

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
NOTIFICATION

The 15th October, 2015

No. PSERC/Secy/Regu. 108 - In exercise of powers conferred on it under Section 61 read with Section 181 of The Electricity Act, 2003 (36 of 2003) and all other powers enabling the Commission in this behalf, the Punjab State Electricity Regulatory Commission hereby amends the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005, namely: -

1. Short Title and Commencement:

- 1) These Regulations shall be called the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (5th Amendment) Regulations, 2015.
- 2) These Regulations shall come into force from the date of their publication in the official Gazette of the State.

2. Amendment of Regulation 28 - Operation and Maintenance Expenses

Sub-clause (a) of clause (3) shall be substituted as under:

- (a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:
 - (i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and
 - (ii) all other expenses accounted for under different subheads of employee cost taken together.

The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis. All other expenses under different subheads of employee cost shall be determined by the Commission limited to actual expenses after prudence check as per formula given below:-

Employee cost other than terminal benefits

$$(\text{EMP}_n) = (\text{EMP}_{\text{base}}) * (\text{INDEX}_n / \text{INDEX}_{\text{base}})$$

Where,

EMP_n – Employee Cost approved by the Commission for nth year.

EMP_{base}– Employee Cost approved by the Commission for base year.

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

$$\mathbf{INDEX_n = (0.50 * CPI_n + 0.50 * WPI_n)}$$

INDEX_{base} - Inflation Factor to be used for indexing the Employee Cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) of base year and shall be worked out as under:-

$$\mathbf{INDEX_{base} = (0.50 * CPI_{base} + 0.50 * WPI_{base})}$$

CPI = Consumer Price Index (Industrial Workers)

WPI= Wholesale Price Index (All Commodities)

By order of the Commission

Sd/-

SECRETARY