

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Review Petition No. 8/RP/2022

in

Petition No. 691/TT/2020

Coram:

**Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of Order: 22.08.2022

In the matter of:

Review Petition under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for review and modification of the order dated 30.11.2021 in Petition No. 691/TT/2020.

And in the matter of:

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

.....Petitioner

Versus

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur, Jabalpur-482008.
2. Madhya Pradesh Power Transmission Company Limited,
Shakti Bhawan, Rampur, Jabalpur-482008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/ 54, Press Complex, Agra-Bombay Road, Indore-452008.
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor, M.G. Road, Fort, Mumbai-400001.
5. Maharashtra State Electricity Transmission Company Limited,
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East) Mumbai-400051.
6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390007.



7. Gujarat Energy Transmission Corporation Limited,
Sardar Patel Vidyut Bhawan, Race Course Road,
Vadodara-390007.
8. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001.
9. Electricity Department,
Administration of Daman & Diu,
Daman-396210.
10. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396230.
11. Chhattisgarh State Electricity Board,
P. O. Sunder Nagar, Dangania,
Raipur, Chhattisgarh-492013.
12. Chhattisgarh State Power Transmission Company Limited,
State Load Despatch Building, Dangania, Raipur-492013.
13. Chhattisgarh State Power Distribution Company Limited,
P. O. Sunder Nagar, Dangania, Raipur,
Chhattisgarh-492013.**Respondent(s)**

For Petitioner : Shri Anand K. Ganesan, Advocate, PGCIL
Ms. Swapna Sheshadri, Advocate, PGCIL
Shri Jai Dhanani, Advocate, PGCIL

For Respondents : Shri Ravi Sharma, Advocate, MPPMCL

ORDER

The Review Petitioner, Power Grid Corporation of India Limited, has filed the instant review petition seeking review and modification of order dated 30.11.2021 in Petition No. 691/TT/2020 under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 whereby Commission while trying up the transmission tariff for the 2014-19 period, restricted the capital cost of Asset-II based on apportioned approved cost as per RCE-Ito ₹1408.56 lakh against the claim of ₹1486.36 lakh.



Background

2. The Commission vide order dated 30.11.2021 in Petition No. 691/TT/2020 allowed revised transmission tariff for 2004-09 and 2009-14 tariff periods, trued up the transmission tariff of 2014-19 period and determined the transmission tariff of 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of following assets under Sipat-II Transmission System in the Western Region (hereinafter referred to as “the transmission system”):

Asset-1: 765 kV S/C Bina-Gwalior Transmission Line;

Asset-2: 315 MVA, 400/220/33 kV ICT-I along with associated bays at Gwalior Sub-station;

Asset-3: LILO of 400kV S/C Korba-Raipur line at Bhatapara Sub-station along with associated bays;

Asset-4: 400 kV Khandwa Rajgarh Circuit-II along with associated bays and 765/400 kV ICT-III at Seoni Sub-station;

Asset-5: 400 kV Khandwa Rajgarh Circuit-I along with associated bays and 63 MVAR Bus Reactor at Bina Sub-station;

Asset-II: 400 kV ICT-II at Gwalior Sub-station; and

Asset-III: 400/220 kV ICT-II at Bhatapara Sub-station

Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, Asset-II and Asset-III have been collectively referred to as the “transmission assets” for the 2004-09 tariff period. Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 have been combined during 2009-14 tariff period and have been collectively referred to as “the Combined Asset-I” for 2009-14 tariff period. The Combined Asset-I, Asset-II and Asset-III have been combined during the 2014-19 tariff period and have been collectively referred to as “the Combined Asset” for 2014-19 and 2019-24 periods.



3. The Review Petitioner has submitted to consider RCE-II dated 12.4.2017 approved by the Board of Directors of the Review Petitioner and allow the disallowed capital expenditure of ₹77.80 lakh in Petition No. 691/TT/2020 in respect of Asset-II.

4. The Review Petitioner has made the following prayers:

“a) Review and modify the Impugned Order dated 30.11.2021 passed by this Hon'ble Commission in Petition No. 691/TT/2020, in terms of the submissions set out in the present Review Petition;

b) Consider the Revised Cost Estimate – II dated 12.04.2017 – approved by the Board of Directors of the Review Petitioner – Power Grid Corporation of India Limited and allow the disallowed capitalisation of INR 77.80 Lakh in Petition No. 691/TT/2020 for Asset – II; and

c) Pass such other order(s) and/or direction(s) as this Hon'ble Commission may deem just and proper in the facts and circumstances of the case.”

5. The matter was heard through video conference. The Commission admitted the present Review Petition on 26.4.2022 and issued notice to the parties. In response, Madhya Pradesh Power Management Company Limited (MPPMCL) has filed its reply vide affidavit dated 5.4.2022. The Review Petitioner has filed rejoinder to the reply of MPPMCL vide affidavit dated 27.5.2022. Subsequently, the matter was again heard through video conference on 24.6.2022 and order was reserved after hearing the parties.

Submissions of the Review Petitioner and the Respondent

6. The gist of the submissions made by the Review Petitioner in support of its Review Petition is as follows:

- a. The Commission vide order dated 29.2.2016 in Petition No. 225/TT/2015 allowed tariff in respect of Asset-II for the 2014-19 tariff period and restricted Additional Capital Expenditure (ACE) of Asset-II to the RCE-I approved apportioned cost of ₹1408.56 lakh as against the claimed completion cost of ₹1486.36 lakh.



- b. Subsequent to this, the Review Petitioner obtained Revised Cost Estimate-II (RCE-II) from its Board of Directors with respect to Asset-II and filed Review Petition No. 37/RP/2017 against the Commission's order dated 29.2.2016 in Petition No. 225/TT/2015 for allowing capitalization ₹1486.36 lakh with respect to Asset-II. However, the Commission vide order dated 27.3.2018 in Petition No. 37/RP/2017 granted liberty to the Review Petitioner to place on record RCE for consideration of the Commission at the time of truing up of tariff of the 2014-19 period.
- c. The Review Petitioner filed Petition No. 691/TT/2020 for truing of tariff for the 2014-19 period in respect of the transmission assets including Asset-II and the Commission vide order dated 30.11.2021 trued up tariff of the transmission assets for the 2014-19 period. As the Review Petitioner failed to place on record RCE-II duly approved by its Board of Directors in Petition No. 691/TT/2020, the Commission vide order dated 30.11.2021 admitted the capital cost of Asset-II of ₹1408.56 lakh as on 1.4.2014 as against claimed capital cost of ₹1486.36 lakh.
- d. The Review Petitioner has given complete timeline of events leading to dismissal of Review Petition No. 37/RP/2017 by the Commission on account of delay in filing the Review Petition. However, keeping in mind the fact that RCE-II was on record in Review Petition No. 37/RP/2017, the Commission provided an opportunity to the Review Petitioner to submit the same for approval of the total capitalization with respect to cost of Asset-II at the time of truing-up.
- e. Review of the impugned order is sought for submitting RCE-II which was inadvertently missed by the Review Petitioner at the time of filing the truing up petition for the 2014-19 period in respect of the transmission assets including



Asset-II in Petition No. 691/TT/2021 and the same came to the notice of the Review Petitioner only after passing of order dated 30.11.2021.

- f. Because of non-consideration of RCE-II approved capital cost, there is under-recovery with respect to capital cost of Asset-II of ₹77.80 lakh to the Review Petitioner. A copy of the RCE-II dated 12.4.2017 duly approved by the Board of Directors of the Review Petitioner is now placed on record.

7. Madhya Pradesh Power Management Company Limited (MPPMCL) in its reply filed vide affidavit dated 5.4.2022, has made the following submissions:

- a. The Commission's order dated 27.3.2018 in Review Petition No. 37/RP/2017 observed that Review Petitioner did not place on record RCE-II dated 12.4.2016 or RCE dated 1.6.2016 as per the pleadings in Review Petition No. 37/RP/2017.
- b. Subsequently, the Review Petitioner filed Petition No. 691/TT/2020 for truing up of transmission tariff of several assets. However, the Review Petitioner failed to file RCE-II dated 12.4.2016 or RCE dated 1.6.2016 as mentioned in order dated 27.3.2018 in Review Petition No. 37/RP/2017.
- c. The Review Petitioner's plea with regard to the date of RCE-II is contradictory as in the pleadings of Review Petition No. 37/RP/2017, it was mentioned as 12.4.2016 while in the order it was mentioned as 1.6.2016. RCE-II dated 12.4.2016, 1.6.2016 or 12.4.2017 is not a discovery or new document which was not in the knowledge of the Review Petitioner and as such the present Review Petition is liable to be dismissed with costs.



8. In response, the Review Petitioner vide affidavit dated 27.5.2022 has made the following submissions:

a. Brief timeline of events leading to filing of the instant Review Petition:

| Date | Description of Events | Remarks |
|-------------|---|---|
| 24.9.2015 | Review Petitioner filed Petition No. 225/TT/2015 for truing up of transmission tariff for 2014-19 period and determination of tariff for 2019-24 tariff period. | <u>Asset-II</u> - 400 kV ICT-II at Gwalior Sub-station COD: 1.4.2008 Review Petitioner claimed ACE of ₹1486.36 lakh. |
| 29.2.2016 | Order dated 29.2.2016 in Petition No. 225/TT/2015 | The Commission restricted ACE of ₹1486.36 lakh to the approved apportioned cost of the Review Petitioner to ₹1408.56 lakh. Extract of the order dated 29.2.2016 in Petition No. 225/TT/2015 is as follows: "19. <i>The petitioner has claimed the completion cost as on 31.3.2014 as ₹1486.36 lakh, we have restricted the additional capital expenditure during 2009-10, 2010-11 and 2011-12 to ₹30.78 lakh, ₹6.75 lakh and ₹156.52 lakh respectively in order to ensure that completed cost for Asset- II does not exceed approved apportioned cost of ₹1408.56 lakh.</i> " |
| 12.4.2017 | The Review Petitioner obtained approval of Revised Cost Estimate from its Board of Directors. | RCE-II |
| 4.9.2017 | Review Petitioner filed Review Petition No. 37/RP/2017 seeking review of the order dated 29.2.2016 in Petition No. 225/TT/2015. | The Review Petitioner in the said Review Petition had submitted RCE-II dated 12.4.2017 for consideration of the Commission. |
| 27.3.2018 | The Commission declined to entertain the said Review Petition on account of non-compliance of the statutory time limit for filing a Review Petition. However, the Commission granted liberty to | The relevant extract of the orders passed by the Commission are reproduced as follows: "7. <i>As the review petition is disallowed on the ground of non-compliance with the statutory time limit for filing the review petition, we are not expressing any opinion on the merit of the review petition. The</i> |



| | | |
|------------|--|--|
| | the Review Petitioner to submit RCE-II at the time of truing up. | <i>Review Petitioner may submit the RCE dated 1.6.2016 for consideration of the Commission at the time of truing up of the 2014-19 tariff which will be dealt with in accordance with law.</i> |
| 8.1.2020 | Review Petitioner filed the Petition No. 691/TT/2020 for the purposes of truing-up of transmission tariff for three transmission assets including Asset-II - 400 kV ICT-II at Gwalior Sub-station. | In Petition No. 691/TT/2020, the Review Petitioner had submitted the apportionment of cost as per RCE-II dated 12.4.2017. However, while compiling annexures and supporting documents placed on record, accidentally slipped to place memorandum of RCE-II and submitted Annexures to RCE-II. |
| 30.11.2021 | The Commission passed order in Petition No. 691/TT/2020 and observed that document as submitted by the Petitioner in support of RCE-II reveals that it is only an Annexure and RCE-II duly approved by Board of Directors of the Petitioner Company has not been furnished by the Petitioner in the instant petition. Therefore, in the absence of approved RCE-II from Board of Directors of the Petitioner Company, the admitted capital cost as on 1.4.2014 of ₹1408.56 lakh has been considered. | The relevant extract of the order passed by the Commission is reproduced hereinbelow: <i>“38. We observe that the document as submitted by the Petitioner in support of RCE-II reveals that it is only an Annexure and RCE-II duly approved by BOD of the Petitioner company has not been furnished by the Petitioner in the instant Petition. Therefore, in the absence of approved RCE-II from BOD of the Petitioner Company, the admitted capital cost as on 1.4.2014 of ₹1408.56 lakh has been considered.”</i> |
| 12.1.2022 | The Review Petitioner has filed the instant Review Petition. | |

- b. Review Petition is squarely by the provisions of Regulation 103A of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 read with Section 94(f) of the Electricity Act, 2003.
- c. The Review Petitioner has clarified that RCE-II is dated 12.4.2017 and has refuted all other averments of MPPMCL. The Review Petitioner has submitted that the averments of MPPMCL are misconceived.



Analysis and Decision

9. We have considered the contentions of the Review Petitioner and MPPMCL and have also perused the records.

10. Learned counsel for the Review Petitioner contended that the Review Petitioner had claimed completion cost of Asset-II as ₹1486.36 lakh on 1.4.2014 and the same was restricted to ₹1408.56 (as per apportioned approved cost [as per RCE- I]) vide order dated 29.2.2016 in Petition No. 225/TT/2015. Later, a Review Petition No. 37/RP/2017 was filed by the Review Petitioner seeking review and modification of the said order dated 29.2.2016. In the said Review Petition, RCE-II along with apportionment for Asset-II amounting to ₹1625.15 lakh was submitted. Learned counsel further contended that the Commission vide order dated 27.3.2018 in Review Petition No. 37/RP/2017 refused to entertain the Review Petition on account of non- compliance of the statutory time limit for filing the Review Petition. However, the Review Petitioner was allowed to submit RCE-II for consideration of the Commission at the time of truing up of 2014-19 tariff period. Learned counsel contended that RCE-II was inadvertently missed by the Review Petitioner at the time of filing of the true up Petition No. 691/TT/2020 and the Commission vide order dated 30.11.2021 in Petition 691/TT/2020 observed that the document as submitted by the Petitioner in support of RCE-II revealed that it was only an Annexure and RCE-II duly approved by the Board of Directors of the Review Petitioner had not been furnished in the petition which resulted in disallowance of cost of ₹77.80 lakh in case of Asset-II. Learned counsel prayed that the cost as disallowed in respect of Asset-II may be allowed as per RCE-II.

11. In rebuttal, learned counsel for MPPMCL contended that the Commission vide order dated 29.2.2016 disposed of Petition No. 225/TT/2015 observing that the Review



Petitioner did not submit RCE-II dated 12.4.2017 on record for 2014-19 tariff period and that the present Review Petition does not fulfil the provisions of Section 94(1)(f) of the Electricity Act, 2003.

12. Learned counsel for the Review Petitioner citing the judgment of federal court in the matter of Musammat Jamna Keur Vs Lal Bahadur and others dated 20.12.1949 contended that whether error occurred by reason of counsel's mistake or it crept in by reason of an oversight on part of the court was not a circumstance which could affect the exercise of jurisdiction of the court to review its decision. He also contended that the error was apparent on face of record but the question of how the error occurred is irrelevant to the inquiry. Learned counsel admitted that due to mistake memorandum to RCE- II could not be filed while annexure to RCE-II was submitted in Petition No. 691/TT/2020. He contended that Review Petition is filed in accordance with the provisions of Section 94(1)(f) of the Electricity Act, 2003.

13. On perusal of order dated 29.2.2016 in Petition No. 225/TT/2015, we find that the Commission while approving transmission tariff of the transmission assets including Asset-II for 2014-19 tariff period, restricted capital cost of Asset-II to ₹1408.56 lakh given in the RCE-I as against the Review Petitioner's claim of ₹1486.36 lakh. We further note that after issuance of the order dated 29.2.2016, the Board of Directors of the Review Petitioner approved RCE-II on 12.4.2017, according to which the completion cost of Asset-II was revised to ₹1625.15 lakh. The Review Petitioner in Review Petition No. 37/RP/2017 submitted that actual capital cost of Asset-II is within the approved capital cost in the RCE-II and sought modification of the capital cost of Asset-II allowed in order dated 29.2.2016 taking into consideration RCE- II. We also note that since there was delay of 554 days in filing Review Petition No. 37/RP/2017, the Commission did not



condone the said delay of 554 days for want of sufficient cause. However, the Commission vide order dated 27.3.2018 in Review Petition No. 37/RP/2017 granted liberty to the Review Petitioner to submit RCE for being considered at the time of truing of tariff for 2014-19 period.

14. The Review Petitioner filed Petition No. 691/TT/2020 for revision of tariff of 2004-09 and 2009-14 periods and truing up of transmission tariff of 2014-19 period and determination of tariff of 2019-24 period in respect of transmission assets including Asset-II. However, the RCE-II which was permitted to be placed on record for being considered in terms of order dated 27.3.2018 in Review Petition No. 37/RP/2017 was not placed on record by the Review Petitioner, only the Annexure to the RCE-II was placed on record. Therefore, in the absence of approved RCE-II from the Board of Directors of the Review Petitioner, the admitted capital cost as on 1.4.2014 in respect of Asset-II was considered as ₹1408.56 lakh.

15. In view of above discussions, we observe that the Review Petitioner filed RCE-II dated 12.4.2017 when it filed Review Petition No. 37/RP/2017. However, the said Review Petition was rejected by the Commission vide order dated 27.3.2018 with liberty to place on record RCE-II in the truing up petition of 2014-19 period. Petition No. 691/TT/2020 was filed by the Review Petitioner for revision of transmission tariff of 2004-09 and 2009-14 periods, truing up of tariff of 2014-19 period determination of tariff for 2019-24 period. However, while filing Petition No. 691/TT/2020, the Review Petitioner only submitted Annexure to RCE-II without filing the RCE-II though the same was in its possession when it filed the said petition. We are of the view that the annexure to RCE-II was part and parcel of the RCE-II as it was in continuance of the same and is not a new fact brought on record. In fact, RCE-II was just a formal part of the



annexure. Accordingly, we are inclined to allow the present Review Petition and take on record RCE-II dated 12.4.2017. We further make it clear that the present case shall not be quoted as precedent in future cases as this order is being passed in peculiar facts and circumstances of the present matter.

16. Based on the aforesaid discussions, we have now considered the admitted capital cost in respect of Asset-II as per RCE-II dated 12.4.2017. Accordingly, the details of capital cost approved as on 1.4.2014 for the Combined Asset is as follows:

| (₹ in lakh) | |
|-----------------------|----------------------------------|
| Asset | Capital Cost (as on 1.4.2014) |
| Combined Asset-I | 74632.91 |
| Asset-II | 1486.36 |
| Asset-III | 1586.92 |
| Combined Asset | 77706.19 |

17. The admitted capital cost of the existing project allowed in paragraph 40 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | |
|---|---------------------------|--|
| Capital Cost admitted (as on 1.4.2014) | ACE admitted (2014-19) | Capital Cost admitted (as on 31.3.2019) |
| 77706.19 | 0.00 | 77706.19 |

18. Accordingly, the transmission charges allowed in respect of the transmission assets in order dated 30.11.2021 in Petition No. 691/TT/2020 stand revised as follows:

a) The debt-equity ratio allowed in paragraph 42 of the order dated 30.11.2021 is revised as follows:

| Funding | Capital Cost as on 1.4.2014 (₹ in lakh) | (in %) | Total Capital Cost (as on 31.3.2019) (₹ in lakh) | (in %) |
|--------------|---|---------------|--|---------------|
| Debt | 54394.80 | 70.00 | 54394.80 | 70.00 |
| Equity | 23311.39 | 30.00 | 23311.39 | 30.00 |
| Total | 77706.19 | 100.00 | 77706.19 | 100.00 |



b) The depreciation allowed in paragraph 43 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Opening Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| ACE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Average Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Freehold Land | 265.15 | 265.15 | 265.15 | 265.15 | 265.15 |
| Weighted average rate of Depreciation (WAROD) (in %) | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% |
| Balance useful life of the asset (Year) | 69696.94 | 69696.94 | 69696.94 | 69696.94 | 69696.94 |
| Elapsed life of the asset (year) | 27 | 26 | 25 | 24 | 23 |
| Depreciable Value | 5 | 6 | 7 | 8 | 9 |
| Depreciation during the year | 4057.74 | 4057.74 | 4057.74 | 4057.74 | 4057.74 |
| Cumulative Depreciation | 26969.22 | 31026.96 | 35084.70 | 39142.43 | 43200.17 |
| Remaining Depreciable Value | 42727.71 | 38669.98 | 34612.24 | 30554.50 | 26496.77 |

c) IoL allowed in paragraph 45 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Gross Normative Loan | 54394.80 | 54394.80 | 54394.80 | 54394.80 | 54394.80 |
| Cumulative Repayments up to Previous Year | 21182.27 | 25240.00 | 29297.74 | 33355.48 | 37413.21 |
| Net Loan-Opening | 33212.53 | 29154.80 | 25097.06 | 21039.32 | 16981.59 |
| Additions due to ACE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Repayment during the year | 4057.74 | 4057.74 | 4057.74 | 4057.74 | 4057.74 |
| Net Loan-Closing | 29154.80 | 25097.06 | 21039.32 | 16981.59 | 12923.85 |
| Average Loan | 31183.66 | 27125.93 | 23068.19 | 19010.45 | 14952.72 |
| Weighted Average Rate of Interest on Loan (in %) | 8.9384 | 8.9518 | 8.9700 | 8.9962 | 9.0374 |
| Interest on Loan | 2787.32 | 2428.27 | 2069.21 | 1710.21 | 1351.33 |

d) The RoE allowed in paragraph 50 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | | | | |
|----------------|----------|----------|----------|----------|----------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Opening Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |
| Additions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |



| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |
| Return on Equity (Base Rate) (in %) | 15.500 | 15.500 | 15.500 | 15.500 | 15.500 |
| MAT Rate for respective year (in %) | 20.961 | 21.342 | 21.342 | 21.342 | 21.549 |
| Rate of Return on Equity (in %) | 19.610 | 19.705 | 19.705 | 19.705 | 19.758 |
| Return on Equity | 4571.36 | 4593.51 | 4593.51 | 4593.51 | 4605.86 |

e) IWC allowed in paragraph 56 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Working Capital for O&M Expenses (O&M Expenses for 1 month) | 144.55 | 149.37 | 154.31 | 159.44 | 164.73 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 260.18 | 268.86 | 277.76 | 286.99 | 296.51 |
| Working Capital for Receivables (Equivalent to 2 months of annual fixed cost) | 2251.60 | 2204.33 | 2153.54 | 2103.16 | 2055.23 |
| Total Working Capital | 2656.33 | 2622.56 | 2585.61 | 2549.59 | 2516.46 |
| Rate of Interest (in %) | 13.50 | 13.50 | 13.50 | 13.50 | 13.50 |
| Interest on Working Capital | 358.60 | 354.05 | 349.06 | 344.19 | 339.72 |

f) The annual transmission charges allowed in paragraph 58 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Depreciation | 4057.74 | 4057.74 | 4057.74 | 4057.74 | 4057.74 |
| Interest on Loan | 2787.32 | 2428.27 | 2069.21 | 1710.21 | 1351.33 |
| Return on Equity | 4571.36 | 4593.51 | 4593.51 | 4593.51 | 4605.86 |
| O&M Expenses | 1734.56 | 1792.42 | 1851.73 | 1913.28 | 1976.72 |
| Interest on Working Capital | 358.60 | 354.05 | 349.06 | 344.19 | 339.72 |
| Total | 13509.58 | 13225.98 | 12921.25 | 12618.94 | 12331.37 |

g) Capital cost allowed as on 1.4.2019 and 31.3.2024 in paragraph 63 of the order dated 30.11.2021 is revised as follows:

| (₹ in lakh) | | |
|-------------------------------|---------------|--------------------------------|
| Capital Cost (as on 1.4.2019) | ACE (2019-24) | Capital Cost (as on 31.3.2024) |
| 77706.19 | 0.00 | 77706.19 |



h) Debt-equity ratio allowed in paragraph 65 of the order dated 30.11.2021 is revised as follows:

| Funding | Capital Cost (as on 1.4.2019) (₹ in lakh) | (in %) | Capital Cost (as on 31.3.2024) (₹ in lakh) | (in %) |
|----------------|--|---------------|---|---------------|
| Debt | 54394.80 | 70.00 | 54394.80 | 70.00 |
| Equity | 23311.39 | 30.00 | 23311.39 | 30.00 |
| Total | 77706.19 | 100.00 | 77706.19 | 100.00 |

i) Depreciation allowed in paragraph 67 of the order dated 30.11.2021 is revised as follows:

| Particulars | (₹ in lakh) | | | | |
|--|--------------------|----------------|----------------|----------------|----------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Opening Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| ACE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Average Gross Block | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Freehold Land | 265.15 | 265.15 | 265.15 | 265.15 | 265.15 |
| Weighted average rate of Depreciation (WAROD) (in %) | 5.22% | 5.22% | 1.18% | 1.18% | 1.18% |
| Balance useful life of the Asset at the beginning of the year (Year) | 22 | 21 | 20 | 19 | 18 |
| Elapsed life at the beginning of the year (Year) | 10 | 11 | 12 | 13 | 14 |
| Depreciable Value | 69696.94 | 69696.94 | 69696.94 | 69696.94 | 69696.94 |
| Depreciation during the year | 4057.74 | 4057.74 | 919.06 | 919.06 | 919.06 |
| Cumulative Depreciation at the end of the year | 47257.91 | 51315.64 | 52234.71 | 53153.77 | 54072.84 |
| Remaining Depreciable Value at the end of the year | 22439.03 | 18381.29 | 17462.23 | 16543.16 | 15624.10 |

j) IoL allowed in paragraph 69 of the order dated 30.11.2021 is revised as follows:

| Particulars | (₹ in lakh) | | | | |
|---|--------------------|----------------|----------------|----------------|----------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Gross Normative Loan | 54394.80 | 54394.80 | 54394.80 | 54394.80 | 54394.80 |
| Cumulative Repayments up to Previous Year | 41470.95 | 45528.69 | 49586.42 | 50505.49 | 51424.55 |
| Net Loan-Opening | 12923.85 | 8866.11 | 4808.38 | 3889.31 | 2970.25 |
| Additions due to ACE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Repayment during the year | 4057.74 | 4057.74 | 919.06 | 919.06 | 919.06 |
| Net Loan-Closing | 8866.11 | 4808.38 | 3889.31 | 2970.25 | 2051.18 |
| Average Loan | 10894.98 | 6837.24 | 4348.84 | 3429.78 | 2510.71 |



| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------------|---------------|---------------|---------------|---------------|
| Weighted Average Rate of Interest on Loan (in %) | 9.0767 | 9.1081 | 9.1570 | 9.1561 | 9.0277 |
| Interest on Loan | 988.90 | 622.74 | 398.22 | 314.03 | 226.66 |

k) RoE allowed in paragraph 71 of the order dated 30.11.2021 is revised as follows:

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |
| Additions due to ACE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |
| Average Equity | 23311.39 | 23311.39 | 23311.39 | 23311.39 | 23311.39 |
| Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 | 15.50 | 15.50 |
| MAT Rate for respective year (in %) | 17.472 | 17.472 | 17.472 | 17.472 | 17.472 |
| Rate of Return on Equity (in %) | 18.782 | 18.782 | 18.782 | 18.782 | 18.782 |
| Return on Equity | 4378.35 | 4378.35 | 4378.35 | 4378.35 | 4378.35 |

l) IWC allowed in paragraph 78 of the order dated 30.11.2021 is revised as follows:

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|----------------|----------------|----------------|----------------|----------------|
| Working Capital for O&M Expenses (O&M Expenses for 1 month) | 193.82 | 200.64 | 207.71 | 215.11 | 222.55 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 348.88 | 361.15 | 373.88 | 387.20 | 400.59 |
| Working Capital for Receivables (Equivalent to 45 days of annual transmission charges) | 1474.67 | 1441.46 | 1030.37 | 1031.21 | 1028.87 |
| Total Working Capital | 2017.37 | 2003.24 | 1611.97 | 1633.53 | 1652.02 |
| Rate of Interest (in %) | 12.05 | 11.25 | 10.50 | 10.50 | 10.50 |
| Interest on Working Capital | 243.09 | 225.36 | 169.26 | 171.52 | 173.46 |

m) The transmission charges in respect of Combined Asset allowed in paragraph 79

of the order dated 30.11.2021 is revised as follows:

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|-----------------|-----------------|----------------|----------------|----------------|
| Depreciation | 4057.74 | 4057.74 | 919.06 | 919.06 | 919.06 |
| Interest on Loan | 988.90 | 622.74 | 398.22 | 314.03 | 226.66 |
| Return on Equity | 4378.35 | 4378.35 | 4378.35 | 4378.35 | 4378.35 |
| O&M Expenses | 2325.88 | 2407.65 | 2492.56 | 2581.33 | 2670.62 |
| Interest on Working Capital | 243.09 | 225.36 | 169.26 | 171.52 | 173.46 |
| Total | 11993.96 | 11691.83 | 8357.45 | 8364.29 | 8368.15 |



19. Annexure-I and Annexure-II allowed in the order dated 30.11.2021 are revised and given hereinafter form part of the order.

20. Except for the above, all other terms contained in the order dated 30.11.2021 in Petition No. 691/TT/2020 shall remain unaltered.

21. This order disposes of Petition No. 8/RP/2022 in Petition No.691/TT/2020 in terms of the above discussions and findings. Review petition is allowed in the terms stated above.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member



Annexure-I

| 2014-19 Capital Expenditure | Capital Cost as on 1.4.2014 (₹ in lakh) | ACE (₹ in lakh) | Admitted Capital Cost as on 31.3.2019 (₹ in lakh) | Rate of Depreciation as per Regulations (%) | Annual Depreciation as per Regulations (₹ in lakh) | | | | |
|--|--|--------------------|--|---|---|-----------------|-----------------|-----------------|-----------------|
| | | 2014-19 | | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Land - Freehold | 265.15 | 0.00 | 265.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Building Civil Works & Colony | 1889.95 | 0.00 | 1889.95 | 3.34 | 63.12 | 63.12 | 63.12 | 63.12 | 63.12 |
| Transmission Line | 53253.39 | 0.00 | 53253.39 | 5.28 | 2811.78 | 2811.78 | 2811.78 | 2811.78 | 2811.78 |
| Sub Station | 21772.49 | 0.00 | 21772.49 | 5.28 | 1149.59 | 1149.59 | 1149.59 | 1149.59 | 1149.59 |
| PLCC | 525.21 | 0.00 | 525.21 | 6.33 | 33.25 | 33.25 | 33.25 | 33.25 | 33.25 |
| Total | 77706.19 | 0.00 | 77706.19 | Total | 4057.74 | 4057.74 | 4057.74 | 4057.74 | 4057.74 |
| Average Gross Block (₹ in lakh) | | | | | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Weighted Average Rate of Depreciation | | | | | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% |



Annexure-II

| 2019-24 | Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh) | ACE (₹ in lakh) | Admitted Capital Cost as on 31.3.2024 (₹ in lakh) | Rate of Depreciation as per Regulations (%) | Annual Depreciation as per Regulations (₹ in lakh) | | | | |
|--|---|-----------------|---|---|--|-----------------|-----------------|-----------------|-----------------|
| Capital Expenditure | | 2019-24 | | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Land - Freehold | 265.15 | 0.00 | 265.15 | 0.00 | 0.00 | 0.00 | spreading | | |
| Building Civil Works & Colony | 1889.95 | 0.00 | 1889.95 | 3.34 | 63.12 | 63.12 | | | |
| Transmission Line | 53253.39 | 0.00 | 53253.39 | 5.28 | 2811.78 | 2811.78 | | | |
| Sub Station | 21772.49 | 0.00 | 21772.49 | 5.28 | 1149.59 | 1149.59 | | | |
| PLCC | 525.21 | 0.00 | 525.21 | 6.33 | 33.25 | 33.25 | | | |
| Total | 77706.19 | 0.00 | 77706.19 | Total | 4057.74 | 4057.74 | 919.06 | 919.06 | 919.06 |
| Average Gross Block (₹ in lakh) | | | | | 77706.19 | 77706.19 | 77706.19 | 77706.19 | 77706.19 |
| Weighted Average Rate of Depreciation | | | | | 5.22% | 5.22% | 1.18% | 1.18% | 1.18% |

