

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 355/TT/2019

Coram:

**Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 31.08.2021

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and revision of transmission tariff of the 2004-09 and 2009-14 tariff periods and truing-up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for 2nd 315 (3X105) MVA, 400/220 kV Transformer at Indravati (OHPC) Switchyard in Eastern Region.

And in the matter of:

Power Grid Corporation of India Ltd.,
"SAUDAMINI", Plot No-2,
Sector-29, Gurgaon-122001 (Haryana)

.....Petitioner

Versus

1. Bihar State Power Holding Company Ltd.,
(Formerly Bihar State Electricity Board-BSEB),
Vidyut Bhavan, Bailey Road, Patna-800001.
2. West Bengal State Electricity Distribution Company Ltd.,
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Calcutta-700091.
3. Grid Corporation of Orissa Ltd.,
Shahid Nagar, Bhubaneswar-751007.
4. Jharkhand State Electricity Board,
Doranda, Ranchi-834002.
5. Damodar Valley Corporation,
DVC Tower, Maniktala, Civic Centre, VIP Road,
Calcutta-700054.



6. Power Department, Govt. of Sikkim,
Gangtok-737101.

.....Respondents

For Petitioner : Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri A. K. Verma, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : None

ORDER

The instant petition has been filed by the Petitioner, Power Grid Corporation of India Ltd., a deemed transmission licensee, for revision of transmission tariff of the 2004-09 and 2009-14 tariff periods; truing up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”); and for determination of tariff for the period from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of 2nd 315 (3X105) MVA, 400/220 kV Transformer at Indravati (OHPC) Switchyard (hereinafter referred as “the transmission asset”) in Eastern Region.

2. The Petitioner has made the following prayers in this petition:

- “1) Approve the revised Transmission Tariff for 2004-09 block and transmission tariff for 2009-14 block for the assets covered under this petition, as per para 8 above.*
- 2) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per Para 9 and 10 above.*
- 3) Allow the capital cost including the additional capitalization, incurred during 2014-19 period as claimed by petitioner.*
- 4) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff Regulations 2019 as per para 9 and 10 above for respective block.*
- 5) Approve the reimbursement of expenditure by the beneficiaries towards petition filing*



fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.

- 6) *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 7) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.*
- 8) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 10.5 above.*
- 9) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 10) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice”

3. **Backdrop of the case**

- a) The Investment Approval (IA) for the transmission asset was accorded by the Board of Directors of the Petitioner company vide Memorandum dated 26.2.2003 at an estimated cost of ₹1905.00 lakh, including IDC of ₹152.00 lakh.
- b) Initially, the provisional transmission tariff for the period from 1.5.2006 to 31.3.2009 for the transmission asset was allowed by the Commission vide order dated 26.4.2007 in Petition No. 37/2007. The transmission tariff for the period from 1.5.2006 to 31.3.2009 for the transmission asset was allowed vide order dated 29.8.2008 in Petition No. 137/2007 which was subsequently revised on account of Additional Capital Expenditure (ACE) incurred during 2007-08 and 2008-09 vide order dated 26.4.2010 in Petition No. 320/2009.
- c) The transmission tariff for the period from 1.4.2009 to 31.3.2014 was allowed vide order dated 13.4.2011 in Petition No. 227/2010. The transmission tariff for the 2009-14 period was trued-up and tariff for the period from 1.4.2014



to 31.3.2019 was allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014.

d) As per IA, the transmission asset was scheduled to be commissioned by May 2005. However, it was declared under commercial operation on 1.5.2006. Therefore, there was a time over-run of about 11 months which was condoned vide order dated 29.8.2008 in Petition No. 137/2007.

e) Complete scope of the work as per IA is covered in the instant petition.

f) The Petitioner has prayed for revision of transmission tariff allowed for the 2004-09 tariff period on account of change in Interest on Loan (IoL) and Interest on Working Capital (IWC) to the extent of revision in IoL and in Maintenance Spares in terms of the judgments of the Appellate Tribunal for Electricity (APTEL) dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and 13.6.2007 in Appeal No. 139 of 2006 and batch matters; consequential revision of transmission tariff allowed for the 2009-14 tariff period; truing up of tariff of the 2014-19 tariff period; and determination of transmission tariff of the 2019-24 tariff period for the transmission asset.

g) The APTEL in judgment dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters pertaining to generating stations of NTPC had considered 4 (four) issues. The issues considered by the APTEL and its decisions are as given in the following table:

Sr. No.	Issue	APTEL's decision/direction
1	Whether APTEL can enquire into the validity of Regulations framed by the Commission	Challenge to the validity of Regulations framed by the Commission falls outside the purview of APTEL
2	Computation of IoL	In view of the order of APTEL dated 14.11.2016 in Appeal Nos. 94 and 96 of 2005 and order dated 24.1.2007 passed in Appeal Nos. 81 to 87, 89 to 93 of 2005, computation of loan has to be based on loan repayment on normative basis. Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis
3(a)	O&M Expenses: In adequate provision of employee costs as	Commission's view upheld



	part of O&M Expenses due to variation in salary and wages	
3(b)	O&M Expenses: Non-inclusion of incentives and ex-gratia payment to employees	Commission's view upheld
4	Cost of spares for calculation of working capital	Commission's view upheld

h) The APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters pertaining to generating stations of NTPC had considered 9 (nine) issues. The issues considered and the decision of the APTEL are given in the following table:

Sr. No.	Issue	APTEL's decision/direction
I	Computation of outstanding loan at the beginning of the tariff period i.e. 1.4.2004	The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis
II	Consequence of refinance of loan	Commission to consider the issue afresh
III	Treating depreciation available as deemed repayment of loan	Commission to make a fresh computation of outstanding loan
IV	Admissibility of depreciation up to 90%	Commission to consider the issue afresh
V	Cost of Maintenance Spares	Commission to consider the issue afresh
VI	Impact of de-capitalisation of the assets on cumulative repayment of loan	The cumulative repayment of the loan proportionate to the assets de-capitalized required to be reduced. Commission to act accordingly
VII	Non-consideration of normative transit loss for coal import.	Commission to consider afresh the transit losses for coal imported from coal mines other than the dedicated ones
VIII	Foreign Exchange Rate Variation (FERV)	FERV has been kept as pass through to ensure that any liability or gain, if any, arising on account of any variation in foreign exchange rates is passed on to the beneficiary as held in order dated 4.10.2006 in Appeal Nos. 135 to 140 of 2005. Commission to act accordingly
IX	Computation of IoL in Singrauli Station	Net loan closing at the end of a year is reflected as net loan opening on the first day of the next year. Commission shall re-compute the interest accordingly

i) The Commission and certain interested parties preferred Civil Appeals against APTEL's judgments before the Hon'ble Supreme Court in 2007. The Appeals were admitted and initially stay was granted by the Hon'ble Supreme



Court. Subsequently, on an assurance by NTPC that the issues under Appeal would not be pressed for implementation during the pendency of the Appeals, the stay was vacated by the Hon'ble Supreme Court.

j) Based on APTEL's judgments dated 22.1.2007 and 13.6.2007, the Petitioner had prayed for re-determination of tariff of its transmission assets of the 2001-04 and 2004-09 tariff periods in Petition No. 121/2007. The Commission after taking into consideration the pendency of Appeals before the Hon'ble Supreme Court adjourned the said petition *sine die* and directed that the same be revived after the disposal of the Civil Appeals by the Hon'ble Supreme Court.

k) The Hon'ble Supreme Court vide its judgement dated 10.4.2018, dismissed the said Civil Appeals filed against the APTEL's said judgments. Thus, the judgments of the APTEL have attained finality.

l) Consequent to the Hon'ble Supreme Court's order dated 10.4.2018 in NTPC matter, Petition No. 121/2007 was listed for hearing on 8.1.2019. The Commission vide order dated 18.1.2019 in Petition No. 121/2007, directed the Petitioner to submit its claim separately for the assets at the time of filing of truing-up of the petition for the 2014-19 tariff period.

m) The instant petition was heard on 24.3.2021 and in view of the APTEL's judgments dated 22.1.2007 and 13.6.2007 and the order of Hon'ble Supreme Court dated 10.4.2018, tariff is being revised. Period-wise transmission tariff is being re-worked based on the Tariff Regulations applicable for the respective tariff periods and suitable assumptions have been made at certain places and applied, which are indicated.

4. The Respondents are the distribution licensees, transmission utilities and power departments which are procuring transmission services from the Petitioner, mainly beneficiaries of Eastern Region.



5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. None of the Respondents have filed any reply.

Re: Interest on Loan (IoL)

6. The APTEL while dealing with the issue of computation of IoL, in judgment dated 22.1.2007, observed that IoL for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgment dated 14.11.2006 in Appeal Nos. 94 and 96 of 2005. The APTEL vide its judgment dated 14.11.2006 had set aside the Commission's methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher and held that the Commission is required to adopt normative debt repayment methodology for working out IoL liability for the period from 1.4.1998 to 31.3.2001. In view of the above, the interest allowed for the 2004-09 period is revised on the basis of the normative debt repayment methodology.

Re: Additional Capital Expenditure (ACE)

7. The APTEL vide judgment dated 13.6.2007 in Appeal No. 139/2006 and batch matters held that ACE after COD should also be considered for computation of maintenance spares. In view of the above, the maintenance spares to be considered for computation of working capital for the 2004-09 period are also required to be revised taking into consideration ACE after COD.

Re: Depreciation

8. As regards depreciation, the APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 observed that depreciation is an expense and it cannot be deployed



for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. Accordingly, the outstanding loan allowed for the transmission asset for 2004-09 period is revised in the instant order.

9. In view of the above directions of the APTEL, the outstanding loan allowed for the transmission asset for the 2004-09 period is revised in the instant order.

10. The revision of transmission tariff allowed for the 2004-09 tariff period necessitates the revision of transmission tariff allowed for the 2009-14 tariff period, which is also being done in the present order. The implementation of the directions of APTEL in judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters was kept pending in case of the Petitioner awaiting the outcome of the Civil Appeals filed before the Hon'ble Supreme Court. Taking into consideration the facts of the case and keeping in view the interest of the consumers, we are of the view that the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed in the instant order for the 2004-09 and 2009-14 tariff periods. Therefore, we direct that the Petitioner will neither claim nor pay any carrying cost from or to the beneficiaries for the difference, if any, in the tariff allowed earlier and the tariff being allowed in the instant order. Further, the said difference in tariff shall be recovered/paid over a period of six months from the date of issue of this order.

11. This order is issued considering the submissions made by the Petitioner vide affidavits dated 20.8.2019 and 30.7.2020.



12. The hearing in this matter was held on 24.3.2021 through video conference and the order was reserved. Having heard the representative of the Petitioner and after perusal of the materials on record, we proceed to dispose of the petition.

REVISION OF TRANSMISSION CHARGES ALLOWED FOR THE 2004-09 AND 2009-14 TARIFF PERIODS

2004-09 Period

13. The Commission vide order dated 26.4.2010 in Petition No. 320/2009 had approved the following transmission charges for the transmission asset for the period from 1.5.2006 to 31.3.2009:

Particulars	(₹ in lakh)		
	2006-07 (pro-rata for 11 months)	2007-08	2008-09
Depreciation	43.07	49.53	52.06
Interest on Loan	62.59	69.66	70.45
Return on Equity	44.57	51.59	54.54
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	5.30	6.04	6.30
O&M Expenses	55.77	63.26	65.80
Total	211.30	240.09	249.15

14. The Petitioner has claimed the following revised transmission charges for the transmission asset for the period from 1.5.2006 to 31.3.2009 in the instant petition:

Particulars	(₹ in lakh)		
	2006-07 (pro-rata for 11 months)	2007-08	2008-09
Depreciation	43.07	49.53	52.06
Interest on Loan	64.01	74.25	77.00
Return on Equity	44.57	51.59	54.54
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	5.34	6.21	6.59
O&M Expenses	55.77	63.26	65.80
Total	212.76	244.84	256.00

15. We have considered the submissions of the Petitioner. The transmission tariff is allowed for the transmission asset on basis of the following:

- a) Admitted capital cost and ACE allowed for the period from 1.5.2006 to 31.3.2009 which are as follows:



Particulars	Admitted Capital Cost (as on COD)	ACE			Admitted Capital Cost (as on 31.3.2009)
		2006-07	2007-08	2008-09	
Asset	1294.93	20.39	121.15	19.20	1455.67

b) Weighted Average Rate of Interest on actual loan, Weighted Average Rate of Depreciation (WAROD), Rate of IWC and O&M Expenses as approved vide order dated 26.4.2010 in Petition No. 320/2009; and

c) Equity of ₹344.22 lakh as on COD and additional equity of ₹6.12 lakh, ₹36.35 lakh and ₹5.76 lakh for the years 2006-07, 2007-08 and 2008-09 respectively as allowed vide order dated 26.4.2010 in Petition No. 320/2009.

16. In view of the above, the revised transmission charges approved for the transmission asset for the 2004-09 tariff period are as follows:

Particulars	(₹ in lakh)		
	2006-07 (pro-rata for 11 months)	2007-08	2008-09
Depreciation	43.07	49.53	52.06
Interest on Loan	62.57	71.08	73.87
Return on Equity	44.57	51.59	54.54
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	5.31	6.15	6.53
O&M Expenses	55.77	63.26	65.80
Total	211.29	241.61	252.80

17. Annual Fixed Charges (AFC) allowed for the 2004-09 period vide order dated 26.4.2010 in Petition No. 320/2009, revised AFC claimed in the instant petition and the revised AFC approved is as follows:

Particulars	(₹ in lakh)		
	2006-07 (pro-rata for 11 months)	2007-08	2008-09
AFC allowed vide order dated 26.4.2010 in Petition No. 320/2009	211.30	240.09	249.15
AFC claimed by the Petitioner in the instant petition	212.76	244.84	256.00
AFC approved in the instant order	211.29	241.61	252.80



2009-14 Period

18. The Commission vide order dated 13.4.2011 in Petition No. 227/2010 had allowed the tariff for the transmission asset for the period from 1.4.2009 to 31.3.2014 which was trued-up vide order dated 28.1.2016 in Petition No. 442/TT/2014. The trued-up tariff allowed for 2009-14 period vide order dated 28.1.2016 is as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	77.43	78.00	78.47	78.94	78.94
Interest on Loan	66.86	61.79	56.51	51.13	45.27
Return on Equity	73.89	77.22	77.82	78.34	79.28
Interest on Working Capital	9.00	9.23	9.42	9.61	9.81
O&M Expenses	89.08	94.18	99.57	105.26	111.28
Total	316.26	320.42	321.78	323.28	324.59

19. The Petitioner has claimed the following revised transmission charges for the transmission asset for the 2009-14 tariff period in this petition:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	77.43	78.00	78.47	78.94	78.94
Interest on Loan	73.88	68.83	63.56	58.21	52.37
Return on Equity	73.89	77.22	77.82	78.34	79.28
Interest on Working Capital	9.15	9.38	9.56	9.76	9.96
O&M Expenses	89.08	94.18	99.57	105.26	111.28
Total	323.43	327.61	328.99	330.50	331.82

20. We have considered the Petitioner's claim. The revised transmission tariff is allowed for the transmission asset on the basis of the following:

- a) Admitted capital cost of ₹1455.67 lakh as on 1.4.2009; and
- b) Weighted Average Rate of Interest on actual loan and WAROD is considered as allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014.

21. In view of the above, the revised transmission charges approved for the transmission asset for the 2009-14 tariff period is as follows:



(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	77.43	78.00	78.47	78.94	78.94
Interest on Loan	70.79	65.73	60.46	55.10	49.25
Return on Equity	73.89	77.22	77.82	78.34	79.28
Interest on Working Capital	9.09	9.32	9.50	9.69	9.89
O&M Expenses	89.08	94.18	99.57	105.26	111.28
Total	320.28	324.45	325.82	327.33	328.65

22. AFC allowed for the 2009-14 tariff period vide order dated 28.1.2016 in Petition No. 442/TT/2014, the revised AFC claimed in the instant petition and AFC approved in the instant order are as follows:

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
AFC allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014	316.26	320.42	321.78	323.28	324.59
AFC claimed by the Petitioner in the instant petition	323.43	327.61	328.99	330.50	331.82
AFC approved in the instant order	320.28	324.45	325.82	327.33	328.65

TRUING-UP OF ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD

23. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset for the 2014-19 tariff period is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	78.94	78.94	78.94	79.11	79.27
Interest on Loan	46.56	40.79	35.11	29.87	25.08
Return on Equity	79.34	79.70	79.66	79.85	80.25
Interest on Working Capital	10.38	10.44	10.50	10.59	10.70
O&M Expenses	102.51	105.91	109.43	113.06	116.81
Total	317.73	315.78	313.64	312.48	312.11

24. The details of the trued-up IWC claimed by the Petitioner in respect of the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	8.54	8.83	9.12	9.42	9.73
Maintenance Spares	15.38	15.89	16.41	16.96	17.52
Receivables	52.96	52.63	52.28	52.08	52.02
Total	76.88	77.35	77.81	78.46	79.27



Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	10.38	10.44	10.50	10.59	10.70

Capital Cost

25. The Commission vide order dated 28.1.2016 in Petition No. 442/TT/2014 had allowed the transmission tariff for the transmission asset for the 2014-19 period based on admitted capital cost of ₹1495.14 lakh as on 1.4.2014. The capital cost of the transmission asset has been calculated in accordance with Regulation 9(3) of the 2014 Tariff Regulations.

26. Accordingly, the capital cost of ₹1495.14 lakh as on 1.4.2014 has been considered for the purpose of truing-up of the tariff of the 2014-19 tariff period.

Additional Capital Expenditure (ACE)

27. The Commission vide order dated 28.1.2016 in Petition No. 442/TT/2014 observed as follows:

“38. We have considered the submission of the petitioner. The transmission asset was commissioned on 1.5.2006 and the petitioner has projected additional capital expenditure after a period of 8 years towards balance and retention payments. We are of the view that all contracts should be closed within a period of 3 years from the date of commercial operation and all payments should be made within the said period. In the instant petition the additional capital expenditure of ₹18.33 lakh during 2014-15 is allowed as a special case, subject to true up on actual basis. However, the petitioner is directed to take steps to close all the contracts pending beyond 3 years, not only in this case but for all the other assets.”

28. The Petitioner has claimed the following ACE for the transmission asset and submitted the Auditor’s Certificate and Form-7 in support of the same:

(₹ in lakh)		
Capital Cost (as on 1.4.2014)	ACE (2017-18)	Capital Cost (as on 31.3.2019)
1495.14	6.28	1501.42

29. The Petitioner has submitted that ACE incurred for the transmission asset is on account of balance and retention payments due to un-discharged liability towards final



payment or withheld payment due to contractual exigencies for works executed within the cut-off date. ACE incurred during the 2014-19 tariff period has been claimed under Regulation 14(3)(v) of the 2014 Tariff Regulations.

30. The Petitioner vide affidavit dated 30.7.2020 has submitted that the outstanding liability of ₹6.28 lakh claimed as ACE during 2017-18 is on account of retention money of M/s BHEL for the sub-station package. The Petitioner has further submitted that there is no reversal and additional liability recognized during the 2014-19 tariff period and accordingly, there is no outstanding liability as on 31.3.2019.

31. The Petitioner's claim of ₹6.28 lakh as ACE is lower than the projected ACE allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014. The total completion cost as on 31.3.2019 works out to ₹1501.42 lakh, which is within the approved FR cost of ₹1905 lakh. Accordingly, ₹6.28 lakh has been allowed as ACE during 2017-18.

32. Accordingly, the capital cost considered for truing-up of transmission tariff of the 2014-19 tariff period is as follows:

(₹ in lakh)		
Capital Cost (as on 1.4.2014)	ACE (2014-19)	Capital Cost (as on 31.3.2019)
1495.14	6.28	1501.42

Debt-Equity Ratio

33. The debt-equity ratio for the period ending on 31.3.2014 has been considered in terms of Regulation 19(3) of the 2014 Tariff Regulations. Accordingly, the details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 for the transmission asset is as follows:



Funding	As on 1.4.2014		As on 31.3.2019	
	Capital cost (₹ in lakh)	(in %)	Capital cost (₹ in lakh)	(in %)
Debt	1090.86	72.96	1095.26	72.95
Equity	404.29	27.04	406.17	27.05
Total	1495.14	100.00	1501.42	100.00

Depreciation

34. The Petitioner has claimed depreciation considering capital expenditure of ₹1495.14 lakh as on 1.4.2014 in respect of the transmission asset. The Petitioner has not claimed any depreciation towards “IT Equipment” in the instant petition.

35. The depreciation has been worked out as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. Depreciation has been allowed considering capital expenditure as on 1.4.2014 and allowed ACE during 2014-19 tariff period. The Gross Block during the 2014-19 tariff period has been depreciated at WAROD and working of WAROD is at Annexure-I. The trued-up depreciation allowed for 2014-19 tariff period for the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	1495.14	1495.14	1495.14	1495.14	1501.42
Addition during 2014-19 due to Additional Capitalisation	0.00	0.00	0.00	6.28	0.00
Closing Gross Block	1495.14	1495.14	1495.14	1501.42	1501.42
Average Gross Block	1495.14	1495.14	1495.14	1498.28	1501.42
Weighted Average Rate of Depreciation (in %)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset (Year)	18.00	17.00	16.00	15.00	14.00
Lapsed life at the beginning of the year (Year)	7.00	8.00	9.00	10.00	11.00
Aggregated Depreciable Value	1345.63	1345.63	1345.63	1348.45	1351.28
Depreciation during the year	78.94	78.94	78.94	79.11	79.27
Aggregate Cumulative Depreciation	615.38	694.33	773.27	852.38	931.65
Remaining Aggregate Depreciable Value	730.24	651.30	572.36	496.07	419.62



36. The details of depreciation allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, depreciation claimed by Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014	79.43	79.91	79.91	79.91	79.91
Claimed by the Petitioner in the instant petition	78.94	78.94	78.94	79.11	79.27
Approved after true-up in this order	78.94	78.94	78.94	79.11	79.27

Interest on Loan (IoL)

37. The Petitioner has claimed Weighted Average Rate of IoL, based on its actual interest rates for each year during the 2014-19 period. The Petitioner has submitted that the Weighted Average Rate of IoL has been considered on the basis of the rates prevailing as on 1.4.2014 and has prayed to consider floating rate of interest applicable during 2014-19 period, if any, during the truing up of tariff.

38. We have considered the submissions made by the Petitioner. IoL has been calculated in terms of Regulation 26 of the 2014 Tariff Regulations based on the following:

- a) Gross amount of loan, repayment of instalments, rate of interest and weighted average rate of interest on actual average loan have been considered as per the petition; and
- b) The repayment for the 2014-19 tariff period which has been considered to be equal to the depreciation allowed for that period.

39. The trued-up IoL allowed in respect of the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	1090.86	1090.86	1090.86	1090.86	1095.26
Cumulative Repayments upto Previous Year	484.28	563.22	642.17	721.11	800.22



Net Loan-Opening	606.58	527.64	448.69	369.75	295.04
Addition due to Additional Capitalization	0.00	0.00	0.00	4.40	0.00
Repayment during the year	78.94	78.94	78.94	79.11	79.27
Net Loan-Closing	527.64	448.69	369.75	295.04	215.76
Average Loan	567.11	488.16	409.22	332.39	255.40
Weighted Average Rate of Interest on Loan (in %)	7.657	7.709	7.800	8.000	8.462
Interest on Loan	43.42	37.63	31.92	26.59	21.61

40. The details of IoL allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, IoL claimed by the Petitioner in the instant petition and trued-up in the instant order is as follows:

Particulars	₹ in lakh				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014	39.90	34.53	28.70	23.05	17.68
Claimed by the Petitioner in the instant petition	46.56	40.79	35.11	29.87	25.08
Approved after true-up in this order	43.42	37.63	31.92	26.59	21.61

Return on Equity (RoE)

41. The Petitioner has claimed RoE for the transmission asset in terms of Regulation 24 and Regulation 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at Minimum Alternate Tax (MAT) rates and has claimed the following effective tax rates for the 2014-19 tariff period:

Year	Claimed effective tax (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2014-15	21.018	19.624
2015-16	21.382	19.624
2016-17	21.338	19.715
2017-18	21.337	19.704
2018-19	21.549	19.704

42. We have considered the submissions of the Petitioner. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate based on the notified MAT rates and the same is given in the table as follows:



Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective Tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.549

43. The MAT rates considered in order dated 27.4.2020 for the purpose of grossing up of rate of RoE for truing up of the transmission tariff of the 2014-19 tariff period, in terms of the provisions of the 2014 Tariff Regulations, is considered in the instant case which is as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758

44. Accordingly, RoE allowed for the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	404.28	404.28	404.28	404.28	406.16
Addition due to Additional Capitalization	0.00	0.00	0.00	1.88	0.00
Closing Equity	404.28	404.28	404.28	406.16	406.16
Average Equity	404.28	404.28	404.28	405.22	406.16
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT rate for the respective Financial year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax) (in %)	19.610	19.705	19.705	19.705	19.758
Return on Equity (Pre-tax)	79.28	79.66	79.66	79.85	80.25

45. The details of RoE allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, RoE claimed by Petitioner in the instant petition and trued-up in the instant order are as under:



(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014	79.82	80.36	80.36	80.36	80.36
Claimed by the Petitioner in the instant petition	79.34	79.70	79.66	79.85	80.25
Approved after true-up in this order	79.28	79.66	79.66	79.85	80.25

Operation & Maintenance Expenses (O&M Expenses)

46. The total O&M Expenses claimed by the Petitioner for the transmission asset are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
200 kV ICT Bays at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 200 kV (AIS) Bays	1	1	1	1	1
400 kV ICT Bays at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 400 kV (AIS) Bays	1	1	1	1	1
Norm (₹ lakh/bay)					
200 kV Bay (AIS)	42.210	43.610	45.060	46.550	48.100
400 kV Bay (AIS)	60.300	62.300	64.370	66.510	68.710
Total Sub-station O&M	102.51	105.91	109.43	113.06	116.81
Total O&M Expenses	102.51	105.91	109.43	113.06	116.81

47. The O&M Expenses claimed by the Petitioner are within the norms specified under the 2014 Tariff Regulations. The O&M Expenses approved for the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
200 kV ICT Bays at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 200 kV (AIS) Bays	1	1	1	1	1
400 kV ICT Bays at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 400 kV (AIS) Bays	1	1	1	1	1



Norm (₹ lakh/bay)					
200 kV Bay (AIS)	42.210	43.610	45.060	46.550	48.100
400 kV Bay (AIS)	60.300	62.300	64.370	66.510	68.710
Total Sub-station O&M	102.51	105.91	109.43	113.06	116.81
Total O&M Expenses	102.51	105.91	109.43	113.06	116.81

48. The details of O&M Expenses allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, claimed by the Petitioner in the instant petition and tried-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed in order dated 28.1.2016 in Petition No. 442/TT/2014	102.51	105.91	109.43	113.06	116.81
Claimed by the Petitioner in the instant petition	102.51	105.91	109.43	113.06	116.81
Approved after true-up in this order	102.51	105.91	109.43	113.06	116.81

Interest on Working Capital (IWC)

49. The Petitioner has claimed IWC as per Regulation 28(1)(c) of the 2014 Tariff Regulations. The components of the working capital and the Petitioner's entitlement to interest thereon are discussed as follows:

a) Maintenance spares:

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M Expenses. The value of maintenance spares has accordingly been worked out.

b) O&M Expenses:

Operation and maintenance expenses have been considered for one month as a component of working capital. The Petitioner has claimed O&M Expenses for 1 month of the respective year as claimed in the petition. This has been considered in the working capital.



c) Receivables:

Receivables as a component of working capital will be equivalent to two months fixed cost. The Petitioner has claimed the receivables on the basis of 2 months annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges

d) Rate of interest on working capital:

As per Proviso 3 of Regulation 28 of the 2014 Tariff Regulation, SBI Base rate 10.00% as on 1.4.2014 plus 350 Bps i.e. 13.50% has been considered for the asset, as the rate of interest on working capital.

50. The trued-up IWC allowed for the transmission asset for the 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
WC for O&M Expenses	8.54	8.83	9.12	9.42	9.73
WC for Maintenance Spares	15.38	15.89	16.41	16.96	17.52
WC for Receivables	52.41	52.09	51.73	51.52	51.43
Total Working Capital	76.33	76.80	77.27	77.90	78.68
Rate of Interest on Working Capital (in %)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	10.30	10.37	10.43	10.52	10.62

51. The details of IWC allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, IWC claimed by Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed in order dated 28.1.2016 in Petition No. 442/TT/2014	10.25	10.33	10.39	10.46	10.55
Claimed by the Petitioner in the instant petition	10.38	10.44	10.50	10.59	10.70
Approved after true-up in this order	10.30	10.37	10.43	10.52	10.62

Approved Annual Fixed Charges for the 2014-19 Tariff Period

52. The trued-up AFC approved for the transmission asset for the 2014-19 tariff period are as follows:



(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	78.94	78.94	78.94	79.11	79.27
Interest on Loan	43.42	37.63	31.92	26.59	21.61
Return on Equity	79.28	79.66	79.66	79.85	80.25
Interest on Working Capital	10.30	10.37	10.43	10.52	10.62
O&M Expenses	102.51	105.91	109.43	113.06	116.81
Total	314.46	312.52	310.39	309.13	308.57

53. Accordingly, the Annual Transmission Charges allowed vide order dated 28.1.2016 in Petition No. 442/TT/2014, claimed by Petitioner in the instant petition and approved after true-up in the instant order is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed in order dated 28.1.2016 in Petition No. 442/TT/2014	311.91	311.04	308.79	306.84	305.31
Claimed by the Petitioner in the instant petition	317.73	315.78	313.64	312.48	312.11
Approved after true-up in this order	314.46	312.52	310.39	309.13	308.57

DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

54. The Petitioner has claimed the following transmission charges for the transmission asset for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.28	32.28	32.28	32.28	32.28
Interest on Loan	21.78	18.97	15.94	12.35	8.79
Return on Equity	80.25	80.25	80.25	80.25	80.25
Interest on Working Capital	9.32	9.55	9.77	10.00	10.20
O&M Expenses	167.43	173.45	179.53	185.99	192.22
Total	311.06	314.50	317.77	320.87	323.74

55. The details of IWC claimed by the Petitioner for the 2019-24 period for the transmission asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	13.95	14.45	14.96	15.50	16.02
Maintenance Spares	25.11	26.02	26.93	27.90	28.83
Receivables	38.25	38.77	39.18	39.56	39.80
Total	77.31	79.24	81.07	82.96	84.65
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05



Interest on Working Capital	9.32	9.55	9.77	10.00	10.20
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Capital Cost

56. Regulation 19 of the 2019 Tariff Regulations provides as follows:

“19. Capital Cost (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.*

(2) *The Capital Cost of a new project shall include the following:*

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
- (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
- (k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
- (m) *Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
- (n) *Expenditure on account of change in law and force majeure events; and*
- (o) *Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*

(3) *The Capital cost of an existing project shall include the following:*



- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;
 - (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
 - (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
 - (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
 - (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
 - (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.
- (4) The capital cost in case of existing or new hydro generating station shall also include:
- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
 - (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.
- (5) The following shall be excluded from the capital cost of the existing and new projects:
- (a) The assets forming part of the project, but not in use, as declared in the tariff petition;
 - (b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:
- Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be de-capitalised only after its redeployment;*
- Provided further that unless shifting of an asset from one project to another is of permanent nature, there shall be no de-capitalization of the concerned assets.*
- (c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;
 - (d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and
 - (e) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment.”



57. The capital cost of ₹1501.42 lakh as on 31.3.2019 has been considered for the purpose of determination of transmission tariff for the 2019-24 period in accordance with Regulation 19 of the 2019 Tariff Regulations. The Petitioner has not projected any ACE during the 2019-24 tariff period for the transmission asset. Accordingly, the capital cost considered for the 2019-24 tariff period is as follows:

(₹ in lakh)		
Capital Cost (as on 1.4.2019)	ACE (2019-24)	Estimated Completion Cost (Up to 31.3.2024)
1501.42	0.00	1501.42

Debt-Equity Ratio

58. Regulation 18 of the 2019 Tariff Regulations provides as follows:

“18. Debt-Equity Ratio: 1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.

Explanation-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission project including communication, project declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission project including communication project which has completed its useful life as on or after 1.4.2019, if



the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission project including communication project declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as Additional Capital Expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.”

59. The debt-equity considered for the purpose of computation of tariff for the 2019-24 tariff period is as follows:

Funding	Capital Cost as on 1.4.2019 (₹ lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ lakh)	(in %)
Debt	1095.26	72.95	1095.26	72.95
Equity	406.16	27.05	406.16	27.05
Total	1501.42	100.00	1501.42	100.00

Depreciation

60. Regulation 33 of the 2019 Tariff Regulations provides as follows:

“33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission project or element thereof including communication project. In case of the tariff of all the units of a generating station or all elements of a transmission project including communication project for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission project taking into consideration the depreciation of individual units:

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission project, for which single tariff needs to be determined.

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission project, weighted average life for the generating station of the transmission project shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.



(3) *The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:*

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

4) *Land other than the land held under lease and the 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 asset.*

(5) *Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the Asset of the generating station and transmission project:*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the Asset.

(6) *In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.*

(7) *The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.*

(8) *In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services."*

61. The depreciation is allowed considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. WAROD at Annexure-II is allowed after taking into account the depreciation rates of asset as specified in the



2019 Tariff Regulations. The transmission asset has completed 12 years of useful life as on 31.3.2019 and the remaining depreciable value has been spread across the balance useful life of 13 years in accordance with Regulation 33(5) of the 2019 Tariff Regulations. The depreciation worked out in respect of the transmission asset is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	1501.42	1501.42	1501.42	1501.42	1501.42
Addition during 2019-24 due to Projected Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	1501.42	1501.42	1501.42	1501.42	1501.42
Average Gross Block	1501.42	1501.42	1501.42	1501.42	1501.42
Weighted Average Rate of Depreciation (WAROD) (in %)	2.15	2.15	2.15	2.15	2.15
Balance useful life of the asset (Year)	13.00	12.00	11.00	10.00	9.00
Lapsed Life at the beginning of the year (Year)	12.00	13.00	14.00	15.00	16.00
Aggregate Depreciable Value	1351.28	1351.28	1351.28	1351.28	1351.28
Depreciation during the year	32.28	32.28	32.28	32.28	32.28
Cumulative depreciation up to previous year	931.65	963.93	996.21	1028.49	1060.77
Aggregate Cumulative Depreciation	963.93	996.21	1028.49	1060.77	1093.05
Remaining Depreciable Value	387.34	355.07	322.79	290.51	258.23

Interest on Loan (IoL)

62. Regulation 32 of the 2019 Tariff Regulations provides as follows:

“32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of Asset, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.



(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year. (5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided 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 shall be considered;

Provided further that if the generating station or the transmission project, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized

Provided 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 shall be considered;

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.”

63. We have considered the submissions of Petitioner. The Weighted Average Rate of IoL has been considered on the basis of the rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up. Therefore, IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed for the transmission asset for the 2019-24 period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	1095.26	1095.26	1095.26	1095.26	1095.26
Cumulative Repayments up to Previous Year	879.49	911.77	944.05	976.33	1008.61
Net Loan-Opening	215.76	183.48	151.20	118.93	86.65



Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Repayment during the year	32.28	32.28	32.28	32.28	32.28
Net Loan-Closing	183.48	151.20	118.93	86.65	54.37
Average Loan	199.62	167.34	135.06	102.79	70.51
Weighted Average Rate of Interest on Loan (in %)	9.053	9.108	9.058	8.594	7.890
Interest on Loan	18.07	15.24	12.23	8.83	5.56

Return on Equity (RoE)

64. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provide as follows:

“30. Return on Equity: (1) *Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.*

(2) *Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission project including communication project and run-of-river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:*

Provided that return on equity in respect of Additional Capitalization after cut-off date beyond the original scope excluding Additional Capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission project;

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission project is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication project up to load dispatch centre or protection project based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

- a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;*
- b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:*



Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

“31. Tax on Return on Equity: (1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

65. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. Accordingly, MAT rate applicable in 2019-20 has been considered for the purpose of RoE, which shall be trued-up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed for the transmission asset for the 2019-24 tariff period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	406.16	406.16	406.16	406.16	406.16
Addition due to Additional	0.00	0.00	0.00	0.00	0.00



Capitalization					
Closing Equity	406.16	406.16	406.16	406.16	406.16
Average Equity	406.16	406.16	406.16	406.16	406.16
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
Return on Equity (Pre-tax)	76.29	76.29	76.29	76.29	76.29

Operation & Maintenance Expenses (O&M Expenses)

66. The O&M Expenses claimed by the Petitioner for the various elements included in the transmission asset for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station Bays					
220 kV ICT Bay at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 220 kV (AIS) Bays	1	1	1	1	1
400 kV ICT Bay at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 400 kV (AIS) Bays	1	1	1	1	1
Norm (₹ lakh/bay)					
220 kV Bay (AIS)	22.510	23.300	24.120	24.960	25.840
400 kV Bay (AIS)	32.150	33.280	34.450	35.660	36.910
Total Sub-station Bays					
Transformers					
400kV 315 MVA ICT at Indravati (OHPC) Switchyard (MVA)	315	315	315	315	315
Total 400 kV Transformers (MVA)	315	315	315	315	315
Norms (₹ lakh/ MVA)	0.358	0.371	0.384	0.398	0.411
Total Transformers	112.77	116.87	120.96	125.37	129.47
Total O&M Expenses	167.43	173.45	179.53	185.99	192.22

67. Regulation 35(3)(a) and Regulation 33 (4) of the 2019 Tariff Regulations provide as follows:

“35. Operation and Maintenance Expenses (3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the transmission system:



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (Rs Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (Rs. Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh)(3000 MW)	2,563	2,653	2,746	2,842	2,942

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

(b) The total allowable operation and maintenance expenses for the transmission



system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.”

“(4) **Communication system:** The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.”

68. The O&M Expenses allowed for the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station Bays					
220 kV ICT Bay at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 220 kV (AIS) Bays	1	1	1	1	1
400 kV ICT Bay at Indravati (OHPC) Switchyard (AIS)-Numbers	1	1	1	1	1
Total 400 kV (AIS) Bays	1	1	1	1	1
Norm (₹ lakh/bay)					
220 kV Bay (AIS)	22.510	23.300	24.120	24.960	25.840
400 kV Bay (AIS)	32.150	33.280	34.450	35.660	36.910
Total Sub-station Bays	54.66	56.58	58.57	60.62	62.75
Transformers					
400kV 315 MVA ICT at Indravati (OHPC) Switchyard (MVA)	315	315	315	315	315
Total 400 kV Transformers (MVA)	315	315	315	315	315
Norms (₹ lakh/ MVA)	0.358	0.371	0.384	0.398	0.411
Total ICT O&M Expenses	112.77	116.87	120.96	125.37	129.47
Total O&M Expenses	167.43	173.45	179.53	185.99	192.22

Interest on Working Capital (IWC)

69. Regulation 34(1)(c), Regulation 34(3) and Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations provide as follows:



“34. Interest on Working Capital:

(1) ...

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission Project:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.”

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission project including communication project or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.”

“(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.”

“3. Definitions ...

(7) **‘Bank Rate’** means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

70. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. ROI considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20 and 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-24. The components of the working capital and interest allowed thereon is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses	13.95	14.45	14.96	15.50	16.02
WC for Maintenance Spares	25.11	26.02	26.93	27.90	28.83



WC for Receivables	37.29	37.73	38.14	38.54	38.82
Total Working Capital	76.35	78.20	80.03	81.94	83.67
Rate of Interest (in %)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	9.20	8.80	9.00	9.22	9.41

Annual Fixed Charges for the 2019-24 Tariff Period

71. The transmission charges allowed for the transmission asset for the tariff period 2019-24 are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.28	32.28	32.28	32.28	32.28
Interest on Loan	18.07	15.24	12.23	8.83	5.56
Return on Equity	76.29	76.29	76.29	76.29	76.29
Interest on Working Capital	9.20	8.80	9.00	9.22	9.41
O&M Expenses	167.43	173.45	179.53	185.99	192.22
Total	303.27	306.05	309.33	312.61	315.76

Filing Fee and the Publication Expenses

72. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

73. The Petitioner has prayed to allow it to bill and recover License fee and RLDC fees and charges, separately from the Respondents.

74. We have considered the submissions of the Petitioner. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.



Goods and Services Tax

75. The Petitioner has submitted that, if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Government / Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

76. We have considered the submissions of the Petitioner. Since GST is not levied on transmission service at present, we are of the view that the Petitioner's prayer is premature.

Security Expenses

77. The Petitioner has submitted that security expenses for the transmission assets are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC.

78. We have considered the submissions of the Petitioner. The Petitioner has claimed consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The said petition has already been disposed of by the Commission vide order dated 3.8.2021. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.



Capital Spares

79. The Petitioner has sought reimbursement of capital spares at the end of tariff period. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

80. During the tariff periods 2004-09 and 2009-14 (up to 30.6.2011), the transmission charges for inter-State transmission system were being shared in accordance with the Tariff Regulations for the respective tariff periods. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission system was governed by the 2010 Sharing Regulations. However, with effect from 1.11.2020, the 2010 Sharing Regulations have been repealed and sharing of transmission charges are governed by the provisions of the 2020 Sharing Regulations. Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through Bill-2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. Billing, collection and disbursement of transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

81. To summarise:

- a) The revised AFC approved for the transmission asset for the 2004-09 tariff period are as follows:

(₹ in lakh)		
2006-07 (pro-rata for 11 months)	2007-08	2008-09
211.29	241.61	252.80



b) The consequential revision of AFC approved for the transmission asset for the 2009-14 tariff period are as follows:

(₹ in lakh)				
2009-10	2010-11	2011-12	2012-13	2013-14
320.28	324.45	325.82	327.33	328.65

c) The trued-up AFC approved for the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
314.46	312.52	310.39	309.13	308.57

d) AFC allowed for the transmission asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
303.27	306.05	309.33	312.61	315.76

82. Annexure-I and Annexure-II given hereinafter shall form part of the order.

83. This order disposes of Petition No. 355/TT/2019 in terms of the above discussion and findings.

sd/-
(Pravas Kumar Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



Annexure-I

Asset	2014-19	Admitted Capital Cost as on 1.4.2014 (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations				
	Capital Expenditure as on 1.4.2014				2014-15 (₹ in lakh)	2015-16 (₹ in lakh)	2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Asset	Sub Station	1495.14	1501.42	5.28	78.94	78.94	78.94	79.11	79.27
	TOTAL				78.94	78.94	78.94	79.11	79.27
Average Gross Block (₹ in lakh)					1495.14	1495.14	1495.14	1498.28	1501.42
Weighted Average Rate of Depreciation (in %)					5.28	5.28	5.28	5.28	5.28

Annexure-II

Asset	2019-24	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Admitted Capital Cost as on 31.3.2014 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations				
	Capital Expenditure as on 1.4.2014				2014-15 (₹ in lakh)	2015-16 (₹ in lakh)	2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Asset	Sub Station	1501.42	1501.42	5.28	32.28	32.28	32.28	32.28	32.28
	TOTAL				32.28	32.28	32.28	32.28	32.28
Average Gross Block (₹ in lakh)					1501.42	1501.42	1501.42	1501.42	1501.42
Weighted Average Rate of Depreciation (in %)					2.15	2.15	2.15	2.15	2.15

The transmission asset has completed 12 years of useful life as on 31.3.2019, the remaining depreciable value has been spread across the balance useful life in accordance with Regulation 33(5) of the 2019 Tariff Regulations.

