Revenue (ARR) of Rs. 46,951 Crore for FY 2024-25 is based on audited accounts and actual figures, ensuring a high degree of accuracy. It is worth noting that the Commission's approval of the ARR is contingent upon a thorough prudence check, which provides an additional layer of validation.

Commission's view:- The ARR is determined by the Commission in-line with the prevailing PSERC MYT Regulations after prudence check.

Issue C-2: The power purchase cost plus Fuel cost for thermal plants in the ARR of 2024-25 was presented as Rs 32780 Crore for Energy requirement of 71350 MU which works out as Rs 4.59/unit. Now in the true up, the Power Purchase cost + Fuel Cost is indicated as Rs 33096 Crore and energy requirement as 77180.31 MU i.e. Rs 4.72/unit. This shows that the per unit cost has increased by 13 paise per unit. This needs to be trued up after prudence check and passed on to the consumers.

Reply of PSPCL: The saving in fuel and power purchase cost is passed on the state consumers while truing up of FY 2024-25. It is worth noting that the Commission's approval of the ARR is contingent upon a thorough prudence check, which provides an additional layer of validation.

Commission's view:- The Commission approves fuel cost and power purchase cost only after prudence check.

Issue C-3: The ARR for true up 2024-25 indicates in Format G 21 that there is no consistency in the actual and projected parameters vis a vis those fixed by PSERC for PSPCL's own thermal plants at Ropar and Lehra. The better actual parameters at Lehra and bad actual parameters at Ropar lack any credible justification. Such figures also create problems for fixing base line data for MYT period. PSPCL has claimed actual or normative figures for these thermal plants as per its suitability. As such we request that the revenue for these be allowed strictly as per MYT regulations applicable for 2024-25.

Reply of PSPCL : PSPCL submits the plants wise reply as below:

GGSTP: The operational parameters like SHR, APC and Oil Consumption are badly affected in view of the constrained operation of age old GGSSTP units which are running since 1988 for more than 37 years and no major R&M has been carried out so far. These units are often operated on partial load due to cyclic power demand of the state and many a time, have to be stopped also. Many a times during backing down the GGSSTP units have to run at as low as 160 MW of load and at this level of partial load operation the heat rate is deteriorated. The factors like Nos. of Start/stops, part load operation of units, efficiency of equipment etc. badly affects the performance of the units. This type of operation is beyond the control of GGSSTP. PSPCL requested the Commission to consider the performance of GGSTP considering the above factors and approve the revenue considering actual/relaxed parameters.

GHTP: GHTP is running since 1999, and no major R&M has been carried out so far. Due to the cyclic power of the state, GHTP units are often operated on partial load and many a time

has to be stopped, when the power demand drops beyond a limit. The factors like high Nos. of Start/stops, partial load operation of GHTP units badly affects the efficiency of equipment and results to lower performance of the GHTP units. Cyclic nature of power demand is beyond the control of GHTP. So, the actual parameters vary from the projected values. However, PSPCL believes that if the plant is allowed to run on optimum load then the performance parameters would be as per projected values and will also meet the PSERC targets. Also, it is to note that the parameters are projected keeping in view the probable betterment over the running values by making all out efforts to achieve efficient performance by undertaking regular repair and maintenance of the equipment.

Commission's view:- The Commission allows fuel cost of PSPCL owned plants at normative operating parameters. Also the Fuel cost is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

Issue C-4: The ARR indicates the approved power purchase cost for 2024-25 as Rs 4.74 per unit. The True up figure submitted for 2024-25 indicate in this para is Rs 4.81/unit. If prior period expenses are also included, the power purchase cost works out as Rs 4.83/unit. Thus, PSPCL has claimed power purchase cost much above the approved rates whereas it has claimed that the power purchase from power exchange is very cheap and also solar power is being purchased at a very cheap rate. The older PPAs are expiring and new PPAs for intra state projects are being executed at much lower rates. This needs to be checked.

Reply of PSPCL: The prices in the power exchange are highly dynamic and fluctuate significantly based on market conditions, demand-supply scenarios, and other factors. While solar power may be cheaper, the overall average power purchase cost can vary due to these market dynamics and prior period adjustments, as reflected in the ARR. Further, PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles set by the Commission as defined in the PSERC MYT Regulations, 2022. Moreover, the Commission do a thorough check before approval.

Commission's view:- The Commission approves power purchase cost only after prudence check.

Issue C-5: Format D-15 and G-8 titled Fixed Assets and Provision for Depreciation are showing identical figures indicating that no segregation for Generation and Distribution segments has been done for the GFA, Depreciation and NFA. However, figures show that this segregation is being done. Further, the opening balance for 1.4.2024 is Rs 59963.54 Crore whereas the opening balance on 1.4.2024 for 2026-27 has been taken as Rs 59136.80 Crore. The other figures of Depreciation and closing balance also do not tally. These figures need to be reconciled.

Reply of PSPCL: The opening balance of 2024 is amounting to Rs. 59,963.54 Crore and Closing Balance of GFA is Rs. 61,772.39 Crore, which tallies with figures of approved financial statements. The opening balance of GFA in format G-8 & D-15 of ARR Petition is amounting to Rs. 59,953.54 Crore which includes "Asset not in use" of Rs. 995.06 Crore and excludes the "intangible Assets" of Rs. 168.32 Crore.

Commission's view:- The objector may note the reply of PSPCL.

Issue C-6: Interest on Loans be allowed as per MYT Regulations after disallowing the excess loans taken to meet the unapproved expenditure and diversion of loans to working capital.

Reply of PSPCL: The interest on loans taken for working capital is claimed on actual basis and PSPCL requested the commission to consider the same.

Commission's view:- The Commission allows interest in line with PSERC MYT Regulation.

Issue C-7: Regarding ROE please refer to para B (4) above

Reply of PSPCL: Please refer to PSPCL reply to para B (4) above.

Commission's view:- The Commission allows Return on equity only after prudence check in line with the prevailing PSERC MYT Regulations.

Issue C-8: Regarding non-tariff income, Claim of PSPCL in respect of Sr No 6 (Interest subsidy for REC), 7 (Carrying cost on delayed payments of Subsidy), 8 (Financing cost of LPS from consumers) for reduction from Non-Tariff Income needs to be explained as to why these are being loaded on to consumers. Further Para 27.1 of MYT Regulations provides

that Non-Tariff Income will be worked out under 13 (a to i) distinct heads but these details in Table 2-32 and Format D-21 are not given. These may be got provided from PSPCL and uploaded in public domain.

Reply of PSPCL: The reduction of Interest subsidy for REC, carrying cost on delayed payments of Subsidy, Financing cost of LPS from consumers from Non-Tariff Income is not meant to load it on to the consumers but, is done as it is the legitimate cost borne by PSPCL on account of the interest paid by PSPCL due to non-availability of funds/ timely subsidies.

Commission's view:- The Commission allows Non-tariff income for each financial year only after a prudence check in line with the prevailing MYT Regulations.

D) Comments on Projections 2026-27 (Chapter 3 and Formats)

Issue D-1: With regard to Distribution Loss for the year 2026-27 in Para 3.7.2 (page 69 ARR vol 1), please refer to Para B (2) above.

Reply of PSPCL: Please refer to PSPCL reply to point B-2 above.

Commission's view:- Refer para 3.3 of Chapter 3 of this Tariff Order.

Issue D-2: In para 3.15, PSPCL has indicated that the charges for power purchase for many projects have been taken as per the actuals of H1 of 2025-26 + projections of H2 of 2025-26 or as per rates prevailing in Sept 2025 with 5% increase etc. We submit here that the data of the current year i.e. Revised Estimates for 2025-26 are not available as the practice of submitting RE of ARR for the current year has been discontinued in line with the MYT regulations. The authenticity of such data relating to actuals of H2 of 2025-26 and projections of H2 of 2025-26 may be checked by the Commission as per MYT Regulations.

Reply of PSPCL: As per the PSERC MYT Regulations 2022 and PSERC MYT Regulations 2025, only true up of concluded year and determination of ARR of forthcoming year is to be filed. The regulations have ceased the process of reviewing the performance of the current year in which the petition has been filed. Hence, the data for FY 2025-26 has not been included in the current petition. However, the projections for ensuing year is made keeping in view and in line with the PSERC MYT Regulations specified by the Commission & Electricity Act, 2003. Further, the Commission approves the same only after its prudence check.

Commission's view:- Suggestion is noted.

Issue D-3: As per Para 3.15.40 to 3.15.42, PSPCL has proposed availability of around 2700 MW of solar/Biomass power at a rate of around Rs 2.50 to Rs 3.50/unit. This will bring down the overall rate of power purchase which should be passed on to the consumers.

Reply of PSPCL: The rates of upcoming renewable energy (solar/biomass etc.) projects had been provided as per their PPA/PSA with the PSPCL. After their successful commissioning, the RE will start flowing in the PSPCL's system. Further, the benefit for lower cost of power purchase will automatically be passed to consumers.

Commission's view:- The Commission approves power purchase cost only after prudence check.

Issue D-4: PSPCL is referring to the fixed and variable cost of H1 and H2 of FY 2025-26 in many sub-paras of para 3.15. However, the power purchase data of FY 2025-26 is not provided in the ARR and the authenticity of the figures of FY 2025-26 cannot be checked without the availability of corresponding figures of FY 2024-25.

Reply of PSPCL: Please refer to reply in point no. D-2.

Commission's view:- The Commission approves power purchase cost only after prudence check.

Issue D-5: Para 3.15.44: The figures of shortfall of RPO for 2026-27 do not tally with Annexure R Page 99 of Reply to Deficiency dated 17.12.2025. Though we are surplus in RPO for 2024-25 but data for 2025-26 is not disclosed and figures may be authenticated by the Commission. Further, PSPCL has disclosed in Para 3.15.44 that purchase of about 5500 MW of RE power is under process. Further, PSPCL is purchasing RE power from Power Exchanges which is already assessed in the Energy Balance. Day time solar power at exchanges is very cheap and heavy purchases are being made by PSPCL for agriculture supply which is being given power during day time only. Therefore, REC purchase cost of Rs 236.78 Crore for 2026-27 need to be disallowed. This may be considered only at the time of True up on actual basis.

Reply of PSPCL: In compliance with the observations of the Commission on the Tariff Petition, Format G-30 relating to Renewable Energy was duly revised and the updated RPO data and tables were submitted in the Reply to Deficiency dated 17.12.2025. For FY 2026–27, a provision of Rs. 236.78 Crore towards purchase of Renewable Energy Certificates (RECs) has been considered after accounting for long-term renewable arrangements and the anticipated shortfall in RPO compliance. To meet the RPO targets, PSPCL may procure short-term renewable power subject to availability and commercial viability or alternatively purchase RECs as per the regulatory framework. Accordingly, a prudent budgetary provision has been made. However, as observed by the Commission in the Tariff Order dated 28.05.2025, actual expenditure on REC procurement, if any, may be considered during the True-up of the respective financial year. Since REC prices are market-linked and variable, the amount provided is only an estimate and shall be adjusted during True-up based on actual procurement and expenditure, subject to the prudence check of the Commission.

Commission's view:- The objector may note PSPCL's reply.

Issue D-6: Para 3.15.46: In the previous ARR, PSPCL had indicated that it is surplus in power and had shown power to be surrendered in Format D2 as 7810.47 MU in FY 2023-24 and 2744.22 MU in FY 2025-26. However, In the TO 2024-25 Table 5.2, the surrendered power was indicated as 7531 MU in FY 2023-24 and 204 MU in FY2024-25. On these projections, the Commission discontinued the Threshold rebate of industries but now the surplus scenario is again being presented in FY 2024-25 and MYT period indicating Surplus energy of 8234.85 MU in FY 2024-25 and 567.43 MU in FY 2026-27, 1811.86 MU in FY 2027-28, 412.65 MU in FY 2028-29. We request the Commission to check the figures being presented by PSPCL thoroughly so that consumers are not unduly burdened. The Threshold rebate or load Factor Rebate may be allowed in 2026-27 onward as such power is used in winter months when system is heavily underloaded and PSPCL's thermal plants are underutilized. This acts as an incentive for industry to increase the consumption of energy and reduces overall rate of power purchase of PSPCL.

Reply of PSPCL: The power demand has been showing consistent increasing trend throughout the country including the State of Punjab. The market prices have also regularly remained on higher side and volatile and can't be relied upon. So, to meet high demand as per projections optimally, PSPCL as per projections will be using its available capacity, in upcoming years, that's why minimum surrender of power is forecasted. Since, this field is quite dynamic and dependent on many external/internal factors affecting demand & availability e.g. like weather disturbance, demand pattern due to consumer behaviour, Market prices, Fuel availability in other parts of country etc. So PSPCL is always striving to arrange power optimally.

Commission's view:- The Commission has taken note of the suggestion and PSPCL's response

Issue D-7: The Capital Expenditure proposed by PSPCL for FY2026-27 is Rs 5717.22 Crore including Generation and Distribution business. However, the Commission has approved an amount of Rs 3198.81 Crore vide Order dated 11.12.2025 in Petition No. 50 of 2025 after considering grants and consumer contributions. In spite of instructions of the Commission that the capital Expenditure of Shahpur Kandi Dam shall be considered after the COD, still the capital investment and interest is being claimed by PSPCL for Shahpur Kandi in the ARR just to inflate the ARR and load the consumers. As such the Commission may approve the Capital expenditure strictly as per the Business plan already approved.

Reply of PSPCL: The capital expenditure of Shahpurkandi project shown in formats is just for the purpose of information only and is not claimed by the PSPCL. The same will be claimed after the COD only.

Commission's view:- The concern of the objector is noted. The objector may note the reply of PSPCL.

Issue D-8: Regarding GFA in Para 3.18, please refer to Para B (5) above.

Reply of PSPCL: The Para B (5) pertains to "Segregation of Accounts for Generation and Distribution Business." Since no specific objection or issue has been articulated under the said para, no specific reply arises for consideration at this stage.

Issue D-9: Regarding Para 3.20 for ROE, please refer to para-B (4) above.

Reply of PSPCL: Please refer to reply in point no. B-4 above.

Commission's view:- The Commission allows Return on equity only after prudence check in line with the prevailing PSERC MYT Regulations.

Issue D-10: Interest on Long term Loans Para 3.21:

i) Claim of Rs 158.33 Crore and Rs. 189.71 Crore towards interest for long term loan for Shahpur Kandi for FY2024-25 and FY 2026-27 in Format G14 is Interest During Construction and should be capitalized at the time of COD of the project. Therefore, this interest item is not admissible here. Similarly, the Capital Works in Progress, shows investment for Shapur Kandi Project which should also be considered after COD.

ii) The Long-term loans are being taken against DPRs in which the payback period is also worked put based on the savings through such capital works. However, no such statement of improvement in performance is enclosed with the demand of long-term loans and interest thereupon in ARR. It is evident that in-spite of loans and grants being approved by the Commission and State/Central agencies, PSPCL has not been following the trajectory of T&D losses and repeatedly changing its stance on the loss trajectory levels being fixed by the Commission. Similarly, in-spite of huge year on year expenditure on System improvement works, the quality of power supply has not improved. As such, the proposals of PSPCL need to be scrutinized appropriately so that investments being made at the cost of Consumers achieve the goals and the tariff to consumers is reduced.

Reply of PSPCL: The Capital investment and Capitalization shall be considered after the COD of the project.

Commission's view:- The concern of the objector is noted.

Issue D-11: The amount of Security (Consumption) in Format D-14 (WC Requirement) has been indicated as Rs. 4929.41 Crore but in Format D22 (A) the Consumer Security Deposit has been indicated as Rs. 5130.18 Crore. The Interest on Security for 2026-27 (Para 3.22) has been shown as same of MYT period (i.e. Rs 275 Crore for each year) which works out to interest rate of 5.36% which is not as per current RBI Rate which is 6.50%. Further, the constant figure of Security amount (Rs. 5130.18 Crore) and interest of Rs. 275 Crore for FY2024-25 and MYT Period indicates that there is / will be no increase in Load by consumers and no new connections have been / are to be released by PSPCL in these 5 years. However, Format D-25 (B) shows the no. of consumers in 2024-25 as 98.79 Lakh (109.87 Lakh as per Table 3.1) and 102.86 Lakh in 2026-27 (115.74 Lakh as per Table 3.3) against 93.56 Lakhs in 2023-24. This aspect has been ignored by PSPCL while preparing the ARR.

Reply of PSPCL: The interest on consumer security deposit for FY 2026-27 is calculated in accordance with Regulation 24.2 of PSERC MYT Regulations 2025. The relevant excerpt of the regulation is reproduced as under:

"Interest on security deposits made by the consumers with a Licensee, if any, shall be considered at the rate specified by the Commission from time to time and allowed as an item of expense in the ARR of the Distribution Licensee."

Expenditure on account of interest on consumer security deposit is estimated to be Rs. 275 Crore, same as that incurred in FY 2024-25. PSPCL requests the Commission to kindly allow the interest on consumer security deposit.

Commission's view:- The concern of the objector is noted.

Issue D-12: The demand for Rs 5.06 Crore towards DSM Fund is excessive keeping in view the meager Rs. 0.01 Crore expenditure in the true up of FY2024-25. Therefore, there should be no provision for the DSM fund in the ARR and it should be approved based on actual basis during true up after prudence check.

Reply of PSPCL: Demand Side Management (DSM) has been traditionally recognized as one of the major interventions to achieve reduction in energy demands while ensuring continuous development. In recent past, DSM has gained unprecedented importance and has become an integral part of almost all the central and state missions on promotion of Energy Efficiency. DSM interventions have helped utilities not only to reduce the peak

electricity demands but also to defer high investments in generation, transmission, and distribution networks. So, it is utmost important to have a budget for DSM works.

Commission's view:- The concern of the objector is noted. PSPCL's reply may be taken note of by the objector.

Issue D-13: The non-tariff income under true up of 2024-25 is Rs 1051.2 Crore against actuals of Rs. 1098.70 Crore for 2023-24 whereas for FY2026-27 and MYT Period, it has been taken as same for 2024-25. This needs to be checked up as full details are not given.

Reply of PSPCL: PSPCL has been transparently submitting the petition for the True up for FY 2024-25 and as per the audited account of balance sheet. For filling ARR of MYT Control period the methodology adopted by PSPCL is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulation, 2025. The Commission does a thorough scrutiny of the Petition filed by PSPCL and grant approval following the transparent process.

Commission's view:- The concern of the objector is noted. Validation of Data is invariably done by the Commission.

Additional submission:

Issue 1: As per Public Notice dated 13.02.2026 issued by PSPCL, the objections/comments are to be submitted within 5 days i.e. by 18.02.2026. The time period allowed is very short to properly study & analyze the data and compile the comments.

Reply of PSPCL: The timelines for filing of objections/suggestions are prescribed as per the directions and schedule approved by the Commission in the tariff proceedings. The public notice has been issued in compliance with the procedure and timelines so approved. PSPCL shall abide by any further directions that the Commission may deem fit to issue in this regard.

Commission's view:- Noted.

Issue 2: Distribution loss trajectory

To revise the Distribution Loss Trajectory is a welcome gesture on the part of PSPCL. We request the Commission to revise the Business Plan for the 4th MYT period accordingly. Further, this loss trajectory should be strictly followed in the 4th MYT period and no revision be allowed during the True Up.

Reply of PSPCL: PSPCL had originally submitted a Distribution loss trajectory of 12.75% for FY 2026-27 before the Commission. The Commission, however, approved the target at 11.80% for FY2026-27. Subsequently, PSPCL revised the Distribution loss target to 10% for FY2026-27. This revision has been proposed considering the substantial and time-bound loss reduction measures currently under execution. The proposed additional reduction is based on the cumulative impact of the following initiatives:

1. Intensive recovery drive is being carried out on a daily basis against defaulting consumers having outstanding amounts exceeding ₹50,000.
2. Implementation of smart metering under RDSS across Punjab to improve energy accounting and billing efficiency.
3. Rollout of Unified Billing Solution to streamline billing processes and strengthen revenue assurance.
4. Execution of HT/LT loss reduction works across the State.
5. LT network revamping works in ULB areas (under tendering process).
6. Strengthening of 11 kV and 66 kV systems under the Outage Reduction Plan to minimize outage duration and distribution losses.
7. Time-Bound Execution of Works

Further, most of the above works are being executed in a time-bound manner and are targeted for substantial completion before March 2027. Accordingly, their major impact is expected during FY 2026-27, justifying a sharper reduction in AT&C losses during that year. After FY 2026-27, only a marginal reduction of 0.05% per annum has been proposed for the subsequent three years, considering that the major systemic improvements would already have been implemented by then. Thus, the revised target is not arbitrary but is backed by concrete, ongoing and time-bound interventions aimed at reducing both commercial and distribution losses.

Commission's view:- The Commission has taken note of the suggestion and concern of the Objector.

Issue 3: Increasing Threshold for SP category

The increase in the upper limit of CD for SP Consumers from 20kW to 50kVA is a welcome step and will incentivize the small-scale industry in the state. However, there is urgent need to correspondingly extend the limits for Medium Supply (MS) from 100 kVA to 300 kVA. This is need of the hour and essential for ease of doing business in the state.

Reply of PSPCL: For the ease of doing business, the limit for SP category from 20kVA to 50kVA has been proposed. Due to effect on the T&D loss trajectory, the limit of MS category from 100kVA to 300 kVA is not technically viable.

Commission's view:- Suggestion is noted.

Issue 4: TOD Night Rebate

The proposal of PSPCL for revision of ToD night rebate from present Rs 1/- per unit to Rs 2/- per unit and revising the period of night rebate from present 8 months to 4 months is without any justification and should not be agreed to. Perusal of last few ARRs will reveal that PSPCL proposals of ToD rebate and peak charge lack justification and it has failed to give any justification for the new proposal. While PSPCL previously reduced the night rebate from 1st April to 15th June (2.5 months) from Rs 1/- to Rs 0.50 per unit, now it has proposed to reduce it to NIL for this period. Additionally, it has also proposed to withdraw the night rebate for the period 16th Feb to 31st March (1.5 months) from Rs 1/- per unit to NIL.

The industry is getting subsidy from GoP as per Industrial and Business Development Policy 2022. Further the Commission has also provided in Condition No 15 of General Conditions of Tariff that "the cumulative effect of TOD rebate on the Energy Charges (including use of electricity exclusively during night hours) at any time shall be limited to the Energy Charge of Rs. 5.50/kVAh".

As industry is getting the GoP subsidy for FY2025-26 with net Energy Charge of Rs 5.835/-, the industry is getting the benefit of ToD night rebate of only Rs 0.335 /kVAh (5.835-5.50) irrespective of the night rebate of Rs 1/- or Rs 0.50/KVAH. Thus, even if the ToD night rebate is increased from Rs 1/- to Rs 2/-, the effective night rebate will be Rs 0.335/kVAH whereas for 4 months (16th Feb to 15th Jun), tariff will increase from Rs 5.50 to 5.835/kVAH with GoP Subsidy which will be a burden on the industrial consumers. (Actual benefit/increase may vary for TO of 2026-27) and will send wrong signals to industry.

This period of 4 months (16th Feb to 15th Jun) is a normal demand period when the demand from agriculture sector during night hours is almost nil. In fact, during the harvesting season of 10th April to 15th May, PSPCL keeps the rural domestic feeders cut off to minimize chances of fires of wheat straw in the fields. Further, Agriculture demand picks only from 10th of June when paddy sowing starts. It is therefore requested that the proposal may be rejected outrightly and night rebate be continued for 8 months for FY 2026-27.

Reply of PSPCL: The TOD night rebate from 16th October to 15th February @ Rs. 2 per unit has been proposed as per demand of the industry instead of rebate of Rs. 1 per unit from 16th October to 31st March and Rs. 0.50 per unit from 1st April to 15th June. Moreover, to provide the rebate or subsidy to any category of consumer comes under the purview of Government of Punjab.

Commission's view:- The Commission has taken note of the concern of the Objector.

Issue 5: Extraordinary item of Rs 3581.95 Crore received from GOP

The argument given by PSPCL to treat it as extraordinary item (according to accounting standards or Companies Act) does not hold good here as this receipt is for loss funding for supply of electricity. As the revenue gap of supply of electricity is being transferred to consumers every year through appropriate increase in Retail Tariff, as such, this receipt also belongs to consumers and should be transferred to them through appropriate reduction in retail tariff or as deemed fit by the Commission. PSPCL has now proposed to account for the same as Per Regulation 27 of MYT Regulations 2022 (Non-Tariff Income). However, it is suggested that it should be used to repay the highest interest-bearing long-term loans thereby decreasing the interest burden and Finance Charges of Capital Investment Plan which will improve the ranking of PSPCL among Discoms and reduce the interest rates for

future borrowings. Although, GOP subsidy is of great help for survival of the Industry in the state but the Industry is looking forward to further concessions in power rates as PSPCL has worked out the net gap of ARR as Rs. 453 Crore of the submission. After accounting for the Surplus FPPA available with PSPCL (Rs 1174.47 Crore ending 11/25 as per CC 6 of 2026), the net surplus will be more than Rs. 800 Crore.

Reply of PSPCL: PSPCL has received Rs. 3,581.95 Crore as loss funding and same has been duly disclosed as Extraordinary item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024-25. The accounting treatment and presentation of the said grant in the financial statements of the Company have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, the treatment of the same in the tariff petition may be considered in accordance with the applicable MYT Regulations.

Commission's view:- Suggestion is noted.

Issue 6: Prayer to the Commission: -

1. To move towards fixing of tariffs on the basis of realistic voltage wise category wise cost of supply or to Increase the voltage rebate for 66kV, 220kV and 400kV consumers in line with cost of supply for such consumers.
2. Introduction of load factor rebate for industry.
3. To continue the ToD rebate and decrease the Rate of Peak load Surcharge.

Reply of PSPCL: It has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Commission for FY 2013-14. However, in line with the Commission's directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the commission thereafter.

Further, determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Commission. PSPCL complies with the directions issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders passed by the Commission.

Commission's view:- The Commission has taken note of the issues raised by the objector.

Objection No. 5: Mandi Gobindgarh Induction Furnace Association (Regd.)

Issue 1: Timely issue of Tariff order for 2026-27.

PSPCL has already filed the Petition on the due date of 30.11.2024 and PSERC has issued notice for Public Comments dated 9-12-2025 which was uploaded by PSPCL on its web site on 17.12.2025. Public Hearings are being conducted from January 12th to 21st of 2026. Thus, the tariff order for the year 2026-27 can very easily be issued by around 25th March 2026 to be made applicable from 1.4.2026 after due publication. We request the Commission to stick to the timelines and issue the TO well in advance so that industry is aware of the costing of the products and do not suffer financially on this count.

Still, if due to any reason, the issuing of tariff order is delayed, then it should be made applicable prospectively from a date after 7 days of issue of Tariff Order so that consumer should not be made to suffer on this count. This will also spare the GOP of the complications of bearing the arrears.

Reply of PSPCL: As per Section 64 of the Electricity Act 2003. It is the sole prerogative of the state regulatory commission to issue tariff orders.

The relevant excerpt of the aforesaid section is reproduced as under:

Section 64 (Procedure for Tariff Order)

(3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public, -

(a) issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order.

As issuance of Tariff Order is within the prerogative of the Hon'ble Commission, therefore it may take appropriate action in the matter.

Commission's view:- The Commission has taken the note of the suggestion. The Commission always endeavours to issue the tariff order in time

Issue 2: Cross Subsidization Levels of Agriculture and Domestic sectors

The National Tariff Policy 2016 in Para 8.3 stipulates that the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

APTEL has also given directions to PSERC in Appeal No 142 & 168 of 2013 titled Mawana Sugars & Bansal Alloys Vs PSPCL and others in para 14 of the order to work out the cross subsidy on the basis of voltage wise category wise cost of supply (VCOS) and has also held that the cross subsidy of any category of consumers will not be increased from the level of last year, as under:-

...the cross subsidy with respect to voltage wise cost of supply is not increased. However, the tariffs for different categories have to be within + 20% of the overall average cost of supply as per the Tariff Policy

In compliance to the orders of APTEL, PSERC has determined the cross-subsidy levels for both the ACOS in Table 6.3 and VCoS in Annexure IV in the TO 2025-26. As per these, Industrial consumers are subsidizing mainly Domestic and Agriculture sectors by paying tariffs higher than COS. The cross subsidy by Industry as per VCOS ranges between 25% to 40%. While working out the tariff in TO 2026-27, the tariff of the Industrial sector consumers be reworked suitably so that the cross subsidy is limited to 20% and they remain competitive in the national and international markets. We also submit that in the TO 2025-26, the Fixed Charges and Energy Charges for LS General Industry in highest slab have been reduced by Rs 40/KVA/Month and 12 paisa/KVAH respectively but no relief was given to PIU industry. The tariff of PIU industry also needs to be reduced for revenue neutrality.

Further, National Tariff Policy 2016 provides and APTEL has also ordered that trajectory for gradual reduction of cross subsidies shall also be finalized by the SERCs in line with provisions of Section 61 of the Act. Accordingly, the Commission is also requested to prescribe the road map for reduction of cross subsidies.

i) PSPCL has not submitted proposal on Tariff Related issues. Further the format D-25 (A) for 2024-25 shows total revenue as Rs 47607.29 Crore whereas in Table 2.38 of ARR, the revenue for 2024-25 is indicated as Rs 47771.22 Crore.

ii) The subsidy payable by GoP for LS Industrial category has been worked out by the Commission in the Tariff Orders 2022-23 to 2025-26 and now in ARR of 2026-27 by PSPCL as under: -

Year	2022-23		2023-24		2024-25	
Status	ARR	TU	ARR	TU	ARR	Actuals
TO/ARR	ARR 23	TO 25	ARR 24	TO 26	ARR 25	ARR 27
Page No	54-89	103-5	63-87	212	54-86	58-261
Subsidy	2415	1725	2191	2083	2490	21 16.68
Cons.	18188	17857	17313	18365	20867	19210.38
Rate/unit	1.33	0.966	1.27	1.13	1.19	1.10

Year	2025-26		2026-27	
Status	ARR	Projected		RE
TO/ARR	ARR 26	TO 26	ARR 27	TO 27
Page No	93	113-219	118-263	
Subsidy	2662	1975.02	2314	
Cons.	21982	20462	23153	
Rate/unit	1.21	0.97	0.99	

The above figures for LS subsidy show that the amount being worked out has no consistency and has wide variation in the rate of subsidy per unit. Thus, the figures need thorough scrutiny. Further, it is a known fact that Energy Charge of LS industrial tariff with subsidy is set to increase by 3% on compounded basis by 16.5 paisa per unit (I.e. from Rs 5.837 to 6.01) as per Industrial Policy of the State, then the subsidy is set to decrease but

PSPCL is presenting increase in GoP subsidy by 2 paise per unit i.e. it is expecting increase of 18 paise per unit for industry which has no justification.

iii. PSPCL is changing the figures given in ARR, then in Reply to Deficiencies and thereafter in Revised Estimates/True up (RE/TU) etc. This is evident from the tables of RPO Compliance as per True Up (TU) of respective years as per Tariff orders and purchase of RE power given by PSPCL is as under: -

Year	RPO for the year M Us	Total RE Purchase (Shortfall) MUS
2022-23 (TU)	16400 (17.5%)	19202 (+2802)
2023-24 (TCI)	18324 (27%)	19886 (+1562)
2024-25 (RTD)	22600 (30%)	21180 (-1420)
2025-26 (RTD)	26049 (33%)	22309(-3740)
2020-27 (RTD)	30662 (33%)	23784 (-6878)

It is evident that PSPCL is required to arrange additional 7674 MU of Renewable power. Further, the RPO for coming years will further increase due to increase in consumption and increase in percentage of RPO. If this power is procured only from Solar or wind, power plants of around 4400 MW would be required. Keeping in view the already contracted/own capacities, this 4300 MW capacity cannot be consumed as peak capacity during winter is around 6000-7000 MW only. Thus, the additional power has to be sourced from other firm RE sources like hydro and Biomass to meet RPO projected above. This needs to be kept in view by PSPCL and the Commission.

iv) It is a known fact that availing power at 220 KV is a costly affair compared with 66 KV as the Harmonics limits are more stringent, Land and safety requirement are much higher, Lot of investment is required to bring the load to above 50 MVA, grid equipment of 220 KV is costlier etc. Further, distribution losses are not applicable on 220 KV and PSPCL saves about 2% on this account alone. Retail Supply component of tariff is also reduced substantially as bill amount per consumer is very high, and voltage complaints are minimized. Thus, present Voltage rebate of 30 paise for 220 KV compared with voltage rebate of 25 paise for 66 KV continuing for last about 11 years, need to be increased appropriately. However, it is strange that PSPCL still wants to continue with same rebate and is not ready to carry out fresh Cost of Supply Study. Please allow ad hoc increase in voltage rebate till the study is available. This will motivate the industry to set up bigger units and will also be beneficial for the state as well as PSPCL.

Reply of PSPCL: As per the Tariff Order for FY 2025–26 approved by the Commission, the cross-subsidy levels for the industrial categories, namely Small Power (SP), Medium Supply (MS), and Large Supply (LS), are 6.51%, 9.35%, and 7.96%, respectively. The Commission has consistently maintained the cross-subsidy levels of various categories within $\pm 20\%$ of the average cost of supply, in line with the Tariff Policy and the provisions of the PSERC Regulations. Further, the determination of tariff and any revision in tariff or cross-subsidy for any category comes under the purview of the Commission.

Further, PSPCL states that it has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Hon'ble PSERC for FY 2013-14. However, in line with the Commission's directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the commission thereafter. Further, PSPCL submits that determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Commission. PSPCL complies with the directions issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders passed by the Commission.

Commission's view:- The Commission has noted the concern/suggestion of the Objector as well as the response of PSPCL.

Issue 3: Return on Equity

A) The Commission approved 15.5% Return on Equity for 2010-11 to 2017-18 purportedly as per PSERC Regulations in line with the FRP of GOP as per which the Consumer Contribution, Subsidies and Grants were merged with GOP equity increasing the equity

share capital of GOP in PSPCL from Rs. 2617.61 Crore to Rs. 6081.43 Crore which has led to increase of ROE from Rs. 405.73 Crore to Rs. 942.62 Crore i.e. an increase of 232% though without any fresh investment or infusion of cash by GOP.

Similar is the case of PSTCL where the equity base of GOP was increased from Rs 328.50 Crore to Rs 605.88 Crore as per FRP and ROE increased from Rs 45.99 Crore to Rs 93.91 Crore, an increase of 204%. The matter was appealed by some consumers in APTEL and Hon'ble Tribunal directed PSERC to reconsider the issue vide judgment dated 17.12.2024 in Appeal No 168 and 142 of 2013 as under:-

"48. We direct the State Commission to adjust the excess amount of ROE In the impugned order from the FY 2011-12 onwards in the ARRI True up for the year to provide relief to the consumers. "

"Issue No, (iii) Relating to Return on Equity, Consumers Contributions, Grants, Subsidies etc.

50.3 The findings of this Tribunal in Appeal no. 46 of 2014 shall squarely apply to the present case. The State Commission shall re-determine the ROE as per our directions and the excess amount allowed to the distribution licensee with carrying cost shall be adjusted in the next ARR of the respondent no. 2.

This was treated as against the Prudent financial Practices by the CAG also and an audit para was also raised by them vide Para 3.1.2.5 of their Audit Report of 2015 on PSUs. The Commission also recognized the action as wrong and amended the Tariff Regulations specifically prohibiting such conversion of Consumer contribution and subsidies/grants into equity. As the PSPCL has filed an Appeal in Supreme Court and the order of APTEL is under stay, we request the Commission to record our objection on the issue and the TO of PSPCL and PST CL from 2011-12 onwards will be subject to review as per the orders of the Supreme court.

B) PSPCL proposal to convert loans under UDAY scheme into equity and claiming ROE on such equity.

i) PSPCL converted the loans taken over by GOP under UDAY scheme amounting to Rs 15628.26 Crore into equity of GOP on 31.3.2020 in the ARRs of 2020-21 and 2021-22. This amount was further split between Generation and distribution business. Rs 7254.87 Crore was allocated as equity for Generation Business and Rs 8373.39 Crore was allocated for Distribution Business. PSPCL claimed ROE of 15.50% for Generation Business and 16% for Distribution Business on the total equity amount in each segment for 2020-21 and 2021-22. This was objected to by stakeholders being against the conditions of UDAY scheme and there being no cash flow from GOP. The Commission rejected the claim of PSPCL on the plea that there is infusion of equity and ROE cannot be granted on such paper equity.

ii. In the ARR of 2022-23, PSPCL came out with a unique proposal that the UDAY loan of Rs 15628 Crore includes Rs 2246.77 Crore as capital loans. Further, out of balance Rs 13381 Crore, Loans of Rs 2346.19 Crore were diverted for capital works, Thus, a total of Rs 2246.77+2346.19 = 4592.96 Crore were considered as equity and ROE of Rs. 1684 Crore @ 15.77% was claimed on equity base of (6081.43+4592.96=) 10674.39 Crore in the ARR. The contention of PSPCL was not accepted and additional ROE demand was not granted by the Commission.

iii. PSPCL again claimed the equity as Rs. 10674 Cr and ROE as Rs. 1684 Crore for all the years of 2021-22 (TU), 2022-23 (RE) and MYT period of 2023-24 to 2025-26 In the ARR for 2023-24. The Commission raised the issue in Para 23 in deficiency statement dated 21.12.2022 as under:-

23. Return on Equity

In Para-2.20.4 PSPCL has claimed an addition of Rs. (2346.19+2246.77) Crore with opening balance of Rs. 10673.96 (Rs. 6081+4592.96) Crore of FY 2020-21 and claimed Return on equity @15.78% to the tune of Rs. 1684 Crore during FY 2021-22 (True-up) with a note under Table-2.17 "Return on Equity for FY 2021-22" "ROE claimed on Opening Balance in addition to diverted loan for CAPEX funding". PSPCL in Petition No.68 of 2021 has submitted that out of total UDAY loans Rs.2246.77 Crore were capital/ expenditure loans and Rs.

13381.49 Crore of working capital loans. Out of which Rs.2346.19 Crore of working capital loans were diverted for capital expenditure funding which is already approved by the Commission. Hence, PSPCL has considered the amount of Rs. 4592 (Rs.2346.19+2246.77) Crore. PSPCL to intimate the specific Tariff/Order vide which the Commission has allowed the diversion of working capital loan of Rs. 2346.19 Crore towards long term loan for allowing interest on long term loans.

PSPCL submitted the reply in its letter dated 30.12.2022 giving details of capex funded from WC loans during the years 2010-11 to 2018-19 totalling Rs 2346.19 Crore. It was stated that it includes Rs 157.05 Crore for 2010-11 which is based on difference of Investment Plan amount and Capital Loans approved in the Tariff Order. We objected strongly to the proposal of PSPCL and requested for rejecting the proposal of PSPCL. The non-compliance of UDAY scheme in to and other discrepancies in the proposal of PSPCL were also brought out. As already held by APTEL, being no cash flow from GOP and therefore, though GOP and PSPCL may treat such amount as equity but it cannot qualify for Return on equity and it was requested that there is no case of treating such diversions as equity for the purpose of ROE,

It was also brought out that since 2002-03, we find that there has never been any cash flow from GOP exclusively for equity in PSEB/PSPCL/PSTCL. Thus, all the funding is from loans at the then applicable interest rate of around 5 to 7% & consumer contributions and Govt Grants without any interest whereas by just making a paper entry, PSPCL/PSTCL are converting their around 6% average interest-bearing loans into 15.5 to 16% return bearing equity which by no means is justified. It was evidently an illegal and unjustified act of PSPCL/PSTCL by using provisions of regulations for benefits at the cost of consumers.

Partially accepting our request for rejecting the claim of any ROE, the Commission allowed ROE on closing balance of true up of 2020-21 as opening balance for 2021-22 (True up) and same equity for 2022-23 (True Up) as well as 2023-24 (True Up) and 2024-25/2025-26 projections in the tariff order 2023-24.

Last Year as well as this year 2025-26, PSPCL claimed the equity and ROE for true up and projections with a rider as below:

"Since this issue is already pending in the Hon'ble APTEL, therefore without prejudice to PSPCL's claim, the amount of Rs 6081 Cr only is being considered as equity in this Petition for computing return without forfeiting PSPCL's claim on the return on the balance equity.

We submit that Consumers can neither finance nor pursue such costly legal suits due to limited resources and time, therefore we request the Hon'ble Commission to strongly contest the claim of PSPCL in APTEL and Supreme Court so that consumers are not burdened on this account.

PSPCL Reply: As per clause 1.2 of the MOU under UDAY Scheme, 75% of the PSPCL's debt on 30.9.2015 amounting to Rs. 15,628.26 Crore were to be taken over by Govt. of Punjab. In compliance with the MOU, NON-SLR Bonds amounting to Rs. 15,628.26 Crore were issued by the Government of Punjab and transferred this amount to PSPCL as Government of Punjab Loan up to 2019-20 and on 31.3.2020, GOP converted its loan into equity. As such, the Capital Expenditure incurred through diversion of Working Capital Loans (Rs. 2,346.19 Crore) and Capex Loans (Rs. 2,246.77 Crore), which have been converted into equity, are eligible for claiming Return on Equity as these loans have been specifically used for creation of assets of PSPCL due to the fact that GOP has infused the equity by taking over these loans of PSPCL of equivalent amount. In this regard, it is also submitted that PSERC has not allowed any interest on these loans to PSPCL after conversion into equity by State Govts As such, PSPCL's plea of claiming RoE of Rs. 1,684 Crore on equity of Rs. 10,673.96 (Rs. 6,081 + 2,346.19 + 2,246.77 Crore) is justifiable.

Commission's view:- Return on equity is determined by the Commission in-line with the prevailing MYT Regulations after prudence check

Issue 4: ARR AND CARRYING COST OF REVENUE GAP

The gap in realization with current tariff and expenditure incurred by PSPCL as projected in ARR along with carrying cost was earlier increasing every year as under:-

Year	Net Revenue Requirement	Revenue Gap	Net Rev. Requirement	Revenue Gap	Net Rev. Requirement	Revenue Gap (Cum)
	ARR Projections		ARR Actuals		True up	
1 st MYT						
2017-18	32718.64	-5576.21	31127.53	-5524.53	27232.40	-881.23
2018-19	33562.12	-5339.33	33000.28	-3715.89	30620.02	-515.80
2019-20	34505.60	-12118.5	34812.51	-3003.04	30424.44	-701.60
2 nd MYT						
2020-21	35573.60	-9016.30	33709	-2101	31478.12	+1669.84
2021-22	37653	-9807	37016.54	-3156	34786.05	+772.88
2022-23	36848	-1912	44158.50	-6396.45	42067.07	-4072.27
3 rd MYT						
2023-24	42753	-14109	43324.27	-7619.06	41643.94	-3980.51
2024-25	46382	-5419	47106.86	-3198.16		
2025-26	47916.36	-5091				
4 th MYT						
2026-27	52365	-1713				
2027-28	55310					
2028-29	60867					

Thus, in the ARR for 2026-27, Aggregate Cumulative Gap is worked out as RS. -1713 Crore. The revenue at current tariff is projected as Rs. 53850 Crore. Thus, for full recovery of ARR, the tariff has to be increased by 3.18% across the board. However, the ARR is apparently loaded with many items which will be pruned by the Commission during processing just as:

i) The approved balance sheet for the year 2024-25 forming part of the ARR shows that PSPCL has earned a cumulative profit of Rs 6215.58 Crore including extraordinary item of Rs 3581.95 Crore. This Extraordinary item is in fact "Loss funding by GOP" under additional borrowing of state 0.5% of GSDP linked to performance in Power Sector Scheme as per 1 5th Finance Commission.

This extraordinary item is in fact countable for loss funding of ARR and not of the balance sheet. Further it should be utilised to bring down the tariff of consumers who are being loaded with the losses of the Licensee year after year.

Though PSPCL has acknowledged the fact in Para 2.24.2 that it is being considered under Non Tariff Income but no such accounting is visible from ARR.

ii) The factual position depicted in Half Yearly H1 Balance Sheet of PSPCL for 2025-26 as available on PSPCL web site is showing Profit of Rs 2902.20 Crore indicating that ARR has been skewed up to claim increase in Tariff. Moreover, the six-monthly profit is more than the Yearly amount of ROE.

iii) Surplus of Rs 179.32 Crore available in FPPAS ending 2024-25 with PSPCL (Petition No 22 of 2025) to be adjusted in 2026-27 along with carrying cost to be worked out on quarterly basis for 2024-25 and for 2025-26

iv). Surplus of Rs 1037 Crore is available in FPPAS in HI of 2025-26 as per CC No 38 of 2025 circulated by PSPCL.

v) Trueing up of claims of GOP subsidy

vi) Disallowance of carrying cost of unpaid subsidy of previous years and other claims from the Non-Tariff Income of ARR for 2024-25 and appropriately increasing the Non-Tariff Income to realistic figures during the MYT period.

vii) Setting right, the discrepancies in sales and revenue compared with approved sales and approved Tariff of previous years.

viii) Correction of parameters of thermal plants etc,

ix) Flow of cheaper renewable power from Power Exchange and through long term contracts in the previous and ensuing years due to steep increase in RPO. Shifting of more load during solar hours and purchase of solar power to reduce the REC purchase.

x) Passing on the benefit of lower capital cost of Goindwal Thermal Plant to the consumers through reduction in generation cost.

- xi) Availability of low-cost coal from PSPCL's Pachhwara coal mine for its own 3 thermal plants.
- xii) Scrutiny of the ARR of PSTCL and resultant reduction.
- xiii) Re-assessing the sales projections of PSPCL for 2025-26 which seems to be excessive for some categories.
- xiv) Disallowance of diversion of funds from Capital works to working capital for previous and current years.
- xv) Disallowance of claims of higher Distribution Losses than trajectory for 3rd MYT period finalized by the Commission.
- xvi) Accounting for the miscellaneous receipts by PSPCL like receipt of supervision charges of Feeder lines being erected by consumers, inspection charges of 66/132/220 KV sub stations of consumers, inspection charges for CTs/PTs for consumers at Mehru's works, 16% Departmental Charges claimed in Deposit estimates prepared for consumers, collection charges for ED, IDF, Municipal Tax being claimed from GOP and PEDAs share from RE Generators. Processing Charges for services, Annual Depreciation out of Consumer Contributions, pole rentals from Cable TV, etc which may be checked by the Commission. When full Employee Cost is being recovered through ARR, then all these revenues should be accounted for.

After setting right the ARR and Revenue, PSPCL is likely to become heavily Revenue Surplus and there is scope of tariff reduction. Any increase in tariff for industry will prove disastrous for the consumers in Punjab. The ARR needs to be critically examined by the Commission. Any increase in Fixed and Energy Charge will have to be recovered from the GoP which is already short of money. PSPCL should manage the increase in ARR from increase in sale of power and better utilization of its assets. Industry in Punjab cannot bear any increase in tariff. Further, in spite of 9.33% increase in Tariff in 2017-18, 2.17% in 2018-19, 1.78% in 2020-21, rise in 2021-22, 8.64% in 2023-24 and 1.59% in 2024-25 (Total Rise = $109.33 \times 102.17 \times 101.78 \times 103.55 \times 101 \times 108.64 \times 101.59 = 131.23\%$) i.e. cumulative increase of 31.23% in 8 years clearly indicates that there is something wrong in the operations of PSPCL.

It is evident from the above that besides continuing with its inefficiencies, there seems to be a tendency on the part of PSPCL to inflate the figures of ARR to get higher tariff to cover up its continuing losses which need to be looked into by the Commission thoroughly otherwise the industry in Punjab will become totally uncompetitive with the industry of neighbouring states and shall have to close down their factories.

Reply of PSPCL: PSPCL has received loss funding of Rs. 3,581.95 Crore towards losses for FY 2022-23. The said amount has been duly disclosed as extraordinary item in notes No. 40 and 43(4) of the company's financial statement for FY 2024-25. The accounting treatment and presentation of the said grant in the financial statement of the company have been carried out in accordance with the applicable IND AS and schedule III of the companies ACT 2013. However, the treatment of the same in tariff petition may be in accordance with the applicable MYT regulations. Further as stated in para 2.24.2 of tariff petition PSPCL has mentioned that the amount of Rs. 3582 Crore is not treated as non-tariff income as per the earlier approach towards similar loss funding under UDAY scheme which was followed by the Commission.

With regard to the submissions of the objector concerning procurement of cheaper renewable energy and compliance with Renewable Purchase Obligations (RPOs), PSPCL respectfully submits that it has taken substantial and proactive steps to meet the progressively increasing RPO targets. PPAs/PSAs have already been signed for 4,258 MW of solar power, 10.6 MW of non-solar renewable power, and 26.9 MW of large hydro power, which are expected to be commissioned in the coming years. Further, the 206 MW Shahpur Kandi large hydro project is presently under commissioning.

In addition, rooftop solar power projects aggregating 31.37 MW capacity across 1,013 PSPCL buildings are under installation. PSPCL also has approximately 7,127 MW of renewable capacity in the pipeline, comprising 2,594 MW of solar power, 483 MW of large hydro, 1,000 MW of FDRE, 1,800 MW of wind power, and 1,250 MW/2,500 MWh of BESS,

which are under consideration. Furthermore, an additional 100 MW per year of rooftop solar capacity is expected to be added. The successful integration of these renewable energy projects into the PSPCL system will significantly strengthen RPO compliance and is expected to contribute meaningfully towards lowering the overall Average Cost of Supply in the long term. Further, accounting for the miscellaneous receipts by PSPCL is treated as per the commercial accounting system and procedures of PSPCL and duly considered in accounts books of accounts of PSPCL.

PSPCL further respectfully submits that it has consistently maintained transparency in filing its ARR Petition before the Commission. The methodology adopted for preparation of the Petition has been comprehensively detailed therein and is fully aligned with the regulatory principles laid down by the Commission and the provisions of the PSERC MYT Regulations, 2022. The expenses and revenue for FY 2024–25 have been submitted strictly on the basis of the audited annual accounts for FY 2024–25. The determination and approval of the revenue gap, if any, remains within the prudent consideration and discretion of the Commission. Any surplus arising in a financial year, whether on account of FPPAS adjustments such as variation in fuel cost or power purchase cost, or due to operational efficiencies, is mandatorily passed on to consumers during the true-up of the respective year in accordance with the MYT Regulations. Lastly, it is humbly submitted that the Commission undertakes detailed scrutiny of the Petition filed by PSPCL and follows a transparent and consultative process for determination of tariff, wherein all stakeholders, including consumers and objectors, are provided with adequate opportunity to present their views and objections.

Commission's view:- Revenue gap is determined by the Commission in-line with the prevailing MYT Regulations after thorough prudence check.

Issue 5: Surplus Power and Fixed Charge of Idle capacity

i) The increase in expenses in ARR of PSPCL in recent years is due to power proposed to be surrendered on Merit order Dispatch due to availability of power from power stations where PPAs were signed earlier and steep fall in demand in winter or excessive rains during paddy season. This saved the energy/variable charges, but PSPCL had to bear the. capacity/fixed charges for such non-purchase of power. As such threshold rebate was introduced by the Commission. PSPCL later submitted that the surplus status is now over and, on its submissions, Threshold rebate was withdrawn. However, the ARRs being submitted indicate that surplus scenario is still prevalent as under:

Year (Format D2)	As per ARR of the year	As per Actuals in True up ARR
	MUs	MUs
2023-24	2961.39	7810.47
2024-25	1643.65	8234.85
2025-26	2744.22	
2026-27	567.43	
2027-28	1811.86	
2028-29	412.65	

The above figures indicate that the assessment of PSPCL for idle capacity is totally wrong and the decision taken by the Commission for withdrawal of Threshold rebate of industrial consumers was taken on wrong presentation of data by PSPCL.

Keeping in view the (i) additional power available from solar, wind & Hydro power capacity already contracted (ii) solar roof top plants being set up by the consumers (iii) solar capacity coming up in the state under green energy open access (iv) commissioning of Shahpur Kandi project in 2026-27 (v) New capacities to be contracted to meet ever increasing RPO levels presently fixed for the period up to the year 2030, PSPCL is likely to remain surplus in winter months at the far end of the FY when the Threshold rebate becomes payable and PSPCL demand is almost half of the peak period demand. Therefore, the threshold rebate needs to be restarted.

ii) After purchase of GVK Plant by PSPCL, signing of PPAs for solar and wind energy and tendered capacity will also add to the availability of power in the coming years. Therefore, PSPCL needs to devise innovative proposals in Tariff and other charges to bring investments in Punjab for heavy industries to Punjab, facilitate setting up of EV charging stations, come out with scheme to allow separate metering facility for two and four wheeler EV charging

points in the houses/offices of consumers, Allowing additional rebate for consumers having Captive power plants to shift to PSPCL power, devising special incentivized tariff for establishment of Data Centre's in Punjab to create employment and state revenue etc.

iii) ESP of Unit no 2 of Lehra Mohabbat Plant was completely damaged on 13.5.2022 and its repairs took about 3 years, still PSPCL has been allowed full fixed charges for the project for the non-availability period. Had this been an IPP Project, PSPCL would have disallowed the ARR / Fixed charges for the period of nonavailability of the project straightaway and IPP would have repaired it at its cost. To cover up its delay and claim cost of repairs through ARR, a Petition was filed by PSPCL for approval of investment proposal for repairs. Why should consumers be made to bear the repair cost of damages to the equipment / machinery through filing of such petitions. As such we request the Commission to disallow the fixed charges for the period, the plant remains unavailable for generations well as cost of repairs.

Reply of PSPCL: The power demand has been showing consistent increasing trend throughout the country including the state of Punjab. Market prices have also regularly remained on higher side and volatile and can't be relied upon. So, to meet high demand as per projections optimally, PSPCL as per projections will be using its available capacity, in upcoming years that's why minimum surrender of power is forecasted. Since this field is quite dynamic and dependent on many external/internal factors affecting demand & availability e.g. like weather disturbance, demand pattern due to consumer behavior, Market prices, Fuel availability in other parts of country etc. So PSPCL is always striving to arrange power optimally. Further, all the equipment other than ESP of Unit-2 were maintained during the period from 13.05.2022 to 04.04.2025 to keep the system healthy and run the Unit-2 on completion of ESP restoration work. During this period, only Unit-2 was unavailable for generation, while the other three units operated normally. Unit-2 has been operational since April 3, 2025, and continues to function as expected. Total generation for Unit-2 from April 3, 2025, to December 2025, stands at 1,032.845 MU. Consequently, as the unit is now available and considering this a Force Majeure Event under Clause 3.31 (d) of the PSERC MYT Regulations 2022, it is requested that fixed charges for the project be allowed to PSPCL.

Commission's view:- The Commission has taken note of the suggestion of the objector and reply of PSPCL.

Issue 6: Employees expenses

Employee cost claimed In the ARRs and approved by Commission for the MYT periods as per the tariff Orders is as under:

Employee cost as Projected by PSPCL in ARR, Projections Approved by PSERC in TO, RE as per ARR, RE Approved in TO, TU submitted in ARR, Approved in TO						
Year	ARR	TO	RE	TO	Actuals	TO
2020-21	5240.79	4837.41	5098.61	4860.22	4807.83	4659.60
2021-22	5314.49	5004.68	5269.00	5676.04	5261.49	5215.56
2022-23	5552.00	7718.85	6229	6207.44	6981.11	6897.29
2023-24	6827	6439.84	Not required as per MYT		7097.36	7106.79
2024-25	7281	6865.08			7071.19	
2025-26	7453.49	6960.11				
2026-27	7881					

It is strange that, the claims made in the initial ARR, RE and actuals vary widely and many times even lower than those approved by the Commission. Since Now Audited Employee cost is being allowed in True Up as per APTEL orders, PSPCL should come out with realistic figures in ARR so that tariff determined by the Commission is somewhat realistic.

The Commission had been allowing an increase in employees' cost on the basis of Wholesale Price Index as per Tariff Regulations which covers CPI also. Therefore, an increase in employees' cost on the basis of notified MYT regulations may be allowed. Recruitment of new employees and grant of any allowance need to be made by PSPCL keeping in view the provisions of the Tariff Order which should act as Budget for PSPCL which should not be exceeded at any cost.

Further, we request that funding of Terminal Benefit Trust for past liabilities should not be agreed as consumers are bearing the cost of past liabilities of pension through "Pay as you

go" principle. Additional funding of Terminal benefit trust simultaneously will burden the consumers heavily and as such past practice of "Pay as you go" should be continued.

Reply of PSPCL: PSPCL has been transparent in filing the petition for the True up for FY 2024-25 and ARR for 4th MYT control period and has filed a detailed petition, PSPCL has submitted the revenue requirements based on the audited accounts for FY 2024-25. The methodology adopted by PSPCL for filing the petition is very well elaborated in the Petition and is in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations, 2022. The Commission does a thorough scrutiny of the Petition filed by PSPCL and follows a transparent process for determination of tariff and consumers are given every opportunity to present the facts in their objections.

Further, as decided by the Hon'ble Tribunal vide its judgment dated 29th April 2022, the PSERC MYT Regulations which follow the principle of 'pay as you go' with regard to unfunded past liabilities of pension and gratuity, have to be amended first. Relevant para of the judgment is reproduced as under:

"234. The Regulations notified by the State Commission shall have to be notified consistent with the Transfer Scheme as any power vested therein to the State Government cannot be restricted by the Regulations notified by the State Commission."

Therefore, until and unless the prevailing MYT Tariff Regulations are amended or there is an in-principal approval from the Commission regarding allowing contributions made towards it as an expense in the ARR, PSPCL cannot go ahead with operationalizing it. Therefore, Hon'ble Commission is prayed to approve the employee expenses as submitted above and allow for operationalization of terminal benefit trust.

Commission's view:- Employee Expense is determined by the Commission in-line with the prevailing MYT Regulations after prudence check.

Issue 7: COST OF SUPPLY / HT REBATE

In compliance to APTEL orders, PSPCL carried out the study on Cost of Supply, which was a part of ARR 2013-14 and PSERC accepted methodology II of the study. The cost of supply study was based on lot of assumptions which had to be taken at every step due to absence of actual data of one or other parameter required for the study and sample feeders taken were quite inadequate. Further, even the assumptions had been so taken that HT/EHT consumers were loaded with unjustified costs and made to share big burden of the ARR.

The cost of supply study for 2026-27 is yet to be submitted and comments on the same will be supplied after bit is circulated by PSPCL.

Reply of PSPCL: PSPCL has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Commission for FY 2013-14. However, in line with the Commission's directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the Commission thereafter. Further, PSPCL submits that determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Commission. PSPCL complies with the directions issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders passed by the Commission.

Commission's view:- The Commission has taken note of the suggestion.

Issue 8: Tariff Related Issues as per Chapter 6 of ARR

PSPCL is yet to submit its proposal for Tariff for FY 2026-27. Comments on the same will be supplied after these are submitted by PSPCL.

Reply of PSPCL: PSPCL has already submitted the tariff related issues to the Commission vide letter dated 04.02.2026 and requested the commission to kindly approve the same.

Commission's view:- The Objector may refer the Tariff Order for the Commission's decision on this issue

Issue 9: Special Night Tariff for LS industry.

Special Night Tariff was started as per Tariff Order 2018-19 to the industry opting for the same. Operations were allowed during 8 hours of night only for the period 1st Oct of the year to 31st June of next year i.e. excluding the paddy period. However, no industry opted for the

same as viability of the industry required minimum 12 hours of operations in a day. On the persistent demand of Industry, with the concurrence of PSPCL, this was extended for 12 continuous hours i.e. during night hours on reduced tariff and on full tariff for 4 morning hours. Now, PSPCL wants to restrict the supply during morning hours again.

In the ARR for 2023-24, PSPCL submitted a proposal that due to the morning demand being experienced by PSPCL during Dec and January, Industry should limit its demand or pay more during these hours. We submitted that this is totally unfair as demand is solely due to domestic and Commercial/NRS sector using lighting, geysers and heaters etc. Industry operates with continuous load whenever it operates. The proposal was disagreed by the Commission.

In the ARR for 2024-25, PSPCL proposed that due to changed scenario, there is practically no surplus power with PSPCL, and night consumption is almost equal to day time consumption and proposed to discontinue this special tariff for exclusive night hours. However, the Commission continued the same without any change.

Under Special Night tariff, industry gets 50% reduction in fixed charges. Night rebate is available to all industries whether they opt for special night tariff or not. Full energy charge is paid for consumption from 6 AM to 10 AM. This has helped the industry to survive in tough times when it has to reduce its output by curtailing operating hours which would increase the per unit fixed charges and industry would close ultimately. However, by opting for special night tariff, the fixed charges per unit remain the same and industry continues to operate with lesser output and PSPCL continue to earn revenue.

Further after subsidy, industry is paying the PSPCL a tariff of Rs 5.50/unit for night usage in 2025-26 as decided by the Commission and Rs 5.835/unit for balance 16 hours of the day. Rest is being claimed by PSPCL from GOP as subsidy. The day rates with subsidy of GOP are further set to rise by 3% w.e.f. 1.4.2026. We also request the Commission to continue the same in FY 2026-27. We also request to provide calculations for working out the reduced energy charge in the tariff order to provide transparency in fixation of minimum payable charges. (Rs 5.50/unit in FY 2025-26 and for 2026-27 to be determined).

We also request that in view of excess and cheaper solar power available in the market during daytime, the usage during day hours presently limited to 10% of night consumption be increased to 15%. This will increase the revenue as well as profit of PSPCL.

Reply of PSPCL: The determination of tariff or allowing and rebate to any category of consumer comes under the purview of the Commission and it may depend upon cost of power been charge to PSPCL by the generators and any change in the terms & conditions comes under the purview of the Commission.

Commission's view:- The Commission has taken note of the suggestion.

Issue 10: Reduced Energy Charges for consumption above threshold limit.

PSPCL had Proposed to discontinue the Reduced Energy Charge from FY 2024-25 onwards on the plea that it has no surplus energy with it. The plea was accepted by the Commission. However, as per actuals, PSPCL continues to declare surrendered power as brought out in para above. In fact, PSPCL seems to be misleading on the issue as in true up very high excess power is being projected then projected. The said threshold rebate can be availed only for one year and that too, if the industry has made investments to increase production capacity. It is not possible to increase power consumption over the previous year repetitively. Further, the Threshold rebate was available only in the fag end of the FY when PSPCL is surplus in power due to winter months. The Load during the period varies between 5000 to 8000 MW whereas PSPCL has a contracted capacity of around 15555 MW.

We therefore request to reintroduce and continue with the Threshold rebate.

Reply of PSPCL: The reduced energy charges for consumption above threshold limit has been discontinue w.e.f. tariff order of FY 2024-25. Moreover, determination of tariff, allowing rebate and surcharge to any category of consumers comes under the purview of the Commission.

Commission's view:- The Commission has taken note of the suggestion.

Issue 11: We also submit our suggestions as under: -

1 . PSPCL has already acquired Goindwal Sahib thermal power plant of 540 MW capacity from GVK@ Rs 2 Crore per MW. After acquisition, cheap coal from PSPCL's Pachhware Coal mine block is being supplied. With this, energy charge as well as Generation cost of this plant should be much lower than those of IPP plant in the state or PSPCL's own Power Plants. However, this is not visible in the ARR since PSPCL has used the costing and other expenditure for FY 2026-27 as per the earlier order of the Commission vide which the ARR for GVK plant as an IPP was approved.

It is visible from Format D2 for 2026-27 that fixed charges for 2026-27 for this plant are Rs. 152.50/unit compared with TSPL and NPL as Rs 98.96 and 129 paisa per unit respectively. Similarly, the Energy Charge for GATPL in Format D3 is 529.63 paisa per unit for 2026-27 whereas it is 463.83 ps per unit for NPL and 499.28 paisa per unit for TSPL. We request the Commission to reject the claims of PSPCL for Goindwal Sahib power plant now owned by Guru Amar Dass Thermal Plant Ltd and direct PSPCL to submit Revised Requirement as per the factual requirement and only thereafter approve the ARR of this plant.

Reply of PSPCL: The GVK (Goindwal Sahib) Limited being a wholly owned subsidiary of PSPCL and is in the process of submitting separate petition for determination/true-up of Annual Fixed Charges before the Commission. After adjudication of the same by the Commission, the benefit of reduction in power purchase cost (if any) shall be duly passed on to the consumers of Punjab. Further, it is to add here that the equipment/machinery of IPPs namely NPL & TSPL is designed as per Super Critical Technology whereas the equipment/machinery of GVK Thermal Power Plant is designed on Sub Critical Technology. As such it is not prudent to compare GVK Thermal Power Plant generation cost with the power purchase cost of present IPPs.

Commission's view:- The Commission has taken note of the suggestion.

2. PSPCL has projected availability of energy from around 2700 MW of additional solar power for meeting the ever-increasing RPO in 2026-27 and onwards. This energy with lower cost of such power will bring down the power purchase price which should lower the tariff of consumers.

Reply of PSPCL: The impact of the projected upcoming NRSE capacity has already been duly factored while estimating the future power purchase cost.

Commission's view:- The Commission has taken note of the suggestion.

3. It is observed that PPAs of many projects have expired and their petitions are under consideration for redetermination of tariff. Many other projects shall also follow. Similarly, energy of some projects has been shown as Zero. However, since these are Punjab based projects and must either sell the power to PSPCL or through open access. In their case neither energy has been counted, nor 2% energy of open access has been accounted for. If PSPCL accepts any energy under some arrangement or on orders of Competent court or as dump energy, then all such energy needs to be accounted for irrespective of the exigency. Non accounting of such energy but accepting the same as free energy distorts the figures of T&D loss and results in PSPCL's claim of incentive for over achievement of T&D loss. The Commission may look into this and save consumers from undue increase in tariffs. Further, the redetermined tariff being lower, the cost of power purchase is likely not come down which should be passed on to Consumers.

Reply of PSPCL: The energy from certain generating stations has been considered as zero after expiry of their respective PPAs. Although such plants may presently be supplying only surplus energy to PSPCL, there is no contractual obligation or certainty of continued supply after PPA expiry. Further, such generators may utilize the entire power for self-consumption, in which case no energy would flow into the PSPCL system. Accordingly, no energy from these sources has been considered in the projections. With regard to redetermination of tariff, it is submitted that any impact arising from revised tariffs, if and when determined by the Commission, shall be duly considered in the relevant period.

Commission's view:- The Commission has taken note of the suggestions.

Issue 12: Submissions of Induction Furnace Industry

The induction furnace industry is facing tough challenges due to volatile national and international industrial scenario, steep rise and fall on daily basis in the prices of scrap and end products, banning export of scrap by many foreign countries, manipulations by vested interests like SMS mafia, frequent Taxation personnel etc. The viability of the industry greatly depends on the handholding of GOP and its departments. As the cost of power constitutes 60 % of the total conversion cost from steel scrap to end products, the tariff and rebates of electricity play vital role in its survival. Savings through open access has stopped, and industry is fully dependent on using PSPCL power. Due to recent slump in the Demand of steel products, many steel firms have already opted for the Special night rebate tariff structure to survive.

With introduction of two part tariff, increase in tariff rates every year during the period 2017-26 period except for 2 year, Impact of orders of Hon'ble APTEL, High Court and Supreme Court on Petitions/Appeals filed by PSPCL, regarding disallowances in Tariff Orders and claims of IPPs, increased power related payments claimed under prior period expenses to depict low rates of power purchase of IPPs, increase of Energy Charge by GOP by 3% every year and high quantum in Electricity Duty by GOP, has taken away meagre reductions here and subsidy to Industry is still a great help for survival of steel industry. Under the circumstances, Industry is looking forward to further concessions in power rates as under-

1. There is full justification to Increase the voltage rebate for 66kV and 220 kV which is stagnant for last about 12 years or else determine tariff for each voltage level separately.
2. Reintroduction of Threshold rebate or Introduction of load factor rebate for industry.
3. Continuing with TOD rebates and decreasing the Rate of Peak load Surcharge.
4. We further request for timely issue of Tariff Order in the first week of April and if delayed, make it out in above paras.

Reply of PSPCL: The Two-Part Tariff was implemented w.e.f. 01.01.2018 in line with the provisions of National Tariff Policy, after giving two months' time to the consumers, so that they could optimize/reduce the sanctioned load as per their requirement. It is the inherent characteristic of two-part tariff that the consumers who consume more power as per their sanction load/contract demand will be benefitted because in such cases as the consumption rise, per unit electricity rate comes out to be low.

The pointwise replies of objector submission are submitted as below:

1. The Cost of Supply has been computed in accordance with Methodology-II of the study conducted by TERI for determination of CoS, as approved by the Commission in the ARR for FY 2013-14. Further, the determination of category-wise tariff rates, rebates, surcharges, cost of supply, cross-subsidy levels, etc., falls within the exclusive purview of the Commission and is primarily dependent on the cost of power charged to PSPCL by the generators. PSPCL respectfully adheres to the directions issued by the Commission, and commercial circulars are issued accordingly in line with the Tariff Orders of the Commission.
2. The reduced energy charges for consumption above threshold limit has been discontinued w.e.f. tariff order 2024-25 by the Commission.
3. Determination of Tariff / rebate / cross subsidy levels or any change in the tariff of any category comes under the purview of the Commission.
4. As per Section 64 of the Electricity Act 2003. It is the sole prerogative of the State regulatory commission to issue tariff orders.

The relevant excerpt of the aforesaid section is reproduced as under:

Section 64 (Procedure for Tariff Order)

(3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public, -

(a) issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order.

As issuance of Tariff Order is within the prerogative of the Commission, therefore it may take appropriate action in the matter.

Commission's view:- The Commission has taken note of the suggestion.

Additional submissions:

Issue 1: Distribution Loss Trajectory

The Distribution loss trajectory for various control periods, claimed in the initial year wise ARR and in True up ARR is as under: -

Year	Business Plan / Approved	ARR of the year	Additional Submissions	Tariff Order of the year	True up ARR	True up TO approved
2028-29	11.40	12.20	9.90			
2027-28	11.60	12.50	9.95			
2026-27	11.80	12.75	10.00			
2025-26	12.10	12.10		11.90		
2024-25	12.30	12.20		12.10	12.10	
2023-24	12.90	12.30		12.30	11.81	12.11
2022-23	11.70	12.04		12.04	12.76	12.96
2021-22	12.00	10.94		12.34	12.59	12.53
2020-21	12.30	12.30		12.30	12.99	13.43

Though PSPCL is receiving huge amount of loan and subsidy under various schemes of Govt like RDSS, APDRP, DDUGJY etc. as well as consumer contribution, there is practically no reduction in Loss levels. The Commission has also observed in the Order for Business Plan that Loss reduction is less than expected for the Capital Investment Plan approved and projections given in DPRs for loan approvals. However, PSPCL needs to submit the detailed justification for lowering the loss trajectory, why it was overestimated in the Business Plan and ARR and the reasons for arriving at the stated numbers so that this may not become a futile exercise while submitting APR/True up figures. It is essentially a welcome gesture on the part of PSPCL to revise the Distribution Loss Trajectory in line with capital infusion and DPR projections. We request the Commission to bind the Discom with its submission and also revise the Business Plan for 4th MYT Control Period. Further, the trajectory may please be followed in the MYT period without any change.

Reply of PSPCL: PSPCL had originally submitted a Distribution loss trajectory of 12.75% for FY 2026-27 before the Commission. The Commission, however, approved the target at 11.80% for FY2026-27. Subsequently, PSPCL revised the Distribution loss target to 10% for FY 2026-27. This revision has been proposed considering the substantial and time-bound loss reduction measures currently under execution. The proposed additional reduction is based on the cumulative impact of the following initiatives:

1. Intensive recovery drive is being carried out on a daily basis against defaulting consumers having outstanding amounts exceeding ₹50,000.
2. Implementation of smart metering under RDSS across Punjab to improve energy accounting and billing efficiency.
3. Rollout of Unified Billing Solution to streamline billing processes and strengthen revenue assurance.
4. Execution of HT/LT loss reduction works across the State.
5. LT network revamping works in ULB areas (under tendering process).
6. Strengthening of 11 kV and 66 kV systems under the Outage Reduction Plan to minimize outage duration and distribution losses.
7. Time-Bound Execution of Works

Further, most of the above works are being executed in a time-bound manner and are targeted for substantial completion before March 2027. Accordingly, their major impact is expected during FY 2026-27, justifying a sharper reduction in AT&C losses during that year. After FY 2026-27, only a marginal reduction of 0.05% per annum has been proposed for the subsequent three years, considering that the major systemic improvements would already have been implemented by then. Thus, the revised target is not arbitrary but is backed by concrete, ongoing and time-bound interventions aimed at reducing both commercial and distribution losses.

Commission's view:- The Commission has taken note of the concern of the Objector.

Issue 2: Increasing Threshold for SP category

The increase in the upper limit of CD for SP Consumers from 20kW to 50kVA is a welcome step and will incentivize the small-scale industry in the state. However, there is urgent need to correspondingly extend the limits for Medium Supply (MS) from 100kVA to 300kVA. This is need of the hour and essential for ease of doing business in the state.

Reply of PSPCL: For the ease of doing business, the limit for SP category from 20kVA to 50kVA has been proposed in the tariff petition 2026-27. Due to effect on the T&D loss trajectory, the limit of MS category from 100kVA to 300kVA is not technically viable. Moreover, categorization of consumers with respect to load comes under the purview of the Commission.

Commission's view:- Suggestion is noted.

Issue 3: Night Rebate

We are not agreeable to the proposal for revision of ToD night rebate from present Rs 1 per unit to Rs 2/- per unit and revising the period of night rebate from present 8 months to 4 months. Perusal of last few ARRs will reveal that PSPCL proposals of ToD rebate and peak charge lack justifications and it has also failed to give any justification for the new proposal. While PSPCL previously reduced the night rebate from 1st April to 15th June (2.5 months) from Rs 1/- to Rs 0.75 to Rs 0.50 per unit, now it has proposed to reduce it to NIL for this period. Additionally, it has also proposed to withdraw the night rebate for the period 16th Feb to 31st March (1.5 months) from Rs 1/- per unit to NIL.

In this regard the observations of the Commission in Para 4.1.7 of Tariff Order 2025-26 may be perused which are applicable for 2026-27 also. It is also pointed out that industry is getting subsidy from the GoP as per Industrial and Business Development Policy 2023. Further the Commission has also provided in Condition No 15 of General Conditions of Tariff that "the cumulative effect of TOD rebate on the Energy Charges (including use of electricity exclusively during night hours) at any time shall be limited to the Energy Charge of Rs. 5.50/kVAh"

As industry is getting GOP subsidy for 2025-26 with net Energy Charge as 5.835/-, the industry is getting the benefit of ToD night rebate of only Rs 0.30 /kVAh (5.835-5.50) irrespective of the night rebate of Rs 1/- or Rs 0.50/kVAh or General/PIU Status. Thus, even if the ToD night rebate is increased from Rs 1/- to Rs 2/- we will be getting effective night rebate of Rs 0.335/kVAh only whereas for 4 months (16th Feb to 15th Jun), our tariff will increase from Rs 5.50 to 5.835/kVAh with the GoP Subsidy which will be a burden on the industrial consumers. This period of 4 months (16th Feb to 15th Jun) is a normal demand period when the demand from agriculture sector during night hours is almost nil. In fact, during the harvesting season of 10th April to 15th May, PSPCL keeps the rural domestic feeders cut off to minimize chances of fires of wheat straw in the field. Further, Agriculture demand picks only from 10th of June when paddy sowing starts. With total energy requirement reduced from 87385 MU to 84719 MU, the energy requirement has reduced by 2666 MU, which will be surplus with PSPCL. Thus, there is need to incentivize the industry to utilize this surplus power by increasing the TOD rebate and by reducing the TOD peak charge. It is therefore requested that the proposal of PSPCL may be reviewed and while continuing with TOD rebate for 8 months with higher net benefit, peak charges be withdrawn completely to increase the competitiveness of industry with neighboring states.

Reply of PSPCL: The ToD night rebate from 16th October to 15th February @ Rs. 2 per unit has been proposed as per demand of the industry instead of rebate of Rs. 1 per unit from 16th October to 31st March and Rs. 0.50 per unit from 1st April to 15th June. Moreover, to provide the rebate or subsidy to any category of consumer comes under the purview of Government of Punjab.

Commission's view:- The Commission has taken note of the concern of the Objector.

Issue 4: Extraordinary item of Rs 3581.95 Crore received from GOP

The argument given by PSPCL to treat it as extraordinary item does not hold good here as this receipt is for loss funding for supply of electricity. As the revenue gap of supply of electricity is being transferred to consumers every year through appropriate increase in Retail Tariff, as such this receipt also belongs to consumers and should be transferred to

them through appropriate reduction in retail tariff as deemed fit by the Commission. The Consumers are paying for Return on Equity through tariff which rightly belongs to GoP but the same is being retained by PSPCL in spite of being in profit as per Yearly Balance Sheet. Thus, PSPCL should not be allowed to keep this grant from GoP for increasing its profit and it needs to be passed on to consumers. PSPCL has proposed to account for the same as per Regulation 27 of MYT Regulations 2022 (Non-Tariff Income). However, we feel that it should be used to reduce the repay the highest interest-bearing long-term loans thereby decreasing the interest burden and Finance Charges of Capital Investment Plan which will improve the ranking of PSPCL among Discoms and reduce the interest rate for future borrowings. PSPCL has worked out the net gap of ARR as Rs. 453 Crore in the submission. After accounting for the Surplus FPPAS available with PSPCL (Rs 1174.47 Crore ending 11/2025), the net surplus will be more than Rs. 800 Crore.

Reply of PSPCL: An amount of Rs. 3,581.95 Crore has been received as loss funding from the Government of Punjab and the same has been duly disclosed as an Extraordinary Item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024–25. The accounting treatment and presentation of the said grant have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, the regulatory treatment of the said amount for tariff purposes may kindly be considered by the Commission in accordance with the applicable MYT Regulations.

The Company is burdened with substantial accumulated losses of previous years. As on 31.03.2025, the accumulated losses stand at Rs. 3,403.97 Crore. Owing to these accumulated losses, no dividend has been paid to the Government of Punjab. In view of the above, the apprehension that PSPCL is retaining Return on Equity for profit maximization is humbly submitted to be not factually correct, as the present financial position of the Company does not support any distribution of profits. PSPCL respectfully appreciates the suggestion of the Objector regarding repayment of the highest interest-bearing long-term loans. In this regard, The continuous efforts are being made to utilize available funds judiciously with a view to reduce the interest burden of the PSPCL and to ultimately pass on the benefit to consumers through a reduction in the overall ARR. It is further submitted that the Commission approves interest costs on a normative basis only.

Further, in the true-up petitions, expenses are submitted strictly on the basis of actual audited accounts, in accordance with the prevailing MYT Regulations. The Commission undertakes detailed scrutiny of the same through a transparent process and exercises its discretion while approving the figures. Accordingly, any surplus arising on account of FPPAS, if any, is automatically passed on to the consumers through the true-up mechanism, as per regulations.

Commission's view:- Suggestion is noted.

Objection No. 6: Induction Furnace Association of North India.

Issue 1: General Comments

1. The Commission vide its Tariff Order for the year 2024-25 worked out the Total Revenue gap as Rs 3574.23 Crore and to recover the gap, amongst others, increased the tariff of LS PIU Industries in the highest slab i.e. Fixed Charge from Rs 345/KVA/Month to Rs 350/KVA/Month, an increase of 1.45% and Energy Charge from Rs 6.89/KvaH to Rs 7.04/KvaH, an increase of 2.32%. There was no change in night rebate, peak surcharge and voltage rebate but the minimum rate of energy was increased from Rs 5.31 to Rs 5.50/KVAH. However, in the present ARR, in the true up of 2024-25, PSPCL has presented the True up Net ARR of Rs. 47106.86 Crore against PSERC approved Net ARR of Rs. 44395.45 Crore. Further, while total recoverable ARR of 48467.72 Crore for 2024-25 was met by PSERC as per Table 7.1 of TO 2024-25 through appropriate increase in Tariff, PSPCL has worked out the actual revenue from sale of power etc as Rs 47771.22 Crore i.e. shortfall of Rs 586 Crore. Further, after considering various other requirements of Revenue in True Up of 2024-25, PSPCL has worked out the total revenue gap for 2024-25 as Rs 3198.16 Crore.

As per table 4-1 of present ARR, PSPCL will be surplus of 1485 Cr in revenue in 2026-27 with the existing tariff of consumers and after adjusting it in the Revenue Gap of Rs 3198 Cr, Net Revenue gap for 2026-27 is worked out as Rs. 1713 Crore.

PSPCL is surplus in revenue both in 2024-25 and 2026-27 as above, The revenue gap is primarily due to the APTEL orders etc on earlier ARRs for which Petitions were filed in by PSPCL for which final orders have been issued during the period and other review petitions/revenue adjustments which need to be checked prudently by the Commission.,

Reply of PSPCL:

The revenue gap in the ARR arises out of the difference between the actual expenditure of the utility and the projected expenditure as approved by the Commission. Further, PSPCL has appealed before the APTEL, aggrieved by orders made by the Commission, in line with Section 111 of the Electricity Act 2003. PSPCL is claiming its legitimate expenses based on the actual audited accounts for the respective financial year while the Commission allows the expenses based on regulations and its prudence check.

Commission's view:- The tariff is determined by the Commission in line with the prevalent PSERC MYT Regulations after prudence check.

2. PSPCL has been filing appeals in Hon'ble APTEL every year for the disallowed revenues in Tariff Orders and many more orders on remand by APTEL are likely to be issued year after year. CGSs/PPs are also filing appeals for the disallowed revenue by Hon'ble CERC, and payments withheld by PSPCL itself or by orders of PSERC/CERC/APTEL. Further CPSUs like Power Grid, RLDCs, CIL & Railways etc are also filing review petitions and appeals for disallowed expenditures and amounts payable as per Contracts but not paid by Discom. In addition to the claims upheld, Interest charges also have to be paid for the period of litigation which is also being passed on to consumers. In addition, Advocate fees and incidental expenditure incurred by PSPCL (Rs 27.24 Crore for 2024-25/ Rs 21.36 Crore for 2023-24 as per item 4 of Note No 36 of Financial Statement) though against the interest of consumers are also being passed on to consumers,

We request that there should be some introspection by PSPCL, PSTCL and PSERC that why orders though issued under Regulation are remanded back and why consumers are loaded with interest charges and legal charges for litigation on such orders. Thus, there should be some cap on Carrying cost to be loaded to consumers for previous years in such cases and balance should be borne by Licensee, Further, consumers can not incur such huge expenditure for legal battles and therefore PSERC is requested to watch the interest of consumers so that they are not subjected to any undue recoveries.

Reply of PSPCL: PSPCL is within its rights to appeal before the Hon'ble APTEL, if it is aggrieved by any order made by any Regulatory Commission. Further, it is a settled principle that if any appeal for past period is allowed by Hon'ble APTEL, the same has to be allowed along with carrying cost to the appellant for compensating the time value of the money. This principle has already been recognized by APTEL and the Supreme Court in various judgments.

Commission's view:- The Commission has taken note of the suggestion. PSPCL's reply may also be noted by the objector.

3. Since 2017 industry is being burdened with increased tariff and consequential delivered cost year after year as under: -

a) Tariff Order dated 23.10.2017 for the year 2017-18 was issued increasing the tariff by 9.33% and introducing two-part tariff from 1.4. 2017 which was later made applicable from 1.1.2018. To help out the industry, which was in financial stress, Government of Punjab approved grant of subsidy for LS industry w.e.f. 1.1.2018 payable by GOP to PSPCL so as to reduce the energy charge to Rs 5 per unit.

b) Subsequently, vide Tariff Order for 2018-19, tariff was increased by 2.2% and night rebate was increased from Rs 1.00 to 1.25/Unit to give relief to industry with threshold cap rate of Rs 4.28/unit which after considering the subsidy, virtually reduced the night rebate to only 72 paise per unit. GOP increased ED from 13% to 15% in rural areas and PSPCL imposed FCA of 11 paise per unit for part period further burdening the industry.

- c) In the Tariff Order 2019-20, while the tariff was further increased by 1.78%, the HT rebate and TOD rebate was capped at Rs 4.45 per unit further burdening the 66 KV consumers by 25 paise per unit for 8 hours of night period for 8 months of the year thereby further reducing the benefit of night rebate to only 30 paise per unit.
- d) Coal washing charges of Rs 0.29/unit were imposed on all consumers including LS consumers from 1.1.2020 to 31.12.2020.
- e) In the Tariff order for 2020-21, the tariff for LS PIU industry was further increased by 3.55% while restoring the voltage rebate of 25 paise per unit for 66 KV consumers. However, the threshold capping for night hours was also increase to 4.83/unit thereby reducing the benefit of night rebate to mere 0.17 paise with subsidy.
- f) In the Tariff order for 2021-22, while lowering the tariff of Domestic consumers and sparing some categories from tariff rise, Fixed charges for the LS industry was increased by Rs 15 to Rs 25 per KVA per month (an increase by around 9.5 to 12%) and Energy Charges by 7 to 8 paise per unit (an increase of more than 1%). Simultaneously, the threshold capping was increased to Rs 4.86/unit, thereby reducing the night rebate to mere 14 paise per unit.
- g) In the Tariff order for 2022-23, there was no increase in tariff for any category of consumers as well as threshold capping for night rebate. However, the subsidized rate was increased from Rs 5.00 per unit to Rs 5.50 per unit thereby burdening the consumers by 60 paise per KvaH (including IDF and FD)..
- h) In the tariff order for 2023-24, the Fixed charge was increased by Rs 30/KVA/Month and Energy charge was increased by 40 paise per KvaH. The capping for night rebate was increased from Rs 4.86 to Rs 5.24.
- i) In the Tariff order for 2024-25, Fixed charge was increased by Rs 5/KVA/Month and Energy Charge by 15 Paise per unit. Threshold rebate was withdrawn. The capping for night rebate increased from Rs 5.24 to 5.31.
- j) In the Tariff order for 2025-26, there was no increase in Fixed charge and Energy Charge for LS PIU industry. Fixed and Energy charge for General industry in highest slab was reduced to incentivize the PIU industry for installation of Harmonic Filters The capping for night rebate increased from Rs 5.31 to 5.50.

Reply of PSPCL: The two-Part Tariff was implemented w.e.f. 01.01.2018 as per provisions of National Tariff Policy, after giving two months' time to the consumers, so that they could optimize/reduce the sanctioned load as per their requirement. It is the inherent characteristic of two-part tariff that the consumers who consume more power as per their sanction load/contract demand will benefited because in such cases as the consumption rise, per unit electricity rate comes out to be low. To give relief to consumers having low UF and adapt to the structure of two-part tariff as the same was implemented first time in the State, the GoP had decided that Two Part Tariff system introduced w.e.f. 01.01.2018, shall be subject to Maximum Over All Rate (MOR) and the concept of MOR (Subject to MM therein) for Large Supply and Medium Supply industrial consumers (from 01.01.2018 to 31.03.2018) was fixed. The State Government had borne additional financial implication on this account which was estimated as Rs. 50 Crore approximately for 3 months period i.e. January 2018 to March 2018. The introduction of concept of MOR again shall defeat the basic structure and motive (regarding recovery of fixed cost from fixed charges and variable cost from energy charges) of introduction of Two-Part Tariff and shall be an additional burden on other categories thereby increasing tariff in that category. Power Purchase is also being done in two-part tariff structure wherein fixed cost as well as variable cost is being paid to generators as per PPAs. PSPCL is paying for power purchase expense in two-part structure (fixed cost-plus variable cost per unit), as such revenue should also be recovered in the same structure without any intervention of MOR. Moreover, tariff order is decided by the Commission, keeping in view the cost analysis w.r.t tariff charged to each category of consumers at the revenue neutral modal.

Commission's view:- The Commission has taken note of the suggestion. The objector may refer to the Tariff Order for the Commission's decision.

4. The sequence of events gives the impression that PSPCL is gradually taking away the benefit of subsidy granted by GOP to industrial consumers and partly recovering loss of revenue of subsidized domestic tariff from industry. PSPCL has now worked out the Revenue on existing tariff as Rs. 53850 Crore for 2026-27 and cumulative revenue gap on existing tariff as Rs 1713 Crore requiring an increase of about 3.18% on the existing tariff which in every likelihood, will reduce after scrutiny of True up 2024-25 and ARR 2026-27 by PSERC. As per its balance Sheet ending 31.3.2025. PSPCL has already earned a profit of Rs. 6215.58 Crore in 2024-25. However, as per true up ARR of 2024-25, the Revenue surplus of PSPCL as on 31.3.2025 is only Rs 664.36 Crore, indicating huge discrepancies in Accounts which needs to be checked by the Commission.

Further, vide order dated 5.8.2025 in Petition No 22 of 2025, the Commission has already worked out the excess FPPAs for 2024-25 as Rs 179.32 Crore (without carrying cost) which is also to be adjusted. It is also pointed out that vide CC 38/2025 dated 9.12.2025, PSPCL has determined an amount of Rs 1037.49 Crore towards Excess FPPA lying with PSPCL ending Oct 2025. Thus, after considering all the above factors, there is strong case of reduction of tariff and increasing/introducing incentives for consumers.

Reply of PSPCL: The setting of tariffs for various categories of consumers is the prerogative of the Commission and PSPCL only provides it with the factual position of the company along with the tariff issues needing its attention. Further, the GoP provides subsidies to the industrial consumers of the state and the same is reflected in the bills generated by PSPCL to the industrial consumers. Further the surplus of FPPAS for FY 2024-25 is considered (in actual fuel cost and power purchase cost) while submitting the true-up of FY 2024-25 as per the regulatory methodologies and practices.

Commission's view:- The Commission has taken note of the suggestion.

5. We strongly appreciate the efforts of GOP to revive the industry in Punjab and thank PSERC for implementing the instructions of GOP. This has resulted in true up consumption for 2024-25 of 23607.69 MUs by industrial sector (LS+MS+SP) or 46.74% of total metered sale of electricity in Punjab, which is highest amongst different categories. The year wise figures of LS category taken from Tos/ARR for consumption and ARRs for Contract Demand (Formats D26) are extracted as under:-

Year	2019-20 (TU)	(Covid Years)		2022-23 (TU)	2023-24 (TU)	2024-25 (Actual)	2025-26 (Approved)	2026-27 (Proj)
		2020-21 (TU)	2021-22 (TU)					
Consumption (MUs)	13551	15065	14538	17510	18918	20405	20862	23638
Contract Demand	--	4983	6351	5864	6378	6636	6370	7040

Above table indicates that LS consumers continue to be main revenue contributing section amongst the consumers. Since industry provides maximum employment in the state as such Tariff for industry need to be viable.

Reply of PSPCL: The determination of tariff, rebate, and surcharge for any category of consumers is comes under the purview of the Commission and is largely dependent upon the cost of power charged to PSPCL by the generating companies. Accordingly, PSPCL requests the Commission to take an appropriate and considerate decision in this regard.

Commission's view:- The Commisison notes the concern of the objector.

Issue 2: Tariff Related Issues

1. Special Night Tariff for Industries

A. The Commision has allowed the industry to opt for Special Night Tariff to operate on round the year basis from 2019-20 which has greatly helped the steel industry to continue operations during the then persisting Covid era/low demand period and compete with the other states.

B. PSPCL in ARR for FY2025-26 requested for discontinuation of the Special night tariff on various grounds but the Commission decided to continue with the special Night Tariff.

C. The scheme is very helpful for the industry in distress when the demand of produce of relevant category of industry goes down due to frequently changing market scenario and Consumer is forced to reduce its operating hours. Due to this option, such industry

consumes almost half of its normal consumption and saves on fixed charges per unit, ensuring market viability during lean period or financial stress. This has greatly helped industry, particularly steel industry, to survive in difficult times. Therefore, the Special Night Tariff be continued in 2026-27 as well.

D. Due to mixed international trends for manufacturing industries and other related factors like GST problems, availability of scrap, unregulated market, green energy usage compliance for exports etc., future of small and medium scale steel industry of Ludhiana and nearby areas is uncertain and therefore consumers shall have to/continue to opt for Special Night Tariff. The Special Night Tariff need to be continued to cover such contingencies but with more liberal conditions i.e.

- i Charging 1/3rd of Fixed Charges and lower night tariff on the pattern of Gujrat. This will provide much needed relief to consumers of steel industry at the margin.
- ii Further, as per Condition No 22 of Annexure A (Terms and Conditions of tariff), the notice period to opt for the Special Night Tariff is one month. Under the present market conditions where viability changes very fast, one month's period is quite a long duration. Further, with the availability of DLMS TOD metering for recording of consumption for various TOD time blocks and provision of AMR Metering ensuring online meter data transfer, the notice period of one month is very long and may please be reduced to 7 days which period is sufficient for revising the scheduling requirements and other related actions by PSPCL.

It is also in the interest of PSPCL to allow hassle free and fast change over as flattening of load curve is need of the hour on round the year basis. It is desirable that web-based option in the PSPCL app be developed to facilitate submission of such option to ensure transparency.

- iii As per the orders of this Commission, the option once given is effective for the future time period till it is withdrawn. If there is violation of 10% consumption, the instructions state that billing for that month is to be with normal tariff but it does not require fresh option. However, some officers are insisting on fresh option by mis-reading the instructions. This needs to be made as part of the instructions.

E. PSPCL has indicated in Format D26 that 67 consumers have availed this option during 2024-25 but neither any revenue nor any consumer has been indicated in Format D26 for MYT period indicating that PSPCL will be requesting for withdrawal of this category. We submit that PSPCL is misrepresenting the facts to justify its demand which should be rejected.

F. This category was introduced inter alia, to enable the industry of Punjab to compete with cluster of steel industry of Raipur (Chhattisgarh), Bhavnagar (Gujarat) and adjoining hilly states where this special night tariff is also available or tariff is lower than Punjab. Withdrawal of this category will make the steel industry of Ostate totally uncompetitive.

G. In this regard we also submit that the TO provides that "a maximum of 10% of total units consumed during night hours (10:00 PM to 6:00 AM next day) in a billing period can be availed during the period of 10:00 AM to 10:00 PM)".

Thus the electricity consumed from 6 AM to 10 AM at full tariff is not being counted for capping purposes which is leading to operational problems for the industry opting for the night tariff. Since increase of day consumption by one unit will deprive the consumer to avail the special tariff, it is utmost important for the consumer to keep accurate account of the meter readings at 6 AM, 10 AM and 10 PM. Further, for a night consumption of 19,200 KVAH (2400 KVA*8 Hours of night period for furnace of 2500 KVA), allowed consumption during 12 hours of the day works out to only 1920 KVAH for 12 Hours of the day i.e. 160 KVAH per hour which is much less than the requirement to

- I. Operate two cranes simultaneously for stacking and unloading of scrap/loading of manufactured material from/to trucks,
- II. Operate scrap cutting machines/slag grinders etc,
- III. Lighting load during evening hours prior to 10 PM,
- IV. Carry out maintenance work in the factory, and

- V. Meet the load of offices/canteen/security huts/rest room etc for lighting, computers, tube well, fans/AC and Heaters etc.,
- VI. Sometimes, furnace has to be operated for extended hours to extract the metal which gets solidified in the furnace due to tripping from PSPCL grid, defect in the machinery/rectifier transformer etc and to keep on waiting for next night period is more disastrous.

Under these circumstances, any error in limiting the units to 10% of total consumption of the month on the date of reading causes huge financial distress for the factory as full rates are charged for that month whereas manufactured material is already sold assuming reduced tariff.

We have been submitting comments to the Commission during the processing of ARRs in which we have been requesting to increase this limit but the same has not been agreed to. We once again submit that though the Commission has allowed full operation of factories during morning hours of 6 AM to 10 AM at full Energy Charge, but the units consumed during morning hours are not being counted for working out the eligible consumption for daytime. Since more and more of solar capacity is being added and cheap power is available during solar hours (as also admitted by PSPCL) as such either the cap be increased to 15% or the morning consumption be also included for working out the 10% consumption during day hours. The cheap solar power is available during 10 AM to 6 PM Period during peak season of June to Oct whereas we are to be charged this daytime consumption with much higher Tariff and PSPCL will be benefitted financially if the limit is increased from 10 to 15% or morning consumption is counted for 10% calculation..

Reply of PSPCL: As per the Tariff Order for FY 2025–26 issued by the Commission, a special night tariff is applicable for industrial consumers for the time period from 10:00 PM to 6:00 AM of the next day, wherein 50% of the fixed charges applicable under the relevant category and energy charges at the rate of 5.50 paise per kVAh are being levied. Further, PSPCL submits that the determination of tariff for any category of consumers is purview of the Commission and is largely dependent upon the cost of power charged to PSPCL by the generating companies. Any change in the applicable terms and conditions also falls within the purview of the Commission.

Commission's view:- The Commission notes the concern of the objector.

2. Power Quality Meters: Difficulties of consumers

In compliance to the Harmonic regulations notified by PSERC, some LS PIU consumers have installed Power Quality meters whereas others have given the option to PSPCL to install meter on monthly rent basis. The data of the meters is being transferred to cloud storage for which the password is with the PSPCL/Vendor. This data is presently being processed for compliance / noncompliance with the regulations and reports are being sent to the consumers by Vendor. This Association is pressing hard for the raw data to assess the reasons for generation of harmonics. Earlier some consumers were receiving such raw data from the vendor of meters but the same is not being supplied, Further, a mobile APP has been developed to download the processed reports but it neither gives raw data nor any query is being replied.

Due to non-installation of meters for consumers who have opted for installation of PQ meters on monthly rent basis, the Commission has issued instructions that Designated consumers having PQ Meters be charged with General Tariff if compliant of TDD value of Current Harmonics otherwise PIU Tariff be charged. The Commission is following up the compliance of PQ Regulations by Discom as per Petition No 46 of 2024 in which this Association has also been made a Party.

It is pointed out that PSPCL is also required to install PQ Meters on feeders of General Industry Consumers for compliance of Voltage Harmonics. However, PSPCL has installed only 114 meters so far and no monitoring of Voltage harmonics are being reported as vendor is not taking up the O&M contract as is evident from ROP Dated 24.12.2025 etc in Petition No 46 of 2025. It will be greatly unfair to start penalizing the Designated consumers for

current harmonics leaving aside PSPCL from paying penalty for violation of Voltage Harmonics to General Industry consumers.

The equipment to be installed for controlling Current harmonics is very costly. It will be appreciated that the Designated consumers who could not install PQ Meters with their funds and gave option to PSPCL for installing such meters on monthly rent basis shall not be able to install Harmonics Filters. Such consumers will be forced to pay penalty and ultimately may have to shut their facilities.

In view of the above submissions, we request that the implementation of penalty part of PQ Regulations be kept on hold for 2026-27 both for PSPCL and Designated Consumers and during this period, those who are TDD compliant for Current Harmonics be charged with General Tariff and those who are non-compliant be charged with PIU Tariff. Therefore, we request that instructions issued vide Memo No.: 202-208/Pet. 46/2024/Vol-2 dated 12.03.2025 be allowed to be continued for 2026-27.

Reply of PSPCL: The Commission had published PSERC (Power Quality) Regulations, 2023 vide gazette notification dated 21.03.2023 which came into force w.e.f 21.03.2023. As per Power Quality Regulations, 2023, the important timelines were given under Regulation 13.4 and 13.5 of said regulations for the installation of PQ meters under which designated consumers should have to install PQ meters within 6 months from date of issue of notification. However, based upon the demand raised by the industry covered under designated consumer category and to mitigate the hardship faced by industry, the Commission has made various relaxations in the implementation of Power Quality Regulations from time to time.

Further, Various relaxations were also provided by the Commission and accordingly instructions were issued by PSPCL vide Memo No: 202-208/Pet. 46/2024/Vol-2 Dated 12.03.2025. Relaxation given under para '1' to '3 & 6' still continue till further order by the Commission. The relaxation given under para '4' and '5' of this memo has already been further extended/modified by the commission and circulated vide CC No. 27/2025 dated 14.08.2025 till further order.

Commission's view:- The Commission has taken note of the suggestion and PSPCL's reply.

3. TARIFF FOR POWER INTENSIVE LS INDUSTRY (PIU):

A. In Tariff Order for 2014-15, while adopting kVAh tariff, PSERC had approved the tariff of Rs 6.33 per kVAh for PIU industry against 6.33/kWh prevailing in 2013-14. Thus, power factor incentive available to us in 2013-14 was withdrawn. However, the tariff of general industry was lowered from Rs 6.33 to 6.14 per unit.

After the introduction of two-part tariff from 1.1.2018, the Energy charges were lowered, fixed charges were introduced and LS category (PIU and General) was further sub divided into 3 subcategories each. The tariff for 2014-15, on 1.1.2018 and current year 2025-26 for CD > 2500 KVA are compared as under: -

Tariff in Rs	2014-15 (Single Part)		1.1.2018 (Two Part)		2025-26 (Two Part)	
	Gen	PIU	Gen	PIU	Gen	PIU
Fixed charges	6.33/KWH	6.33/KWH	230/KVA /Month	295/KVA /Month	280/KVA /Month	350/KVA /Month
Energy charges	6.14/KVAH	6.33/KVAH	5.78/KVAH	5.98/KVAH	6.70/KVAH	7.04/KVAH

Thus the PIU industry has been kept in a disadvantageous position firstly under kVAh tariff regime and thereafter under two-part tariff vis-à-vis general Industry. Thus, while energy charge (Single part) has been increased by 56 paise per unit for General Industry between 2014-15 to 2025-26, The increase for PIU industry is 71 paise per unit. In addition, there is a difference of Rs 55/KVA/Month of fixed charges compared with 1.1.2018..

Further, data supplied by PSPCL along with two-part tariff proposal in ARR 2017-18 indicated that PIU industry has high Utilization Factor than General Industry proving thereby that PSPCL assets deployed for PIU industry are giving higher returns to PSPCL and have lower Cost of Supply. It is also on record that PIU industry also maintains a higher Power factor than General Industry and thus keeps better voltage profile for PSPCL.

Last year (2025-2026) the tariff of General industry of the slab of CD 2500 KVA and above was merged with the slab of CD 1000 KVA to 2500 KVA thereby giving relief to Highest slab of >2500 KVA by Rs 40/KVA/Month in fixed charges and 12 Paisa/KVAH in Energy Charges. Similar relief by merging these slabs needs to be given for PIU industry also. This will provide relief of Rs 40/KVA/month in FC and 9 Paisa per unit in EC. This will maintain the inter category tariff differential and boost to PIU industry to compete with other states as well as increase exports.

Reply of PSPCL: As per the Tariff Order for FY 2025–26, the fixed charges and variable charges applicable to all categories of PIU consumers, namely from 100 kVA to 1,000 kVA, 1,000 kVA to 2,500 kVA, and above 2,500 kVA, have not been enhanced as compared to the Tariff Order for FY 2024–25 by the Commission. Further, any change in categorization based on connected load is carried out by the Commission.

Commission's view:- The Commission has taken note of the suggestion. The objector may refer to the Tariff Order for the Commission's decision.

B. Recently, PSERC had notified detailed Regulations on Harmonics which were notified on 21.3.2023. However, due to delays of PSPCL in short listing of the vendors of Power Quality Meters to be installed by the consumers as well as PSPCL, the timelines could not be adhered to and are being extended. There are other difficulties already submitted by us to the Commission in Petition No 46 of 2024 and also brought out above in Para (2 (E)). This matter is still pending in the Commission and PSPCL is also not committing on Voltage Harmonics. It is therefore requested that consumers should not be allowed to suffer for PSPCL defaults. The Commission may provide in the tariff order that the existing instructions for TDD compliant consumers will be charged General Industry Tariff and non-compliant industry will be charged PIU Tariff for 2026-27. This will give sufficient time period to PSPCL to install meters on balance feeders of General Industry and non-Compliant Designated Consumers to install Harmonics Filters.

Reply of PSPCL: The Commission had published PSERC (Power Quality) Regulations, 2023 vide gazette notification dated 21.03.2023 which came into force w.e.f 21.03.2023. As per Power Quality Regulations, 2023, the important timelines were given under Regulation 13.4 and 13.5 of said regulations for the installation of PQ meters under which designated consumers should have to install PQ meters within 6 months from date of issue of notification. However, based upon the demand raised by the industry covered under designated consumer category and to mitigate the hardship faced by industry, the Hon'ble commission has made various relaxations in the implementation of Power Quality Regulations from time to time. Various relaxations were also provided by the Commission and accordingly instructions were issued by PSPCL vide Memo dated 12.03.2025. Relaxation given under para '1' to '3 & 6' still continue till further order by the Commission. The relaxation given under para '4' and '5' of this memo has already been further extended/modified by the commission and circulated vide CC No. 27/2025 dated 14.08.2025 till further order.

Commission's view:- The Commission has taken note of the suggestion. The objector may refer to the Tariff Order for the Commission's decision.

4. Addition of Equity and Return on Equity

i) The then PSEB operating under Electricity (Supply) Act 1948 had equity of Rs 2946.11 Crore which was created by converting GOP loans into GOP equity in PSEB. It was done to escape the liability of interest on loan amounts given by GOP from time to time to lay the transmission and distribution system etc in Punjab. As per the practice prevalent at that time, no Dividend/ROE was paid to GOP on such equity converted from loans and PSPCL saved on the interest as loan was taken off from the books. After implementation of Electricity Act 2003, The Commission started allowing ROE on the equity in ARRs but such ROE was never paid to GOP since PSEB was running into losses.

ii) On bifurcation of the then PSEB into successor entities i.e. PSPCL and PSTCL on 16.4.2010, the equity of PSEB was divided to the successor entities. Further, GOP issued the transfer scheme and FRP for the successor entities on 24.12.2012 as per which Consumer Contributions and Govt Grants standing in the books of the then PSEB were also

converted into equity of GOP in PSPCL and PSTCL. Thus, the equity amount of Rs 2946.11 Crore on 9.4.2010 in PSEB were distributed as equity of Rs 6081.43 Crore in PSPCL and Rs 605.83 Crore in PSTCL. The Commission allowed ROE of Rs 942.62 Crore to PSPCL and Rs 93.90 Crore to PSTCL.

In the ARR of 2020-21, PSPCL again came out with the demand of increased ROE on the plea that the UDAY loans taken over by GOP amounting to Rs 15628.26 Crore under UDAY scheme have been converted into GOP equity on the closure of UDAY scheme on 31.3.2020 and thus GOP equity in PSPCL has increased to Rs 21709.69 Crore and requested for ROE on the revised amount. As this was contested by stake holders (there being no cash infusion by GOP), the prayer of PSPCL was not accepted and ROE was allowed on the existing equity amount of Rs 6081.43 Crore.

Thereafter, PSPCL came out with entirely new argument that the UDAY loans of Rs 15628.26 Crore comprised of an amount of Rs 2246.77 Crore which was spent on Capital works and further out of remaining loan of Rs 13381.49 Crore also, an amount of Rs 2346.19 Crore were diverted for capital works. Accordingly, PSPCL prayed that total of Rs 4592.96 Crore be considered as equity and ROE be allowed on the same.

Stakeholders again objected to the claim of the PSPCL for demand of additional ROE on the following grounds:-

(I) PSPCL is taking loans from the market or GOP @ 8 to 9% interest rate and later converting these into equity only to claim higher returns @ 15.5% in the shape of ROE. This is undue enrichment at the cost of consumers.

(II) The FRP and transfer scheme allowed the conversion of Consumers contributions and Govt Grants into GOP equity. There being no cash infusion by GOP and it does not qualify to be equity eligible for ROE.

(III) The conversion of Consumer Contributions and Govt grants into GOP equity and allowing return on Equity on the same were challenged before APTEL which decided that such equity where there is no cash flow cannot be accounted for grant of Return on Equity. PSPCL has taken the matter to Supreme court and matter is sub judice.

(IV) MOU signed between GOP, MOP and PSPCL clearly provided that the Loan of Rs 15628.26 Crore will be converted into 75% grant of GOP to PSPCL and 25% into equity. However, PSPCL proposed 100% to be converted into equity which is violation of the express terms of MOU. Moreover, other terms of UDAY were not complied with by PSPCL and GOP.

(V) Even the equity of PSEB further divided into PSPCL and PSTCL is in fact loan amount given by GOP to PSPCL as is evident from Tariff orders of 2002-03 onwards.

(VI) PSPCL and PSTCL are not transferring the ROE to the GOP in whose name the equity stands in the books and retaining the same to meet their unapproved expenditure, losses of operations and transfer towards equity etc.

(VII) Though the amount of Rs 15628.26 Crore was determined for coverage under UDAY in 2015-16, The part diversion of the same for Capital works is being brought to the notice of PSERC in 2021-22 i.e. after 6 years and that too when PSERC has rejected the demand of PSPCL to grant ROE on full amount indicates that PSPCL is making wrong submissions on affidavit.

(VIII) It is evident that Return on Equity being recovered by PSPCL is being retained for internal adjustments and the tendency is continuing unabated. PSPCL has to introspect to economize and work efficiently so that ROE is paid to GOP to which it belongs.

(IX) CERC Regulations 2019-24 does not permit any ROE on grants obtained by utility which provision is also included in MYT Regulations but for only Govt grants and subsidies. The CERC Regulations provide that there will be penalties if project starts operating without proper COD and ROE for additional capitalization will be equal to the rate of interest on loan but both these provisions are missing in MYT Regulations. This needs to be kept in view while dealing with ROE claimed by PSPCL for reinvestment of Loan taken over by GOP under UDAY scheme in the equity of PSPCL.

Based on the above submissions, the Commission in the Tariff Order for 2022-23 allowed ROE only on Rs. 6081.43 Crore with following orders:-

The Commission has not considered the amount of Rs. 4592.96 Crore (Rs. 2346.19 Crore+ Rs. 2246.77 Crore) in addition to amount of Rs. 6081 Crore to admissible equity for return. Accordingly, no addition of equity has been considered by the Commission to the opening equity of FY 2020-21 on account of conversion of UDAY loans of Rs.2246.77 Crore as it is not utilized for meeting the capital expenditure for new Projects. Similarly, Rs. 2346.19 Crore as claimed by PSPCL which was diverted for capital expenditure funding is also not considered for infusion towards equity as these were working capital loans relating to prior period.

The UDAY loans approved by the Commission till FY 2019-20 have not been considered as loans in FY 2021-22 and FY 2022-23. The Commission has considered the opening equity for FY 2021-22 as the approved closing of equity from the True-up of FY 2020-21. As explained in Table 102 and Table 103, no addition of equity has been considered in any of the years.

PSPCL again claimed the equity as Rs. 10674 Cr and ROE as Rs. 1684 Crore for all the years of 2021-22 (TU), 2022-23 (RE) and MYT period of 2023-24 to 2025-26 In the ARR for 2023-24. The Commission raised the issue in Para 23 in deficiency statement dated 21.12.2022 as under:-

23. Return on Equity

In Para-2.20.4 PSPCL has claimed an addition of Rs. Crore (2346.19+2246.77) Crore with opening balance of Rs. 10673.96 (Rs.6081+4592.96) Crore of FY2020-21 and claimed Return on equity @15.78% to the tune of Rs.1684.00 Crore during FY 2021-22 (True-up) with a note under Table-2.17(Return on Equity for FY 2021-22" RoE claimed on Opening Balance in addition to diverted loan for CAPEX funding". PSPCL in Petition No.68 of 2021 has submitted that out of total UDAY loans Rs.2246.77 Crore were capital expenditure loans and Rs.13381.49Crore of working capital loans. Out of which Rs.2346.19 Crore of working capital loans were diverted for capital expenditure funding which is already approved by the Commission. Hence, PSPCL has considered the amount of Res.4592 (Rs.2346.19+2246.77) Crore. PSPCL to intimate the specific Tariff/Order vide which the Commission has allowed the diversion of working capital loan of Rs.2346.19 crore towards long term loan for allowing interest on long term loans.

Vide its letter dated 30.12.2022, PSPCL gave details of capex funded from WC loans during the years 2010-11 to 2018-19 totaling Rs 2346.19 Crore. It was stated inter-alia that these amounts are mainly based on difference of Investment Plan amount and Capital Loans approved in the Tariff Orders. These were again objected to. It was also submitted that PSPCL has failed to comply with UDAY scheme in to-to and there are many other discrepancies in the proposal of PSPCL. It was accordingly submitted that such diversions may be treated as equity but is not qualified for the purpose of ROE,

The Commission, accordingly, allowed ROE on closing balance of true up of 2020-21 (Rs 6081.43 Crore) as opening balance for 2021-22 (True up) and same equity thereafter in the tariff orders. PSPCL has filed an appeal in APTEL and claimed ROE on 6081.43 Crore in the 2025-26 ARR in Para 3.20.2 with following remarks:-

"Since this issue is already pending in the Hon'ble APTEL, therefore without prejudice to PSPCL's claim, the amount of Rs 6081 Crore only is being considered as equity in this Petition for computing return without forfeiting PSPCL's claim on the return on the balance equity"

We therefore request the Commission to reject the claim of PSPCL with proper speaking orders and also pursue the matter in APTEL to protect the consumers from such undue claims of PSPCL.

Reply of PSPCL: As per clause 1.2 of the MOU under UDAY Scheme, 75% of PSPCL's debt on 30.9.2015 amounting to Rs. 15,628.26 Crore is to be taken over by Government of Punjab (GoP). In compliance with the MOU, NON-SLR Bonds amounting to Rs. 15,628.26 Crore were issued by GoP and transferred this amount to PSPCL as GoP Loan up to FY 2019-20 and on 31.3.2020, GoP converted its loan into equity. As such, the Capital Expenditure incurred through diversion of Working Capital Loans (Rs. 2,346.19 Crore) and Capex Loans (Rs. 2,246.77 Crore), which have been converted into equity, are eligible for

claiming Return on Equity as these loans have been specifically used for creation of assets of PSPCL, due to the fact that GoP has infused equity by taking over these loans of PSPCL of equivalent amount. In this regard, it is also submitted that PSERC has not allowed any interest on these loans to PSPCL after conversion into equity by GoP. As such, PSPCL's plea of claiming RoE of Rs. 1,684 Crore on equity of Rs. 10,673.96 Crore (6,081 + 2,346.19 + 2,246.77) is justifiable.

Commission's view:- Return on equity is determined by the Commission in-line with the prevailing MYT Regulations after prudence check.

5. On perusal of Profit & Loss Statement of Annual Financial Statement for 2024-25, we observe that PSPCL has earned Profit of Rs 2633.63 Crore during 2024-25. PSPCL has also included Rs 3581.95 Cr as extraordinary item in the Profit and total profit is indicated as Rs 6215.58 Crore. Further Note No 40 (Page 73, Vol 3 of ARR) indicates that this extraordinary item is in fact the amount of Rs 3581.95 Crore received by PSPCL towards loss funding by GOP under additional borrowing of state 0.5% of GSDP linked to performance in Power Sector Schemes as per Fifteenth Finance Commission. However, this amount has not been accounted for in the true up of 2024-25. The Commission may look into this for proper accounting of the scheme and may be adjusted against the Revenue gap of the Licensee and lower the tariff of consumers.

Reply of PSPCL: An amount of Rs. 3581.95 Crore received as grant from Government of Punjab for Loss Funding under the additional borrowing limit of 0.5% of GSDP, linked to performance in Power Sector Schemes as recommended by the Fifteenth Finance Commission. It is further submitted that the accounting treatment and presentation of the aforesaid amount in the financial statements have been carried out strictly in accordance with the applicable Ind AS and Schedule III of The Companies Act, 2013. The amount has been classified as an extraordinary item in the Profit & Loss Statement, as it is non-recurring in nature and does not pertain to normal business operations of the Licensee.

Commission's view:- Revenue gap is determined by the Commission in-line with the prevailing MYT Regulations after thorough prudence check.

6. The voltage rebate for 66kV and 220kV consumers was fixed as 25 Paisa and 30 Paisa per unit in 2014-15 and is continuing at the same level though the tariff of LS industry has increased from Rs 6.33/KVAH (Single Part Energy Charges) to Rs 7.04/KVAH and additionally Fixed Charge of Rs 350/KVA/Month are also levied. Therefore, the Voltage rebate may be increased appropriately. As PSPCL is taking time to take up the voltage wise category wise Cost of Supply study, ad hoc increase in HT rebate may please be allowed so that consumer gets adequately compensated.

Reply of PSPCL: PSPCL has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Commission for FY 2013-14. However, in line with the Commission's directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the Commission thereafter. Further, PSPCL submits that determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Commission. PSPCL complies with the directions issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders passed by the Commission

Commission's view:- The Commission has taken note of the suggestion.

7. Presently, the industry having AMR metering for online transfer of data facility is required to maintain Security (Consumption) of one month whereas all other consumers have to keep Security of 45 days. However, the modems for online data transfer are not available with PSPCL. PSPCL is not replacing the defective modems also. The consumers having Solar plants under Net metering Regulations are not being provided with AMR facility due to some problems of software. PSPCL may be directed to procure additional modems in sufficient quantities and enable data transfer of consumers having bidirectional meters.

Reply of PSPCL: As per Supply Code-2024 clause no. 42 AACD is recovered on the basis of consumption for one month where monthly billing is applicable and spot billing has been

introduced or billing is carried out through AMR or online capturing of Meter data through Smart Meter. All the field offices vide memo no. 318-322 dated 04.08.2025 has been instructed to strictly implement the instructions mentioned in Supply Code 2024 clause no. 42 (v) regarding refund of AACD.

Commission's view:- The objector may note the reply of PSPCL.

8. Induction furnace industry is still facing tough challenges from industry set up in neighboring and other states where the tariff is quite low. The net tariff of industry after accounting for GOP Subsidy is going to rise by 3% from 1.4.2026 affecting all the industrial consumers. Many other bottlenecks are being faced like the issue of GST on the local scrap, which is without billing, shortage of scrap from foreign countries, dumping of cheap steel products, requirement of using RE power for steel produced for exports and tough competition being given by other countries etc. Industry is thankful to the hand holding of GOP, Hon'ble Commission, PSPCL and other departments. The cost of power constitutes around 60% of the total value addition cost in our industry and as such, the tariff and rebates of power play crucial role in its viability. Accordingly, Industry requests for further concessions in power rates, increase in voltage rebate, one tariff for all consumers of LS category irrespective of CD and merger of power intensive and general industry into one category for which we request the Commission for favorable action.

Reply of PSPCL: As per industrial policy 2022 issued by GoP, industry is being charged variable tariff @ 5.50/- per kVAh with 3% annual enhancement and no increase in fixed charges for 5 year w.e.f. 17.10.2022 with full waiver in fixed charges for SP category and 50% waiver in fixed charge for MS category, as on date variable tariff is Rs. 5.835/- per kVAh. As per CC no. 08/2025 dated 29.03.2025 rebate of Rs. 1 per kVAh from 10:00 PM to 6:00 AM from 16.10.2024 to 31.03.2025 and Rs. 0.5 from 10:00 PM to 6:00 AM from 01.04.2025 to 15.06.2025 is being provided. Further, the determination of tariff, rebate, and surcharge for any category of consumers is carried out by the Commission and is primarily dependent upon the cost of power charged to PSPCL by the generating companies. PSPCL respectfully complies with the directions issued by the Commission and commercial circulars are issued accordingly in alignment with the Tariff Orders of the Commission. Further, subsidy to any category of consumers is a policy matter of the Government of Punjab, and PSPCL shall abide by the directions issued by the Government of Punjab in this regard.

Commission's view:- The Commission notes the concern of the objector.

Additional submissions 1:

Issue 1: As discussed regarding MOR (Maximum Overall Rate) under Two Part Tariff, in the Tariff Order for FY 1991-92, Two Part Tariff was in operation but it was with MOR. Also Two Part Tariff Proposal dated 08.04.2016 prepared by PSPCL as per directions of the Commission, MOR was proposed as highlighted while shifting from Single Part Tariff of 2015-16 to Two Part Tariff, this was omitted while bringing in Two Part Tariff.

PSPCL Reply: The Two-Part Tariff was implemented w.e.f. 01.01.2018 as per provisions of National Tariff Policy, after giving two months' time to the consumers, so that they could optimize/reduce the sanctioned load as per their requirement. It is the inherent characteristic of two-part tariff that the consumers who consume more power as per their sanctioned load/contract demand will be benefitted because in such cases as the consumption rise, per unit electricity rate comes out to be low. To give relief to consumers having low UF and adapt to the structure of two-part tariff as the same was implemented first time in the State, the GoP had decided that Two Part Tariff system introduced w.e.f. 01.01.2018, shall be subject to Maximum Over All Rate (MOR) and the concept of MOR (Subject to MM therein) for Large Supply and Medium Supply industrial consumers (from 01.01.2018 to 31.03.2018) was fixed. The State Government had borne additional financial implication on this account which was estimated as Rs. 50 Crore approximately for 3 months period i.e. January to March, 2018.

The introduction of concept of MOR again shall defeat the basic structure and motive (regarding recovery of fixed cost from fixed charges and variable cost from energy charges) of introduction of Two-Part Tariff and shall be an additional burden on other categories thereby increasing tariff in that category. Power Purchase is being done in two-part tariff

structure wherein fixed cost as well as variable cost is being paid to generators as per PPAs. PSPCL is paying for power purchase expense in two-part structure (fixed cost-plus variable cost per unit), as such revenue should also be recovered in the same structure without any intervention of MOR.

Moreover, tariff order is decided by the Commission keeping in view the cost analysis w.r.t tariff charged to each category of consumer at the revenue neutral modal.

Commission's view:- The Commission notes the concern of the objector.

Issue 2: Under Special Night Tariff for Industries: (ii) As per Condition No. 22 of Annexure A (Terms and Conditions of Tariff) of TO's, the notice period to opt for the Special Night Tariff is one month. Under the present market conditions where viability changes very fast, one month's period is quite a long duration. Further, with the availability of DLMS TOD metering for recording of consumption for various TOD time blocks and provision of AMR Metering ensuring online meter data transfer, the notice period of one month is very long and may please be reduced to 7 days which period is sufficient for revising the scheduling requirements and other related actions by PSPCL.

It is also in the interest of PSPCL to allow hassle free and fast change over as flattering of load curve is need of the hour on round the year basis. It is desirable that web-based option in the PSPCL app be developed to facilitate submission of such option to ensure transparency.

The 7 days' notice period was there in earlier tariff order.

Also (iii) As per the orders of this Commission, the option once given is effective for the future time period till it is withdrawn. If there is violation of 10% consumption, the instructions state that billing for that month is to be with normal tariff, but it does not require fresh option. However, some officers are insisting on fresh option by mis-reading the instructions. This needs to be made as part of the instructions.

Reply of PSPCL: As per the tariff order 2025-26 issued by Hon'ble PSERC special night tariff for industrial consumer for time period from (10 PM to 6 AM) next day. The 50% of the fixed charges specified under relevant category and energy charges @ 5.50 paise per Kvah is being charged. Further, PSPCL submits that the determination of tariff for any category of consumers is purview of Hon'ble PSERC and is largely dependent upon the cost of power charged to PSPCL by the generating companies. Any change in the applicable terms and conditions also falls within the purview of the Hon'ble PSERC.

Commission's view:- The Commission notes the concern of the objector.

Additional submissions 2:

Issue 1: Increasing eligible limit of CD for SP category

The proposal to increase the upper limit of CD for SP Consumers from present 20kW to 50 kVA is a welcome step and will give boost to the small-scale industrial investors in the state. Further, there is urgent need to extend the upper limits for Medium Supply (MS) industry from present 100 kVA to 300 kVA. This is essential for ease of doing business.

We request GOP and PSPCL to further take similar liberalization in favor of consumers.

Reply of PSPCL: For ease of doing business the limit for SP category from 20 kVA to 50 kVA has been proposed in the tariff petition 2026-27. Due to effect on the T&D loss trajectory the limit of MS category from 100kVA to 300kVA is not technically viable. Moreover, categorization of consumer w.r.t load comes under the purview of the Commission.

Commission's view:- Suggestion is noted.

Issue 2: Distribution loss trajectory

Though PSPCL is receiving loans and subsidies under various schemes of Govt like DDUGJY, APDRP and recently under RDSS etc. & contributions from consumers through Service Connection Charges, there is very nominal reduction in Loss levels as reflected in the ARRs of various control periods. This is evident from Business Plans as well as from ARRs from MYT period to current Year. The Commission, while approving the Business Plan for 4th MYT period has also observed that Loss reduction is less than that given in DPRs for loan approvals as well as targets as per the Capital Investment Plan approved.

However, PSPCL needs to submit the detailed justification for lowering the loss trajectory, why it was overestimated in the Business Plan and ARR and the reasons for arriving at the stated numbers so that this may not become a futile exercise while submitting APR/True up figures.

We welcome the revision of Distribution Loss Trajectory by PSPCL in line with capital infusion and DPR projections. We request the Commission to ensure that the Discom complies with its submissions and also request for revision of the Business Plan for 4th MYT Control Period. Further, the trajectory submitted voluntarily by PSPCL may please be followed in the MYT period without any change.

Reply of PSPCL: PSPCL had originally submitted a Distribution loss trajectory of 12.75% for FY 2026-27 before the Commission. The Commission, however, approved the target at 11.80% for FY2026-27. Subsequently, PSPCL revised the Distribution loss target to 10% for FY2026-27. This revision has been proposed considering the substantial and time-bound loss reduction measures currently under execution. The proposed additional reduction is based on the cumulative impact of the following initiatives:

1. Intensive recovery drive is being carried out on a daily basis against defaulting consumers having outstanding amounts exceeding ₹50,000.
2. Implementation of smart metering under RDSS across Punjab to improve energy accounting and billing efficiency.
3. Rollout of Unified Billing Solution to streamline billing processes and strengthen revenue assurance.
4. Execution of HT/LT loss reduction works across the State.
5. LT network revamping works in ULB areas (under tendering process).
6. Strengthening of 11kV and 66kV systems under the Outage Reduction Plan to minimize outage duration and distribution losses.
7. Time-Bound Execution of Works

Further, most of the above works are being executed in a time-bound manner and are targeted for substantial completion before March 2027. Accordingly, their major impact is expected during FY 2026-27, justifying a sharper reduction in AT&C losses during that year. After FY 2026-27, only a marginal reduction of 0.05% per annum has been proposed for the subsequent three years, considering that the major systemic improvements would already have been implemented by then. Thus, the revised target is not arbitrary but is backed by concrete, ongoing and time-bound interventions aimed at reducing both commercial and distribution losses

Commission's view:- The Commission has taken note of the concern of the objector.

Issue 3: ToD Night Rebate

With regards to the proposal for revision of ToD night rebate from present Rs 1 per unit to Rs 2 per unit and revising the period of night rebate from present 8 months to 4 months, It is pointed out that industry is being subsidized by GOP as per Industrial and Business Development Policy 2022. Further the Commission has also provided in Condition No 15 of General Conditions of Tariff that "the cumulative effect of ToD rebate on the Energy Charges (including use of electricity exclusively during night hours) at any time shall be limited to the Energy Charge of Rs. 5.50/kVAh". Thus, with the GoP subsidy for FY2025-26, the net Energy Charge for ToD Rebate period is Rs 5.835/-, and industry is getting the ToD night rebate benefit of only Rs 0.335 /kVAh (5.835-5.50) irrespective of the night rebate of Rs 1 or Rs 0.50/kVAh. Thus, with the proposal of increase of ToD night rebate from Rs 1/- to Rs 2/-, we will be getting effective night rebate of Rs 0.335/kVAh only whereas for 4 months (16th Feb to 15th Jun), our tariff will increase from Rs 5.50 to 5.835/kVAh with the GoP Subsidy i.e. effectively consumers will be paying higher tariff for 4 months and no benefit for 4 months. (Actual benefit/increase may vary for TO of 2026-27). This will send wrong signals to industry and discourage further investments. Therefore, proposal needs to be rejected.

Perusal of last few ARRs will reveal that while PSPCL previously reduced the night rebate from 1st April to 15th June (2.5 months) from Rs 1/- to Rs 0.75 and then to Rs 0.50 per unit, now it has proposed to reduce it to NIL for this period. Additionally, it has also proposed to withdraw the night rebate for the period 16th Feb to 31st March (1.5 months) from Rs 1/- per

unit to NIL. The observations of the Commission in Para 4.1.7 of Tariff Order 2025-26 may be perused which are applicable for 2026-27 also. The period of these 4 months (16th Feb to 15th Jun) is a normal demand period when the demand from agriculture sector during night hours is much less and also almost nil for some period. In fact, during the harvesting season of wheat i.e. 10th April to 15th May, PSPCL keeps the rural domestic feeders switched off during daytime to minimize chances of fires of wheat stubble in the agriculture fields. Further, Agriculture demand picks only from 10th of June when paddy sowing starts. With reduction of Distribution losses, energy requirement is projected to reduce from 87385 MU to 84719 MU, Thus there is reduction of 2666 MU which will be surplus with PSPCL. As such, to utilize this surplus power, the net ToD rebate is required to be increased and the ToD peak charge is required to be reduced appropriately.

Reply of PSPCL: The ToD night rebate from 16th October to 15th February @ Rs. 2 per unit has been proposed as per demand of the industry instead of rebate of Rs. 1 per unit from 16th October to 31st March and Rs. 0.50 per unit from 1st April to 15th June. Moreover, to provide the Rebate and subsidy to any category of consumer comes under the purview of Government of Punjab.

Commission's view:- The Commission has taken note of the concern of the objector.

Issue 4: Extraordinary item of Rs 3581.95 Crore received from GOP

PSPCL has accounted for this amount as extraordinary item according to Accounting Standards and as per Companies Act. However, this receipt is for loss funding of previous year's to Discom for supply of electricity. Since the revenue gap due to supply of electricity is being transferred to consumers every year through appropriate increase in Retail Tariff, therefore, this receipt also belongs to consumers and needs to be transferred to them through appropriate reduction in retail tariff as deemed fit by the Commission. It is also added here that Return on Equity recovered through tariff rightly belongs to GOP but the same is being utilized by PSPCL in spite of being in profit as per Annual Audited Accounts. Thus, PSPCL should not be allowed to keep this grant from GOP for increasing its profit and it needs to be passed on to consumers. The net gap of ARR (Rs. 453 Crore) will be adjusted in the Surplus FPPA available with PSPCL (Rs 1174.47 Crore ending 11/25) and the net surplus will be more than Rs. 800 Crore.

Reply of PSPCL: An amount of Rs. 3,581.95 Crore has been received as loss funding from the Government of Punjab and the same has been duly disclosed as an Extraordinary Item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024-25. The accounting treatment and presentation of the said grant have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, PSPCL humbly submits that the regulatory treatment of the said amount for tariff purposes may kindly be considered by the Commission in accordance with the applicable MYT Regulations. In addition, PSPCL most respectfully submits that the Company is burdened with substantial accumulated losses of previous years. As on 31.03.2025, the accumulated losses stand at Rs. 3,403.97 Crore. Owing to these accumulated losses, no dividend has been paid to the Government of Punjab. In view of the above, the apprehension that PSPCL is retaining Return on Equity for profit maximization is humbly submitted to be not factually correct, as the present financial position of the Company does not support any distribution of profits.

Further, in the true-up petitions, expenses are submitted strictly on the basis of actual audited accounts, in accordance with the prevailing MYT Regulations. The Commission undertakes detailed scrutiny of the same through a transparent process and exercises its discretion while approving the figures. Accordingly, any surplus of FPPAS, if any, is automatically passed on to the consumers through the true-up mechanism, as per regulations.

Commission's view:- Suggestion is noted.

Issue 5: The Induction furnace industry is facing tough challenges due to volatile national and international industrial scenario, banning of export of scrap by many foreign countries, frequent checking by Taxation personnel etc. As the cost of power constitutes 60 % of the total conversion cost from steel scrap to end products, the tariff and rebates of electricity

play vital role in its survival. Under the circumstances, Industry is looking forward to further concessions in power rates as under: -

1. There is full justification to Increase the voltage rebate for 66 and 220 KV consumers which is stagnant for last about 12 years.
2. Introduction of load factor rebate for industry.
3. Continuing with ToD rebates for 8 months with increased net rebate
4. Withdrawal of the Peak load Surcharge for 4 months.

Reply of PSPCL: PSPCL has computed the Cost of Supply (CoS) in accordance with Methodology-II of the study conducted by TERI, as approved by the Commission for FY 2013-14. However, in line with the Commission's directions in RP No. 05 of 2023 to ascertain CoS at various voltage levels, PSPCL has set up a committee to review the relevance of Methodology-II, including the inclusion of 400KV voltage. The report is currently under consideration by PSPCL Management and will be shared with the commission thereafter. Further, PSPCL submits that determining category-wise tariff rates, rebates, surcharges, cost of supply, and cross-subsidy levels falls within the exclusive purview of the Hon'ble PSERC. PSPCL complies with the directions issued by the Commission and issues commercial circulars strictly in accordance with the Tariff Orders passed by the Commission.

Commission's view:- The Commission has taken note of the concerns of the objector.

Objection No. 7: Focal point Industrial Welfare Association, Amritsar.

Issue 1: Small Power (SP), Medium Scale (MS) & Large Scale (LS) Category Limits Revision
PSPCL has not revised the following SP, MS & LS Category Limits since inception:

Category	Present Limit	Proposed Limit
Small Power	Up to 20 KW	Up to 50 KW
Medium Scale	21 to 99 KW	51 to 200 KW
Large Scale	Above 100 KW	Above 200 KW

The said limits need immediate revision

Reply of PSPCL: The Tariff order for the respective year is approved by the Commission along with Categorization of industrial consumer as per the sanctioned contract demand. Regarding enhancement of limit of Industrial categories, the matter has been taken up with the Commission in the tariff petition filed for approval of tariff order for FY 2026-27.

Commission's view:- Suggestion is noted.

Issue 2: Peak Load Charges

PSPCL is charging Rs.2 per unit plus 20% Taxes as Peak Load Charges from all Medium Scale & Large-Scale consumers from 16th June to 15th October (4 months) for 'electricity consumed during 6PM to 10PM by industry. These charges should be withdrawn once Monsoon sets in Punjab because of reduction in Power Demand from farmers. This will help majority of MSME units to compete with industry of adjoining States.

Reply of PSPCL: It is submitted that the TOD surcharge being levied during 16th June to 15th October period is Rs. 2/- per kVAh over normal tariff as per the tariff Order for FY 2025-26 considering the average market price discovered in power exchange for the period from 1st June to 15th October during evening peak hours (6 PM to 10 PM) is considerably higher than the normal average for the day. Further, PSPCL submits that since the determination of tariff to any category of consumers comes under the purview of the PSERC.

Commission's view:- The Commission notes the concern of the objector.

Issue 3: Security Deposit Refunds (AACD)

PSPCL should demand Security Deposit based on 30 days Power Consumption as per New Supply Code 2024 from MS & LS Consumers as compared to earlier rule of 45 days. The Corporation should refund additional 15 days Security Deposit taken from MS & LS Consumers within specified time.

Reply of PSPCL: As per Supply Code-2024 clause no. 42, AACD is recovered on the basis of consumption for one month where monthly billing is applicable and spot billing has been introduced or billing is carried out through AMR or online capturing of Meter data through

Smart Meter. All the field offices vide memo no. 318-322 dated 04.08.2025 has been instructed to strictly implement the instructions mentioned in Supply Code 2024 clause no. 42 (v) regarding refund of AACD.

Commission's view:- The objector may note the reply of PSPCL.

Issue4: Reimbursement of Electricity Duty Exemptions to New units

PSPCL is not reimbursing Electricity Duty Exemption to New Units having Electricity Duty Exemption Certificates as per Punjab Industrial Policy of 2022. This has Badly demoralized Genuine MSME Entrepreneurs of the state.

Reply of PSPCL: The Electricity Duty (ED) exemption to new units as per Punjab Industrial Policy of 2022 is being reimbursed after the approval accorded by office of Secretary Power/ GOP/ Electric Inspector, GoP.

Commission's view:- The objector may note the reply of PSPCL.

Issue 5 : Staff Shortage

Presently, PSPCL is having acute shortage of Linemen & Junior Engineers leading to delayed & inefficient services to consumers. PSPCL should take care of this Staff Shortage by appointing qualified & competent persons.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issue does not relate to the present tariff petition. However, PSPCL should take cognizance of the observations of the objector.

Issue 6: Dispute Settlement Committee.

Presently, DSC is to settle disputed matters within 45 days. Unfortunately, Committee is not adhering to this time limit. There are cases in Amritsar which are waiting for justice even for more than three years. DSC should religiously follow the prescribed time schedule.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The Commission notes the concern of the objector. PSPCL is directed to monitor the pendency of the DSC and issue directions to decide the cases in a time bound manner.

Issue 7: Infrastructure Improvements

Decades old Transmission Lines & Equipment in the Power Sub-stations requires upgradations as early as possible for uninterrupted & smooth power supply to consumers. This will also help PSPCL in reducing their Power Transmissions Losses & frequent Break Downs.

Presently, offices of PSPCL Officers are scattered all over Amritsar. For example, Chief Engineer, Border Range office is at Raja Sansi Road, Superintendent & Executive Engineer offices are at Hall Gate, SDO office is at Mall Mandi. We suggest PSPCL to develop New Office Secretariat Building with proper Meeting Hall where all Senior Officers can work under one roof for speedy results.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the suggestions of objector.

Issue 8: Frequent Meetings

Interactions with the Industry is always fruitful. Since last so many years neither Chairman, PSPCL has visited Amritsar nor Chief Engineer, Amritsar has had interaction with MSME Consumers. PSPCL officers should also have conduct frequent meetings with consumers with proper record of follow up & actions taken. Having regular suggestions from consumers will prove very fruitful. Behaviour of JE / SDO towards consumers is not friendly.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the suggestions of objector to deal with the same on priority.

Issue 9: Energy Audits for Savings & Safety

Unfortunately, majority of MS & LS consumers are unaware of MSME Schemes introduced by PSPCL for the welfare of industry. Schemes relating to Safety & Savings are offered at

very reasonable rates by the Corporation. PSPCL should properly educate MS & LS consumers by conducting Energy Saving Seminars so that the consumers can take advantage of these schemes by implementing the same in their units. It is suggested that PSPCL should take help of MSME, Govt. of India, Energy Auditors for conducting frequent seminars all over Punjab. At least for LS Connections Energy Audits after every three years should be made Mandatory.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the suggestions of objector.

Issue 10: Implementation of Right to Service Act

Right to Service Act should be implemented for efficient & time bound results. This will help in eliminating corruption & quality / quick service to consumers.

Reply of PSPCL: PSPCL submits that action is already being taken with the department of good Governance/GoP for notification of services under Right to Service Act.

Commission's view:- The objector may note reply of PSPCL.

Issue 11: Promote Green Energy Projects

PSPCL should come forward to promote Solar Energy Projects in Punjab by offering better Rates to motivate entrepreneurs to install more Green Energy Projects. Presently, PSPCL is purchasing solar Energy @ Rs.2.97 while selling power to LS industry @Rs. 6.70 + 20% Taxes.

Reply of PSPCL: PSPCL is committed to procuring maximum feasible power from solar projects in order to promote clean, sustainable, reliable energy along with fulfilling its RPO compliance. The tariff for procurement of solar power is discovered through a transparent competitive bidding process and is thereafter subject to approval by the Commission in accordance with the applicable regulatory framework. PSPCL procures power from a diversified basket of sources including thermal, hydro, and other renewable energy sources (NRSE), and supplies electricity to various consumer categories as an integrated utility. Therefore, a direct comparison between the sale rate to a particular category and the purchase rate from a specific source, as suggested by the objector, may not present a complete or appropriate picture of the overall cost structure.

Further, the determination of tariff, including category-wise rates and cross-subsidy levels, falls within the sole jurisdiction of the Commission, which considers the applicable regulatory principles, including the mandate of maintaining cross-subsidy within $\pm 20\%$ of the cost of supply, as stipulated under the prevailing regulations.

Commission's view:- The Commission notes the concern of the objector. The objector may note the reply of PSPCL.

Issue 12: 132kV Power Substation at Old Focal Point.

Plot admeasuring 6000 Sq. yards is lying reserved at Focal Point since 1993 for establishing 132KVA Power Substation. Its early installation will help MSME Industry of Focal Point & in Adjoining Areas smooth & uninterrupted Power Supply 24 X 7 X 365 days. Unfortunately, this matter is hanging for since last 3 decades. We request your good self to please intervene for its early execution for the welfare of Industry.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issues cited by objector does not relates to the tariff petition. PSPCL to note the suggestions of objector and to deal with the same on priority.

Issue 13: Installation of Modem for LS Connections.

PSPCL be strongly instructed to install Modem and have reading through it for LS Connections. The Corporation is asking consumers to deposit 45 days security for Non installation of Modem which is the duty of PSPCL.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issues cited by objector does not relates to the tariff petition. PSPCL to note the suggestions of the objector.

Issue 14: Ease of doing Business

Every year, Chief Electrical Engineer to Punjab Govt., Patiala ask its consumers for renewal of permission for Transformers / DG Sets. The time limit of said permission be increased either to Three or Five years.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issues cited by objector does not relates to the tariff petition. PSPCL to note the suggestions of objector and to deal with the same on priority.

Issue 15: Unauthorized use of Electric Connection (UUE)

PSPCL is penalizing consumers having connection of 99 KVA if their demand increases above 100KVA with an exorbitant penalty of 100% u/s 126. It is desired that in these cases Tariff of LS be charged with a notice to regularize the demand.

Reply of PSPCL: Any consumer of PSPCL is being charged under UUE (Unauthorized use of Electric Connections) as per clause no. 48 of Supply Code-2024 approved by the PSERC and amendment issued thereafter. Further, any change in the Supply Code regulation comes under the purview of the Commission.

Commission's view:- The Commission notes the concern of the objector.

Issue 16: Amendments in Bills

The present Billing Form needs amendment because information & charges relating to calculation of TOD Scheme / Subsidy are not mentioned on the Bills.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the suggestions of objector and to deal with the same on priority.

Additional Submission Dtd. 16.01.2026 by Focal point Industrial Welfare Association, Amritsar.

Presently, Tourism Industry is playing a major role in the Growth & Development of every City/State/ Country by attracting more tourists which leads in generating more revenue for State & Country as a whole. Unfortunately, Tourism Industry of Punjab viz. Hotels etc. are forced to pay Power Bills treating them as Commercial institutions and bill is raised accordingly. Hotel Industry is also paying Peak Load Hours Charges. We suggest that Hotel Industry all over Punjab should be charged Electricity Rates as applicable to MS & LS Industrial Units. This change in the Power Rates for Hotel Industry will boost their morale.

Reply of PSPCL: As per the tariff order 2025-26 approved by the Commission, the Hotels are covered under schedule of tariff of NRS category. The peak load charges as per the TOD tariff approved by the Commission for NRS connections having load above 100 KVA are applicable to the consumers in this category. Moreover, the Hotels are not covered under the industrial category as per the industrial policy 2022 issued by the department of industry, GoP. Further, any change in the tariff category of consumers comes under the purview of the Commission.

Commission's view:- Suggestion is noted.

Objection No. 8: SAANJH - FORUM FOR ELECTRICITY CONSUMERS

Issue 1: Improving quality of power through reduced power cuts by adopting preventing maintenance approach

While the overall availability of power in the State has improved significantly, the poor quality of powers in forms of high-power cuts of longer durations, frequent voltage drop-out especially during summers, winter and rainy seasons are causing hardship to the residents of the State. We can say with certain amount of confidence that most of the power cuts to the tune of about 80% to 90% power cuts are results of poor maintenance of lines, overloaded power transformers importantly just next to under-loaded transformers, lack of tree pruning regularly, poor fuses maintenance, and overall lack of preventative maintenance on the power infrastructure in the State. The present system of correcting a fault when it appears has been causing much hardship to the domestic consumers.

Therefore, it is recommended that the Commission may please work out a preventive maintenance module, in which the preventative maintenance be outsourced to competent agencies, which may be developed over the period of times. The present outsourcing model, which act on complaints and remain under the discom, need to be supplemented with expert agencies capable of doing preventative maintenance of power lines giving power supply to domestic consumers. This will result into lower power cuts which not only reduce the suffering of ordinary people but also lead to higher revenue realization to the Discom because of lower power cuts. A detailed activities may be covered in such maintenance schedule, which can be given to contractors and such works should not be allowed to be done on adhoc basis as being done presently. This work can be started on trial basis in some of the selected cities like Mohali, Ludhiana, Jalandhar and Amritsar, which can be extended to other districts and rural areas after successful trails and improving weakness in the scheme. At least, it must be available on demand by civil societies demanding such preventative maintenance in their respective areas.

It is also strongly recommended that lack of awareness about this non-preventative maintenance by Discom in Public is main cause of discom's lackadaisical approach in this regard. Therefore, the Commission may earmark specific fund for creating such awareness among masses in cooperation with civil society so that civil society can also come forward in seeking preventative maintenance by discom, which has a monopoly in power distribution in the state.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately. However, PSPCL makes every effort to minimize power cuts / breakdown with timely maintenance while providing high-quality power to its consumers.

Commission's view:- The Commission has taken note of the suggestion. PSPCL to note the suggestions of objector and to deal with the same.

Issue 2: The multiple wires often cause power cuts due to short circuits during rainy seasons. Therefore, such wires be replaced with cables, which will reduce significantly power cuts problems in residential areas. At least, this facility may be given on demand where such incidents of short circuits are more frequent due to large numbers of trees in the areas. This will also lead to reduce power theft cases.

Issue 3: The renewable energy is the future energy and there is need to promote the use of renewable energy in the state of Punjab. However, due to 300 units free schemes, there is less enthusiasm in the Public for setting up roof top solar power plants. Therefore, it is submitted that roof top solar power plants on public/social/religious institutions be promoted. In this regard, it is worth mentioning that solar plants put on roof top of religious places or of common interest places, where individual interests are not directly involved, there is general delay in providing two-way meter to enable solar power use. Despite of setting up solar plants for many days even month, the PSPCL does not provide two way meters for measuring electricity and thus the solar plant remain unutilized. This must be curbed and PSPCL may be instructed to provide two way meter on demand and if not possible then install two separate meters for incoming and outgoing power in such facilities within stipulated time of one or two days.

It is also prayed that such meters should be available in private sector/marketplace of recommended make/suppliers and onus of the same should on Discom to check their correctness and consumer be allowed to install the same, which may be inspected on the spot for any fault if any. There is no reason, why only Discom's lab be authorised to check the correctness of such meters and create a false shortage of such meters in the market, which is clearly an industrial product and available throughout the year.

Issue 4: One of the serious challenges related to smart meters installations in the residential areas is apprehension in the mind of people related to working of smart meters i.e. they record higher reading than normal meters. It is submitted that the Commission may create awareness about merits of the smart meters over normal meters and especially its benefits to consumers. It will go a long way in reducing resistance forwarded by the consumers.

Issue 5: In Punjab, urbanization has been growing at a faster pace and flat system has been become popular and affordable among people. Therefore, all such colonies/flats developed by builders must be mandatorily asked to put smart meters capable having ToD metering facility with minimum connected load of 6 KW for about 1100 sqm areas and for more area, higher connected load should be prescribed.

Issue 6: There are many societies in Punjab, in which single connection is given to developers, who then collect electricity charges from consumers. It is observed that due to some disputes or pending payments due to Discom, such electricity consumers are suffering. It is recommended that the Commission may expedite to resolve their power problems in consultation with builders/colony developers.

Reply of PSPCL: The issues cited by the objector do not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The concern of the objector is noted. PSPCL to note the suggestions of the objector and to deal with the same on priority.

Issue 7: The T&D losses are not uniform in the State of Punjab and some regions are having high T&D losses, which Discom also admits are of electricity theft cases. Therefore, it is prayed that some discount for lower T&D losses and some charge/cess for higher T&D losses be announced in the tariff order area wise to give relief to people where there are less theft cases. It is also recommended that region wise discoms may be formed to enable them to deal with region specific challenges to recover full cost and no region should face hardship and higher tariff due to the unhealthy conduct of some consumers living in a particular region of higher theft cases as also mentioned in replies to deficiencies by Discom.

Reply of PSPCL: The T&D losses are high in rural areas especially in the theft prone borders areas like Bhikhiwind, Patti, Ajnala, West Amritsar, Zira, Bhagta Bhai Ka, City Tarn Taran, Baghapurana, Jalalabad, Malout, Suburban Amritsar, Suburban Tarn Taran but imposing extra charges to all the consumers in high loss areas cannot be justified because every consumer in high loss areas is not involved in power theft but the impact of extra charges will pass on to every consumer. Further, decision regarding the introduction of multi Discom model in the state of Punjab is the prerogative of the Government of Punjab.

Commission's view:- PSPCL to note the concern and take remedial measures. The Commission consistently encourages a loss reduction trajectory and greater productivity in operations. Further, as per section 14 of the Electricity Act 2003, the distribution of electricity is a licensed business. Any person/entity interested in distribution of electricity needs to apply for grant of license as per the provisions of Section 14 & 15 of the Electricity Act.

Issue 8: The increase in load should be allowed online for domestic category of consumers. The IT enabled system should allow consumers to increase their connected load online by paying due fee online and visit to discom should be discontinued. This will also bring down work load with Discom and help the consumers also.

Reply of PSPCL: The issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately. However, any consumer can apply on the PSPCL site for increase in Domestic load. The facility is already available on PSPCL website.

Commission's view:- Ther objector may note the reply of PSPCL.

Issue 9: Any power coming in any residence's premise through meter and used for residential purpose should not be declared as unauthorised use of power. Only unmetered power be classified as theft or unauthorised use of power in domestic cases.

Reply of PSPCL: The issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately. However, any consumer of PSPCL can only be being charged under UUE (Unauthorized use of Electric Connections) as per clause no. 48 of Supply Code-2024 approved by the Commission and amendment issued thereafter.

Commission's view:- Ther objector may note the reply of PSPCL.

Objection No.9: Mr. Gurmeet Singh Bhatia

Issue: ਬਹੁਤ ਹੀ ਸਤਿਕਾਰ ਸਾਹਿਤ ਬੇਨਤੀ ਹੈ ਹਵਾਲੇ ਅਧੀਨ ਹੋਈ ਸੁਣਵਾਈ ਦੌਰਾਨ ਇਹ ਦਸਿਆ ਗਿਆ ਸੀ ਕੀ ਹਰ ਸਾਲ ਬਿਜਲੀ ਕੀਮਤਾਂ ਵਿਚ ਵਾਧਾ ਕਰਨਾ ਵਾਜਿਬ ਨਹੀਂ ਇਸਦੇ ਨਾਲ ਬਿਜਲੀ ਨਿਗਮ ਦੇ ਅੰਦਰੂਨੀ ਹਾਲਾਤ / ਚੱਲ ਰਹੇ ਸਿਸਟਮ ਦੀ ਵੀ ਪੜਚੋਲ / ਆਡੀਟਿੰਗ ਦੀ ਜ਼ਰੂਰਤ ਹੈ ? ਜਿਸ ਤਰ੍ਹਾਂ ਸਾਲ 2015-16 ਦੌਰਾਨ ਲਾਗੂ SAP ਹੁਣ ਬਦਲੀਆਂ ਜਾਂ ਰਿਹਾ ਹੈ ਕਿਉਂਕਿ ਇਸ ਸਿਸਟਮ ਦੀਆਂ ਖਾਮੀਆਂ ਬਾਰੇ ਨੱਥੀ ਪੱਤਰ ਅਨੁਸਾਰ ਸਿਰਫ ਇਕ ਹੀ ਬਿਜਲੀ ਖਪਤਕਾਰ ਪਾਸੇ ਹੁਣ ਲਗਪਗ 15 ਲੱਖ ਰੁਪਏ ਦੀ ਮੰਗ ਪੱਤਰ ਜਾਰੀ ਹੋਇਆ ਹੈ। ਪਰ ਅੱਜ ਤੋਂ ਲਗਪਗ 2 ਸਾਲ ਪਹਿਲਾਂ ਉਠਾਇਆ ਨੁਕਤੀਆਂ ਨੂੰ ਅੰਗੋਲਿਆ ਕੀਤੇ ਜਾਣਾ ਹੀ ਇਕ ਵੱਡਾ ਕਾਰਨ ਹੈ ਜਿਸ ਕਾਰਨ ਇਕ ਵੱਡੀ ਲੈਣਦਾਰੀ ਵਾਲੀ ਰਕਮ ਦੌਣਦਾਰੀ ਬਣਦੀ ਜਾਪਦੀ ਹੈ ? ਮਹੀਨਾਵਾਰ ਬਿਲ ਤਿਆਰ ਕਰਨ ਤੇ ਚਾਰਜ ਕੀਤੀ ਰਕਮ ਅਦਾਲਤ ਵਲੋਂ ਸ਼੍ਰੇ ਹੋਣ ਦੇ ਬਾਵਜੂਦ ਵਸੂਲੀ ਜਾਂ ਚੁੱਕੀ ਹੈ ਅਤੇ ਨਾਲ ਹੀ ਹੋਰ ਦੇਣ ਦਾਰੀਆਂ ਬਣ ਗਈ ਹੈ ਜਿਸ ਸੰਖੇਪ ਕਾਰਨ ਅੰਦਰੂਨੀ ਪੜਚੋਲ ਆਡੀਟਿੰਗ ਦੀ ਘਾਟ ਹੀ ਕਹੀ ਜਾ ਸਕਦੀ ਹੈ। ਇਸਦੇ ਨਾਲ ਹੀ ਕੁਝ ਹੈਰਾਨੀ ਜਨਕ ਤੱਥ ਵੀ ਸਾਹਮਣੇ ਆ ਸਕਦੇ ਹਨ। ਸਿਸਟਮ ਮੁਤਾਬਿਕ ਇੰਜ ਮਹਿਸੂਸ ਕੀਤਾ ਜਾਂ ਰਹੀਆਂ ਹੈ ਭਾਵੇਂ ਇਸ ਕੁਨੇਕਸ਼ਨ ਦਾ CTPT ਖਰਾਬ ਹੋਣ ਸੁਪਲਾਈ ਡਾਇਰੈਕਟ ਹੋਈ, ਸਿਰਫ CT PT ਬਦਲਿਆ ਪਰ ਮੀਟਰ ਬਾਦ ਵਿਚ ਬਦਲੀ ਹੋਇਆ ਜਾਪਦਾ ਹੈ ? ਅਜਿਹਾ ਇਸ ਲਈ ਲਿਖਿਆ ਜਾਂ ਰਿਹਾ ਹੈ ਕਿਉਂਕਿ ਖਪਤਕਾਰਾਂ ਸਿਰਫ ਬਿੱਲ ਭੇਜੇ ਜਾਂਦੇ ਹਨ ਪਰ ਖਪਤਕਾਰ ਨੂੰ ਇਸਦੇ ਕਾਰਨਾਂ ਬਾਰੇ ਕੋਈ ਜਾਣਕਾਰੀ ਸ਼ੇਅਰ ਨਹੀਂ ਕੀਤੀ ਗਈ ! ਇਹ ਵੀ ਲਗਦਾ ਹੈ ਆਡਿਟ ਵਲੋਂ ਵੀ ਇਸ ਬਾਰੇ ਕੋਈ ਪੜਚੋਲ ਨਹੀਂ ਹੋਈ ਜਾਪਦੀ ਜਦੋਂ ਕੀ ਖਪਤਕਾਰ ਵਲੋਂ ਸਾਲ 2021 ਵਿਚ ਹੇਠਲੀ ਅਦਾਲਤ ਦੇ ਫੈਸਲੇ ਉਪਰੰਤ ਕੇਸ ਨਿਪਟਾਰਾ ਕਰਾਉਣ ਦੀ ਕੋਸ਼ਿਸ਼ ਕੀਤੀ ਪਰ ਉਸ ਸਮੇਂ ਦੇ ਸਾਰੇ ਅਧਿਕਾਰੀ ਉਸ ਸਮੇਂ ਖੜ੍ਹੀ ਸਾਰੀ ਰਕਮ ਜਮ੍ਹਾਂ ਕਰਾਉਣ ਲਈ ਜ਼ੋਰ ਦੇਂਦੇ ਰਹੇ ਤੇ ਕੁਝ ਦਿਨ ਕੁਨੇਕਸ਼ਨ ਕਟੀ ਰਖਿਆ ਤੇ ਉੱਚ ਅਦਾਲਤ ਵਲੋਂ ਆਦੇਸ਼ ਜਾਰੀ ਹੋਣ ਤੇ ਬਿਨਾਂ ਕੋਈ ਰਕਮ ਦੀ ਵਸੂਲੀ ਕੁਨੇਕਸ਼ਨ ਚਾਲੂ ਕੀਤਾ ਗਿਆ ਸੀ ਕਿਉਂਕਿ ਖਪਤਕਾਰ ਪ੍ਰਾਪਤ ਬਿੱਲ ਹਰ ਮਹੀਨੇ ਹੱਥ ਦਸਤੀ ਆਦੇਸ਼ ਪ੍ਰਾਪਤ ਕਰ ਮੰਗ ਕੀਤਾ ਜਾਂਦਾ ਕਰੰਟ ਬਿੱਲ ਬਿਨਾਂ ਦੇਰੀ ਜਮ੍ਹਾਂ ਕਰਾਉਂਦਾ ਰਿਹਾ ਹੈ ਅਤੇ ਮੁਕੱਦਮਾ ਦਾਇਰ ਹੋਣ ਉਪਰੰਤ ਹਰ ਮਹੀਨੇ ਵਾਧੂ ਰਕਮਾਂ ਦੀ ਵਸੂਲੀ ਕੀਤੀ ਜਾਂਦੀ ਰਹੀ ਹੈ ਮਿਤੀ 19.09.16 ਤੋਂ ਇਹ ਸਿਲਸਿਲਾ ਸ਼ੁਰੂ ਹੋਇਆ ? ਖਪਤਕਾਰ ਵਲੋਂ ਕੁਨੇਕਸ਼ਨ ਹਾਸਲ ਕਰਨ ਲਈ 736500/- ਰੁਪਏ (708000+28500) ਜਮ੍ਹਾਂ ਕਰਾਏ ਸੀ ਅਤੇ ਸਾਲ 2015-16 ਦੌਰਾਨ ਪ੍ਰਾਪਤ ਬਿੱਲ ਵਿਚ ਟੀ ਡੀ ਐਸ ਕੱਟ ਕੇ 66580/- ਰੁਪਏ ਦਾ ਸਾਲਾਨਾ ਵਿਆਜ ਕਰਕੇ ਮਿਲੇ ਰਿਫੰਡ ਕਰਕੇ ਮਿਤੀ 12.05.16 ਨੂੰ 26090/- ਰੁਪਏ ਬਿਲ ਜਮ੍ਹਾਂ ਕਰਾਇਆ ਗਿਆ ਅਤੇ 17.04.17 ਨੂੰ ਵੀ ਅਜਿਹਾ ਹੋਆ।

ਇਸ ਉਪਰੰਤ ਬਿਜਲੀ ਕੀਮਤ ਦੇ ਵਾਧੇ ਕਰਕੇ ਮਿਤੀ 17.04.18 ਨੂੰ ਬਿਜਲੀ ਬਿਲ 4.37 ਲੱਖ ਰੁਪਏ ਜਦੋਂ ਕਿ ਇਸ ਸਾਲ 2017-18 ਦਾ ਵਿਆਜ ਅਡਜਸਟ ਕਰਨਾ ਤਾਂ ਇਕ ਪਾਸੇ ਉਲਟਾ ਲਗਦਾ ਹੈ ਟੀ ਡੀ ਐਸ ਵੀ ਵਸੂਲੀਆਂ ਗਿਆ ? ਮਿਤੀ 01.06.19 ਨੂੰ ਸਾਡੇ ਕੋਲੋਂ ਬਿਲ ਵਿਚ 9206/- ਟੀ ਡੀ ਐਸ ਜੇਤ੍ਰ 3.56 ਲੱਖ ਦੀ ਜਗ੍ਹਾ 3.65 ਲੱਖ ਰੁਪਏ ਵਾਸੁਲੇ ਗਏ ? ਮਿਤੀ 01.05.20 ਨੂੰ 2.88 ਲੱਖ ਦੇ ਬਣੇ ਬਿਲ ਵਿਰੁੱਧ 2.97 ਲੱਖ ਰੁਪਏ ਵਾਸੁਲੇ ਅਤੇ ਮਿਤੀ 15.05.21 ਨੂੰ 320410 ਦੀ ਬਜਾਏ 323840 ਰੁਪਏ ਵਾਸੁਲੇ ਹਨ ?

ਹੁਣ ਸੁਆਲ ਇਹ ਵੀ ਹੈ ਅਦਾਲਤੀ ਮੁਕਦਮੇ ਵਿਚ ਉਲਝੇ ਖਪਤਕਾਰ ਪਾਸੇ ਟੀ ਡੀ ਐਸ ਵੀ ਵਸੂਲੀਆਂ ਪਰ ਇਸ ਬਾਰੇ ਖਪਤਕਾਰ ਦਾ ਪੈਨ ਕਾਰਡ ਹੋਣ ਦੇ ਬਾਵਜੂਦ ਕਿ ਖਪਤਕਾਰ ਨੂੰ ਟੀ ਡੀ ਐਸ ਦੀ ਰਕਮ ਆਮਦਨ ਕਰ ਵਿਭਾਗ ਜਮ੍ਹਾਂ ਕਰਾ ਕੇ ਖਪਤਕਾਰ ਨੂੰ ਸੂਚਿਤ ਕੀਤਾ ਗਿਆ ?

ਇਹ ਹੈ ਅੰਦਰੂਨੀ ਵਿਵਸਥਾ ਦਾ ਇਕ ਉਦਾਰਨ ਹੋਰ ਬਹੁਤ ਕੁਝ ਹੈ।

ਪਿਛਲੇ ਸਮੇਂ ਦੌਰਾਨ ਭੇਜੀਆਂ ਈ-ਮੇਲ ਵਿਚ ਬਾਰ ਬਾਰ ਜਿਕਰ ਕਰਨ ਤੇ ਵੀ ਮਸਲੇ ਉਨਸੁਲਝੇ ਪਏ ਹਨ। ਇਕ ਹੋਰ ਕੇਸ ਲੱਧੜ ਪੇਪਰ ਮਿਲ ਨਕੋਦਰ ਜਲੰਧਰ ਦਾ ਜਮ੍ਹਾਂ ਸਕਿਉਰਿਟੀ ਦਾ ਵਿਆਜ ਲਗਪਗ 16 ਲੱਖ ਦਾ ਹੀ ਕੇਸ, ਜੋ ਦੇਸ਼ ਦੀ ਸਰਵ- ਉੱਚ ਪੁੱਜਾ ਫੈਸਲਾ ਹੋਇਆ ਵੀ ਇਕ ਉਦਾਰਨ ਹੈ ਕਿ ਇਹ ਲਾਗੂ ਹੋਊ ਵੀ ਤੇ ਕਦੇ ?

ਪੂਜਾ ਫਲੋਰ ਮਿੱਲਜ਼ ਦੇ ਨਾਲ ਨਾਲ ਐੱਸਮਾਂ ਮਿੱਲ ਅੰਮ੍ਰਿਤਸਰ ਅਤੇ ਨੈਸ਼ਨਲ ਰੱਬੜ ਮਿਲ ਵੇਰਕਾ ਲੇਖਾ ਨੰਬਰ 3002808135 ਤੇ 3002808127 ਦਾ ਕਲੱਬਿੰਗ ਤੇ 74 ਲੱਖ ਰੁਪਏ ਬਾਰੇ ਕੇਸ ਅਜੇ ਵੀ ਉਨਸੁਲਝੇ ਹਨ। ਇਸੇ ਤਰ੍ਹਾਂ ਬਹੁਤ ਸਾਰੇ ਕੇਸਾਂ ਵਿਚ ਮਿਲਣ ਯੋਗ ਐਚ ਟੀ ਰਿਬੇਟ ਨਾ ਮਿਲਣ ਦਾ ਹੈ

ਮਹਾਰਾਜਾ ਪੈਲੇਸ ਘਿਉ ਮੰਡੀ ਸਿਟੀ ਸੈਂਟਰ ਮੰਡਲ ਨੰਬਰ 3003203698 ਵੀ ਇਕ ਨਮੂਨਾ ਕੇਸ ਹੈ। ਇਸ ਖਪਤਕਾਰ ਨੂੰ ਵੀ ਜਦੋਂ ਤੋਂ ਕੁਨੇਕਸ਼ਨ ਲਗਾ ਹੈ ਐਚ ਟੀ ਰਿਬੇਟ ਨਹੀਂ ਮਿਲ ਰਹੀ 27.05.24 ਤਕ ਨਹੀਂ ਮਿਲੀ। ਇਸ ਸਬੰਧੀ ਪਤਾ ਕਰਨ ਤੇ ਮਿਤੀ 27.06.24 ਤੋਂ ਸ਼ੁਰੂ ਕੀਤੀ ਪਰ ਬਣਦਾ ਲੱਖਾ ਰੁਪਏ ਰਿਫੰਡ ਨਹੀਂ ਮਿਲ ਰਿਹਾ ਆਡਿਟ ਅਤੇ ਸੀ ਬੀ ਸੀ ਅਤੇ ਸਬੰਧਿਤ ਕਾਮਰਸਲ ਦਫਤਰ ਸੁਲਝਾ ਨਹੀਂ ਪਾ ਰਹੇ ਉੱਚ ਅਧਿਕਾਰੀਆਂ ਦੇ ਕਹਿਣ ਤੇ ਰਿਫੰਡ ਕਮੇਟੀ ਨੂੰ ਕੇਸ ਰਜਿਸਟਰ ਕਰਨ ਲਈ ਅਰਜੀ ਦੇ ਰੱਖੀ ਹੈ। ਮਹੀਨਾ ਅਕਤੂਬਰ 2025 ਵਿਚ ਰਿਬੇਟ ਪਰੇਰਾਟਾ ਅਧਾਰ ਮਿਲਣ ਉਪਰੰਤ ਘੋਖ ਕਰਨ ਤੇ ਇਹ ਸਾਮ੍ਹਣੇ ਆਇਆ ਕਿ ਇਹ ਕੰਮ ਮੀਟਰ ਲਗਣ ਦੀ ਤਰੀਕ 8/2021 ਤੋਂ ਹੀ ਹੋ ਰਿਹਾ ਹੈ। ਬਿੱਲਾਂ ਵਿਚ ਦਰਜ ਟੀ ਓ ਡੀ ਰੀਡਿੰਗਾਂ ਨੂੰ ਐਸਤ ਅਧਾਰ ਤੇ ਐਕਸਲਾ ਸੀਟ ਤਿਆਰ ਕਰਨ ਇਸ ਤੇ ਸ਼ੱਕ ਹੋਆ। ਟੀ ਓ ਡੀ ਰੀਡਿੰਗ ਮਿਲਣ ਤੇ ਇਹ ਇਹ ਦੇਖਿਆ ਗਿਆ ਖਪਤਕਾਰ ਨੂੰ ਦੇਹਰਾ ਨੁਕਸਾਨ ਹੋ ਰਿਹਾ ਹੈ। ਰੀਡਿੰਗ ਦੀ ਗ਼ਲਤ ਫਲੈਗਿੰਗ ਹੋਣ ਕਰਕੇ

ਸੁਰਚਾਰਜ ਸ਼ਾਮ 6 ਤੋਂ 10 ਵਜੇ ਦੌਰਾਨ ਯੂਨੀਟਾਂ ਦੀ ਵਰਤੋਂ 2 ਰੁਪਏ ਪ੍ਰਤੀ ਯੂਨਿਟ ਵੱਧ ਚਾਰਜ ਹੋ ਰਿਹਾ ਹੈ ਇਸ ਨਾਲ ਰਾਤ ਵਾਲੀ ਰਿਬੇਟ ਵੀ ਘੱਟ ਮਿਲਦੀ ਹੈ ਜਿਸ ਕਰਕੇ ਖਪਤਕਾਰ ਪਾਸੇ ਲਗਪਗ 6 ਲੱਖ ਰੁਪਏ ਦਾ ਰਿਫੰਡ ਬਣਦਾ ਹੈ।

ਫਿਕਰ ਇਹ ਹੋਆ DDL ਦੇ ਅਧਾਰ ਤੇ CTPT ਵਿਚ ਖਰਾਬੀ ਹੋਣ ਦਾ ਸ਼ੱਕ ਹੋਣ ਤੇ ਕਮਰਸਲ ਉਪ ਮੰਡਲ ਬਣਦੇ ਰਿਫੰਡ ਅਨਗੋਲੇ ਕਰ ਲਗਪਗ 24 ਲੱਖ ਰੁਪਏ ਦੀ ਅਦਾਇਗੀ ਕਰਨ ਦਾ ਹੁਕਮਨਾਮਾ ਜਾਰੀ ਕਰ ਦਿਤਾ ਜੋ ਅਜੀਭ ਜਿਹਾ ਲਗ ਰਿਹਾ? ਪੜਚੋਲ ਦਾ ਘਭੀਰ ਵਿਸ਼ਾ ਬਣ ਗਿਆ ਹੈ ? ਪੰਜ ਪੰਜ ਸਾਲ ਤਕ ਕੁਝ ਨਹੀਂ ਨਾ ਆਡਿਟ ਨਾ ਹੀ ਇੰਫੋਰਸਮੈਂਟ ਹੁਣ ? ਇਹੀ ਹੈ ਅੰਦਰੂਨੀ ਤੱਥ?

ਇਥੇ ਇਹ ਕਥਨ ਕਰਨਾ ਵਾਜਿਬ ਹੋਵੇਗਾ ਬਿਜਲੀ ਬਿਲ ਲੇਖਾ ਨੰਬਰ ਗ਼ਲਤ 3008573782 ਦਾ ਵੀ ਫਲੈਗਿੰਗ ਦਾ ਮਾਮਲਾ ਕੁਝ ਹੋਰ ਖਪਤਕਾਰਾਂ ਦਾ ਮਾਮਲਾ 2024 ਵਿਚ ਧਿਆਨ ਵਿਚ ਲਿਆਂਦਾ ਗਿਆ ਇਕ ਕੁਨੇਕਸ਼ਨ ਜਿਸਦਾ ਆਡਿਟ ਹੋਇਆ ਨੱਥੀ ਹੈ, ਜਿਸ ਮੁਤਾਬਿਕ ਇਕ ਮਹੀਨੇ ਦਾ ਰਿਫੰਡ 92667/- ਰੁਪਏ ਦਾ ਬਣਿਆ ਤੇ ਅਡਜਸਟ ਹੋਇਆ ਬਾਕੀ ਬਣਦੀ ਕਾਰਵਾਈ ਦੀ ਉਡੀਕ ਹੈ (ਕਾਪੀ ਨੱਥੀ ਹੈ)

ਪੰਜਾਬ ਸਰਕਾਰ ਵਲੋਂ ਦਿਤੀਆਂ ਜਾਂਦੀਆਂ ਸਬ ਸਿਡੀ ਦਾ ਬਿੱਲ ਵਿਚ ਕੀਤਾ ਜਾਂਦਾ ਉਲੇਖ ਸਭ ਦੀ ਸਮਝ ਤੋਂ ਪਰੇ ਹੈ। ਇਹ ਦੀ ਕੈਲਕੁਲੇਸ਼ਨ ਵਿਚ ਸੁਬਸੇਸਾਈਡ ਰਕਮ ਦਾ ਨਿਰਣਾ ਮੁੱਢਲੀ ਕੀਮਤ, ਕੈਪਿੰਗ ਕੀਮਤ, ਥਰੈਸ਼ਹੋਲਡ, ਰਾਤ ਦੇ ਯੂਨੀਟਾਂ ਦੀ ਰਿਬੇਟ ਅਤੇ ਫਿਕਸ ਚਾਰਜ ਆਦਿ ਆਦਿ ਸ਼ਾਮਲ ਹਨ ਇਹਨਾਂ ਮਦਾ ਗਿਆਨ ਜਾਣਕਾਰੀ ਅਸਾਨ ਨਹੀਂ ਹੈ ਅਤੇ ਇਹ ਦੋਵਾਂ ਧਿਰਾਂ ਨੂੰ ਦੀ ਆਮਦਨ ਖਰਚ ਨੂੰ ਇਫ਼ੇਕੁ ਕਰਦਾ ਹੈ?

ਇਸ ਸਾਲ ਫਿਰ ਖਪਤਕਾਰਾਂ ਦੀਆਂ ਸਕਿਉਰਿਟੀ ਦੇ ਵੇਰਵੇ ਅਧੂਰੇ ਹਨ ਕਾਰਨ ਪੜਚੋਲ ਕਰਨੇ ਬਣਦੇ ਹਨ 45 ਤੋਂ 30 ਦਿਨ ਦਾ ਫੈਸਲਾ ਹੋਇਆ ਜਿਸ ਮੁਤਾਬਿਕ ਲਗਪਗ 600 ਕਰੋੜ ਰੁਪਏ ਦਾ ਰਿਫੰਡ ਹੋਣ ਦਾ ਅਨੁਮਾਨ ਸੀ! ਇਹ ਕਿਤਨੀਆਂ ਨੂੰ ਮਿਲਿਆ ਰਿਕਾਰਡ ਵਿਚ ਦਰਜ ਕਰਨੇ ਬਣਦੇ ਹਨ ਕਿਉਂਕਿ ਇਸ ਵਾਰ ਵਿਆਜ ਦੀ ਕੈਲਕੁਲੇਸ਼ਨ ਅਸਾਨ ਨਹੀਂ।

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The Commission notes the concern of the objector. PSPCL to note the suggestions of objector and to deal with the same on priority.

Objection No. 9: Mr. Gurmeet Singh Bhatia (Additional Comments)

Issue: ਐੱਸਮਾਂ ਮਿੱਲ ਅੰਮ੍ਰਿਤਸਰ ਦੇ ਮਾਮਲੇ ਨੈਸ਼ਨਲ ਰਬੜ ਇੰਡਸਟਰੀ ਤੇ ਪੂਜਾ ਫਲੋਰ ਮਿਲ ਦੇ ਮਾਮਲੇ ਲੰਮੇ ਸਮੇਂ ਤੋਂ ਲਮਕਾ ਅਵਸਥਾ ਵਿਚ ਹਨ। ਇਹ ਦੋਵੇਂ ਕੇਸ ਦਾ ਸਮਾਂ 2016 ਤੋਂ ਦਾ ਹੈ। ਨੈਸ਼ਨਲ ਰਬੜ ਮਿੱਲ DDL ਜੋ ਹੁਣ ਲਗਪਗ 7-8 ਸਾਲ ਬਾਦ ਦੇਖਣ ਨੂੰ ਮਿਲਿਆ ਹੈ, ਜਿਸ ਤੋਂ ਜਾਪਦਾ ਹੈ, ਹੋਈ ਗ਼ਲਤ ਫਲੈਗਿੰਗ / ਟੈਗਿੰਗ ਦੀ ਆਡੀਟਿੰਗ ਨਾ ਹੋਣ ਕਾਰਨ, ਗ਼ਲਤ ਬਿਲ ਬਣਦੇ ਰਹੇ ਅਤੇ ਖਪਤਕਾਰਾਂ ਪਾਸੇ ਬਿਨ੍ਹਾ ਪੜਚੋਲ ਕੀਤੇ ਸਬੰਧਿਤ ਦਫਤਰਾਂ ਵਲੋਂ ਦਿੱਤੇ ਜਾਂਦੇ ਬਿਲ ਜਮ੍ਹਾਂ ਕਰਾਏ ਜਾਂਦੇ ਰਹੇ? ਪਰ ਲੱਖਾ ਰੁਪਏ ਦੀਆਂ ਵੀਵਾਦਿਤ ਰਕਮਾਂ ਨੂੰ ਬਲਾਕ ਨਾ ਕਰਨ ਕਰਕੇ ਜੁਰਮਾਨੇ ਜੋੜਣ ਨਾਲ ਇਹ ਰਕਮਾਂ ਲਗਭਗ 74 ਲੱਖ ਰੁਪਏ ਬਣ ਚੁੱਕੇ ਹਨ 2018-19 ਵਿਚ ਇਹ ਕੁਨੇਕਸ਼ਨ ਕਲੱਬ ਹੋ ਗਿਆ ਪਰ ਰਕਮ ਦਾ ਸਮਾਦਾਨ ਨਹੀਂ ਕੀਤਾ ਗਿਆ। ਫਿਰ ਇਹ ਕੇਸ CCGRF ਵਿਚ ਵਿਚਾਰੀ ਆਂਗਿਆ ਤੇ ਲਿਖਤੀ ਸਾਹਮਤੀ ਦੇ ਬਾਵਜੂਦ ਇਹ ਕੇਸ ਦਾ ਹੱਲ ਨਹੀਂ ਹੋਇਆ। ਹੁਣ ਫਿਰ ਇਹ ਕੇਸ CCGRF ਵਿਚ ਲਗਾਤੇ DDL ਦੀ ਰਿਪੋਰਟ / CBC ਵਲੋਂ ਲਿਖਤੀ ਪੱਤਰ ਅਨੁਸਾਰ ਇਹ ਰਕਮਾਂ ਰੱਦ ਕੀਤੀਆਂ ਜਾਂ ਚੁੱਕੀਆਂ ਹਨ ਅਤੇ ਕੇਸ ਰਿਫੰਡ ਕਮੇਟੀ ਪਾਸ ਵਿਚਾਰ ਅਧੀਨ ਹੈ। CCGRF ਵਲੋਂ ਇਸਦਾ ਕੇਸ ਨੰਬਰ T-170/2024 ਦਾ ਫੈਸਲਾ ਮਿਤੀ 05.11.2024 ਨੂੰ ਕੀਤਾ ਕਿਉਂਕਿ ਖੜ੍ਹੀ ਆਂਵਿਵਾਦਿਤ ਰਕਮਾਂ ਨੇਨ ਬਲਾਕਿੰਗ ਦੇ ਸਾਈਡ ਇਫ਼ੇਕਟਸ ਕਰਕੇ ਵੱਧ ਬਿਲ ਦੀ ਵਸੂਲੀ ਅਤੇ ਸਪਲਾਈ ਕੋਡ ਦੀ ਮਦ 31 ਮੁਤਾਬਿਕ ਖਪਤਕਾਰ ਵਲੋਂ ਜਮ੍ਹਾਂ ਕਰਾਈਆਂ ਰਕਮਾਂ ਅਤੇ ਮਿਲਣਯੋਗ ਰਿਫੰਡ (ਸਾਲਾਨਾ ਵਿਆਜ ਆਦਿ) ਖਪਤਕਾਰਦਾ 2018 ਤੋਂ ਰਿਫੰਡ ਮਿਲਣ ਯੋਗ ਹੈ ਇਸ ਸਬੰਧੀ ਬਿੱਲਾਂ ਦੀ ਕੈਲਕੁਲੇਸ਼ਨ ਨੱਥੀ ਹੈ ਜੀ। ਆਦੇਸ਼ਾਂ ਅਨੁਸਾਰ ਰਿਫੰਡ ਕਮੇਟੀ ਵਿਚ ਇਹ ਕੇਸ ਜੋ ਪਹਿਲਾ ਤੋਂ ਹੀ ਪੈਂਡਿੰਗ ਹੈ, 2 ਮਹੀਨੇ ਵਿਚ ਨਿਪਟਾਰਾ ਕੀਤਾ ਜਾਏ।

ਇਸ ਸੁਣਵਾਈ ਦੌਰਾਨ ਪੇਸ਼ਕਰਤਾ ਅਧਿਕਾਰੀਆਂ ਵਲੋਂ ਲਿਖਤੀ ਤੌਰ ਮੰਨਿਆ ਹੈ ਸਾਲ 2015-16 ਤੋਂ 2023-24 9 ਸਾਲਾ ਤਕ ਦਾ ਬਣਦਾ ਵਿਆਜ 850935/- ਰੁਪਏ ਬਣਦਾ ਹੈ ਜਿਸ ਵਿੱਚੋਂ 629645/- ਬਿੱਲਾਂ ਵਿਚ ਅਡਜਸਟ ਕੀਤਾ ਜਾਂ ਚੁੱਕਾ ਹੈ, ਇਹ ਹੀ ਦੇਖਣ ਨੂੰ ਗ਼ਲਤ ਲਗਦੇ ਹਨ ਅਤੇ ਸਾਈਡ ਇਫ਼ੇਕਟਸ ਵਿਚ ਰਕਮਾਂ ਕਿਤਾਬਾਂ ਵਿਚ ਹੀ ਦਿਖਦੀਆਂ ਜਾਪਦੀਆਂ ਹਨ ਹਕੀਕਤ ਅੰਦਰੂਨੀਆਂ ਡੀਟਿੰਗ (ਕਿਸੇ ਤੀਜੀ ਧਿਰ ਵਲੋਂ) ਹੋਣ ਉਪਰੰਤ ਹੀ ਦਿੱਖ ਸਕੇਗੀ ਜੀ। ਮਿਤੀ 05.11.24 ਨੂੰ ਜਾਰੀ ਆਦੇਸ਼ ਤੋਂ ਇਹ ਦਿਖਦਾ ਹੈ ਕਿ ਇਹ ਕੇਸ ਲੰਮੇ ਸਮੇਂ ਤੋਂ ਰਿਫੰਡ ਕਮੇਟੀ ਵਿਚ ਲੱਮਕਾਅ ਅਵਸਥਾ ਵਿਚ ਹੈ। ਮੌਜੂਦਾ ਨਵੇਂ ਅਧਿਕਾਰੀ/ ਮੁੱਖੀ ਜੀ ਨੇ ਉਪਰਾਲਾ ਕੀਤਾ। ਉਪਰੋਕਤ ਵਰਨਣ ਆਦੇਸ਼ ਮੁਤਾਬਿਕ ਦੇਰੀ ਲਈ ਜੁਮੇਵਾਰ ਅਧਿਕਾਰੀਆਂ ਵਲੋਂ ਕੀਤੀ ਅਣਗੋਲੀ ਦੀ ਜਾਂਚ ਕੀਤੀ ਜਾਣੀ ਹੈ ਪਰ ਬਿਜਲੀ ਨਿਗਮ ਦਾ ਅੰਦਰੂਨੀ ਮਾਮਲਾ ਹੈ। ਇਸ ਕਰਕੇ ਖਪਤਕਾਰਾਂ ਨੂੰ ਹੋ ਰਹੀਆਂ ਮੁਸ਼ਕਿਲਾਂ ਆਪ ਜੀ ਧਿਆਨ ਵਿਚ ਲਿਆਉਣ ਲਈ ਇਹ ਵੇਰਵੇ ਭੇਜੇ ਜਾਂ ਰਹੇ ਹਨ ਜੀ। ਹੈਰਾਨਗੀ ਤਾਂ ਇਹ ਹੈ ਕਿ ਰਕਮਾਂ ਰੱਦ ਹੋਣ ਅਤੇ ਰਿਫੰਡ ਕਮੇਟੀ ਦੀ ਅਦਾਲਤ ਵਿਚ ਕੇਸ ਵਿਚਾਰ ਅਧੀਨ ਹੋਣ ਦੇਬਾਵਜੂਦ, ਖਪਤਕਾਰ ਨੂੰ ਕੁਝ ਸਾਲਾ ਦੇ ਵਕਫੇ ਉਪਰੰਤ ਸਾਲਾਨਾ ਵਿਆਜ (ਜਮ੍ਹਾਂਏ ਸੀਡੀ) ਕਰੋਨੋਲੋਜੀ ਘੱਟ ਦਿਖਾਕੇ 72 ਲੱਖ ਰੁਪਏ ਜਮ੍ਹਾਂਕਰਾਉਣ ਲਈ ਸੰਦੇਸ਼ ਭੇਜੇ ਜਾਂ ਰਹੇ ਹਨ।

ਪੂਜਾ ਫਲੋਰ ਮਿਲ ਦਾ ਕੇਸ ਉਪਰੋਕਤ ਵਰਨਣ ਕਾਰਨਾ ਕਰਕੇ ਹੀ ਉਲਝਿਆ ਹੈ। ਇਸ ਖਪਤਕਾਰ ਦੀ ਸਕਿਉਰਿਟੀ ਰਕਮ $708000+28500 = 736500/-$ ਰੁਪਏ ਹੈ। ਇਕ ਨਵਾਂ ਮਾਮਲਾ ਮਹਾਰਾਜਾ ਪੈਲੇਸ ਅਧੀਨ ਘਿਉ ਮੰਡੀ ਅੰਮ੍ਰਿਤਸਰ ਲੇਖਾ ਨੰਬਰ 3008573782 ਦਾ ਵੀ ਉਜਾਗਰ ਹੋਇਆ ਹੈ। ਇਸ ਖਪਤਕਾਰ ਨੇ ਸਾਲ 04/2024 ਵਿਚ ਐਚ ਟੀ ਰਿਬੇਟ ਨਾ ਮਿਲਣ (ਗ਼ਲਤ ਫਲੈਗਿੰਗ / ਟੈਗਿੰਗ) ਲਈ ਬੇਨਤੀ ਪੱਤਰ ਦਿਤਾ। ਰਿਫੰਡ ਬਣਿਆ ਪਰ ਅਜੇ ਤਕ ਨਹੀਂ ਮਿਲਿਆ। ਹੁਣ ਫਿਰ (ਗ਼ਲਤ ਫਲੈਗਿੰਗ / ਟੈਗਿੰਗ) ਟੀਓਡੀ ਰਿਬੇਟ ਸ੍ਰਚਾਰਜ ਲਗਣ ਦਾ ਮਾਮਲਾ ਸਾਹਮਣੇ ਆਇਆ ਬਿੱਲਾਂ ਦੀ ਤੀਜੀ ਧਿਰ ਵਲੋਂ ਆਡੀਟਿੰਗ ਹੋਣ ਤੇ ਇਹ ਮਾਮਲਾ ਮੀਟਰ ਲਗਣ ਦੀ ਤਰੀਕ ਤੋਂ (ਗ਼ਲਤ ਫਲੈਗਿੰਗ / ਟੈਗਿੰਗ) ਦਾ ਹੀ ਨਿਕਲਿਆ ਹੈ ਤੇ ਇਹ ਸਾਹਮਣੇ ਆਇਆ ਕਿ ਲਗਪਗ 5-6 ਲੱਖ ਰੁਪਏ ਖਪਤਕਾਰ ਨੂੰ ਰਿਫੰਡ ਹੋਣ ਯੋਗ ਹਨ ਇਸ ਤਰ੍ਹਾਂ ਨਾਲ ਕੁਲ ਰਿਫੰਡ 15 ਲੱਖ ਰੁਪਏ ਤੋਂ ਵੱਧ ਗਿਆ ਹੈ। ਹੁਣ ਇੰਫੋਰਸਮੈਂਟ ਵਲੋਂ 2015 CPTT ਯੂਨਿਟ ਬਾਰੇ ਟਿਪਣੀ ਕਰਕੇ ਬਦਲੀ ਕਰਨ ਦੇ ਹੁਕਮ ਦਿਤੇ ਤੇ ਜਾਂਚ ਐਮ ਈ ਲੈਬ ਤੋਂ ਕਰਾਉਣ ਲਈ ਕਿਹਾ ਹੈ ਪਰ ਮੀਟਰ/ CPTT ਦੀ ਪੜਚੋਲ ਤੋਂ ਬਗ਼ੈਰ ਹੀ 24 ਲੱਖ ਦਾ ਨੋਟਿਸ ਮਿਲ ਗਿਆ ਜਦੋਂ ਕਿ ਇਸ ਖਪਤਕਾਰ ਦਾ ਬਣਦਾ ਰਿਫੰਡ ਅੰਗੋਲਿਆ ਕਰ ਦਿਤਾ ਹੈ। ਲੇਕਪਾਲ ਬਿਜਲੀ ਪੰਜਾਬ, ਸੀਸੀਜੀਆਰ ਐਫ ਵਲੋਂ ਕੀਤੀਆਂ ਜਾਂ ਦੀਆਂ ਸਿਫਾਰਸ਼ਾਂ ਅਨੁਸਾਰ ਅਤੇ ਆਪ ਜੀ ਵਲੋਂ ਜਾਰੀ ਦਿਸ਼ਾਨਿਰਦੇਸ਼ਾਂ ਅਨੁਸਾਰ ਮੁੱਖ ਇੰਜ ਵਨਜ਼ ਪਟਿਆਲਾ ਜੀ ਵਲੋਂ ਜਾਰੀ ਪਤਰਾਂ ਬਾਰੇ ਜਾਣਕਾਰੀ ਦੀ ਘਾਟ ਹੇਠਲੇ ਦਫਤਰਾਂ ਵਿਚ ਜਾਰੀ ਦਿਸ਼ਾ ਨਿਰਦੇਸ਼ਾਂ ਦੀ ਪਾਲਣਾ ਦੀ ਘਾਟ ਵੀ ਮੁੱਖ ਕਾਰਨ। ਇਹਨਾਂ ਸਾਰੇ ਕੇਸਾਂ ਵਿਚ ਨੱਥੀ ਦੇ ਪੱਤਰਾਂ ਜੋ ਸਾਲ 2021-22 ਵਿਚ ਜਾਰੀ ਹੋਏ ਸਨ ਦੀ ਪਾਲਣਾ ਨਾ ਹੋਣਾ ਹੀ ਮੁੱਖ ਕਾਰਨ ਕਿਹਾ ਜਾਂ ਸਕਦਾ ਹੈ

1. ਮੀਮੇ ਨੰਬਰ 121/26/DD/SR/103 ਮਿਤੀ 26.06.22

2. ਮੀਮੇ ਨੰਬਰ 776/80/DD/SR/93 ਮਿਤੀ 04.11.20

ਇਥੇ ਇਹ ਵੀ ਬੇਨਤੀ ਹੈ ਕਿ ਰੋਜ਼ਾਨਾ ਅਖਬਾਰਾਂ ਵਿਚ ਬਿਜਲੀ ਨਿਗਮ ਵਿਚ ਛਪਦੀਆਂ ਪ੍ਰੈਸ ਕਲਿੱਪ ਪਿੰਗ ਬਾਰੇ ਆਮ ਤੌਰ ਤੇ ਜਾਂਚ ਵੀ ਕੀਤੀ ਹੁੰਦੀ ਸੀ ਹੁਣ ਪਤਾ ਨਹੀਂ ਹੁੰਦੀ ਹੈ ਕਿ ਨਹੀਂ। ਇਹ ਰਿਪੋਰਟਾਂ ਵੀ ਅੰਦਰੂਨੀ ਆਡੀਟਿੰਗ ਕਰਨ ਲਈ ਮੌਜੂਦਗੀ ਹੋਸਕਦੀਆਂ ਹਨ ਜੀ।

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The Commission notes the concern of the objector. PSPCL to note the suggestions of objector and to deal with the same on priority.

Additional Submission:

Issue:

ਆਪ ਜੀ ਦਾ ਬਹੁਤ ਬਹੁਤ ਧੰਨਵਾਦ ਕਿ ਇਸ ਵਾਰ ਮਿਤੀ 16.01.26 ਨੂੰ ਅੰਮ੍ਰਿਤਸਰ ਵਿਖੇ ਹੋਈ ਮੀਟਿੰਗ ਦੌਰਾਨ ਹੋਏ ਸੁਣਵਾਈ ਦੇ ਤੁਰੰਤ ਉਪਰੰਤ ਹੱਲ ਚਲ ਮਹਿਸੂਸ ਹੋਈ ਤੇ ਸੀ ਸੀ ਜੀ ਆਰ ਐਫ ਲੁਧਿਆਣਾ ਪਾਸੇ ਲੰਮੇ ਅਰਸੇ ਬਾਦ ਮੀਟਿੰਗ ਵਿਚ ਹੋਈ ਚਰਚਾ/ ਸਬੂਤਾਂ ਨੂੰ ਪੁਖਤਾ ਕਰਨ ਲਈ ਪਹੁੰਚ ਹੋਈ ਪਰ ਕਾਰਵਾਈ ਕਿ ਹੋਈ ਪ੍ਰਾਪਤ ਰਿਪੋਰਟ ਅੱਜ ਪੜ੍ਹ ਕੇ ਪਤਾ ਲਗਾ ਤੇ ਹੈਰਾਨੀ ਵੀ ਹੋਈ ਕਿ ਮਾਮਲੇ ਜਿਉਂਦਾ ਤਿਉਂ.....? ਅਖਬਾਰਾਂ ਵਿਚ ਬਹੁਤ ਚਰਚੇ ਹਨ ਕਿ ਪੰਜਾਬ ਬਿਜਲੀ ਨਿਗਮ ਭਾਰਤ ਦਾ ਇਕ ਮੋਹਰੀ ਸੂਬਾ/ ਨਿਗਮ ਹੈ ਜੋ ਪਿਛਲੇ ਕੁਝ ਸਾਲਾਂ ਤੋਂ ਵਡੇ ਮੁਨਾਫੇ ਵਿਚ ਆ ਗਿਆ ਇਸ ਲਈ ਵਧਾਈਆਂ ਹੋਣ ਜੀ! ਕੁਝ ਕੁ ਖਪਤਕਾਰਾਂ ਦੇ ਬਿੱਲਾਂ ਦੀ ਬਰੀਕੀ ਨਾਲ ਪੜਚੋਲ ਕਰਨ ਉਪਰੰਤ ਇਹ ਕੁਝ ਕੁ ਹੀ ਇਹ ਸਾਬਤ ਕਰਦੇ ਹਨ ਸਮਰਥ ਹੁਨਰਮੰਦ ਸਟਾਫ ਦੀ ਘਾਟ ਕਾਰਨ ਦੋਵਾਂ ਪਾਸੇ ਨੁਕਸਾਨ ਹੋ ਰਿਹਾ ਲੈਣਦਾਰੀਆਂ ਦੌਣ ਦਾਰੀਆਂ ਵਿਚ ਤਬਦੀਲੀ ਹੋ ਰਹੀਆਂ ਹਨ। ਦੋਵਾਂ ਸਪਲਾਈ ਕੋਡ ਵਿਚ ਮੀਟਰਾਂ ਬਾਰੇ ਪੜਚੋਲ, ਬਿਲਿੰਗ ਲੇਖੇ ਸੋਧਣ ਆਦਿ ਸਬੰਧੀ ਨਿਯਮ ਜੋ ਸਪਲਾਈ ਕੋਡ 2014 ਦੇ ਨਿਯਮ 21 ਤੇ ਹੁਣ 2024 ਵਿਚ ਨਿਯਮ 39 ਅਨੁਸਾਰ ਅੰਕਿਤ ਹੈ ਵਿਚ ਇਕ ਸਾਲ ਤਕ ਦਾ ਬਿਜਲੀ ਬਿੱਲ ਸੋਧਣ ਦਾ ਜਿਕਰ ਹੈ ਪਰ ਇਸ ਦੇ 3 - 6 ਮਹੀਨੇ ਦਾ ਜਿਕਰ ਬਾਖ਼ੂਬੀ ਨਾਲ ਕੀਤਾ ਹੈ ਪਰ ਲਾਗੂ ਇਕ ਸਾਲ ਹੀ ਕਿਉਂ? ਸਪਲਾਈ ਕੋਡ ਦੇ ਨਾਲ ਨਾਲ ਹੋ ਨਿਯਮਾਂ ਦੀਆਂ ਕਿਤਾਬਾਂ/ ਸਮੇਂ ਸਮੇਂ ਤੇ ਜਾਰੀ ਦਿਸ਼ਾ ਨਿਰਦੇਸ਼ (ਮੁੱਖ ਇੰਜ ਵਨਜ਼ ਪਟਿਆਲਾ ਜੀ ਵਲੋਂ ਜਾਰੀ ਪੱਤਰ ਨੰਬਰ 776/80 / DD/SR-93 ਮਿਤੀ 04.11.2020 ਨੂੰ ਅੰਗੋਲਿਆ ਕੀਤਾ ਜਾ ਰਿਹਾ ਹੈ।

ਇਸ ਦੇ ਨਾਲ ਹੀ ਪੁਰਾਣੀਆਂ ਜਮ੍ਹਾਂ ਸਕਿਉਰਿਟੀਆਂ ਅਪਡੇਟ ਕਰਨ ਲਈ ਪੱਤਰ ਨੰਬਰ 121/126//DD/SR-103 ਮਿਤੀ 26.06.22 ਵਿਚ ਸਪਸ਼ਟ ਲਿਖਿਆ ਹੈ ਕਿਉਂ ਜੋ ਜਮ੍ਹਾਂ ਸਕਿਉਰਿਟੀ ਦੀ ਲੇਜਰ ਤਿਆਰ ਕਰਕੇ ਅਪਡੇਟ ਨਹੀਂ ਕੀਤੀਆਂ ਜਾ ਰਹੀਆਂ। ਇਸਦੇ ਨਾਲ ESIM ਦੀ ਮਦ 25 ਅਨੁਸਾਰ ਹਰ ਖਪਤਕਾਰ ਦੀ ਕੁਨੇਕਸ਼ਨ ਫਾਈਲ ਤਾਂ ਕਿ ਬਹੁਤ ਸਾਰੇ ਵਡੇ ਲਾਰਜ ਸਪਲਾਈ ਉਧਯੋਗਿਕ ਦੀਆਂ ਇਹ ਫਾਈਲਾਂ ਜਾਂ ਤਾਂ ਮਿਲ ਹੀ ਨਹੀਂ ਰਹੀਆਂ ਜਾਂ ਅਧੂਰੀਆਂ ਹਨ।

ਮਿਤੀ 26.06.22 ਪੱਤਰ ਜਾਰੀ ਕਰਕੇ ਸਕਿਉਰਿਟੀ ਦੀਆਂ ਅਸਲ ਰਸੀਦਾਂ ਦੀ ਮੰਗ ਕੀਤੇ ਬਗ਼ੈਰ ਪੁਰਾਣੀਆਂ ਸਕਿਉਰਿਟੀਆਂ ਅਪਡੇਟ ਕਰਨ ਦੇ ਨਾਲ ਨਾਲ ਵਿਆਜ ਦੇਣ ਲਈ ਕਿਹਾ ਸੀ ਪਰ ਇਹ ਕੁਝ ਕੁ ਹੀ ਇਹ ਦਰਸਾਦੇ ਹਨ ਕਿ ਵਿਆਜ ਤਾਂ ਕਿ ਸਕਿਉਰਿਟੀਆਂ ਅਪਡੇਟ ਨਾ ਹੋਣ ਕਾਰਨ ਕੁਝ ਕੁ ਨੋਟਿਸ ਤੋਂ ਬਿਨ੍ਹਾਂ ਹੀ ਹੋਰ ਏ ਸੀਡੀਬਿੱਲ ਵਿਚ ਜੋੜੀ ਜਾ ਰਹੀ ਹੈ। ਉਣ ਲਾਈਨ ਬਿਲਿੰਗ ਸਬੰਧੀ ਲਗੇ ਮੀਟਰਾਂ ਰੀਡਿੰਗ capture ਕਰਨ ਲਈ ਯੰਤਰ ਬਿਜਲੀ ਨਿਗਮ ਵਲੋਂ ਕਰਨੇ ਹਨ ਪਰ ਆਡਿਟ ਵਲੋਂ ਖਪਤਕਾਰ ਨੂੰ 45 ਦਿਨਾਂ ਦੇ ਹਿਸਾਬ ਨਾਲ ਏ ਸੀਡੀ ਦਾ ਮੁਲਾਂਕਣ ਕਰ ਹਾਲਫ ਮਾਰਜਿਨ ਤਿਆਰ ਕਰ ਵਸੂਲੀ ਲਈ ਨੋਟਿਸ ਭੇਜਣ ਲਈ ਕਿਹਾ ਜਾ ਰਿਹਾ ਇਸਦਾ ਉਲੇਖ ਮੀਟਿੰਗ ਦੌਰਾਨ

ਕੀਤਾ ਗਿਆ ਸੀ ਤਾਂ ਮੌਬਰ ਸਾਹਿਬ ਜੀ ਨੇ ਹੈਰਾਨੀ ਨਾਲ ਕਿਹਾ ਸੀ ਅਜਿਹਾ ਨਹੀਂ ਹੋ ਸਕਦਾ ਅਸੀਂ ਤਾਂ ਬਿਜਲੀ ਨਿਗਮ ਨੂੰ ਉਣਲਾਈਨ ਬਿਲਿੰਗ ਸੁਨਿਚਿਤ ਕਰਨ ਲਈ ਨਿਰਦੇਸ਼ ਦੇ ਰਹੇ ਹਾਂ।

ਸਾਲ 2025-26 ਦੌਰਾਨ ਸਕਿਉਰਿਟੀ ਖਪਤ ਵਾਪਿਸ ਕਰਨ ਲਈ ਅਸਲ ਰਸੀਦ ਦੀ ਮੰਗ ਕੀਤੀ ਜਾ ਚੁੱਕੀ ਹੈ ਜਿਸ ਦਾ ਜਿਕਰ ਬਾਰਡਰ ਜ਼ੋਨ ਗਰੁੱਪ ਵਿਚ ਹੋਈਆਂ ਸੀ। ਐੱਸਮਾਂ ਮਿਲ ਅੰਮ੍ਰਿਤਸਰ ਦਾ ਕੇਸ ਬਾਰ ਬਾਰ ਅਸਲ ਰਸੀਦਾਂ ਦੀ ਮੰਗ ਕੀਤੇ ਜਾਣ ਕਰਕੇ ਪਿਛਲੇ 5-6 ਸਾਲ ਤੋਂ ਅਣਸੁਲਝਿਆ ਚਲ ਰਿਹਾ ਹੈ? ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ ਵਲੋਂ ਜਾਰੀ ਨਿਰਦੇਸ਼ਾਂ ਅਨੁਸਾਰ ਮਸਲੇ ਦੇ ਹੱਲ ਲਈ ਰਜਿਸਟਰ ਕਰਾਏ ਕੇਸ ਨੂੰ ਜੇ ਸੀ ਸੀ ਜੀ ਆਰ ਐਫ ਲੁਧਿਆਣਾ ਵਿਚ ਰਜਿਸਟਰ ਹੋਣ ਉਪਰੰਤ ਸੁਣਵਾਈ ਹੋਈ 6/2022 ਵਿਚ ਕੇਸ ਜ਼ੋਨਲ ਫੋਰਮ ਭੇਜੀਆਂ ਜੇ ਅੱਜ ਤਕ ਰਜਿਸਟਰ ਵਿਚ ਹੀ ਦਰਜ ਹੋਣ ਲਈ ਜਦੋਂ ਜਾਹਿਦ ਕਰ ਰਿਹਾ ਹੈ ਜੀ ਪੈਂਡਿੰਗ ਕੇਸਾਂ ਵਿਚ ਦਾਖਿਲ ਹੀ ਹੈ?

ਇਕ ਅਧਿਕਾਰੀ ਵਲੋਂ ਐਚ ਟੀ ਰਿਬੇਟ ਬਾਰੇ ਜਾਰੀ ਦਿਸ਼ਾ ਨਿਰਦੇਸ਼ ਦਿਖਾਉਣ ਲਈ ਜਨਵਰੀ 2026 ਕਿਹਾ ਜਦੋਂ ਕਿ ਇਹ ਅਧਿਕਾਰੀ ਵਨਜ ਉਪ ਮੰਡਲ ਤੇਹੁਣ ਮੰਡਲ ਅਧਿਕਾਰੀ ਹੈ ਅਤੇ ਉਸ ਮੰਡਲ ਵਿਚ ਅਜੇ ਵੀ ਇਕ ਖਪਤਕਾਰ ਨੂੰ ਇਹ ਰਿਬੇਟ ਨਹੀਂ ਮਿਲ ਰਹੀ। ਅੰਮ੍ਰਿਤਸਰ ਵਿਚ ਇਕ ਪ੍ਰਮੁੱਖ ਧਾਰਮਿਕ ਸਥਾਨ ਜੇ ਐਚ ਟੀ ਸਪਲਾਈ ਵਰਤ ਰਹੇ ਹਨ ਉਸ ਵਲੋਂ ਬੇਨਤੀ ਕਰਨ ਦੇ ਬਾਵਜੂਦ ਅਜੇ ਤਕ ਇਹ ਰਿਬੇਟ ਜਾਰੀ ਨਹੀਂ ਕੀਤੀ ਜਾ ਰਹੀ ਕਾਰਨ ਅੰਮ੍ਰਿਤਸਰ ਵਿਚ ਚਲ ਰਹੇ ਸਿੰਗਲ ਪੁਆਇੰਟ ਸਪਲਾਈ ਫ੍ਰੰਚੀ ਖਪਤਕਾਰਾਂ ਦੀ ਇਹ ਰਿਬੇਟ ਸਿਰਫ ਬੰਦ ਹੈਪਰ ਸਭ ਦੀ ਨਹੀਂ। ਨਵੇਂ ਸਪਲਾਈ ਕੋਡ ਵਿਚ 66 ਕੇਵੀ ਸਪਲਾਈ ਵਾਲੇ ਸਿੰਗਲ ਪੁਆਇੰਟ ਸਪਲਾਈ ਖਪਤਕਾਰਾਂ ਨੂੰ ਲਾਗੂ ਹੋ ਚੁੱਕੀ ਹੈ ਉਹ ਨਹੀਂ ਦਿਤੀ ਜਾ ਰਹੀ। ਹੋਰ ਬਹੁਤ ਕੁਝ ਹੈਫਿਰ ਬੇਨਤੀ ਕੀਤੀ ਜਾਂਦੀ ਹੈ ਕਿ ਬਿਜਲੀ ਨਿਗਮ ਦੇ ਅੰਦਰੂਨੀ ਆਡਿਟ ਬਾਰੇ ਕੀਤੀ ਮੰਗ ਦੀ ਜਰੂਰਤ ਨੂੰ ਦਿਖਾਉਣ ਲਈ ਕੁਝ ਖਪਤਕਾਰਾਂ ਨਾਲ ਜੇ ਕੁਝ ਵਾਪਰ ਰਿਹਾ ਹੈ ਜਮੀਨੀ ਹਕੀਕਤ ਧਿਆਨ ਵਿਚ ਲਿਆਉਣ ਲਈ ਲਿਖਿਆ ਤੇ ਮੀਟਿੰਗ ਦੌਰਾਨ ਮਾਨਯੋਗ ਕਮਿਸ਼ਨ ਵਲੋਂ ਪੁੱਛਣ ਲਿਖਿਆ ਗਿਆ ਸੀ ਇਸ ਤੇ ਮੁੜ ਵੀਚਾਰ ਕਰਨ ਲਈ ਫਿਰ ਬੇਨਤੀ ਕੀਤੀ ਜਾਂਦੀ ਹੈ ਜੀ।

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the suggestions of objector and to deal with the same on priority.

Objection No. 10: AIIMS Bathinda.

Issue 1: Availing partial Contract Demand for AIIMS Bathinda and O&M charges for maintenance of 66kV substation.

AIIMS Bathinda, also known as All India Institute of Medical Sciences, Bathinda, is a public medical college and research institution located in Bathinda, Punjab, India. The institute is fully funded by the Central Govt. The earning from the patient care services are very meagre in comparison to the monthly expenses of the Institute in terms of statutory dues, electricity billing and salary to the staff. The following cases is submitted for your kind consideration:

CASE-I (Reg. partial contract demand)

1. AIIMS Bathinda had requested PSPCL for approval to avail partial contract demand of 5000 kVA (05 MVA) for the period from Mar 2025 to Aug 2025, as the full fledged operationalization of the IPD 1 & 2 building and associated electrical assets & services. AIIMS Bathinda also submitted that in case need arises for increase in contract demand before Aug 2025, matter will be taken up with PSPCL for increase in CD.

2. Vide PSPCL office letter dated 10 Mar 2025 and letter dated 18 Mar, partial contract demand of 5000 KVA has been denied to AIMS Bathinda.

3. Bathinda is a government undertaking engaged in the patient care services of the highest level in the country. Thousands of patients visit AIIMS Bathinda daily from faraway places for their treatment and the Institute is providing medical care services in the public interest. AIIMS is a govt. entity in the field of healthcare for the common people of not only Punjab, but also from all over India. In case of increase in CD to 9000 KVA, it will result in financial loss to Institute. The financial burden on AIIMS Bathinda due to the increase of CD will be as under: -

	FY 2025-26
Expenditure per month approx. (CD at 5000 KVA) (Rs. 140/ KVA)	Rs 5,60,000/-
per ear	Rs 67,20,000/-
Expenditure per month approx. (CD at 9000 KVA) (Rs. 140/ KVA)	Rs 10,08,000/-
Per year	Rs 1,20,96,000/-
Per Year estimated additional expenditure which AIIMS has to bear	Rs. 53,76,000.00

4. In view of the above, it is requested that the partial contract demand of the Institute may please be kept at 5000 KVA from Mar 2025 to Aug 2025 and further from Sept 2025 to

Aug 2026. The required undertaking in the prescribed format of PSPCL, duly signed by the competent authority, has already been submitted to PSPCL.

CASE-2 (Reg. yearly charges for PSPCL 66 KV substation, AIIMS Bathinda)

5. The total O&M expenditure for FY 2024-25 for the PSPCL 66 kV substation was Rs. 10679601/- and the proposed expenditure for FY 2025-26 has been mentioned as Rs. 12472853/- which is an increase of 16.79% over the previous year. Due to this increase, the extra expenditure which AIIMS Bathinda has to pay for FY 2025-26 will be Rs. 17.93 Lakh.

6. The yearly increase in the O&M charges for the substation is on higher side. It is requested to keep the O&M expenditure same as that of last year, keeping in view the services provided by AIIMS Bathinda in the field of healthcare for the people of Punjab and neighbouring states and AIIMS Bathinda being a govt. entity funded by the Ministry of Health & Family Welfare, Government of India.

7. Vide letter dated 22 Aug 2025, a communication was sent to CMC, PSPCL, Patiala reg. the above two issues. However, the response is awaited as on today.

8. Total additional financial implication for the combined case of contract demand and yearly O&M expenditure would be Rs. 72 lakh approx. per year. This amount could be used for patient care services at the Institute.

9. In view of the above, it is requested that the above cases may please be considered sympathetically by PSPCL in larger interest of patient care services at AIIMS Bathinda.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issue does not relate to the tariff petition. PSPCL to provide the requisite reply to the consumer.

Objection No. 11: Federation of Industrial and Commercial Organisation.

Issue 1: Electricity @ Rs. 5 per Unit— All Inclusive:

The Government of Punjab has announced the supply of electricity to industry at Rs. 5 per unit. However, in actual implementation, industries are effectively paying an average tariff of around Rs. 8.50 per unit after inclusion of Fixed Charges, Meter Rent, Electricity Duty, Municipal Tax, and IDF charges. This significantly dilutes the intent and spirit of the Government's announcement.

Since electricity constitutes a major raw material for industry, we respectfully submit that power should be supplied to industrial consumers at Rs. 5 per unit on an all inclusive of basis, without any additional levies. Such a measure will provide real relief to industry and substantially enhance the competitiveness of Punjab as an industrial destination.

Reply of PSPCL: PSPCL submits that as per industrial policy 2022 issued by GoP industry is being charged variable tariff @ Rs. 5.50/- per Kvah with 3% annual enhancement and no increase in fixed charges for 5 year w.e.f. 17.10.2022. As on date also, variable tariff is Rs. 5.835/- per Kvah. Moreover, as per CC no. 08/2025 dated 29.03.2025 rebate of Rs. 1 per Kvah from 10:00 PM to 6:00 AM from 16.10.2025 to 31.03.2026 and Rs. 0.5 from 10:00 PM to 6:00 AM from 01.04.2025 to 15.06.2025 is being provided.

Further, it is submitted that the determination of Tariff, cross subsidy levels comes under the purview of the Hon'ble Commission.

Commission's view:- Subsidy to various sectors is a State Government subject for which the cost is borne by the State Government.

Issue2: Fixed Charges:

At present, industries are burdened with fixed charges irrespective of their actual power consumption. We submit that Fixed Charges should be applicable only to non-operative industrial units. Industries that are operational and consuming electricity should be exempted from fixed charges.

The existing two-part tariff structure comprising fixed charges and energy charges should be abolished for operational units, as it discourages production and increases the cost of doing business in Punjab.

Reply of PSPCL: Two-part tariff has been introduced by Hon'ble PSERC in its tariff order w.e.f. 01.01.2018 as per the national tariff policy. Therefore, removal of fixed charges comes under the purview of Hon'ble PSERC.

Commission's view:- The Commission has taken note of the suggestion

Issue3: Introduction of Night Tariff@ 2.50

Punjab is a power surplus state, particularly during night hours when demand is significantly low. A large quantum of power remains unutilized during this period, resulting in wastage since electricity cannot be stored.

We strongly recommend the introduction of a Night Tariff for industry at Rs. 2.50 per unit, which will Encourage industries to operate night shifts, improve capacity utilisation, reduce power wastage, generate employment and improve industrial output. Such a tariff will be mutually beneficial for both the utilities and the industrial sector.

Reply of PSPCL: As per the tariff order 2025-26 approved by the Hon'ble PSERC Special tariff for Small Power, Medium Supply and Large Supply consumers who use electricity exclusively during night hours for FY 2025-26 is being charged @Rs. 5.50 per kVAh from 10:00 PM to 6:00 AM. Moreover, under ToD tariff rebate of Rs. 1 per Kvah from 10:00 PM to 6:00 AM from 16.10.2025 to 31.03.2026 and Rs. 0.5 from 10:00 PM to 6:00 AM from 01.04.2025 to 15.06.2025 is being provided. Further, it is submitted that the determination of Tariff, cross subsidy levels comes under the purview of the Hon'ble Commission.

Commission's view:- The objector may note the reply of PSPCL. The Commission will consider the views of all stakeholders.

Issue 4: Addition of a New Distribution Licensee in Punjab

Industries in Punjab are facing one of the highest electricity tariffs in the country, coupled with poor quality of power supply and service delivery. Issues such as erratic supply, inadequate maintenance, and procedural inefficiencies have resulted in a serious erosion of industry confidence. Despite Punjab being a power-surplus state, operational inefficiencies, lack of modernization, and outdated infrastructure have led to higher costs, which are ultimately passed on to consumers through tariffs.

In this context, we submit that the time has come for PSERC to consider introduction of an additional distribution licensee in Punjab. Competition would improve service quality, encourage efficiency and modernization, enhance accountability, and provide much-needed tariff relief to industries.

Reply of PSPCL: The decision regarding the introduction of multi Distribution licensee in the state of Punjab is the sole prerogative of the Government of Punjab.

Commission's view:- As per section 14 of the Electricity Act 2003, the distribution of electricity is a licensed business. Any person/entity interested in distribution of electricity needs to apply for grant of license as per the provisions of Section 14 & 15 of the Electricity Act.

Issue 5: Infrastructure of PSPCL — Special Focus on Ludhiana:

It is observed that the existing 66 KV power feeding systems in Ludhiana are operating at or near their maximum capacity. Ludhiana, being a designated Smart City and the largest industrial hub of Punjab, is witnessing sustained growth in power demand. Major industrial grids, including Dhandari-I and Dhandari-2, are already overloaded. Although an additional grid has been proposed, work on the same has yet to commence.

There is an urgent need to upgrade the existing power distribution infrastructure, expedite the execution of new grid projects, and plan timely capacity augmentation in line with future industrial growth.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The objector may note the reply of PSPCL. PSPCL to separately take up the matter of upgrading the infrastructure on priority.

Issue 6: Solar Power for Industries:

At present, industries in Punjab are permitted to install solar power capacity only up to 63% of their sanctioned contract demand, which significantly restricts their ability to optimally

utilize renewable energy. In contrast, several other progressive states allow industries to install solar capacity up to 90-95% of contract demand, enabling greater self-consumption and cost efficiency. Allowing higher solar installation limits in Punjab would promote adoption of renewable energy, reduce power procurement costs for industry, lower grid dependence during peak hours, and support the State's sustainability and climate commitments. We request the Commission to permit enhanced solar installation limits for industrial consumers, in line with practices adopted by other leading states.

Reply of PSPCL: The Draft Notification for amendments in the PSERC (Grid Interactive Rooftop Solar Photo Voltaic Systems) Regulations, 2021 has been issued by the Commission which proposes enhanced maximum capacities for Rooftop SPV system to be installed at any eligible consumer's premises. The comments/ suggestions/ objections from all stakeholders have been sought by the Commission.

Commission's view:- The Commission notes the concern of the objector.

Objection No. 12: Kakka Road Industrial Welfare Association.

Issue: As per General Conditions of Tariff-2025 issued by the Commission, embroidery units have been included in NRS category Tariff Schedule from 2025. This seems fair in the scenario where 1 or 2 embroidery machines have been installed in a shop or a commercial establishment. But in cases where embroidery is being done on industrial scale with more than 10 machines installed to do work, it seems unfair. Also, embroidery is part and parcel of garment manufacturing and even classified under MSME. So, including it in NRS Category tariff seems unfair. Also, in direct consequence of the above-mentioned facts, PSPCL has started charging embroidery units UUE amount based on it being categorized under NRS tariff instead of industrial tariff. Atmosphere of fear has been created among industrialists. This is a clear-cut case of harassment to the industry in Ludhiana as garment manufacturing units are predominant in Ludhiana. In view of the above and as per expectations of garment manufacturers, it is prayed that embroidery units should be kept out of the preview of NRS category tariff and industrial tariff be made applicable on these units.

Reply of PSPCL: The category of the consumer is categorized as per the General Condition of Tariff/Schedule of Tariff approved by the Commission for the respective year. As per the tariff order for the FY 2025-26 the embroidery machines are covered under NRS category. It is submitted that the any change in the category of consumer comes under the purview of the Commission.

Commission's view:- The Commission has taken note of the concern of the objector.

Objection No. 13 : Chamber of Industrial & Commercial Undertakings (CICU)

Issue 1: Views on True-Up for FY 2024-25

1. The True-Up exercise must strictly adhere to audited accounts and verified data, per PSERC regulations.
2. Variations between approved and actual figures should be split into controllable vs. uncontrollable factors; only uncontrollable costs should be allowed.

Power Purchase Cost

3. Power Purchase Cost should reflect prudence in procurement given volatile spot market rates.
4. Costs arising due to:
 - Poor demand forecasting,
 - Excessive short-term purchases,
 - DSM penalties should not be passed on fully to consumers as these are controllable.

O&M and Employee Costs

5. O&M and employee costs should be benchmarked against historical performance and industry norms.
6. Unexplained increases over approved levels should be disallowed.

Reply of PSPCL: PSPCL has always been transparent in filing of its ARR petition in line with the PSERC MYT Regulations, 2022 and has submitted the expenses and revenue of

FY 2024-25 based on the actual annual audited accounts of FY 2024-25. Further, the Commission does a thorough scrutiny of the petition filed by PSPCL and follows a transparent process which allows the same after its prudence check.

Commission's view:- ARR is determined by the Commission in-line with the prevailing PSERC MYT Regulations after prudence check.

Issue 2: Suggestions on Forecast of ARR for FY 2026-27

1. ARR forecast should be based on realistic demand projections that incorporate:

- Moderating industrial growth,
- Energy conservation measures,
- On-site renewable generation.

Power Procurement

2. Emphasis should be on long-term and least-cost procurement, with reduced dependence on volatile short-term markets.

AT&C Losses

3. Clear loss reduction targets and implementation plans should be insisted upon. Capital Expenditure
4. Capex proposals should be need-based, with demonstrable benefits in system reliability and quality of supply.

Reply of PSPCL: PSPCL is filing of its ARR petition with methodology in line with the regulatory principles set by the Commission and provisions of the PSERC MYT Regulations, 2025. The Commission does a thorough scrutiny of the petition filed by PSPCL and follows a transparent process for determination of tariff.

Commission's view:- ARR is determined by the Commission in-line with the prevailing PSERC MYT Regulations after prudence check.

Issue 3: Objections on Determination of Tariff for FY 2026-27

1. In the current economic environment, tariff increases should be moderate, affordable, and phased. Industrial consumers, particularly in Ludhiana, already face high input costs; disproportionate hikes may impact competitiveness.

Category-wise Tariff and Cross-Subsidy

2. Tariff increases should be spread equitably; disproportionate impact on specific categories should be avoided. Cross-subsidy should be reduced progressively in line with the National Tariff Policy.

Regulatory Assets

3. Creation of fresh regulatory assets should be avoided; existing gaps should be liquidated transparently and gradually.

Reply of PSPCL: PSPCL has consistently maintained transparency while filing its ARR petition, strictly adhering to the methodology outlined therein and in compliance with the regulatory principles prescribed by the Commission and the prevailing provisions of the PSERC MYT Regulations.

The tariff proposed by PSPCL is based on the prudent assessment of power purchase cost, power generation cost, and other associated expenses, in line with the standard methodology. PSPCL follows all requisite guidelines to optimize its power procurement and operational expenses. PSPCL makes all possible efforts to procure power from the most economical sources, including the central pool, banking arrangements, and other low-cost options. Only after exhausting these avenues, the balance requirement is procured through power exchanges to ensure reliable and uninterrupted power supply. Thus, PSPCL endeavours to minimize tariff impact while providing efficient services to its consumers.

It is further submitted that the determination of tariff and cross-subsidy levels, including any revision thereof, lies within the jurisdiction of the Hon'ble Commission.

With regard to regulatory assets, PSPCL submits that all expenses are claimed strictly as per audited accounts. The revenue gap and resultant regulatory assets arise due to variations between the actual expenditure incurred by the utility and the projected expenditure approved by the Commission.

Commission's view:- The Commission has taken note of the concern of the Objector. The Commission has congruently ensured that no Regulatory assets are created and that there is no ARR gap.

Issue 4: Key Issues Faced by Industrial Consumers in Ludhiana

A. High Power Costs and Competitive Disadvantage

The Ludhiana industrial cluster is highly energy intensive (e.g., foundries, textile processing, cycle manufacturing).

- Impact: Elevated electricity costs dilute competitiveness against manufacturers in other states with lower industrial tariffs.
- Suggested Solution:
 - I. Consideration of special tariff bands or energy cost subsidies tied to performance/reliability benchmarks.
 - II. Introduction of Time-of-Day (TOD) tariffs that provide lower rates during off-peak hours for industries that can shift load.

B. Volatile Power Purchase Cost Pass-Through

Industries are bearing the impact of frequent spot market procurements by the Licensee, which increases average tariff.

- Impact: Higher and unpredictable tariffs disrupt cost planning for MSMEs.
- Suggested Solution:
 - I. Mandate the Licensee to establish a Least Cost Procurement Plan (LCPP) with quarterly disclosures.
 - II. Cap the share of high-priced short-term purchases in the recovered cost.

C. Quality and Reliability of Supply

Frequent voltage fluctuations and outages affect production, scrap rates, and machinery life.

- Impact: Increased operating costs due to unscheduled downtime and equipment damage.
- Suggested Solution:
 - i) Strengthen infrastructure in industrial areas with dedicated feeders and network reinforcement.
 - ii) Introduce Service Level Incentives/Penalties for specified reliability parameters.

D. Lack of Incentives for Energy Efficiency and Renewable Integration

Many Ludhiana industries are adopting efficiency measures and rooftop solar but lack regulatory support.

- Impact: Higher consumption from grid sources leads to elevated bills.
- Suggested Solution:
 - I. Introduce incentives or net-metering improvements for industrial renewable integration.
 - II. Allow accelerated depreciation/financial benefits for load-shift and caching technologies that reduce peak demand.

Reply of PSPCL: The Draft Notification for amendments in the PSERC (Grid Interactive Rooftop Solar Photo Voltaic Systems) Regulations, 2021 has been issued by the Commission which proposes electricity credits for excess electricity and enhanced maximum capacities for Rooftop SPV system. The comments/suggestions/objections from all stake holders have been sought by the Commission. Further it is submitted that the giving rebates and incentives or any change in the tariff comes under the purview of the Commission.

Commission's view:- The Commission has taken note of the concern and suggestions of the Objector.

Objection No. 14: M/s Indus Tower.

Issue 1: Industrial Tariff for Telecom Sector: As an essential service enabling statewide digital connectivity and enabling essential services, telecom infrastructure merits tariff treatment aligned with its critical nature. The key supporting grounds are summarised below for the Commission's consideration.

a. The telecom sector is the backbone of India's digital ecosystem, ensuring uninterrupted connectivity nationwide. During and after the pandemic, telecom ensured continuity for emergency services, governance, education, payments, and business. The sector is essential, not discretionary commercial activity. Almost 30-35 % of Opex for telecom towers goes into electricity tariffs, a substantial amount.

b. The Maharashtra Electricity Regulatory Commission, under the Government of Maharashtra's IT/ITES Policy, extended the industrial tariff category to telecom towers through its order dated 30th March 2020.

c. Similarly, the Himachal Pradesh Electricity Regulatory Commission has classified telecom towers under the 'Industry (General)' category.

d. The Telecom Regulatory Authority of India (TRAI), in its recommendations dated 29th November 2022 on *"Use of Street Furniture for Small Cell and Aerial Fiber Deployment,"* emphasized the importance of affordable electricity access and suggested industrial/utility tariffs for telecom sites.

e. Further, in its recommendations dated 22nd September 2023 on *"Improving Telecom Infrastructure in the Northeastern States,"* TRAI advised that State Electricity Regulatory Commissions (SERCs) define utility tariffs for telecom infrastructure, lower than the industrial category.

f. The neighbouring Haryana state (UHBVN & DHBVN) has merged the NDS/NRS category into Industrial Category.

g. Industrial Tariff uses kVAh-based billing to reward power-factor discipline and reduce system losses. Telecom tower load is predominantly capacitive, maintaining near-unity power factor. Under the present kWh-based NRS billing, these efficiency benefits are not passed on, resulting in avoidable financial leakage. Reclassification to Industrial (KVAh) better aligns tariff signals with grid-friendly behaviour.

For the reasons detailed above—policy recognition, cost structure, technical efficiency, national recommendations, and inter-state precedents—we request the Commission to approve Industrial tariff classification for telecom tower connections for FY2026–27. This will advance consumer interest, grid efficiency, and state & national digital priorities.

Reply of PSPCL: As per the schedule of tariff, the connections to the telecom towers are covered under NRS category as per tariff order 2025-26 issued by the Commission. Further, as per the Industrial Policy 2022 issued by GoP, the telecom towers do not fall under the industrial category and considering telecom sector under the Industrial Category would lead to an increased financial impact on PSPCL. Moreover, the determination of tariff of any category of consumers and to change the category of consumers comes under the purview of the Commission.

Commission's view:- The Commission has noted the concern of the objector. The objector may note the reply of PSPCL.

Issue 2: Smart Metering and Enablement of Dashboard/Single-Window Facility: The Commission has actively encouraged smart metering across the State, and a significant number of Smart Meters are now operational. To fully realise the consumer-centric benefits of this modern infrastructure and minimise billing-related disputes, it is requested that Discoms be directed to provide seamless, real-time digital access to smart prepaid billing and consumption data for bulk consumers with multiple connections, such as telecom tower companies. This may be enabled through a unified consumer dashboard allowing users to (i) monitor both individual and consolidated consumption, (ii) download metering data for analytics, and (iii) carry out individual or bulk recharge/payment transactions. Such a system will enhance transparency, improve compliance, reduce operational inefficiencies, and allow consumers to leverage the advantages of smart metering for better energy management—thereby supporting the Commission's broader objective of strengthening consumer empowerment

Reply of PSPCL: The commercial instructions regarding Composite multiple Bill payment scheme for consumers having connections like telecom service providers etc. has already been issued vide CC no. 03/2025 dated 30.01.2025.

Commission's view:- PSPCL's reply may be noted.

Issue 3: Denial of Electricity Connections to Essential Telecom Infrastructure: Telecom installations are explicitly classified as Essential Services under Regulation 2(35) of the PSERC Electricity Supply Code-2024, yet new electricity connections to telecom tower sites are increasingly being denied on procedural grounds, resulting in prolonged outages and stalled infrastructure rollout. Such deprivation undermines continuity of communication services and contradicts the principle that electricity is a public good essential for economic activity and public safety. The Commission is requested to issue suitable directions to the Distribution Licensees to ensure that electricity connectivity to telecom infrastructure—being an Essential Service—is not withheld or delayed on avoidable procedural grounds such as asking registered deed for rent agreement whereas as per new Right of Way Rules 2024 it has been left on parties to decide mutually, and that all applications from telecom operators/IP-1s are processed expeditiously. Moreover, electricity is a fundamental right of a person, including artificial persons like Tower companies, under the constitution, and it is fundamental for business. Therefore, it is requested that DISCOMs should be advised to issue electricity connections with a minimum of documents.

Reply of PSPCL: As per Supply Code-2024 approved by the Commission, the documents required as per Clause no. 10 are necessary for registration of new electric connections. Regarding release of the Electricity Connection to Telecom Towers (Private and Public premises) has already been issue vide CC no. 22/2025 dated 24.06.2025. Moreover, PSPCL further submits that the present issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL's reply may be noted.

Issue 4: Telecom Sector as Essential Public Service: Telecom installations are explicitly classified as Essential Services as stipulated above, reflecting their critical role in enabling emergency communications, banking networks, governance platforms, and nationwide digital connectivity. In light of this statutory recognition, we request that the Commission institute safeguards to ensure uninterrupted supply to telecom sites. Specifically, no disconnection of electricity to any telecom tower or related installation should be permitted without prior approval of the Chief Engineer or an equivalent senior authority. This will ensure the protection of essential digital infrastructure and uphold the continuity of critical public services

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- PSPCL to note the concern of the objector.

Issue 5: Cost-Reflective Tariff: The Guidance enumerated in the landmark judgement of the Hon'ble Supreme Court in the case of "BSES Rajdhani Power Ltd. (BRPL), BSES Yamuna Power Ltd. (BYPL), and Tata Power Delhi Distribution Limited (TPDDL)" dated 6th August 2025 shall also be considered at the time of deciding the tariff. The Industry data and studies suggest that energy costs typically account for approximately 30-35% of an operator's total operational costs. Therefore, the affordability of digital infrastructure is heavily dependent on energy costs. Any increase in electricity tariffs will adversely affect the affordability of the state's telecom services and digital infrastructure.

Economies of scale and technological advancements should be considered when fixing new Electricity tariffs. The new tariffs should be based on cost-reflective principles, and telecom, including towers, is an essential service that should not be loaded with the cross-subsidy charge.

Reply of PSPCL: As per the Tariff Order for FY 2025–26 approved by the Commission, the cross-subsidy levels for the industrial categories, namely Small Power (SP), Medium Supply (MS), and Large Supply (LS), are 6.51%, 9.35%, and 7.96%, respectively. The Commission has consistently maintained the cross-subsidy levels of various categories within $\pm 20\%$ of the average cost of supply, in line with the Tariff Policy and the provisions of the PSERC Regulations. Further, the determination of tariff and any revision in tariff or cross-subsidy for any category is carried out by the Commission in accordance with the applicable regulations and statutory provisions.

Commission's view:- The Commission has noted the concern of the objector.

Issue 6: Open Access Charges at LT level: The Commission is requested to notify the wheeling charges at LT level (less than 650 volts) as well, further, the open access charges should be determined under the MYT framework with clear visibility for the entire control period (i.e 5 years). Frequent revisions create financial uncertainty for long-term OA consumers, discouraging investments. Predictable charges are essential for renewable adoption, project bankability, and India's net-zero goals.

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The Commission has noted the concern of the objector.

Objection No. 15: Steel Furnace Association of India

A. Annual Revenue Requirement & Tariff application for FY 2026-27, True up of FY 2024-25

Issue A-1: The distribution company should be separated from generation business as Sufficient time has been given for this exercise. It is high time that challenge related to old thermal plants in the state, frequent back-down requirements and related fixed cost as well as setting up new thermal power plants in state or outside state of Punjab, if required at all, to be dealt in a composite manner and Discom should be made a separate company, which must evaluate the gains and cost of sourcing power from alternative sources.

Reply of PSPCL: The decision regarding separation of business activities is the prerogative of the Government of Punjab.

Commission's view:- The objector may note the response of PSPCL.

Issue A-2: Like Madhya Pradesh, Gujarat, Karnataka and other states in India even Haryana, the multi discoms model should be adopted for increasing competition in the state. Even private players may also be allowed in discom business for healthy competition. It will also highlight the inefficiencies related to theft of power, mismanagement or related to law and order situation. The interest of the consumers, who have been paying properly, areas of lower T&D losses should be separated from nonpaying consumers' area and higher T&D losses as has been pointed in ARR as well as tariff order. Litigation by Discom against the Commission's Order should be reduced and be eliminated. This prevailing arrangement is giving highly unfair and undue advantages to the Discom. If the matter is not decided in Discom favor, same is taken to APTEL and even when lost the case at APTEL, Discom moves to Supreme Court. It is found that the Commission does not follow up to Supreme Court and discom becomes the net gainer all the time. No private entity is so resourceful to contest the case for 10-15-20 years unlike Discom and remain at disadvantage. At least such legal battles should not be allowed to be fought on public money. Similarly, it is found that short term political objectives seems to be driving the ever-increasing employee cost, which can only be checked with the entry of private player. It is observed that the Discom has net profits of crores of rupees and such imprudent high employee cost should be met through internal sources and ARR should approved only reasonable employee cost only.

Reply of PSPCL: The decision regarding the introduction of multi Discom model in the state of Punjab is the prerogative of the Government of Punjab. Further the expenses, Revenue and accordingly the gain and loss based on the actual annual audited accounts as per MYT Regulation 2022. The Commission does a thorough scrutiny of the Petition filed by PSPCL and follows a transparent process and has discretion to approve the figures.

Commission's view:- The Commission has taken note of the suggestion.

Issue A-3: Return on Equity

PSPCL had equity base of Rs 6081.43 Crore on 16.4.2010 as per FRP approved by GOP when PSEB was bifurcated into PSPCL and PSTCL. This comprised of an amount of consumer contributions & Govt Grants of Rs.3132.35 Crore, which was converted into equity of the GoP by PSPCL at the time of finalization of Transfer Scheme and FRP and the same was admitted by the Commission as well. Though the matter regarding conversion of Consumer contributions and Govt Grants into equity has not been approved by APTEL as well as CAG, still on a SLP filed by PSPCL in Supreme Court, the matter is under litigation and because of Stay granted by The Supreme Court, the Commission is granting RoE on Rs

6081.43 Crore to PSPCL and Rs. 605.88 Crore to PSTCL. APTEL had observed that the Govt can hold any amount as equity in PSPCL (and PSTCL) but RoE needs to be granted only on actually subscribed and paid up equity only i.e. cash money which has been infused need to be counted as equity for the purpose of RoE.

Subsequently, MoP and GoP introduced UDAY scheme for stressed power sector and PSPCL, GoP and MoP entered into a tripartite agreement as per which PSPCL loans of Rs 15628.26 Crore were to be taken over by GoP through issue of SLR bonds by banks in the name of GoP and loans were to be taken off the books of PSPCL. It is not known whether the SLR bonds were actually issued or not. However, the UDAY scheme was up to 31.3.2020 and PSPCL proposed in previous year's ARR 2020-21 to convert the loan amount of Rs 15628.26 Crore as GoP equity in PSPCL thereby increasing GoP equity from 6081.43 Crore to Rs. 21709.69 Crore. It was also proposed to recover RoE on this loan converted equity amount of Rs 15628.26 Crore @ 15.90% which works out to Rs 2485 Crore in addition to Return on Equity on Rs 6081.42 Crore. Thus, by simply maneuvering the entry of loan amount to equity, consumers were to be asked to pay Rs. 3423 Crore. This is clearly against the interest of the consumers. However, as per the Tariff order dated 28th May 2021 passed by the Commission, claim of such return on equity was rejected and RoE was kept the same at Rs.974.74 Crore on equity of Rs. 6081.43 Crore for FY 2020-21.

Instead of agreeing to the decision of the Commission and knowing fully well that the equity amount being not a cash flow does not qualify to be equity for RoE purpose, and being aware of the fact that APTEL has already rejected PSPCL's previous similar attempt and an audit para in this regard is already raised by CAG, Now in current ARR for FY 2024-25 dated 30th November 2023, PSPCL has come out with an entirely new argument for claiming increased equity and higher amount as Return on Equity. It is claimed that out of Rs.15628.26 Crore, Rs.2246.77 Crore were spent on capital expenditure and Rs. 13381.49 Crore were working capital loan, out of which Rs.2346.19 Crore were also diverted towards capital expenditure. As per PSPCL, taking together, Rs. 4592 Crore should be treated as equity and return on equity should be now allowed on Rs. 10674 Crore (Rs.6081.43 Crore + Rs.4592 Crore). PSERC and APTEL have amply made clear that only cash flow is to be treated as equity for the purpose of RoE, MYT regulations provide that equity should be actually infused for creation of useful assets. Therefore, there is no case for allowing Return on Equity beyond Rs. 6081.43 Crore, which in principle is also under litigation, on which APTEL has decided adversely and matter is in Supreme Court. All the assets considered for supply of electricity to the consumers of the States as admitted by the commission are already accounted for and linked with corresponding source of funding through debts. Hence, there is apparently no case for allowing return on equity beyond the admitted amount of equity.

PSPCL submitted the effect of UDAY scheme on the ARR of 2016-17 vide its letter dated 12.4.2016 which clearly states that whole of the amount taken over by GoP under UDAY scheme comprises of debt. Further, the tripartite agreement executed under UDAY scheme provided that 75% of the amount taken over by GoP will be converted into grant of GoP to PSPCL at the close of the scheme. Further, GOP was to compensate the loss of PSPCL in a graded manner. However, so far neither any grant has been given by GoP in terms of UDAY tripartite agreement nor any loss compensation has been given/shown in ARR. Thus, PSPCL has failed to get any relief in the form of Grant of 75% of debt or compensation for the losses which would have given relief to the consumers in shape of lower tariffs but has acted proactively to convert whole of the loan of GoP into equity and claim RoE for the same to load the consumers through higher tariff. The demand needs to be rejected out rightly.

It is evident that in violation of the UDAY Scheme resolution, the amount of debt of Rs. 15628 Crore was converted into equity by PSPCL. As such, return on such debts has been artificially increased by showing it as equity and return sought is almost double as Regulations provide for return on equity@15-16% assuming 70:30 ratio of debt and equity. Even in such case, the amount of equity is to be kept at actual or 30% whichever is lower. Hence, it is the basic tenet that higher return should not be given on equity, when it is not

infused in cash and debt should not be proposed by PSPCL/allowed by the Commission to be camouflaged as equity with the sole aim of claiming higher return.

As per PSPCL's own admission, the assets created by PSPCL as well as erstwhile Electricity Board/Electricity branch of PWD through debt, consumer contributions and Govt grants and not through any infusion of equity, there is need to investigate the source of funding of assets created by Discom/Board. PSPCL has itself admitted that gross fixed assets of GNDTP were created through loans and no infusion of equity was made at any stage. Further no RoE was allowed in the tariff Order 2002-03 by the Commission under Electricity Regulatory Commissions Act, 1998 and Electricity (Supply) Act 1948 and only 3% Return on Net Fixed Assets were allowed till 2005-06. RoE was allowed only from 2006-07 on Equity of Rs 2946.11 Crore. Evidently, as stated above, the equity shown then was also loans camouflaged as Equity to get higher returns. In this regard, it is worth mentioning that

- i. Initial equity of Rs. 2946.11 Crore of Punjab State Electricity Board, which became equity of PSPCL is also nothing but government loans, which was got converted into equity on different occasions by the then PSEB management(s) to reduce loan liability in its Books and to escape liability of payment of Interest on such loans to insulate consumers from increase in tariff prior to setting up of Regulatory regime. While there is no objection on such conversion for accounting purpose but for fixing tariff, apparently, there is no differentiation between loans given by the Government of Punjab to Board/PSPCL and equity. In fact, all the assets of PSEB/PSPCL/PSTCL were/are created by borrowing and a part of it shown as equity of Board. This evidently has been done to help Discom to reduce its interest burden as no ROE/dividend is payable to Government of Punjab till PSEB/PSPCL incurs losses. Thus, a methodology devised to keep the tariffs on lower side is now being used to increase income of PSPCL by unduly loading the consumers and meeting the losses due to inefficient working of PSPCL. Consequently, the consumers of the State are burdened with the higher tariff and financial loss in the form of 15%-16% Return on Equity on such amount, which is in fact a government loan on which not more than 7-8% interest needs to be allowed.
- ii. The consumer contribution and Govt grants, which have been shown as part of equity (Rs. 3135.32 Crore) is also not equity in any sense and the same should be reduced from the equity and taken back to consumer contribution or to be written off for ARR purpose and no return on equity to be allowed on the same. In this regard, MYT regulations of PSERC and APTEL decision should be relied upon-when no tangible benefits are given to consumers through equity infusion, the same cannot be burdened with higher interest cost in the garb of return on equity.
- iii. PSPCL has claimed Rs.15628 Crore as equity for previous years and this year, out of it Rs.4592 Crore is claimed as additional equity over and above of Rs.6081.43 Crore and return on equity is claimed on the same for FY 2021-22 and FY 2022-23. Tomorrow, if PSPCL raised loans from some sources, invest and create some assets and show the same as equity instead of loan for ARR purpose, how would the Commission approach the same?

In the light of above facts, it becomes obvious that PSPCL has been trying to show higher and higher amount of funds raised through loans as equity to claim higher return on the same in the form of return on equity @15%-16%, which is about 7-8% higher than normal interest loan i.e almost double benefit for PSPCL. While the matter of fact is that all funds invested for capacity creation for supply of power are borrowed funds on which only normal interest is to be paid. The methodology being adopted by PSPCL has been resulting into higher cost of supply year after year, which need to be looked into. Such a view becomes quintessential in the light of observations made in the REPORT OF THE FORUM OF REGULATORS ON "ANALYSIS OF FACTORS IMPACTING RETAIL TARIFF AND MEASURES TO ADDRESS THEM" (2020). Incidentally, ex Chairperson, PSERC happened to be Chairperson of the Committee which prepared the above said report and Staff of the Commission may be aware of the same. The report analyzes the mechanism of the tariff fixation in detail and need for bringing modifications to make it more relevant and reduce the

power tariff in different states. In para 2.1.3 of the report, which deals with fixed cost related factors, it is mentioned that

"A comparison of the ROE allowed by different States for generation, transmission and distribution revealed that the post-tax ROE has been in the range of 14% - 16%. An analysis was also made regarding the prevailing cost of debt and it was found that the lending rate has been on the lower side for quite some time. While the RoE has an element of risk premium, the data analysis revealed the need for reconsidering the RoE keeping in view the prevailing prime lending rate and 10 - year G-Sec rate.

On return on equity, following observations have been made on page 22 of the report in para 4.1.1, which is reproduced below:

4.1.1. *Return on equity allowed to Generation/ Transmission and distribution companies needs to be made more realistic and at par with interest rates.*

- ❖ *RoE for generation and transmission should be linked to the 10-year G Sec rate (average rate for the previous 5 years) plus risk premium subject to a cap as may be decided by appropriate Commission.*
- ❖ *For a discom, the ROE could be fixed based on the risk premium assessed by the State Commission. Income tax reimbursement should be limited to the ROE component only.*
- ❖ *Performance of Distribution licensees has a significant impact on retail tariff for the consumers. Therefore, there is a need to link recovery of ROE with the performance of the utilities, based on the indicators such as supply availability, network availability, AT&C loss reduction".*

Prayer

- A. In the light of above observations, it is necessary that return on equity need to be reduced drastically from the present level of 15%-16% to average long term interest rate on government borrowings (to about 7-8%), linking it with return on government security for 10 years or more. This would result into
- I. Lower cost of supply leading to lower tariff for consumers and lower subsidy burden on the GoP while fully reimbursing all genuine borrowing cost. (Let there be no mistake in accepting the fact that full financial requirements of PSPCL based on actual basis cannot be met as has not been met in last about 20 years and is also not obligatory on the Commission and the principle of inefficiencies not to be rewarded has to be followed.)
 - II. As all projects are financed by borrowing funds from banks and other financial institutions, as also admitted by PSPCL itself (the fixing of return on equity, which is essentially interest cost on borrowed funds), at par with interest rate given on long term borrowing would water down the intentions of PSPCL to charge higher return on equity to meet unapproved expenditure and discourage such practices in future also.
 - III. In no case, GoP/PSPCL be permitted to convert Consumer Contributions and Govt grants as equity.
- B. Reduction in equity base by difference of accumulated depreciation exceeding debt repayment. It is not understood as to how the amount of Equity is constant for the last more than 10 years though Hon'ble Commission is allowing depreciation of 90% of the cost of assets continuously for paying off the debt raised for creation of assets. In this regard, it is imperative that asset wise financing of debt and equity and depreciation earned for that asset be ascertained and placed in Public Domain. Further, excess of depreciation reserve over the loan amount paid back should be worked out and reduced from the equity base, if any. In case, there is no equity for the creation of asset, then such excess of depreciation should be used to reduce the costly loan amount raised for capital creation purpose. This would result into lower fixed cost of supplying power to consumers and also reduce the subsidy burden of the Government of Punjab.
- C. Therefore, there is no case for allowing Return on Equity beyond Rs. 6081.43 Crore, which in principle is also under litigation, on which APTEL has decided adversely and matter is in Supreme Court.

Reply of PSPCL: As per clause 1.2 of the MOU under UDAY Scheme, 75% of the PSPCL's debt on 30.9.2015 amounting to Rs. 15,628.26 Crore were to be taken over by Govt. of Punjab. In compliance with the MOU, NON-SLR Bonds amounting to Rs. 15,628.26 Crore were issued by the Government of Punjab and transferred this amount to PSPCL as Government of Punjab Loan up to 2019-20 and on 31.3.2020, GoP converted its loan into equity. As such, the Capital Expenditure incurred through diversion of Working Capital Loans (Rs. 2,346.19 Crore) and Capex Loans (Rs. 2,246.77 Crore), which have been converted into equity, are eligible for claiming Return on Equity as these loans have been specifically used for creation of assets of PSPCL due to the fact that GoP has infused the equity by taking over these loans of PSPCL of equivalent amount. The Commission has not allowed any interest on these loans to PSPCL after conversion into equity by State Govts. As such, PSPCL's plea of claiming RoE of Rs. 1,684 Crore on equity of Rs. 10,673.96 Crore (Rs. 6,081 Crore + Rs. 2,346.19 Crore + Rs. 2,246.77 Crore) is justifiable.

The Commission has considered only the long-term loans actual taken by PSPCL, without considering the working capital term loans which have been used for creation of capital assets. Moreover, the Commission allows the interest on working capital loans to PSPCL on normative basis. As such, interest on working capital loans used for creation of capital assets is neither allowed on working capital loans nor on long term loans.

Commission's view:- The Commission has taken note of the issues raised by the objector.

Issue 2: Norms of operation for generating stations

PSPCL has asked for relying on actual figures for generating stations which are quite old and as such could not meet the parameters given in MYT regulations. In this regard, PSPCL has also relied upon CERC regulations. PSPCL has also asked for relaxation in PSERC MYT regulations for this purpose. This matter has been fully dealt with in the earlier tariff orders. No new information has been put forward by PSPCL. Hence there is no reason to revisit the approved norms and accordingly power generation and norms thereon need to be tried up as per Regulations.

Reply of PSPCL: PSPCL reiterated its reply submitted in Issue 'G' of Objection No. 2.

Commission's view:- The Commission allows fuel cost of PSPCL owned plants at normative operating parameters

Issue 3: Subsidized agriculture consumption to be capped

The power supplied to agriculture sector has been growing consistently at very high rate. Providing the power at the subsidized rate, which is far less than the actual cost of power purchase) will lead to serious financial crisis for the Board and ultimately seriously affects the interest of industrial consumers in the State, which are already reeling under recession. Therefore, it is imperative to cap the maximum amount of power year wise & approved by the Commission that can be supplied to agriculture sector at subsidized rate inclusive of additional connection projected in a year.

Reply of PSPCL: The supply to agriculture tube wells is free as per policy of the Government and capping of the same is at the discretion of the GoP. Moreover, supply to AP consumers is limited only up to 8 hours that too during the months of June to September for paddy cultivation. As far as supply of power to agriculture category of consumers at cost of supply rate is concerned, the said issue is under the prerogative of the Commission.

Commission's view:- The Commission determines the tariff of various categories of consumers in line with the provisions of the Electricity Act, 2003 and PSERC Tariff Regulations further guided by various provisions of the National tariff policy. Subsidy to various sectors of consumers is announced and funded by the Government.

Issue 4 (A): Diversion fund figure to be updated

The diversion of funds happened in the past need to be continuously updated based on new facts and information. Such exercise is required to ensure that no more funds raised for capital purpose are diverted toward meeting revenue requirement of the Board.

Reply of PSPCL: The Commission has considered only the long-term loans actually taken by the PSPCL without considering the working capital term loans which have been used for creation of capital assets. Moreover, the Commission allows the interest on working capital loans to PSPCL on normative basis.

Commission's view:- The objector may note the response of PSPCL.

Issue 4 (B): Voltage Rebate for 66 kV consumers:

T&D losses for 66kV consumers as per open access regulations are 4.28% for 2018-19 against total T&D losses of 14%. In addition to T&D loss, the 66kV consumer has to be compensated for the investment and operating cost of the 66/11 kV transformer and switchyard. While based on cost of supply, voltage wise, the difference between 66kV and 11 KV systems are more than 50 paise but the rebate being given to consumers connected at 66kV is only 25 paise per unit. Voltage rebate needs to be enhanced appropriately and fixed in percentage terms as per pattern of Voltage Surcharge being charged on percentage. Since Voltage Surcharge for consumers eligible for 66kV but getting supply at 11kV have to pay 10% Voltage Surcharge, Similarly, Voltage rebate for 66kV consumers should be 10%.

Reply of PSPCL: Increasing the voltage rebate will cause reduction in revenue. If revenue of PSPCL reduces due to more HT rebate, then tariff for any other category will have to be increased to compensate for the said revenue loss which may further lead to disturbance of Cross Subsidy levels. Since determination of tariff along with levying rebate & surcharge to any category of consumers comes under the purview of the Commission & it mainly depends upon cost of power being charged to PSPCL by the generators. Accordingly, the Commission may take considerate decision.

Commission's view:- The Commission has taken note of the suggestion and PSPCL's reply.

Issue 5: Fix industrial Tariff as per category wise cost of supply

It is prayed to the Commission to reduce the cross-subsidy burden on LS consumers and fix the tariff as near to the COS as possible. Based on category wise cost of supply, tariff of the LS consumers may be rationalized and tariff for subsidized class may be increased. It is also submitted that category wise cost of supply basis has been fixed many years back. The same should be revisited to revise the assumptions for working out the category wise cost of supply.

Reply of PSPCL: The Cost of Supply has been computed in accordance with Methodology-II of the study conducted by TERI for determination of CoS, as approved by the Commission in the ARR for FY 2013-14. In line to the same, the cross-subsidy levels for the industrial categories, namely Small Power (SP), Medium Supply (MS), and Large Supply (LS), are ascertained as 6.51%, 9.35%, and 7.96%, respectively by the Commission for the FY 2025-26. Further, the Commission has consistently maintained the cross-subsidy levels of various categories within $\pm 20\%$ of the average cost of supply, in line with the Tariff Policy and the provisions of the PSERC Regulations. Further, the determination of category-wise tariff rates, rebates, surcharges, cost of supply, cross-subsidy levels, etc., falls within the exclusive purview of the Commission.

Commission's view:- The Commission notes the suggestions of the objector.

Issue 6: T&D losses

It is prayed to the Commission to approve only reasonable T&D losses by keeping agriculture consumption well within approved range. It is clearly conceded by PSPCL that widespread theft has been the major bane for higher distribution losses. Major culprit areas were Border, South and West of Punjab. Therefore, the burden of higher distribution losses is not of technical nature but of commercial in nature and consumers should not be burdened with them and T&D losses level should continue to be fixed on trajectory adopted by Commission by capping agriculture consumption for true up as well as for projections.

Reply of PSPCL: PSPCL worked hard on strengthening of its sub transmission and distribution network under various schemes to bring down its losses. Now, PSPCL is in process to install Smart Meters on Consumer connections, Distribution Transformers and Feeders under Modernization Works for better monitoring of losses and will also do various Infrastructure works to strengthen the Transmission and Distribution network under RDSS Scheme to bring down the losses. To curb the theft of electricity, regular checking is done by Distribution Organization and Enforcement Wing of PSPCL. Whenever any case of theft and UUE are detected, heavy penalties are imposed on such consumers. If any official/officer is found involved in allowing the power theft, PSPCL takes disciplinary action against such

official/officer. PSPCL is working to improve its Billing and Collection Efficiency, timely replacement of defective meters and strengthening of its sub transmission and distribution network under various schemes and all efforts are being made to achieve the Distribution Loss trajectory approved by the Commission.

Commission's view:- The Commission has taken note of the suggestion and PSPCL's reply. There is a constant endeavour to improve distribution / transmission efficiency to reduce losses. An appropriate target trajectory is framed by the Commission. PSPCL has to enforce directives already issued to stop theft. High Theft feeders are already identified for concerted action.

Issue 7: Power Purchase cost

The power purchase cost should be subject to approved T&D loss. The previous years expenses should be dealt with separately and no expenses can be allowed in ARR simply due to reason that it is actually incurred. For part of ARR, it should be approved also by the Commission. Therefore, only after taking out of such exaggeration, the power cost should be approved. Taken together, it is our submission that only such cost of capital expenditure in terms of depreciation, interest and finance charge etc. should be passed on to the consumers of electricity in the State, for which benefits start flowing and remaining should be not be allowed as a part of the ARR.

Reply of PSPCL: PSPCL has always been transparent in filing of its ARR petition. The methodology adopted by PSPCL for filing the petition is very well elaborated in the petition and is in line with the regulatory principles set by the Commission and provisions of the prevailing PSERC MYT Regulations. PSPCL has submitted the expenses and revenue of FY 2024-25 based on the actual annual audited accounts of FY 2024-25 and the same is at the discretion of the Commission to approve the same on its prudence. The Commission does a thorough scrutiny of the petition filed by PSPCL and follows a transparent process for determination of tariff.

Commission's view:- Suggestion is noted. The ARR is determined by the Commission in line with the prevailing PSERC MYT Regulations after prudence check.

Issue 8: Employee cost

The employee costs are growing consistently and the same cannot be capped due to manifold reasons. This is our submission that only reasonable cost be passed through ARR and remaining must be taken over by Government as PSPCL employees are government employees and must get their dues as per Government rules and regulations, but the same should not be used as an excuse to increase the ARR and cost of power for consumers.

Therefore, the employee cost taken together the pension liability as well as salary and other perks etc. total employee cost should be capped. The prayer made in the ARR by Discom related to progressive funding of the terminal benefits trust be not considered at all to protect the consumer interests as provided the electricity act, 2003.

Reply of PSPCL: PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles set by the Commission as defined in the PSERC MYT Regulations, 2022 & the PSERC MYT Regulations, 2025. The Commission allows the same after its prudence check. Moreover, as per the decision of the Hon'ble APTEL, the actual employee cost is to be allowed to a distribution licensee.

Commission's view:- Employee Cost is determined by the Commission in-line with the prevailing MYT Regulations after prudence check.

Issue 9: T&D Losses

The T&D loss path as provided in MYT regulations and followed in the earlier Tariff orders be followed for true up of T&D losses, projecting T&D losses and fixation of agriculture consumption of electricity.

Reply of PSPCL: The trajectory of T&D losses for True-up and projections for the ensuing year/control period is governed strictly in accordance with the provisions of the applicable MYT Regulations notified by the Commission. PSPCL has computed and proposed T&D losses, including the assessment of agricultural consumption, in line with the methodology and loss reduction path specified under the MYT framework and as consistently followed in earlier Tariff Orders. The final approval of T&D losses for the True-up year as well as the

loss trajectory for the ensuing years shall be determined by the Commission after detailed prudence check of the data, submissions and supporting records furnished by PSPCL. Accordingly, the determination of T&D losses shall continue to be undertaken in accordance with the extant MYT Regulations and the considered findings of the Commission.

Commission's view:- Normative distribution losses as determined by the Commission are allowed to PSPCL.

Issue 10: True up of the ARR for FY 2024-25 based on audited figures.

The ARR should be trued up on the basis of the MYT regulations, which clearly mention that CERC norms be followed to the extent possible. Therefore, either it is of T&D losses, norms related to generations of power of new or old plants, Shahpur kandi projects, employee cost etc. should be trued up on the basis of approved norms only. Now, Discom is in profit as claimed by Discom publically, the excess cost than approved related to any aspect of supply of power should only be borne by Discom only. The Electricity Act, 2003 also provides for safeguarding consumer interest by subjecting all expenses to the prudent check. Therefore, the Commission should protect the industry from becoming unviable due to such high electricity cost due to high employee cost by capping per unit employee cost at 60 paisa/unit and remaining cost must be absorbed by the State Government/Discom.

Reply of PSPCL: PSPCL files all its expenses in line with the audited annual accounts and the regulatory principles and norms set by the Commission as defined in the prevailing PSERC MYT Regulations. The Commission allows the same only after its prudence check.

Commission's view:- The ARR is determined by the Commission in-line with the prevailing PSERC MYT Regulations after detailed analysis and prudence checks. Only valid revenue claim as per the Regulations is allowed and trued up at the appropriate time.

Issue 11: Overdue receivables

There are outstanding dues of more than Rs. 5700 Crore out of which about Rs. 2600 Crore are dues towards the Government department. We opine that prepaid meters be installed in the government offices. However, as far as outstanding from the Government office is concerned (about Rs. 2600 Crore), the same should be deducted from the Government loans given to PSPCL or the Government equity be reduced by Rs. 2600 Crore plus due interest for delayed payments and return on equity be reduced by the same amount. This should be left to the government as how to deal with this outstanding amount of various government offices. Similarly, a detailed MIS system be developed to track such accounts where power is regularly supplied but payment is not received. Such account holders may be pursued suitably to pay due bill amount to PSPCL. Honest consumers should not be made to suffer through higher tariffs for such lapse of GoP/PSPCL.

Reply of PSPCL: The responsibility for addressing the outstanding amounts of government electricity bills lies with the government itself. PSPCL continually provides the details of outstanding amount of Government of Punjab department's connections compiled based on connections mapped by the field offices on the GoP Portal and billing and payment details available on the GoP Portal to PSPCL Management. Further, PSPCL is regularly taking up the matter of clearance of outstanding dues of the Govt. departments. In line with the same, the Govt. of Punjab is making payments to clear the outstanding of various govt. offices.

Commission's view:- PSPCL needs to take appropriate steps to recover the dues receivable. The Tariff is determined on the basis of assessed revenue and not on the actual received revenue. Any shortfall in recovery or dues by the DISCOM is to their operational detriment. PSPCL has been advised to use prepaid meters in those connections whose recovery of dues is chronically delayed or take other appropriate action as per rules, regulations and the provisions of the Act.

Issue 12: The capex and other interest-related expenses incurred on RSD should not be allowed till the completion of the project and even thereafter only that capex to be accepted which is related to power generation.

Reply of PSPCL: As per the Commission's Order, the Capital investment and Capitalization shall be considered after the COD of the project. Further, the capital expenditure of Shahpur Kandi project shown in the formats is just for the purpose of information only and has not been claimed by PSPCL. The same will be claimed after the COD only. Further, it claims

expenses based on the actual annual audited accounts as per prevailing MYT regulation. The Commission does a thorough scrutiny of the Petition filed by PSPCL and follows a transparent process and has discretion to approve the same.

Commission's view:- Capital Investment is being allowed by the Commission in line with the prevailing MYT Regulations.

Comments on ARR FY 2026-27

Issue 1: There seems to be no revenue gap for FY 2026-27 and thus, there is no reason for increasing the tariff. On the contrary, there is strong case for reducing the tariff especially for subsidizing class of consumers. Approving the ARR based on MYT 2025 norms, the high generation cost, power purchase cost, higher T&D losses and higher return on equity claimed and other expenses would be substantially reduced from the claimed level increasing the surplus for FY 2026-27.

Reply of PSPCL: The ARR and Tariff Petition for FY 2026–27 has been prepared strictly in accordance with the provisions of the prevailing PSERC MYT Regulations and the principles laid down by the Commission. The methodology, assumptions and basis of projections have been comprehensively detailed in the Petition to ensure complete transparency.

The projected revenue gap/surplus has been worked out based on realistic assessment of power purchase cost, generation cost, T&D loss levels, Return on Equity and other expenditure, in line with the applicable regulatory norms. PSPCL has not claimed any cost beyond the framework permissible under the MYT Regulations. All such claims are subject to detailed scrutiny and prudence check by the Commission.

Commission's view:- The Commission has noted the suggestion of the objector. Refer to this Tariff Order for details.

Issue 2: The detailed comments on return on equity is given in the preamble of the comments on ARR. However, the return on equity should be given on equity actually infused in PSPCL, for which consumer have gained some benefits. Further, as the matter is pending in the Hon'ble Supreme Court, the Commission may approve the return on equity on actually infused equity. For keeping in view the Forum of Regulators' views, the return on equity shall be allowed at the return on equity rate of about 8%.

Reply of PSPCL: Refer to PSPCL's reply to 'Issue 3. Return on equity', given above.

Commission's view:- The Commission has taken note of the issues raised by the objector.

Issue 3: Remove peak load exemption charges.

The peak load restriction on industry should be completely done away as industry is not putting burden on the system, which need to be moderated by way of penalizing the drawl of electricity during peak hours. Such assertion is also verified from the fact that PSPCL has been giving power supply to agriculture sector during the same period. If supply during the peak load hours need to be moderated, the discom should not have augmented stress on the system by giving supply to agriculture sector. Hence, the peak load restrictions must be done away till specific detailed information is shared with consumers, which shows that peak load hours supply to industry need to be moderated.

Reply of PSPCL: The ToD surcharge of Rs. 2/- per kVAh being levied during 16th June to 15th October period in evening peak hours (6 PM to 10 PM) over normal tariff considering the higher average market price discovered in power exchange during evening peak hours than the average for the day. The Commission also acknowledges the same and approve in Tariff Order for FY 2025-26. Furthermore, determination of tariff, issuing any rebate and surcharge comes under the purview of the Commission.

Commission's view:- Suggestion is noted.

Issue 4: Green tariff rate be reduced to 10 paisa/unit

It is opined that the green tariff be reduced to 10 paisa/unit as there are not many takers for the green energy.

Reply of PSPCL: The Ministry of Power had notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. Subsequently, the Commission issued the RPO Regulations, 2022 vide notification dated 12.12.2022 and provision was made to promote Green energy in the State of Punjab. The Clause 4 rephrases as under:

“4. Compliance/Fulfilment of RPO

(1) An Obligated entity may consume renewable energy as per its requirement/RPOs by one or more of the following methods specified in the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022:

(a) Own/Captive Generation;

(b) Through Open Access;

(c) By requisition from distribution licensee, which shall procure such quantity of renewable energy and supply it at the tariff, determined separately by the Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the energy.”

As such, the green energy tariff shall include average pooled power purchase cost of renewable energy, cross-subsidy charges and service charges covering prudent cost of distribution licensee for providing green energy to its consumers. The Commission had adopted the said methodology for specifying the green energy tariff in the past years. Therefore, the calculations for proposed green energy tariff are based on the MoP/PSERC regulations and the figure is independent of any other intervention.

Commission’s view:- Objector may note the reply of PSPCL. The Commission determines the Green Energy Tariff in line with the provisions of the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022.

Issue 5: Power sourced through renewable energy captive power plants based in Punjab

With focus on sustainable green products by global as well as Indian customers, access to green energy has become quintessential for Indian manufacturers besides cost competitiveness consideration, which comes with renewable power. This is especially true for power intensive operations like steel, textiles and others. While comparing Punjab with other states, it is necessary to acknowledge

- a. Higher cost of land and less availability of the same in Punjab in comparison to States like Gujarat, Madhya Pradesh, Rajasthan, Orissa, Karnataka and Tamilnadu etc. This results into higher power cost/unit in Punjab.
- b. Another important differentiator having impact upon cost of power/unit is non availability of wind power in Punjab and lower radiation of solar power due to geographical location of Punjab, which falls in the foothills of Himalayas.
- c. As result of these two factors i.e. non-availability of wind power and low solar radiation, not more than 40%-50% of the total power consumption can be sourced from renewable power sources. This also result into higher power cost from RE based captive power plants in Punjab.
- d. Getting power from outside attracts higher interstate transmission charges and transmission losses besides availability of corridor for drawl of power are some of the operational constraints. Further, the full wheeling charges to be paid on such imported power from outside Punjab, which is 2% for RE power plants setup in Punjab.
- e. Therefore, the RE power can be promoted in Punjab especially for industry, through conducive regulatory policy framework and adoption of ease of doing business practices for drawl of such power in Punjab.

Recommendations

- I. The banking of power be increased from 30% of power consumption from DISCOM to 50% of contract demand of the manufacturing unit. This will allow the industry to setup larger solar power captive power plants and store excess energy produced through banking with Discom. (As only solar power based RE can be setup in Punjab). The suitable banking charges may be levied for this facility.
- II. Presently, the open access permission is given up to contract demand of the unit with Discom. This was under old arrangement when there was no provision of drawing RE power through open access with banking facility, which is provided now. Therefore, the permission for open access should be given equal to contract demand of unit with Discom plus banking requirement. The consumption at manufacturing unit will not be

allowed to exceed sanctioned contract demand in normal situations. The permission for allowing higher open access than sanctioned contract demand is required for injecting excess energy for banking only. This must be clearly provided in regulation as well as PSPCL's procedure for banking and drawl of open access power.

- III. Presently, the drawl of banked power is not allowed during paddy season in PSPCL's procedure for drawl of banked power as well as PSERC regulations. This condition needs to be removed as there is no valid reason for restricting of drawl of such banked power and forcing the consumer to draw power from Discom during Paddy season. No way such drawl of banked power imposes any kind of limitations on Discom in supplying power to other consumers as Discom has developed sufficient transmission capacity in the State.
- IV. Presently, the banked power is allowed to be consumed in the same financial year, which is quite difficult and may lead to surrender of banked power. The surplus banked power, which is not consumed within the financial year, should be allowed to carry forward to next year.
- V. Adoption of above suggestions will help the industry to setup RE/Solar based captive power plants in the State and help them to compete with other States which have natural geographical advantages in setting up RE based solar/wind power projects unlike Punjab.
- VI. It will also result into no extra financial burden on the Discom or the State Government of Punjab.

Reply of PSPCL: PSPCL concurs with the objector's observations that Punjab's terrain is largely unsuitable for wind power generation and that the availability of land is limited due to its high economic value arising from extreme agricultural fertility. Further, solar power generation is available for approximately eight hours per day. Despite these inherent limitations, PSPCL has successfully met its Renewable Purchase Obligation (RPO) and has achieved a surplus of 1,953.40 MU in FY 2024–25 by procuring short-term, cost-effective power from open sources such as energy exchanges. Punjab Energy Development Agency (PEDA) is the State Nodal Agency for the promotion and development of Renewable Energy Programs/Projects and energy conservation programme in the State of Punjab. In the previous years, both the Government of Punjab (GoP) and the Government of India (GoI) have promoted several schemes with incentives to enhance clean solar power generation, which is not only economical but also environmentally sustainable. Additionally, there has been a nationwide thrust towards the installation of solar generation, wherein conventional reliable power sources have gradually taken a backseat. With respect to any proposal relating to un-capping of banking capacity, withdrawal of banked energy during the paddy season for captive generating plants, or any changes in open access parameters under the Open Access Regulations, it is submitted that these issues do not form part of the present petition and may be considered separately.

Commission's view:- Suggestion is noted.

Issue 6: Other issues

PSPCL has reported an extraordinary income of Rs. 3581.95 Crore in the annual audited account for FY 2024-25, which is not made part of ARR and shown as P&L item. The same should be treated as part of ARR and either reduced from income or highest interest-bearing loan amount be reduced to that extent and accordingly interest should also be reduced. It is worth mentioning that the Commission has been approving many expenses like employee cost, termination benefits of previous years, which are not contributing to cost of supply and should have been provided by the Discom through some trust/fund but not done. These are approved by the Commission on actual basis pay as you go model. Similarly, power purchase expenses of prior years and also approved and many more such expenses are allowed at the time of true up by the Commission. Even the higher T&D losses, which result from theft of power or due to commercial losses, are also allowed. Therefore, there is no reason that money received from the government which is related to power business only and not given for any other business-like agriculture/floriculture/floriculture/floriculture etc. undertaken by Discom, be kept out of the preview of the ARR. It may also be important that

discom has been contesting case of higher equity which is not approved by the Commission and even contesting in the Hon'ble Supreme Court for the equity disallowed by the Appellate Tribunal then how come any income to discom be kept out of ARR.

Therefore, an amount of Rs.3581.95 crore be considered as part of the ARR and either ARR be reduced from that amount or highest paying loan be reduced and interest on the same be disallowed giving benefits to the electricity consumers of the State.

Reply of PSPCL: PSPCL has received loss funding of Rs. 3,581.95 Crore towards losses for FY 2022-23. The said amount has been duly disclosed as extraordinary item in notes No. 40 and 43(4) of the company's financial statement for FY 2024-25. The accounting treatment and presentation of the said grant in the financial statement of the company have been carried out in accordance with the applicable IND AS and schedule III of the companies ACT 2013. However, the treatment of the same in the tariff petition may be in accordance with the applicable MYT regulations. Further as stated in para 2.24.2 of the tariff petition PSPCL has mentioned that the amount of Rs. 3582 Crore is not treated as non-tariff income as per the earlier approach towards similar loss funding under UDAY scheme which was followed by the Commission.

Commission's view:- Suggestion is noted.

Additional Submission:

Issue 1:

- (a) The DISCOM has proposed withdrawal of 50 paisa/kVAh energy charges for the period of 1st April to 15th June (10PM to 6 AM (next day)) without any justification. Therefore, the prayer of the discom should not be accepted as such proposals had been raised in previous year also and well decided after thorough deliberation by the Commission.
- (b) PSPCL has also proposed to curtail the period of tariff rebate from 31st March to 15th Feb, without any substantiation and without detailed reasoning. Therefore, the same should also not be accepted.
- (c) The Discom has also proposed to increase the rebate from Rs. 1/kVAh to Rs.2/kVAh during 10 PM to 6 AM for the period of 16th October to 15th Feb. In this regard, we would like to mention that there is a provision of minimum energy charges concept and accordingly the energy charges cannot be less than Rs. 5.50/kVAh. Given the current tariff of Rs. 7.04/kVAh for PIU, a reduction of Rs.2/kVAh would bring the energy charges to Rs. 5.04/kVAh which cannot be less than Rs.5.50/kVAh presently. Therefore, increasing rebate to Rs. 2/kVAh gives no benefit to the consumers. If this proposal is to be accepted, then the minimum tariff condition be withdrawn and let the energy charges be decided accordingly. Nevertheless, the period of ToD rebate should not be reduced from 31st March to 15th February.

PSPCL Reply: The TOD night rebate from 16th October to 15th February @ Rs. 2 per unit has been proposed as per demand of the industry instead of rebate of Rs. 1 per unit from 16th October to 31st March and Rs. 0.50 per unit from 1st April to 15th June. Moreover, to provide the subsidy to any category of consumer comes under the purview of the Government of Punjab. Further determination of tariff, rebate and surcharge to any category of consumers comes under the purview of the Commission.

Commission's view:- The Commission has taken note of the concern of the Objector.

Issue 2: PSPCL has proposed to consider Rs. 3581.95 Crore under 27 Regulation of MYT Regulations, 2022. A glance through MYT Regulation 27 reveals that it deals with prior period expenses and only uncontrollable prior period expenses can be considered. Therefore, it is proposed that the Commission may look into the matter and reduce the ARR with full amount as per MYT provisions only either 27 or 28 or any other regulations of MYT Regulation 2022.

Reply of PSPCL: The amount of Rs. 3,581.95 Crore has been received as loss funding from the GoP and the same has been duly disclosed as an Extraordinary Item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024-25. The accounting treatment and presentation of the said grant have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, the regulatory treatment of

the said amount for tariff purposes may kindly be considered by the Commission in accordance with the applicable MYT Regulations.

Commission's view:- Suggestion is noted

Issue 3: The green energy tariff be reduced from the current level of Rs.0.20/ kWh to Rs. 0.5/kWh keeping in view the very less demand as it would generate additional revenue to that extent to Discom.

Reply of PSPCL: Ministry of Power vide notification dated 6th June 2022 had notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. Subsequently, the Commission issued the RPO Regulations 2022 vide notification dated 12.12.2022 and provision was already made to promote Green energy in the State of Punjab. The Clause no. 4 rephrases as under:

“4. Compliance/Fulfilment of RPO

(1) An Obligated entity may consume renewable energy as per its requirement/RPOs by one or more of the following methods specified in the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022:

(a) Own/Captive Generation;

(b) Through Open Access;

(c) By requisition from distribution licensee, which shall procure such quantity of renewable energy and supply it at the tariff, determined separately by the Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the energy.”

As such, the green energy tariff shall include average pooled power purchase cost of renewable energy, cross-subsidy charges and service charges covering prudent cost of distribution licensee for providing green energy to its consumers. The Commission had adopted the said methodology for specifying the green energy tariff in the past years. Therefore, the calculations for proposed green energy tariff are based on the MoP/PSERC regulations and the figure is independent of any other intervention.

Commission's view:- Objector may note the reply of PSPCL. The Commission determines the Green Energy Tariff in line with the provisions of the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022.

Objection No.16: Mr. Pawan Deewan

Issue: The Ludhiana, home to thousands of MSMEs and large-scale industries, remains the industrial heartbeat of Punjab, driving the state's economy through its robust manufacturing base. However, over an extended period, this vital sector has been reeling under immense stress, primarily due to the burden of exorbitant power tariffs. The cumulative impact has been severe, as numerous industrial units have been forced to shut down, while others have relocated to states offering more competitive and industry-friendly incentives. This exodus not only threatens the livelihoods of lakhs of workers but also undermines Punjab's position as a manufacturing powerhouse. In light of the ongoing exercise initiated by the Commission for determining the power tariff for FY 2026–27, the industrial issues must be addressed on priority. As is well known, Ludhiana's industrial sector is already grappling with soaring raw material costs, logistical bottlenecks and intensifying inter-state competition, it cannot withstand any further burden in the form of steep or disproportionate power tariff hikes and hence it is imperative that the Commission exercise utmost prudence and equity in its approach. To foster long-term industrial stability and competitiveness, it is essential that the Commission should consider implementing a fixed industrial tariff structure for a minimum of five years. A competitive industrial tariff is not a concession; it is a strategic investment in the State's economic vitality, employment generation and long-term industrial resilience. Such predictability is essential for investment planning, cost control and restoring industry confidence.

Moreover, the industry's long-standing and legitimate demand for a phased and transparent reduction in cross-subsidy surcharges, aligned with the spirit of the National Tariff Policy, must now be earnestly addressed. Sustained inaction on this front not only erodes the

competitiveness of Punjab's manufacturing base but also risks accelerating industrial flight to more supportive states, undermining the state's economic resilience and employment landscape. There should be a least-cost power procurement strategy along with clear AT&C loss reduction targets and the investments must translate into measurable improvements in power quality and reliability. In addition to above-mentioned concerns, the industry also continues to face persistent operational challenges that demand immediate redressal. Frequent unscheduled power outages, feeder tripping, voltage fluctuations and a glaring shortage of technical personnel at substations have severely compromised power reliability across industrial zones thereby causing disruptions and hampering productivity.

Equally alarming is the escalating crisis surrounding Power Quality Meters. Despite a nationwide shortage and inflated prices driven by limited vendor availability, industries are being penalized for non-compliance, a situation that is both unjust and counterproductive. In light of these realities, the Commission should grant an immediate moratorium on PQ meter related penalties. At the same time, the Commission should adopt a "Clean Pole Policy" to systematically remove unauthorized third-party cables. Additionally, urgent recruitment drives are needed to address the acute shortage of technical personnel, particularly at substations, where operational gaps are directly impacting service reliability.

In conclusion, the Commission should strike a judicious balance between ensuring the financial viability of the power utility and safeguarding the survival and competitiveness of Punjab's industrial backbone.

Reply of PSPCL: The pointwise reply is as below:

A. As per industrial policy 2022 issued by GoP, industry is being charged variable tariff @ 5.50/- per kVAh with 3% annual enhancement and no increase in fixed charges for 5-year w.e.f. 17.10.2022 with full waiver in fixed charges for SP category and 50% waiver in fixed charge for MS category. As on date the variable tariff for industrial category is Rs. 5.835/- per kVAh. Further, as per tariff order of FY 2025-26, PSPCL issued commercial circular vide CC no. 08/2025 dated 29.03.2025 and issues rebate of Rs. 1 per kVAh from 10:00 PM to 6:00 AM from 16.10.2025 to 31.03.2026 and Rs. 0.5/kVAh from 10:00 PM to 6:00 AM from 01.04.2026 to 15.06.2026. Furthermore, determination of tariff, rebate and surcharge to any category of consumers comes under the purview of the Commission.

B. As per the tariff order of 2025-26 cross subsidy levels of various industrial categories i.e. SP, MS and LS is ascertained as 6.51%, 9.35% and 7.96% respectively by the Commission. The cross-subsidy levels of various categories are consistently maintained by the Commission within (+/- 20%) of the average cost of supply as guided by the tariff policy and provisions of the PSERC regulations. The Cost of Supply has been computed and submitted by the PSPCL in accordance with Methodology-II of the study conducted by TERI for determination of CoS, as approved by the Commission in the ARR for FY 2013-14. Further, the determination of category-wise tariff rates, rebates, surcharges, cost of supply, cross-subsidy levels, etc., falls within the exclusive purview of the Commission and is primarily dependent on the cost of power charged to PSPCL by the generators. PSPCL respectfully adheres to the directions issued by the Commission, and commercial circulars are issued accordingly in line with the Tariff Orders of the Commission.

C. The Commission had published PSERC (Power Quality) Regulations, 2023 vide gazette notification dated 21.03.2023 which came into force w.e.f 21.03.2023. As per Power Quality Regulations, 2023, the important timelines were given under Regulation 13.4 and 13.5 of said regulations for the installation of PQ meters under which designated consumers should have to install PQ meters within 6 months from date of issue of notification. However, based upon the demand raised by the industry covered under designated consumer category and to mitigate the hardship faced by industry, the Commission has made various relaxations in the implementation of the Power Quality Regulations from time to time. Various relaxations were also provided by the Commission and accordingly instructions were issued by PSPCL vide Memo dated 12.03.2025. Relaxation given under para '1' to '3 & 6' still continue till further order by the Commission. The relaxation given under para '4' and '5' of the memo has already been further extended/modified by the Commission and circulated vide CC No. 27/2025 dated 14.08.2025 till further order.

Commission's view:- The Commission has taken note of the concern of the objector.

Objection No. 17: Gp. Capt RC Goyal VSM(Retd)

Issue1: Non-inclusion of proposed tariff for various categories by the licensee in the Petition.

Petition does not contain details of proposed tariff by the licensee for various categories for FY 2026-27. It only contains the total estimated expenditure and revenue sales for all categories. In absence of details of proposed category wise tariff (fixed and variable), consumers are not in a position to give any practical suggestions. For all Chandigarh tariff petitions, the licensee gives details of proposed category wise tariff not only for the next year but for the entire MYT period.

Reply of PSPCL: PSPCL files its ARR petition in line to the methodology adopted in line with the regulatory principles set by the Commission and provisions of the prevailing PSERC MYT Regulations. The Commission allows the same after its prudence check and follows a transparent process for determination of tariff and consumers are given every opportunity to present their objections.

Commission's view:- The Commission determines the tariff after a detailed prudence check of the Discom's submissions in the tariff petition.

Issue2: Cross Subsidy: -

Section 61 (g) of the Electricity Act, 2003 deals with Cross Subsidy. It suggests that tariff should progressively reflect the cost of supply of electricity and also, reduce and eliminate cross-subsidies within the period to be specified by the appropriate Commission.

Tariff policy 2016 section 8.3 deals with reduction of Cross Subsidies. I am not aware since when this Cross Subsidy is in vogue. An appeal is being made to the Commission to examine if Cross Subsidy could be reduced to the minimum and final road map be made to eliminate the same altogether as per laid down guidelines.

Reply of PSPCL: As per the Tariff Order for FY 2025-26, cross subsidy levels of various industrial categories i.e. SP, MS and LS are ascertained as 6.51%, 9.35% and 7.96% respectively by the Commission. The cross-subsidy levels of various categories are consistently maintained within (+/- 20%) of the average cost of supply as guided by the tariff policy and provisions of the PSERC regulations by the Commission. In addition to this, determination of Tariff and Cross-subsidies to any category comes under the purview of the Commission.

Commission's view:- Suggestion is noted. The objector may note the reply of PSPCL.

Issue 3: Reduction of Fixed Charges on Domestic Categories

Fixed charges are levied basically for improving the infrastructure. As per Chandigarh U/T Tariff order applicable with effect from 1st November 2025, fixed charges for three LT Domestic supply categories are Rupees 30 /KW (for FY 2025-26 and FY 2026-27) for 85% of the sanctioned load / contract demand or maximum demand whichever is higher. It is requested that this aspect may be kept in mind by fixing these charges for domestic supply (LT) categories.

Reply of PSPCL: Two-part tariff has been introduced by the Commission in its tariff order w.e.f. 01.01.2018 as per the national tariff policy. Therefore, any change in the fixed charges in the tariff order comes under the purview of the Commission.

Commission's view:- Suggestion is noted.

Issue 4: Comments/ Suggestions on Draft PSERC (Grid Interactive roof Solar Photo Voltaic Systems) 3rd Amendment Regulations, 2026 (Public Hearing Scheduled on 4th Feb, 2026).

1. Clause (d) of regulation 12.3 of Principal regulations provide that the electricity generated from RTSPV systems shall not exceed 90% of the electricity consumptions by the eligible consumers in a settlement period may be removed. This will further promote RTSPV systems in the state and help in achieving the targets lay down by MNRE Government of India.

2. Full net energy credits at the end of settlement period may be settled by the D/L at cent percent value of APPC to be decided by the Commission every year and not 75% of the

Feed in Tariff. This will give more impetus to the consumers for installation of RTSPV systems.

3. All eligible consumers (other than Domestic consumers) should be allowed to install the RTSPV plants of capacity upto the sanctioned load or the contract demand instead of 70% of the sanctioned load or the contract demand as per existing regulations.

4. It is also felt that other changes suggested in the draft notification may be considered for amendments.

Sr. No.	Subject	Chandigarh	Haryana	Punjab
1	Settlement period	01 st April of every year to 31 st March of Next Year	W.e.f 01 st Oct of F/Y to 30 th Sep of next Year. Same for newly commissioned systems will be from date of commissioning to 30 th Sept of next year.	W.e.f 01 st Oct of F/Y to 30 th Sep of next Year.
2	Original notification for Solar P/V Grid Interactive systems	Notification JERC -24/2019 dated 24 th July 2019,1 st amendment notification dated 01 st Aug,2024	RTS Grid Interactive systems based on net Metering/Gross Mtrng Regulation 2021 AL-1 notification dated 15 th July 24 AL-2 notification dated 30 th Oct,25	PSERC/Secy/Regu 158 dated 18 th Aug, 2021. AL-1 dated 11 th March 2024. PSERC/Secy /Regu 186. AL-2 notification dated 20 th Feb,2025
3	Provision about unadjusted net credited units at the end of F/Y/Settlement Period.	Reg 11.3 These units shall be considered as units purchased by the DL at APPC (Average Power Purchase Cost) of the concerned DL or Feed-in-Tariff determined for that year without considering subsidy and accelerated depreciation whichever is lower, provided that at the beginning of each settlement period the cumulative quantum of injected electricity carried forward will be reset to zero Reg 11.9 - at the end of the settlement period, of there is any outstanding billing credit, the consumer has the option to receive payment of the net credit balance, if any or have such credit balance carried over to the next settlement period	Clause 11.1(g) The unadjusted net credited units of electricity at the end of each settlement period shall be considered as units purchased by the DL at 90% of the Feed-In-Tariff provided in regulation 11(iii) b of the Principal Regulations	Existing provisions being considered on 04 th Feb 2026. Comments attached separately. An appeal is being made for settling the energy credits at the end of the settlement period at cent percent of APPC which is little more than the Feed-In-Tariff being decided by the commission. This will really give an incentive to the public to get solar connections in large numbers

Reply of PSPCL: This issue cited by the objector does not relate to the current ARR and tariff petition filed by PSPCL and shall be dealt with separately.

Commission's view:- The issue does not relate to the current petition and shall be dealt with by the Commission separately

Objection No. 18 : All India Power Engineers Federation

Issue 1: Distribution losses for 4th control period from FY 2026-2027 to FY 2028-2029.

Initial figures of distribution losses given by PSPCL are as under: .

2024-25	2025-26	2026-27	2027-28	2028-29
13.12%	12.95%	12.75%	12.50%	12.20%

However, the business plan, including the capital investment plan for the 4th MYT control period of FY 2026-27 to FY 2028-29 of PSPCL which has already been approved by the Commission against petition 50/2025 on 11.12.2025, wherein the losses have been approved as under:.

2026-27	2027-28	2028-29
11.8%	11.6%	11.4%

Alongwith, the Commission has also approved the annual investment plan for the reduction of losses so as to achieve the loss trajectory. Now, without any justification or logic, PSPCL has revised the loss trajectories vide their additional submission dated 04.02.2026.

	FY-2026-27	FY-2027-28	FY-2028-29
Distribution Loss	10.0%	9.95%	9.90%

This has resulted in reduction of net revenue requirement from Rs. 52365 Crore (FY 2026-27) to Rs. 51106 Crore i.e. reduction of Rs. 1259 Crore.

Since the letter of PSPCL does not give any justification or ground/ reason of how and why the loss trajectory has been changed within two months of filing the ARR and within month of approval of the business plan, it has raised the following questions:

- On what account or base the loss trajectory has been reduced?
- The loss reduction is shown from 12.95% in FY 2025-26 to 10% in FY 2026-27 i.e. reduction of 2.95% in one year. In the subsequent years, the annual loss reduction proposed is only -05%. This is quite an anomalous figure. All the loss reduction is concentrated in a single year. In the history of PSPCL/PSEB such order of loss reduction has never been achieved in any single year.
- The Commission has approved the business plan and investment plan, which includes loss trajectory and capital investment. PSPCL has not submitted revised business plan and investment plan.
- How PSPCL can be expected to reduce losses drastically with the same capital investment as was proposed for the loss trajectory submitted in the original plan. How PSPCL can achieve the new target without any additional capital investment.
- Less than 2 months are left for end of the year and PSPCL intends to reduce losses to the extent of 2.95% in the next financial year. Yet PSPCL has not worked out any loss reduction plan for the loss reduction of 2.95%.
- As per PSERC MYT regulations clause 56.1, "Tariff filing- The petitioner shall file a petition for approval of ARR & Tariff, for each year of the control period consistent with the business plan and the capital investment plan approved by the commission. " Further as per same regulations clause 43.3, "Distribution loss- The Distribution Licensee shall file the Distribution loss trajectory in the business plan commensurate with the Capital Investment Plan for distribution business. The Commission after verification and evaluation of the same shall approve the Distribution Loss trajectory for each year of the control period. "

PSPCL has filed the additional submissions in total disregard of the PSERC regulations.

Reply of PSPCL: PSPCL had originally submitted a Distribution loss trajectory of 12.75% for FY 2026-27 before the Commission. The Commission, however, approved the target at 11.80% for FY 2026-27. Subsequently, PSPCL revised the Distribution loss target to 10% for FY 2026-27. This revision has been proposed considering the substantial and time-bound loss reduction measures currently under execution. The proposed additional reduction is based on the cumulative impact of the following initiatives:

- Intensive recovery drive is being carried out on a daily basis against defaulting consumers having outstanding amounts exceeding Rs. 50,000.
- Implementation of smart metering under RDSS across Punjab to improve energy accounting and billing efficiency.
- Rollout of Unified Billing Solution to streamline billing processes and strengthen revenue assurance.
- Execution of HT/LT loss reduction works across the State.
- LT network revamping works in ULB areas (under tendering process).
- Strengthening of 11 kV and 66 kV systems under the Outage Reduction Plan to minimize outage duration and distribution losses.
- Time-Bound Execution of Works

Further, most of the above works are being executed in a time-bound manner and are targeted for substantial completion before March 2027. Accordingly, their major impact is expected during FY 2026-27, justifying a sharper reduction in AT&C losses during that year.

After FY 2026-27, only a marginal reduction of 0.05% per annum has been proposed for the subsequent three years, considering that the major systemic improvements would already have been implemented by then. Thus, the revised target is not arbitrary but is backed by concrete, ongoing and time-bound interventions aimed at reducing both commercial and distribution losses

Commission's view:- The Objector may note PSPCL's reply. Also refer to para 3.3 of this Tariff Order.

Issue 2: Loss Funding:-

During FY 2024-25, PSPCL received loss funding of Rs. 3,581.95 Crore for FY 2022-23 from the GOP under Gol scheme. In the original ARR petition, para 2.24.3, page 54, PSPCL submitted, "It is pertinent to mention here that during FY 2024-25, PSPCL has received grant in the form of loss funding from the government of Punjab to the tune of Rs. 3582 Crore. The same has however not been treated as part of non-tariff income in accordance with earlier approach towards similar loss funding under UDAY scheme, which was also followed by the Commission. '

Now taking a U-Turn, PSPCL has back-pedaled, in the revised submissions, para 8, page 4, PSPCL has submitted, "Further, in continuation of this office memo No. 826/ARR/DY. CAO/271/Deficiencies dated 17.12.2026, it is submitted that during FY 2024-25, PSPCL received loss funding amounting to Rs. 3581.95 Crore Reform of the Government of Punjab. The said funding was extended as a prerequisite for enabling the Government of Punjab to avail additional borrowing equivalent to 0.5% of GSDP from Government of India. The accounting treatment & presentation of the aforesaid grant in the financial statements of the companies have been carried out in accordance with applicable Ind AS and schedule III of companies Act 2013. However, the treatment of the same in tariff petition may be considered in accordance with Regulation 27 of PSERC MYT Regulations, 2022." Regulation 27 is regarding Non- Tariff Income. If such loss funding is treated as income, the very purpose of providing loss funding would be defeated.

Reply of PSPCL: An amount of Rs. 3,581.95 Crore has been received as loss funding from the Government of Punjab and the same has been duly disclosed as an Extraordinary Item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024–25. The accounting treatment and presentation of the said grant have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, the regulatory treatment of the said amount for tariff purposes may kindly be considered by the Commission in accordance with the applicable MYT Regulations.

Commission's view:- The Commission has taken note of the concern of the objector. However, the issue has been addressed in detail in Para 2.30 of the order.

Issue 3: It is stressed that PSPCL has been put to loss in two ways, i.e. for FY 2026-27

- A. Loss reduction of Rs.1259 Crore and
- B. Treating Govt. grant for loss funding of non-tariff income Rs. 3582.95 Crore. Hence, PSPCL ARR has been slashed to the extent of Rs. 4848.95 crore.

Reply of PSPCL: Regarding A Please refer to issue 1 above and regarding B Please refer to issue 2 above.

Commission's view:- The Commission has taken note of the concern of the objector.

Issue 4: It is known fact that Power subsidy (Domestic, Agriculture & Industry) burden of the Punjab Government, is Rs. 22,000 Crore annually and GOP is struggling to pay the same. Similarly, the GOP is unable to clear the arrears of Govt. departments' connections bills and pending power subsidy as committed in RDSS. Further, as committed in previous election manifesto and FY 2026-27 being election year, the Punjab Government is keen on rolling out popular welfare scheme of monthly assistance of Rs. 1,000 to every woman above 18 years of age. Under the political dictate of lowering the tariff to please the public and also to reduce the power subsidy by substantial amount so as to implement Rs. 1000 scheme for women, PSPCL has irrationally revised the ARR petition on 4th Feb 2026.

Reply of PSPCL: The Power subsidy (Domestic, Agriculture and Industry category) based on the consumption up to December 2025 (first 3 quarters) is Rs. 14,766.83 Crore and the estimated subsidy for 4th quarter is Rs. 3180 Crore. Thus, the estimated total power subsidy

for FY 2025-26 works out 17,946.83 Crore. Therefore, the contention that the annual burden of power subsidy for FY 2025-26 is Rs. 22,000 Crore is factually not correct.

Commission's view:- The Objector may note the reply of PSPCL.

Issue 5: It is further observed that in case of those years which are "election years" the State has resorted to reduction or NIL increase of tariff and in subsequent year it leads to tariff shock to consumers. The year wise tabulation of annual ARR figures is attached which shows how ARR or election year is reduced drastically. It can be concluded on basis of above figures/ data that additional submission of PSPCL for tariff revision is politically motivated and in violation of the regulations of the Commission, such drastic steps would result in derailment of smooth functioning of PSPCL. We call upon the Commission to intervene judiciously examine the above issues, includes those whereby regulations have been violated. The Commission is requested to decide on the petition in best interest of the PSPCL and Power sector and consumers:

Reply of PSPCL: Tariff determination is a statutory and quasi-judicial function of the the Commission and is carried out strictly in accordance with the Electricity Act, 2003 and the applicable MYT Regulations. PSPCL submits its ARR based on the audited data and regulatory norms and has no role in the final tariff decision. Any variation in tariff outcomes across years, including years coinciding with elections, is attributable to objective factors such as power purchase cost, fuel prices, approved losses, regulatory gap treatment and policy decisions of the Commission. PSPCL has complied with PSERC Regulations while filing all its petitions. Any tariff impact in subsequent years arises due to regulatory deferral of legitimate costs and accumulated gaps, and not due to any motivated action by the PSPCL. PSPCL places full faith in the Commission to decide the petition strictly on merits, in the best interest of consumers, the power sector and the long-term sustainability of PSPCL.

Commission's view:- The Commission has taken note of the concern of the objector. However, it is clarified that the Commission determines the tariff in view of the provisions of the Electricity Act, 2003, relevant PSERC Regulations and also guiding principles specified in the tariff policy. Further, the Commission does a thorough prudence check of the petition and follows due regulatory process in the most transparent manner.

Objection No. 19: PSEB Engineers Association

Issue 1: It is observed from the public notice appearing in the tribune of 13.02.2026 that PSPCL has made amendments in the ARR through an additional submission. It is observed that only five days time period has been given for filing objections which is far too inadequate and not agreed to PSBS Engineer Association. PSEB Engineers Association requested that a minimum of two week be allowed for finding of objections.

Reply of PSPCL: The timelines for filing of objections/suggestions are prescribed as per the directions and schedule approved by the Commission in the tariff proceedings. The public notice dated 13.02.2026 has been issued in compliance with the procedure and timelines so approved. PSPCL shall abide by any further directions that the Commission may deem fit to issue in this regard.

Commission's view:- The Commission has noted the concern of the objector. It is further clarified that the Commisison has taken note of objections/suggestions received as late as 18.02.2026 and on the record while processing the current tariff petition.

Issue 2: Distribution losses for 4th control period from FY 2026-27 to FY 2028-29

Initial figures of distribution losses given by PSPCL submitted on 28.11.2025 is as under:

2024-25	2025-26	2026-27	2027-28	2028-29
13.12%	12.95%	12.75%	12.50%	12.20%

However, the business plan, including the capital investment plan for 4th MYT control period from FY 2026-27 to FY 2028-29 of PSPCL which has already been approved by the Commission against petition 50/2025 on 11.12.2025, wherein the losses have been approved as under:

2026-27	2027-28	2028-29
11.80%	11.60%	11.40%

Along with this, the Commission has also approved the annual investment plan for reduction of losses to achieve the loss trajectory. Now without any justification of logic, PSPCL has revised the loss projections vide letter dated 04.02.2026. This has resulted in reduction of net revenue requirement from Rs. 52,365 Crore to Rs. 51106 Crore (FY 2026-27) that is reduction of Rs. 1259 Crore. Since the letter of PSPCL does not give any justification or ground/reason for how and why the loss trajectory has been changed within two months of filing of the ARR and within a month of approved of the business, it has raised the following questions

- A. on what account are base the loss with the three been reduced
- B. The loss reduction is shown from 12.95% in 2025-26 (submitted an ARR in true up) to 10% in FY 2026-27 that is reduction of 2.95% in one year. In the subsequent years, the annual loss reduction proposed is only 0.05% . This is quite an anomalous figure. All the loss reduction is concentrated in single year. In the history of PSPCL/PSEB, such an order of loss reduction has never been achieved in any single year.
- C. The Commission has approved the business plan and investment plan which includes the loss trajectory and capital investment PSPCL has not submitted a revised business plan and investment plan.
- D. How PSPCL can be expected to reduce losses drastically with the same capital investment as was proposed for the loss trajectory submitted in the original plan. How PSPCL can achieve the new target without any additional capital investment
- E. Less than two months are left for end of the year and PSPCL intends to reduce losses to extent of 2.95% in the next financial year. Yet PSPCL has not worked out any loss adduction plan for the loss reduction of 2.95%.
- F. As per PSERC embedded regulations clause 56.1 “Tariff filing - The petitioner shall file a petition for approval of ARR and tariff for each year of the control period consistent with the business plan the capital investment plan approved by the Commission”

Further, as per the same regulations clause 43.3 *“distribution loss the distribution loss licensee shall file the distribution loss trajectory in the business plan commensurate with the capital investment plan for the distribution business the Commission after verification and evaluation of the same shall approve the distribution loss trajectory for each year of the control.”*

PSPCL has filed the additional submission in total disregard of the PSERC regulations.

Reply of PSPCL: PSPCL had originally submitted a Distribution loss trajectory of 12.75% for FY 2026-27 before the Commission, however, the Commission approved the target at 11.80% for FY 2026-27. Subsequently, PSPCL revised the Distribution loss target to 10% for FY 2026-27. This revision has been proposed considering the substantial and time-bound loss reduction measures currently under execution. The proposed additional reduction is based on the cumulative impact of the following initiatives:

1. Intensive recovery drive is being carried out on a daily basis against defaulting consumers having outstanding amounts exceeding Rs. 50,000.
2. Implementation of smart metering under RDSS across Punjab to improve energy accounting and billing efficiency.
3. Rollout of Unified Billing Solution to streamline billing processes and strengthen revenue assurance.
4. Execution of HT/LT loss reduction works across the State.
5. LT network revamping works in ULB areas (under tendering process).
6. Strengthening of 11 kV and 66 kV systems under the Outage Reduction Plan to minimize outage duration and distribution losses.
7. Time-Bound Execution of Works

Further, most of the above works are being executed in a time-bound manner and are targeted for substantial completion before March, 2027. Accordingly, their major impact is expected during FY 2026-27, justifying a sharper reduction in AT&C losses during that year.

After FY 2026-27, only a marginal reduction of 0.05% per annum has been proposed for the subsequent three years, considering that the major systemic improvements would already have been implemented by then. Thus, the revised target is not arbitrary but is backed by concrete, ongoing and time-bound interventions aimed at reducing both commercial and distribution losses.

Commission's view:- The objector may note PSPCL's reply. Also refer to para 3.3 of this Tariff Order.

Issue 3: Loss Funding

During FY 2024-25 PSPCL received lost funding of Rs. 3581.95 Crore for FY 2022-23 from the Government of Punjab under Gol scheme. In the original ARR petition, para 2. 24.3 page 54 PSPCL submitted *"it is pertinent to mention that here that during FY 24-25 PSPCL has received grant in the form of lost funding from Government of Punjab to the tune of Rs.3582 Cr.. The same has however not been treated as a part of non-tariff income in accordance with the earlier approach towards similar loss funding under UDAY scheme which was now followed by the Hon'ble Commission."*

Now taking a U-turn, PSPCL has back-pedaled in the revised submission para 8 page 4 PSPCL submitted, *"further in continuation of this memo number 826/ARR/DY.CAO/271/Deficiencies dated 17.12.2026, it is submitted that during financial year 24-25, PSPCL received loss funding amount to Rs. 3581.95 from the Government of Punjab. The said funding was extended as a prerequisite for enabling the Government of Punjab to avail additional borrowing equivalent to 0.5% of GSDP from Government of India. The accounting treatment and presentation of the aforesaid grant in the financial statement of the companies have been carried out in accordance with the applicable Ind AS and schedule III of Companies Act 2013. However, the treatment of same in tariff petition may be considered in accordance with regulation 27 of PSERC MYT regulation 2022."*

Regulation 27 is regarding non-tariff income. If such loss funding is treated as income, the very purpose of providing loss funding would be defeated

Reply of PSPCL: PSPCL has received Rs. 3,581.95 Crore as loss funding and same has been duly disclosed as Extraordinary item in Notes No. 40 and 43(4) of the Company's financial statements for FY 2024-25. The accounting treatment and presentation of the said grant in the financial statements of the Company have been carried out in accordance with the applicable Ind AS and Schedule III of the Companies Act, 2013. However, the treatment of the same in the tariff petition may be considered in accordance with the applicable MYT Regulations.

Commission's view:-The Commission has taken note of the concern of the objector. However, the issue has been addressed in detail in Para 2.30 of the Order.

Issue 4: It is stressed that PSPCL has put has been put two laws in two ways, that is for year 2026 27

- a. Unrealistic loss induction and
- b. Treating Government grant for loss funding of non-tariff income

Hence PSPCL's ARR has been slashed through to the extent of Rs. 4840.95 Crore. It can be concluded on the basis of above figures/data that the additional submission of PSPCL for tariff revision is in violation of the regulations of the Commission. Such a drastic steps would result in derailment of smooth functioning of PSPCL.

We call upon the Commission to intervene judicially and examine the above issue, including those whereby regulations have been violated. The Commission is requested to decide the petition in the best interest of the PSPCL and the power sector and the consumers.

Reply of PSPCL: The allegations regarding "unrealistic loss projection" and the treatment of Government grant towards loss funding as non-tariff income for FY 2026–27 are misconceived and denied. The revised loss levels and projections submitted by PSPCL are based on approved trajectories, past trends, network conditions and ground realities, and are placed before the Commission strictly in accordance with the applicable MYT Regulations. The accounting and regulatory treatment of Government support/grant has been proposed as per regulatory principles and past practice and is subject to prudence check and final determination by the Commission. PSPCL has not "slashed" ARR on its own,

as ARR is determined solely by the Commission after detailed scrutiny and public hearing. The allegation of violation of PSERC Regulations is incorrect and denied. Any variation in ARR arises only from the regulatory process and objective assessment by the Commission. PSPCL places full faith in the Commission to adjudicate the issues strictly on merits, in the best interest of consumers, the power sector and the long-term financial sustainability of PSPCL.

Commission's view:- The Objector may note the reply of PSPCL. Further, the Commission has taken note of the concern of the objector. However, it is clarified that the Commission determines the tariff in view of the provisions of the Electricity Act, 2003, relevant PSERC Regulations and also guiding principles specified in the tariff policy. Further, the Commission does a thorough prudence check of the petition and follows due regulatory process in the most transparent manner.

Objection No. 19 (Additional): PSEB Engineers Association

PSPCL has filed its Multi-Year Tariff (MYT) petition for the control period FY 2026-27 to FY 2028-29, which, in accordance with the PSERC regulations, includes the true up of FY 2024-25 and projections of ARR for FY 2026-27 to FY 2028-29 vide memo dated 28.11.2025 based on prevailing field conditions and realistic operational assessments, PSPCL had originally proposed a distribution loss trajectory of 12.75% for FY 2026-27, 12.50% for FY 2027-28 and 12.20% for FY 2028-29. Subsequently, PSPCL has now filed a revised ARR vide Memo dated 04.02.2026, sharply reducing the projected distribution losses and fixing the target losses at 10%, as against the originally projected 12.75% for FY 2026-27. This implies an abrupt and unprecedented reduction of 2.75% which is within a single year primarily aimed at projecting a reduction in power purchase costs exceeding Rs. 5200 Crore over the three-year period. Thereby portraying a lower tariff requirement in the current MYT period. It is neither realistic nor technically feasible to achieve a distribution loss reduction of 2.75% in one year under existing field conditions. Such a projection does not align with any historical trends, operational realities, or the absence of commensurate system interventions. This appears to be an exercise to artificially suppress the projected revenue requirement under the MYT framework. Further, the treatment of loss funding of Rs. 35181.95 Crore as non-tariff income (Regulation 27 of PSERC MYT regulations 2022) in the revised ARR, effectively negates the very purpose of loss funding and presents a distorted financial position. The projected and unrealistic reduction in losses would necessarily require substantial capital investment in strengthening the distribution infrastructure, for which no specific or adequate provision have been made in the approved business plan. In the absence of such investments, the assumptions underlying the revised ARR lack credibility. This approach seems intended to defer the financial burden to the future years, resulting in even higher and uncertain tariff at a later stage, ultimately burdening consumers and PSPCL. Such an approach presents an inaccurate financial picture and risk pushing the Punjab Power sector into a state of long-term financial uncertainty. It is therefore earnestly requested that the Management may reconsider this exercise, as it may lead to serious structural and financial instability in the state power sector.

Reply of PSPCL: The MYT Petition for FY 2026-27 to FY 2028-29 has been filed strictly in accordance with PSERC Regulations and based on prevailing field conditions. The original distribution loss target of 12.75% for FY 2026-27 was revised after the Commission approved a target of 11.80%. Further revision to 10% has been proposed considering accelerated, ongoing and time-bound loss reduction measures. These include RDSS-based smart metering, Unified Billing Solution, intensive recovery drives, HT/LT loss reduction works, LT network revamping and strengthening of 11 kV/66 kV systems. Most works are scheduled for substantial completion before March 2027 and are expected to yield maximum impact in FY 2026-27. Accordingly, a sharper reduction has been projected for FY 2026-27, with only marginal reductions thereafter.

Further the revised trajectory is neither arbitrary nor intended to suppress ARR but is based on tangible field-level interventions. Also, PSPCL places full faith in the Commission to adjudicate the issues strictly on merits, in the best interest of consumers, the power sector and the long-term financial sustainability of PSPCL.

Commission's view:- The Objector may note the reply of PSPCL along with the Commission's views in the previous paras.

Objection No. 20: Mr. Prateek Singh

Issue 1. Unauthorized and Unapproved CAPEX on Smart Meters

PSPCL has reportedly procured approximately 26 lakh smart meters under the CAPEX mode, incurring expenditure of around Rs. 1,500 Crore, without availing any grant or financial assistance from the Central Government.

In this regard, it is respectfully submitted that:

- Such capital expenditure was not approved under the prevailing MYT framework.
- No prior explicit approval of the Commission appears to have been obtained for undertaking such substantial capital outlay.
- In the absence of MYT approval, such expenditure cannot automatically qualify for capitalization and tariff recovery.

Allowing recovery of this expenditure would directly burden consumers through increased tariff on account of:

- Depreciation
- Interest on loans
- Return on Equity (RoE)
- Additional O&M expenses

Issue 2. Deviation from RDSS OPEX/TOTEX Model Adopted Nationally

Across India, smart meters are being implemented under the Revamped Distribution Sector Scheme (RDSS) of the Ministry of Power through an OPEX/TOTEX Model, wherein:

- Payment is made on a monthly basis.
- Payment is linked to actual data availability and performance metrics.
- Financial burden is staggered over time.
- Capital risk is borne largely by the AMISP.
- Majority payment is released upfront against supply.
- Entire capital burden is transferred to the utility's balance sheet.'
- Consumers bear immediate capitalization impact.

This deviation from the nationally adopted RDSS framework lacks economic justification, especially when RDSS provides grant support and risk mitigation.

Issue 3. Excessive Procurement Cost Compared to RDSS Benchmark Rates

- Under RDSS OPEX Model, single-phase smart meters are available at approximately Rs. 2,100 per meter (inclusive of communication and service components).
- Under PSPCL's CAPEX procurement, similar meters have reportedly been procured at approximately Rs. 3,700 per meter.

This reflects a substantial per-meter cost differential. For a procurement volume of 26 lakh meters, such differential results in a significant additional financial burden running into hundreds of crores, ultimately impacting consumer tariffs.

It is therefore prayed that the Commission may:

- Direct PSPCL to place on record detailed cost benchmarking and comparative analysis.
- Examine whether due diligence and competitive discovery were properly undertaken.
- Conduct a strict prudence check before allowing any capitalization in ARR.

Issue 4. Absence of Grant Component-Entire Burden on Consumers.

Under RDSS framework, capital support/grant reduces tariff impact.

In the present CAPEX procurement:

- No control grant has been availed.
- Entire expenditure is financed through internal accruals/borrowings.
- Interest, depreciation and RoE will be claimed in ARR.

This structure directly shifts the entire financial liability to the consumers of Punjab.

Issue 5. Prayer

In view of the above, it is requested that the Commission may be pleased to:

1. Disallow capitalization of Rs. 1,500 Crore smart meter CAPEX in the ARR for tariff determination.
2. Direct PSPCL not to undertake further smart meter procurement under CAPEX mode during the next three financial years without prior approval of the Commission.
3. Mandate alignment with RDSS OPEX/TOTEX Model for further procurement.
4. Ensure that no tariff burden arising out of such unapproved capital expenditure is passed on to consumers.

Reply of PSPCL:- PSPCL has not submitted the reply to the above objection.

Commission's view:- The Commission takes note of the objection raised by the objector. PSPCL is directed to verify the facts of the objection raised and submit a specific reply within one month of the issuance of the Tariff Order.



Punjab State Electricity Regulatory Commission

Plot No. 3, Sector 18-A, Madhya Marg, Chandigarh

Tel: 0172-2540066, Fax: 0172-2540491

Capt. Karnail Singh, IAS (Retd.)
Secretary

D.O. No. 23-24
Dated: 08-01-2026

Subject: Petition for True up for FY 2024-25 and
Estimates/Determination of Tariff for FY 2026-27 of PSPCL –
Payment of Subsidy by the State Government for FY 2026-27.

Kindly refer to the subject cited above.

2. As per section – 65 of the Electricity Act, 2003, the State Government may provide subsidy to consumers as under: -

“Provision of subsidy by state Government:- If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under Section-62, the state Government shall notwithstanding any direction which may be given under Section 108, pay, in advance and in such manner as may be specified the amount to compensate the person affected by the grant of subsidy for the License or any other person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the License or any other person concerned to implement the subsidy provided for by the State Government.

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”

3. Govt. of Punjab (Dept. of Power) had earlier conveyed its decision vide Letter No.Power-ENRG013/1/2023-EV2 I/1077589/2025 dated 22.04.2025 to continue to provide subsidy to the consumers in the industrial, agriculture and domestic category, in the State as under: -

- a) Free power to all Agriculture consumers.
- b) Up to 600 units bi-monthly/300 units monthly of free electricity along-with Fixed Charges, Meter Rental and Government levies/taxes to all domestic consumers (using electricity for residential purpose only) belonging to Scheduled Caste (SC), Non-SC BPL, Backward Class (BC), Freedom Fighter category. In case, their consumption is more than 600 units bi-monthly/300 units monthly then they will pay only for the units consumed in excess of 600 units bi-monthly/300 units monthly along-with

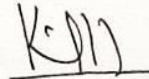
full fixed charges and meter rentals and Government levies/taxes. The electricity consumption in excess of 300 units per month shall be billed as per the applicable slabs of monthly tariff above 300 units;

- c) Upto 600 units bi-monthly/300 units monthly of free electricity along-with Fixed Charges, Meter Rental and Government levies/taxes to all the domestic consumers (other than those mention in (b) above) using electricity for residential purpose only. In case, their consumption is more than 600 units bi-monthly/300 units monthly, these consumers shall pay energy charges for their entire consumption as per applicable slabs of monthly tariff along with fixed charges. Meter rentals and Government levies;
- d) subsidized tariff @ Rs. 5.50 per Kwh (Energy Charges) with annual Increase of 3% and no increase in fixed charges to all industrial manufacturing industries and IT & ITES Industries in approved industrial parks and Amusement Parks/Adventure Parks developed on minimum area of 50 acres duly registered with Department of Tourism in the State with full waiver of fixed charges to Small Power (SP) and 50% waiver of fixed charges to Medium Supply (MS).

4. The difference in tariff decided by the regulator and subsidized tariff shall be borne by the Government as subsidy.

5. It is, therefore, requested that Govt. of Punjab may convey its decision in respect of subsidies to various categories of consumers for the FY 2026-27 at earliest please, as the tariff order is to be issued within the stipulated period.

Yours sincerely,



(Capt. Karnail Singh)
Secretary

Sh. K.A.P Sinha, IAS
Chief Secretary to Govt, of Punjab,
Chandigarh.

CC: NOO

✓ Sh. Basant Garg, IAS
Administrative Secretary,
Department of Power,
Chandigarh.

**Government of Punjab
Department of Power
(Energy Branch)**

To

The Secretary,
Punjab State Electricity Regulatory Commission,
Chandigarh.

Memo No. 13/01/2023-EV2/442
Dated, Chandigarh, the 04.03.2026

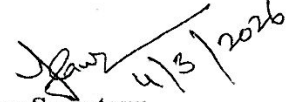
**Subject: - Petition for True up for FY 2024-25 and Estimates Determination of
Tariff for FY 2026-27 of PSPCL- Payment of Subsidy by the State
Government for FY 2026-27.**

Please refer to your demi official letter No.23-24 dated 08.01.2026 on the
subject cited above.

2. In this regard, it is informed that the State Government shall continue to
provide subsidy to the industrial, agriculture and domestic category consumers in the
State as detailed below:-

- a) Free power to all Agriculture consumers;
- b) Upto 600 units bi-monthly/300 units monthly of free electricity alongwith Fixed
Charges, Meter Rental and Government levies/taxes to all domestic consumers
(using electricity for residential purpose only) belonging to Scheduled Caste (SC),
Non-SC BPL, Backward Class (BC), Freedom Fighter category. In case their
consumption is more than 600 units bi-monthly/300 units monthly, then they will
pay only for the units consumed in excess of 600 units bi-monthly/300 units
monthly alongwith full fixed charges and meter rentals and Government
levies/taxes. The electricity consumption in excess of 300 units per month shall be
billed as per the applicable slabs of monthly tariff above 300 units;
- c) Upto 600 units bi-monthly/300 units monthly of free electricity alongwith Fixed
Charges, Meter Rental and Government levies/taxes to all the domestic consumers
(other than those mention in (b) above) using electricity for residential purpose
only. In case their consumption is more than 600 units bi-monthly/300 units
monthly, these consumers shall pay energy charges for their entire consumption as
per applicable slabs of monthly tariff along with fixed charges, Meter rentals and
Government levies;

- d) subsidized tariff @ Rs.5.835 per Kvah (Energy Charges) and no increase in fixed charges to all Industrial manufacturing industries and IT & ITES industries in approved industrial parks and Amusement Parks/Adventure Parks developed on minimum area of 50 acres duly registered with Department of Tourism in the State with full waiver of fixed charges to Small Power (SP) and 50% waiver of fixed charges to Medium Supply (MS).
3. The difference in tariff decided by the regulator and subsidized tariff shall be borne by the Government as subsidy. No subsidy is allowed to Central/State/PSU/PSPCL/PSTCL/BBMB offices and Government water supply connections having electricity connection under industrial category (SP/MS/LS) and they shall be charged under relevant tariff.
4. The concurrence of Department of Finance regarding budget provision for power subsidy has been obtained vide their file No. FD/FE/40BDGT/38/2023-2FE4/I/1331208/2026 dated 27.02.2026.


Under Secretary
