

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 7/TT/2022**

**Coram:**

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

**Date of Order: 12.04.2023**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for determination of transmission tariff from the date of commercial operation (COD) to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for transmission assets under "Baharampur (Powergrid)-Bhermara (Bangladesh) 2<sup>nd</sup> 400 kV D/C transmission line (Indian Portion)" in Eastern Region.

**And in the matter of:**

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

**.... Petitioner**

**Vs.**

Bangladesh Power Development Board,  
WAPDA Building, Motijheel Commercial Area,  
Dakha-1000  
(Bangladesh).

**...Respondent**

**For Petitioner** : Shri Vipin Jacob Joseph, PGCIL  
Shri B.B. Rath, PGCIL  
Shri S.S. Raju, PGCIL  
Shri D.K. Biwsal, PGCIL  
Shri Amit Yadav, PGCIL  
Shri Ranjeet Kumar Pandey, PGCIL

**For Respondent** : None



## ORDER

The Petitioner, Power Grid Corporation of India Limited, has filed the instant petition for determination of transmission tariff from the date of commercial operation (COD) 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 400 kV D/C (2<sup>nd</sup>) Baharampur (Powergrid)-Bheramara (Bangladesh) line and associated line (Indian Portion) bays at Baharampur Sub-station (hereinafter referred to as the “transmission asset”) under “Baharampur (Powergrid)-Bhermara (Bangladesh) 2<sup>nd</sup> 400 kV D/C transmission line (Indian Portion)” (hereinafter referred to as “transmission scheme”) in Eastern Region:

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

*“1) Approve the Transmission Tariff for the tariff block 2019-24 block for the assets covered under this petition, as per para –8.3 above.*

*2) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*

*3) Approve the DOCO as invoked for the subject Asset as 27.07.2020 and allow full tariff as claimed under instant petition.*

*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 2019 as per para 8.3 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 beneficiaries.

8) 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.

9) Allow interim tariff in accordance with Regulation 10(3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.

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.”

### **Background**

3. The brief facts of the case are as follows:

- (a) The Investment Approval (IA) of the transmission system was accorded by Board of Directors of the Petitioner's Company vide Memorandum No. C/CP/PA 1718-12-0C-IA012 dated 19.9.2017, at an estimated cost of ₹19849 lakh including IDC of ₹1148 lakh, at April, 2017 price level.
- (b) The cross border inter-connection between India and Bangladesh through Baharampur (India) - Bheramara (Bangladesh) 400 kV D/C line along with 500 MW HVDC Back-to-Back terminal at Bheramara, was put into commercial operation in September, 2013.
- (c) The capacity of Bheramara (Bangladesh) HVDC station is being upgraded from 500 MW to 1000 MW by Bangladesh. The system strengthening required in the Indian and Bangladesh side for transfer of about 1000 MW from India to Bangladesh is already under implementation. In regard to N-1 reliability criteria for 1000 MW export to Bangladesh, it was decided that during single circuit outage of



Baharampur–Bheramara 400 kV D/C line, Bangladesh would restrict/reduce the loading on the operating circuit to the permissible extent with the help of run back control/ramping down facility on the HVDC system.

- (d) In order to ensure reliable supply of 1000 MW power to Bangladesh from Baharampur, it was decided in the 12th India-Bangladesh Joint Steering Committee (JSC) meeting held on 11.12.2016, to construct a 2nd 400 kV D/C transmission line from Baharampur (India) to Bheramara (Bangladesh) in matching time frame of 2nd 500 MW HVDC terminal at Bheramara.
- (e) It was decided in the said 12th JSC meeting that the Indian portion of the line may be implemented by the Petitioner and the mechanism of sharing of transmission charges by Bangladesh for Indian portion of this link would be on same principles as for the first Baharampur–Bheramara link.
- (f) Accordingly, Ministry of Power (MoP) vide letter no. 9/5/2016-Trans-Vol-2 dated 1.3.2017, had granted approval for implementation of Indian portion of Baharampur (India) – Bheramara (Bangladesh) 2nd 400 kV D/C line along with 2 no. 400 kV line bays for termination of this line at Baharampur Sub-station (India) through Regulated Tariff Mechanism by the Petitioner.
- (g) The scope of the scheme was discussed and agreed in 19th Standing Committee Meeting (SCM) of ER and in the Standing Committee Meetings (SCMs of State Sectors) of ER held on 1.9.2017 and 3.8.2017 respectively.



- (h) The scope of work covered under “Baharampur (India)-Bheramara (Bangladesh) 2nd 400 kV D/C transmission line (Indian Portion)” is as follows:

**Transmission Line:**

- 400 kV D/C (2nd) Baharampur (Powergrid) - Bheramara (Bangladesh) line with Twin Moose conductor.

**Sub-station:**

- 2 number of 400 kV line bays at Baharampur for termination of Baharampur-Bheramara 2nd 400 kV D/C line
- (i) As per IA dated 19.9.2017, the transmission asset was scheduled to be put into commercial operation within 24 months from the date of IA, and that IA shall be effective from the date of signing of BPTA, i.e. 28.2.2018. Therefore, the SCOD of the transmission asset is 28.2.2020.
- (j) The inter-connection was established between grids of India and Bangladesh through first inter-connection namely: *400 kV D/C Baharampur (India) – Bhermara (Bangladesh) line (COD: 1.9.2013)*.
- (k) Now, the second inter-connection using the transmission asset i.e. 2nd 400 kV D/C Baharampur (India)–Bhermara (Bangladesh) line, whose Indian portion has been completed in May, 2020. The Bangladesh portion of the same line is yet to be completed and thus there is mismatch in completion/execution of the transmission asset. Therefore, for Indian portion of the transmission asset, the Petitioner has proposed to invoke COD as 27.7.2020 under Regulation 5(2) of the 2019 Tariff Regulations.



- (l) The details of transmission asset including scheduled date of commercial operation (SCOD), date of commercial operation (COD) and time over-run are as follows:

<b>SCOD</b>	<b>COD claimed</b>	<b>Time over-run</b>
28.2.2020	27.7.2020	150 days

4. As per the Bulk Power Transfer Agreement (BPTA) dated 28.2.2018 executed between the Petitioner and BPDB, the Petitioner shall implement the Indian portion of the transmission system while PGCB, Bangladesh shall implement Bangladesh portion of the transmission system. Further, BPDB has agreed to pay the transmission charges for the transmission system to be implemented by the Petitioner as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and amendment thereof. Clause 12 of the BPTA provides that this Agreement is effective from the date of its signing and it shall remain operative upto 31.3.2052 subject to its revision by the parties to the Agreement. Clause 14 of the BPTA provides that this Agreement shall be governed by the Indian laws. As per Clause 3.3 of the BPTA, the tariff order issued by this Commission for the transmission assets developed by the Petitioner under the Agreement will be final and binding subject to other legal recourse available to the parties. Accordingly, the tariff for the transmission asset is being determined by this Commission.

5. The Respondent, Bangladesh Power Development Board (BPDB), is procuring transmission services from the Petitioner.

6. The Petitioner has served the petition on the Respondent and notice of this petition has also 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 or the Respondent in response to the aforesaid notices published in the newspapers by the Petitioner. The Respondent did not file any reply.

7. The hearing in this matter was held on 20.12.2022 and order was reserved.

8. This order is issued considering the submissions made by the Petitioner vide affidavits dated 23.2.2021, 29.3.2022, 11.11.2022 and 29.11.2022.

9. Having heard the representatives of the Petitioner and having perused the material on record, we proceed to dispose of the petition.

#### **DETERMINATION OF ANNUAL FIXED CHARGES FROM COD TO 31.3.2024**

10. The Annual Fixed Charges (AFC) claimed by the Petitioner in respect of the transmission asset for 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)			
	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
Depreciation	578.58	880.40	894.45	894.45
Interest on Loan	127.68	182.18	172.97	161.91
Return on Equity	608.76	926.77	941.76	941.76
Interest on Working Capital	22.67	34.33	34.83	34.81
O&M Expenses	102.56	156.09	161.41	166.90
<b>Total</b>	<b>1440.25</b>	<b>2179.77</b>	<b>2205.42</b>	<b>2199.83</b>

11. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)			
	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
O&M Expenses	12.58	13.01	13.45	13.91
Maintenance Spares	22.64	23.41	24.21	25.04
Receivables	261.34	268.74	271.90	270.47
<b>Total</b>	<b>296.56</b>	<b>305.16</b>	<b>309.56</b>	<b>309.42</b>
Rate of Interest (in %)	11.25	11.25	11.25	11.25



Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
Interest on Working Capital	22.67	34.33	34.83	34.81

### Date of Commercial Operation (“COD”)

12. The Petitioner has claimed COD of the transmission asset as 27.7.2020 under Regulation 5(2) of the 2019 Tariff Regulations as the downstream assets under the scope of work of Bangladesh Power Development Board (BPDB) were not ready.

13. The Petitioner and BPDB have entered into Bulk Power Transmission Agreement (BPTA) on 28.2.2018. As per para 3.2(i) of the said BPTA, in the event of mismatch in completion of the transmission system in Bangladesh by PGCB, the transmission charges for Indian portion shall be payable from the date of its readiness declared by the Petitioner. The said para is extracted as follows:

*“3.2 BPDB shall pay the following transmission tariff and other charges on account of :*

*(i) Monthly charges for the said transmission system mentioned at Clause 2.1 to POWERGRID, India with effect from the DOCO in accordance with norms/order/notification issued by CERC from time to time. Further, in case of mismatch in completion of its transmission system in Bangladesh by PGCB, the transmission charges for Indian portion shall be payable from the date of its readiness declared by POWERGRID.”*

14. The Petitioner has submitted that its transmission asset was ready on 27.7.2020. In support of readiness of its transmission asset, the Petitioner has submitted certificate of successful trial operation completed on 26.7.2020 on ‘no-load’ basis.

15. The Petitioner has submitted that it had given intimation of completion of Indian portion of the line and its successful charging on ‘no-load’ basis on 7.5.2020 with a request to expedite Bangladesh portion for early power flow vide a trial





operation letter dated 14.5.2020. Subsequent requests were also made to the Project Director (BPDB) vide e-mails dated 16.5.2020, 9.6.2020, 2.7.2020, 6.10.2020 and 17.11.2020 to expedite Bangladesh portion of the transmission line. Further, a letter dated 3.12.2020 was also sent to the Secretary, BPDB to provide the latest status of line works associated with Bangladesh portion along with tentative completion date.

16. In support of COD of the transmission asset, the Petitioner has submitted certificate of idle charging of part of the transmission element dated 16.9.2020 certifying completion of successful trial run operation completed on 26.7.2020, CMD certificate and self -declaration of COD dated 3.12.2020.

17. Taking into consideration certificate of successful idle charging of part of the transmission element, CMD certificate and self declaration of COD as required under the Grid Code, COD of the transmission asset is approved as 27.7.2020.

### **Capital Cost**

18. 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 Asset-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 tried 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 ash disposal and utilization including handling and transportation facility;
- (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 up to 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 Asset-forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Asset-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 decapitalised 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 asset.

- (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.”

19. The Petitioner vide Management Certificate dated 8.1.2021 has claimed the following capital cost incurred as on COD and Additional Capital Expenditure (ACE) incurred and projected to be incurred, in respect of the transmission asset:

Apportioned Approved Cost as per FR	Capital Cost claimed as on COD	Actual/ Projected ACE				Total Capital Cost as on 31.3 2024
		2020-21	2021-22	2022-23	2023-24	
19848.73	15636.29	552.52	525.00	0.00	0.00	16713.81

20. The estimated completion cost of the transmission asset based on the Management Certificate works out to ₹16713.81 lakh including IEDC and IDC which is within the FR apportioned approved cost of ₹19848.73 lakh. Therefore, there is no cost over-run.



### **Time Over-run**

21. As per IA dated 19.9.2017, the transmission asset was scheduled to be put into commercial operation within 24 months from the date of IA, and that IA is effective from the date of signing of BPTA, i.e. from 28.2.2018. Therefore, SCOD of the transmission asset is 28.2.2020, against which it has been declared under commercial operation on 27.7.2020. Therefore, there is time over-run of 150 days in achieving COD of the transmission asset.

22. The Petitioner has submitted that the timeline specified by the Commission in Appendix-I to Regulation 24(2)(i) of the 2014 Tariff Regulations, for completion of a 400 kV D/C transmission line in plain area is 34 months. However, in the instant case, the completion schedule for 400 kV D/C transmission line was compressed and kept as 24 months in the IA keeping in view of early facilitation of export/import of power and it was built upon bi-lateral ties with Bangladesh.

23. The Petitioner has submitted the following reasons in its petition for time over-run:

**i. Delay due to Right of Way (RoW) issues (6 Months)**

The transmission line is traversing through Murshidabad and Birbhum districts of West Bengal and Pakur District of Jharkhand. The implementation of the transmission line was hampered by the persistent RoW issues at various locations. Before the start of construction, the Petitioner had proactively apprised the district authorities in advance (August, 2016) for their co-operation for Right of Way issues likely to be encountered. The RoW issues involved demand of exorbitant amount of crop compensation, land compensation, construction of structures/buildings



in Right of way of line, man-handling of gang workers, etc. Further, wherever possible, persuasive measures were adopted to pacify the land-owners/ villagers agitating against the line construction. However, at certain locations verbal persuasions were not sufficient and eventually the help and assistance of District Administration and Police Department was sought to mitigate the RoW issues. In this regard, intervention on collective basis was also sought from Power Secretary/Commissioner to Government of West Bengal (WB) to resolve the RoW issues without further delay. The broad chronology of the RoW issues faced and steps undertaken by the Petitioner to mitigation them are as follows:

<b>Date</b>	<b>Remarks</b>
14.3.2019	Letter to SDO (Sub-Divisional Officer), Domkal, Murshidabad, WB requesting assistance in mitigating RoW issue and resumption of digging works at location no. 73/1.
3.4.2019	Letter to District Magistrate (DM), Berhampore, Murshidabad, WB requesting to intervene and remove RoW issues at following locations: (i) 59/0 to 60/0 : Foundations works obstructed (ii) 65/0 to 65A/0: Exorbitant compensation demand (iii) 73/1 & 74/0: Created small pond along ROW
26.8.2019	Letter to SDO (Sub-Divisional Officer), Domkal, Murshidabad, WB requesting for assistance and release of construction machinery from the custody of villagers for resumption of digging works at location no. 74/0.
27.8.2019	Letter to SP Murshidabad, WB requesting for assistance and police deployment/protection for mitigating the RoW issues and resumption of works at location nos. 64/2, 65/0, 65A/0, 73/1, 74/0, 44/0, 13/0, 1/7, 1/8, 2/0 and 1/1.
5.9.2019	Public notice issued by Block Development Officer, (BDO) – Murshidabad, WB, calling all villagers for urgent meeting who were opposing the construction of the transmission line.
19.9.2019	Letter to BDO, Domkal, Murshidabad, WB requesting for assistance in mitigating RoW issues and resumption of works at various locations where villagers were demanding exorbitant compensation and had also sown bamboo plant.
17.10.2019	Letter of BDO, Domkal, Murshidabad to Inspector-in charge, Domkal, Murshidabad, WB requesting for assistance to Powergrid for police deployment/ protection for mitigating RoW issues and resumption of



	works at various locations.
17.10.2019	Letter to BDO, Domkal, Murshidabad, WB requesting for assistance in mitigating RoW issues and resumption of works at location nos. 69/0 to 70/0 where villagers were demanding exorbitant compensation and had also sown bamboo plants.
17.10.2019	Letter of BDO, Domkal, Murshidabad to Inspector-in charge, Domkal, Murshidabad, WB requesting for assistance to Powergrid for police deployment/protection at location nos. 69/0 to 70/0.
8.11.2019	Letter to BDO, Domkal, Murshidabad, WB requesting for assistance in mitigating RoW issues and resumption of works at Loc. No. 74/0.
8.11.2019	Letter to BDO, Domkal, Murshidabad, WB requesting for assistance in mitigating RoW issues and resumption of stringing works at Loc. Nos. 69/0 to 70/0.
<b>8.1.2020</b>	Letter from the Petitioner to Additional Chief Secretary (Power), WB Govt. requesting for assistance in mitigating ROW issues and resumption of works at various locations of the transmission line.
3.2.2020	Letter to SDO, Domkal, Murshidabad, WB requesting for assistance in removing ROW issues and exorbitant compensation demands at location no. 74/0.

The Petitioner has submitted that at various locations, RoW issues were resolved by convincing the land owners whereas at other locations, the breakthrough was achieved by involving the State/District machinery. Further, the Petitioner was continuously involved in the task of removing the RoW hindrances and the same was largely resolved by the Petitioner. However, at few of the locations, namely, 64/2, 65/0, 65A/0, 69/0 – 70/0, 73/1, 74/0, 44/0, 13/0, 1/7, 1/8, 2/0, and various others, the issue still persists and continuous efforts are being made to resolve the same so as to complete the transmission line works by May, 2020. Owing to these uncontrollable RoW issues, accompanied by periods of negligible activity, de-mobilization and re-mobilization of labourers/gangs, etc, considerable time was lost initially from March – April, 2019 (i.e. approximate 02 months) and later on from August, 2019 to February, 2020 (i.e. approx. 06 months).



**ii. Delay due to Worldwide COVID-19 Pandemic (approximately 3 months):** The Petitioner has submitted that corona virus situation posed the greatest potential harm as unforeseen/unplanned interruption which caused delay. The Petitioner faced a multitude of challenges in their projects and the same are as follows:

Nation-wide lockdown:

Phase -1: 25<sup>th</sup> March, 2020 – 14<sup>th</sup> April, 2020 (21 days)

Phase-2: 15<sup>th</sup> April, 2020 – 3<sup>rd</sup> May, 2020 (19 days)

Phase-3: 4<sup>th</sup> May, 2020 – 17<sup>th</sup> May, 2020 (14 days)

Phase-4: 18<sup>th</sup> May, 2020 – 31<sup>st</sup> May, 2020 (14 days)

Unlock:

Unlock 1.0: 1<sup>st</sup> June, 2020 – 30<sup>th</sup> June, 2020 (30 days)

Unlock 2.0: 1<sup>st</sup> July, 2020 – 31<sup>st</sup> July, 2020 (31 days)

Unlock 2.0: 1<sup>st</sup> August, 2020 – 31<sup>st</sup> August, 2020 (31 days)

The Petitioner has submitted that the lockdown restricted people from stepping out of their homes. All transport services—road, air and rail were suspended, with exceptions for transportation of essential goods, fire, police and emergency services. Educational institutions, industrial establishments and hospitality services were also suspended. Services such as food shops, banks and ATMs, petrol pumps, other essentials and their manufacturing were exempted. The Home Ministry stated that anyone who fails to follow the restrictions may face imprisonment up to one year. The Government locked down all the cities and restricted the movement from one place to another. The movement restriction affected the suppliers' chain, transportation shortage, worker absenteeism due to





illness/quarantine/migration labour shortages. This resulted in decrease in output and delayed all country-wide ongoing projects. The lock-down imposition and voluntary step back of construction workers was unavoidable and complicating things further. The site was closed or access was restricted to contain Covid-19 outbreak. The contractor was not able to carry out the works as a result of action by the Governments to prevent the spread of Covid-19. There were specific Covid-19 related challenges such as suppliers' delivery issues, worker absenteeism due to illness, delayed issuance of permits, travel restrictions and inefficiencies due to social distancing on the job site. Also, with lack of engineering and technical support as well as supply chain disruptions being the major factor impacting project schedule and implementations. Thus, execution of various projects including the transmission project faced delay due to squeezing of supply lines and construction activities. When construction resumed, additional delay and inefficiencies further pushed back completion dates. The Petitioner was unable to start construction. The biggest hurdle was that the supply chain was not fully restored. Besides that, if someone was infected on the construction site after the work started, the area was sealed and all related people were quarantined for 14-28 days. Construction pace came to a grinding halt. Further, administrative action/FIRs were lodged against the sub-contractors.

With halting of various line construction activities, the work came to stand still for almost 2-3 months (i.e. from end of March, 2020 to early May, 2020) and gradually the work started after Government directives. The delay was beyond the control of the Petitioner and that even the events associated with





delay were unforeseen. Various problems occurring concurrently could have delayed the project enormously, however, experience and expertise of the Petitioner in project planning and execution curtailed the delay to 5 months only through efficient efforts.

24. We have considered the submission of the Petitioner. As per BPTA dated 28.2.2018, the transmission asset is scheduled to be put into commercial operation within 24 months i.e. by 28.2.2020, against which the transmission asset was put into commercial operation on 27.7.2020 with time over-run of about 150 days. The Petitioner has submitted that the normal timeline specified for 400 kV D/C transmission lines is 34 months in Regulation 24(2)(i) of the 2014 Tariff Regulations. However, the Petitioner had compressed the completion schedule of the transmission asset to 24 months to facilitate early import of power by Bangladesh. The timeline specified under Regulation 24(2)(i) of the 2014 Tariff Regulations is for grant of additional RoE of 0.5 for the transmission assets which are put into commercial operation within the specified period. Therefore, the Petitioner's attempt to draw any support from the said Regulation for condonation of time over-run does not hold any merit.

25. The Petitioner has submitted that the transmission asset is delayed due to RoW issues in construction of transmission line and Covid-19 pandemic. From the submissions of the Petitioner, it is observed that the Petitioner has faced RoW problems at various locations, namely, at location nos. 1/1, 1/7, 1/8, 2/0, 13/0, 44/0, 59/0 to 60/0, 65/0 to 65A/0, 73/1 & 74/0 and 44/0. The last RoW issue was faced by the Petitioner was on 3.2.2020 at location No. 74/0. The Petitioner has furnished details of correspondences exchanged with various authorities along with



supporting documents. From the submissions of the Petitioner, it is apparent that RoW issues affected the execution of transmission asset from 14.3.2019 to 3.2.2020 at various locations.

26. We have also gone through the monthly progress report of Central Electricity Authority (CEA) pertaining to cross-border/Inter-State Transmission Schemes for the months of January, 2020, February, 2020 and March, 2020. As per the CEA monthly progress report, it is observed that out of the total length of 172 circuit km (ckm), the Petitioner has completed 156 ckm upto January, 2020, 169 ckm upto February, 2020 and 172 ckm upto March, 2020. In the month of March, 2020, the following has been recorded in the report and the same is as follows:

*“Work completed. Charging matching with Bangladesh side readiness. Also, work completely at standstill due to lockdown of the entire country due to Corona Pandemic. The Ministry of Home Affairs on 24.03.20 invoked the National Disaster Management Act and declared lockdown of the entire country for 21 days”*

27. In the light of above, we are of the view that duration of time from 28.2.2020 to 24.3.2020 (25 days), the execution of the transmission asset was impacted due to RoW issues and the same was beyond the control of the Petitioner. Therefore, time over-run of 25 days for the period from 28.2.2020 to 24.3.2020 due to RoW issues is accordingly condoned.

#### **Delay due to Covid-2019 Pandemic.**

28. The Petitioner has submitted that work of the transmission asset remained affected for 2-3 months from March, 2020 to May, 2020 due to Covid-19 pandemic. The Petitioner has further submitted that due to Covid-19 pandemic, i.e. Phase-I from 25.3.2020 to 14.4.2020 (21 days), Phase-2 from 15.4.2020 to 3.5.2020 (19 days), Phase-3 from 4.5.2020 to 17.5.2020 (14 days) and Phase 4 from 18.5.2020 to 31.5.2020 (14 days), aggregating to about 68 days, the work of the transmission



line was affected.

29. We have considered the above submissions of the Petitioner. We agree with the submissions of the Petitioner that on account of Covid-19 pandemic, the Government of India issued various directions for lock-down and also imposed certain restrictions and the same were in force during Phase-I from 25.3.2020 to 14.4.2020 (21 days), Phase-2 from 15.4.2020 to 3.5.2020 (19 days), Phase-3 from 4.5.2020 to 17.5.2020 (14 days) and Phase 4 from 18.5.2020 to 31.5.2020 (14 days), aggregating to about 68 days. Therefore, we condone the delay of 68 days in execution of the transmission asset on account of Covid-19 for the period from 25.3.2020 to 31.5.2020, as detailed above.

30. The Petitioner has not given any specific reasons for the delay from 1.6.2020 to 27.7.2020 (57 days). Accordingly, time over-run of 57 days is not condoned.

31. As discussed above, out of the total time over-run of 150 days, time over-run of 25 days due to RoW issues and 68 days due to Covid-19 pandemic is observed to be beyond the control of the Petitioner and accordingly it is condoned. Accordingly, the IDC and IEDC for the 93 days is allowed to be capitalised.

**Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)**

32. The Petitioner has claimed IDC in respect of the transmission asset and has submitted the Management Certificate dated 8.1.2021 in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of the IDC discharged.

33. The loan amount as on COD has been mentioned in Form-6 and Form-9C.



The loan details submitted in Form-9C for 2019-24 tariff period and IDC computation statement have been considered for the purpose of IDC calculation on cash basis and on accrued basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged. However, in the statement showing IDC discharged up to COD, the Petitioner has indicated the floating rate of interest of the loans deployed. IDC on cash basis up to COD has been worked out on the basis of loan details given in the statement showing discharge of IDC and Form-9C for the transmission asset. The Petitioner is directed to submit information on actual interest rates at the time of truing-up.

34. Accordingly, based on the information furnished by the Petitioner, IDC considered, is as follows:

(₹ in lakh)

IDC as per Auditor's Certificate	IDC Admissible	IDC disallowed due to time over-run not condoned	IDC Discharged as on COD	IDC Un-discharged as on COD	IDC Discharge During	
					2020-21	2021-22
A	B	C=A-B	D	E=B-D	F	G
367.42	346.83	20.59	339.20	7.62	5.39	2.23

35. The Petitioner has claimed IEDC of ₹726.13 lakh and has submitted Management Certificate in support of the same. The Petitioner has also submitted that entire IEDC has been discharged as on COD in respect of the transmission asset. Further, IEDC has been deducted on account of time over-run not condoned on pro-rata basis, Accordingly, IEDC allowed is as follows:

(₹ in lakh)

IEDC Claimed	IEDC disallowed due to time over-run not condoned	IEDC Allowed
726.13	47.03	679.10

**Initial Spares**



36. Regulation 23(d) of the 2019 Tariff Regulations provides the following ceiling norms:

- “(d) *Transmission System*
- i. *Transmission line: 1.00%*
  - ii. *Transmission sub-station*
    - *Green Field: 4.00%*
    - *Brown Field: 6.00%*
  - iii. *Series Compensation devices and HVDC Station: 4.00%*
  - iv. *Gas Insulated Sub-station (GIS)*
    - *Green Field: 5.00%*
    - *Brown Field: 7.00%*
  - v. *Communication System: 3.50%*
  - vi. *Static Synchronous Compensator: 6.00%*”

37. The Petitioner has claimed the following Initial Spares:

Particulars	Plant & Machinery cost for calculation of initial spares (₹ in lakh)	Initial spares claimed		Ceiling limit as per Regulations (in %)
		Amount (₹ in lakh)	Percentage (in %)	
Transmission Line	13227.20	350.02	2.65	1.00
Sub-station	2181.35	71.54	3.28	6.00
PLCC	211.71	27.77	13.12	3.50

38. The Petitioner has claimed Initial Spares separately for transmission asset for PLCC under “Communication System” in the instant petition. The Commission vide order dated 24.1.2021 in Petition No. 126/TT/2020 observed that PLCC is a part of sub-station and accordingly did not allow separate O&M Expenses for PLCC. In view of the findings of the Commission as recorded in order dated 24.1.2021 in Petition No. 126/TT/2020, we are of the view that PLCC has to be considered as a part of sub-station. Therefore, cost of PLCC has been clubbed with the cost of sub-station while computing the Initial Spares. The Initial spares claimed by the Petitioner towards transmission line beyond the ceiling of 1% and the same has been restricted to ceiling of 1%. The initial spares allowed are as follows:



Particulars	Plant & Machinery Cost up to cut-off date (₹ in lakh) (excluding IDC and IEDC)	Initial Spares Claimed (₹ in lakh)	Allowable Initial Spares (₹ in lakh)	Norm (in%)	Initial Spares allowed (₹ in lakh)	Excess Initial Spares (₹ in lakh)
Transmission Line	13227.20	350.02	130.07	1	130.07	219.95
Sub-station	2393.06	99.31	146.41	6	99.31	0.00

### **Capital Cost allowed as on COD**

39. Accordingly, capital cost allowed in respect of the transmission asset as on COD is as follows:

(₹ in lakh)

Capital Cost claimed in Auditor's Certificate as on COD (A)	Less: IDC disallowed due to time over-run not condoned (B)	Less: Un-discharged IDC as on COD (C)	Less: IEDC disallowed due to time over-run not condoned (D)	Less: Excess Initial Spares disallowed (E)	Capital Cost as on COD (F) = (A-B-C-D-E)
15636.29	20.59	7.62	47.03	219.95	15341.09

### **Additional Capital Expenditure ("ACE")**

40. Regulation 24 and Regulation 25 of the 2019 Tariff Regulations provide as follows:

***"24. Additional Capitalization within the original scope and up to the cut-off date:***

*(1) The Additional Capital Expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

*(a) Undischarged liabilities recognized to be payable at a future date;*

*(b) Works deferred for execution;*

*(c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*

*(d) Liabilities to meet award of arbitration or for compliance of the directions or*



order of any statutory authority or order or decree of any court of law;

(e) Change in law or compliance of any existing law; and

(f) Force Majeure events:

*Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.*

*(2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.”*

**“25. Additional Capitalisation within the original scope and after the cut-off date:**

*(1) The ACE incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:*

- a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*
- b) Change in law or compliance of any existing law;*
- c) Deferred works relating to ash pond or ash handling system in the original scope of work;*
- d) Liability for works executed prior to the cut-off date;*
- e) Force Majeure events;*
- f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and g) Raising of ash dyke as a part of ash disposal system.*

*(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:*

*(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations.*

*(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;*

*(c) The replacement of such asset or equipment is necessary on account of*

*(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.”*

41. The Petitioner has claimed actual/projected ACE for 2019-24 tariff period on account of balance and retention payments under Regulation 24(1)(a) and



Regulation 24(1)(b) for works executed within the cut-off date. The details are as follows:

(₹ in lakh)

Actual/ Projected Add-Cap			
2020-21	2021-22	2022-23	2023-24
552.52	525.00	0.00	0.00

42. Further, the Petitioner vide affidavit dated 29.3.2022 has submitted the liability flow statement. The details are as follows:

Head wise / Party wise	Particulars	Discharge			
		2020-21	2021-22	2022-23	2023-24
Associated Power Structure & Etc	Transmission Line	76.49	25.00	0.00	0.00
Associated Power Structure & Etc	Sub-station	476.03	500.00	0.00	0.00
<b>Total ACE</b>		<b>552.52</b>	<b>525.00</b>	<b>0.00</b>	<b>0.00</b>

43. We have considered the submissions of the Petitioner. ACE claimed is on account of balance and retention payments and is allowed under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations. The actual/ projected ACE allowed is subject to truing up in respect of the transmission asset is as follows:

(₹ in lakh)

Particulars	Actual / Proposed ACE			
	2020-21	2021-22	2022-23	2023-24
Proposed ACE allowed under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations	552.52	525.00	0.00	0.00
Add: IDC discharge	5.39	2.23	0.00	0.00
<b>Total</b>	<b>557.91</b>	<b>527.23</b>	<b>0.00</b>	<b>0.00</b>

### **Capital Cost as on 31.3.2024**

44. Accordingly, capital cost allowed in respect of the transmission asset as on 31.3.2024 is as follows:

(₹ in lakh)

Capital Cost allowed as on COD	Actual / Projected ACE				Total Capital Cost as on 31.3.2024
	2020-21	2021-22	2022-23	2023-24	





15341.09	557.91	527.23	0.00	0.00	16426.23
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### **Debt-Equity Ratio**

45. Regulations 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 system including communication system 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 system including communication system 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 system including communication system 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.

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation.”

46. The details of debt-equity considered for the purpose of computation of tariff for 2019-24 period in respect of the transmission asset is as follows:

<b>Particulars</b>	<b>Capital Cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total Capital Cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>
Debt	10738.76	70.00	11498.36	70.00
Equity	4602.33	30.00	4927.87	30.00
<b>Total</b>	<b>15341.09</b>	<b>100.00</b>	<b>16426.23</b>	<b>100.00</b>



## **Depreciation**

47. 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 system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system 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 system 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 system, 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 system, weighted average life for the generating station of the transmission system 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 system:*



*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 de-capitalized asset during its useful services.*

*(9) Where the emission control system is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (8) of this Regulation.*

*(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of*

*a) twenty-five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or*

*b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or*

*c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”*

48. We have considered the submissions of the Petitioner. The IT equipment has been considered as part of the Gross Block and depreciated using Weighted Average Rate of Depreciation (WAROD). WAROD has been worked out and placed as Annexure-I after considering the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The salvage value of IT



equipment has been considered nil, i.e., IT asset has been considered as 100% depreciable. Depreciation allowed in respect of the transmission asset for 2019-24 tariff period is as follows:

(₹ in lakh)					
	Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	15341.09	15899.00	16426.23	16426.23
B	Addition during the year 2019-24 due to projected ACE	557.91	527.23	0.00	0.00
C	Closing Gross Block (A+B)	15899.00	16426.23	16426.23	16426.23
D	Average Gross Block (A+C)/2	15620.05	16162.62	16426.23	16426.23
E	Average Gross Block (90% depreciable assets)	15520.33	16062.88	16326.49	16326.49
F	Average Gross Block (100% depreciable assets)	99.72	99.74	99.75	99.75
G	Depreciable value (excluding IT equipment and software) (E*90%)	13968.30	14456.59	14693.84	14693.84
H	Depreciable value of IT equipment and software (F*100%)	99.72	99.74	99.75	99.75
I	Total Depreciable Value (G+H)	14068.01	14556.33	14793.59	14793.59
J	Weighted average rate of Depreciation (WAROD) (in %)	5.36	5.35	5.35	5.35
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	34.00	34.00	33.00	32.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>568.46</b>	<b>865.29</b>	<b>879.21</b>	<b>879.21</b>
N	Cumulative Depreciation at the end of the year	568.46	1433.75	2312.97	3192.18
O	Remaining Aggregate Depreciable Value at the end of the year	13499.55	13122.58	12480.62	11601.40

### **Interest on Loan (“IoL”)**

49. 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 upto 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 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.*

*(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company 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”.*

50. The weighted average rate of interest on IoL has been considered on the basis of the rates prevailing as on COD for respective loans. The Petitioner has prayed that change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up.

51. In view of above, IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed in respect of the transmission asset is as follows:

					(₹ in lakh)
	Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24





	Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	10738.76	11129.30	11498.36	11498.36
B	Cumulative Repayments up to Previous Year	0.00	568.46	1433.75	2312.97
C	Net Loan-Opening (A-B)	10738.76	10560.84	10064.61	9185.40
D	Addition due to ACE	390.54	369.06	0.00	0.00
E	Repayment during the year	568.46	865.29	879.21	879.21
F	Net Loan-Closing (C+D-E)	10560.84	10064.61	9185.40	8306.18
G	Average Loan (C+F)/2	10649.80	10312.73	9625.00	8745.79
H	Weighted Average Rate of Interest on Loan (in %)	1.7333	1.7359	1.7662	1.8194
I	Interest on Loan (G*H)	125.42	179.02	170.00	159.12

### **Return on Equity (“RoE”)**

52. 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 system including communication system 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 system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.*

*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 system 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 system up to load dispatch centre or protection system 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:
- rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;
  - 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.

(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODe) occurs plus 350 basis point, subject to ceiling of 14%.”

**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:

Rate of pre-tax return on equity = 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.

#### **Illustration-**

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

Rate of return on equity =  $15.50 / (1 - 0.2155) = 19.758\%$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:





- (a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;
- (b) Estimated Advance Tax for the year on above is Rs 240 crore;
- (c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;
- (d) Rate of return on equity =  $15.50 / (1 - 0.24) = 20.395\%$ .

(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.”

53. The Petitioner has submitted that MAT rate is applicable to it. MAT rate applicable for the year 2019-20 has been considered for the purpose of RoE for the period 2021-24, which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed in respect of the transmission asset is as follows:

(₹ in lakh)					
	Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
A	Opening Equity	4602.33	4769.70	4927.87	4927.87
B	Addition due to ACE	167.37	158.17	0.00	0.00
C	Closing Equity (A+B)	4769.70	4927.87	4927.87	4927.87
D	Average Equity (A+C)/2	4686.01	4848.79	4927.87	4927.87
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>598.00</b>	<b>910.70</b>	<b>925.55</b>	<b>925.55</b>

### **Operation & Maintenance Expenses (“O&M Expenses”)**

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

**“35 (3) Transmission system:** (a) The following normative operation and maintenance expenses shall be admissible for the combined transmission system:



<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Norms for sub-station Bays (₹ Lakh per bay)</b>					
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
<b>Norms for Transformers (₹ Lakh per MVA)</b>					
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
<b>Norms for AC and HVDC lines (₹ Lakh per km)</b>					
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
<b>Norms for HVDC stations</b>					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ 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



<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	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;*

*Provided further that:*

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;*
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;*
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);*
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;*
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and*
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.*

*(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.”

55. The O&M Expenses claimed by the Petitioner in respect of the transmission asset are as follows:

(₹ in lakh)				
Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
<b>Sub-station Bays (Number)</b>				
400 kV: Behrampur : 2 Nos Line Bays	2	2	2	2
<b>Norm (₹ lakh/bay)</b>				
400 kV	33.28	34.45	35.66	36.91
<b>Total Sub-station Bays O&amp;M Expenses</b>	<b>66.56</b>	<b>68.90</b>	<b>71.32</b>	<b>73.82</b>
<b>AC Lines</b>				
400 kV D/C Baharampur - Bheramara (Indian Portion)	86.816	86.816	86.816	86.816
400 kV M/C	0.61	0.61	0.61	0.61
<b>Norms</b>				
D/C Twin/Triple Conductor	0.912	0.944	0.977	1.011
M/C Twin/Triple Conductor	1.598	1.654	1.713	1.773
<b>Total Transmission Line</b>	<b>80.15</b>	<b>82.96</b>	<b>85.86</b>	<b>88.85</b>
<b>Communication System</b>				
PLCC	211.70	211.70	211.70	211.70
<b>Norms (in %)</b>	2	2	2	2
<b>Total Communication System</b>	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>
<b>Total O&amp;M Expenses (₹ in lakh)</b>	<b>102.56</b>	<b>156.10</b>	<b>161.42</b>	<b>166.91</b>

56. The Petitioner has claimed O&M Expenses separately for the PLCC under Regulation 35(4) of the 2019 @2% of its original project cost in the instant petition and the Petitioner has made similar claim in other petitions as well. Though PLCC is a communication system, it has been considered as part of the sub-station in the 2014 Tariff Regulations and 2019 Tariff Regulations and the norms for sub-station has been specified accordingly. Accordingly, the Commission vide order dated 24.1.2021 in Petition No.126/TT/2020 has already concluded that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though PLCC is a communication system. Therefore, the Petitioner’s claim for separate O&M Expenses for PLCC @2% is not allowed.



57. The O&M Expenses allowed are as follows:



(₹ in lakh)

Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
<b>Sub-station Bays (Number)</b>				
400 kV: Behrampur : 2 Nos Line Bays	2	2	2	2
<b>Norm (₹ lakh/bay)</b>				
400 kV	33.28	34.45	35.66	36.91
<b>Total Sub-station Bays O&amp;M Expenses</b>	<b>66.56</b>	<b>68.90</b>	<b>71.32</b>	<b>73.82</b>
<b>AC Lines</b>				
400 kV D/C Baharampur - Bheramara (Indian Portion)	86.816	86.816	86.816	86.816
400 kV M/C	0.61	0.61	0.61	0.61
<b>Norms</b>				
D/C Twin/Triple Conductor	0.912	0.944	0.977	1.011
M/C Twin/Triple Conductor	1.598	1.654	1.713	1.773
<b>Total Transmission Line</b>	<b>80.15</b>	<b>82.96</b>	<b>85.86</b>	<b>88.85</b>
<b>Total O&amp;M Expenses (₹ in lakh)</b>	<b>99.68</b>	<b>151.86</b>	<b>157.18</b>	<b>162.67</b>

### **Interest on Working Capital (“IWC”)**

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

**“34. Interest on Working Capital: (1) The working capital shall cover:**

.....

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

(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 system including communication system 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. Definition** - In these regulations, unless the context otherwise requires:-

(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;”

59. The Petitioner has submitted that it has computed IWC for 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2020. The Petitioner has considered the rate of IWC as 11.25%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 11.25% (SBI 1year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-21 and 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for 2021-24. The components of the working capital and interest allowed thereon is as follows:

(₹ in lakh)				
Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	12.23	12.66	13.10	13.56
Working Capital for Maintenance Spares (15% of O&M Expenses)	22.01	22.78	23.58	24.40
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	256.54	263.62	266.77	265.38
<b>Total Working Capital</b>	<b>290.77</b>	<b>299.06</b>	<b>303.45</b>	<b>303.34</b>
Rate of Interest for working capital (in %)	11.25	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>22.23</b>	<b>31.40</b>	<b>31.86</b>	<b>31.85</b>

**Annual Fixed Charges for 2019-24 Tariff Period**

60. The transmission charges allowed in respect of the transmission asset for 2019-24 tariff period are as follows:

(₹ in lakh)				
Particulars	2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
Depreciation	568.46	865.29	879.21	879.21
Interest on Loan	125.42	179.02	170.00	159.12
Return on Equity	598.00	910.70	925.55	925.55





<b>Particulars</b>	<b>2020-21 (Pro-rata for 248 days)</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Operation and Maintenance Expenses	99.68	151.86	157.18	162.67
Interest on Working Capital	22.23	31.40	31.86	31.85
<b>Total</b>	<b>1413.79</b>	<b>2138.27</b>	<b>2163.80</b>	<b>2158.40</b>

### **Filing Fees and Publication Expenses**

61. The Petitioner has sought reimbursement of fees paid by it for filing the petition and publication expenses in terms of Regulation 70(1) of the 2019 Tariff Regulations. 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 Fees and RLDC Fees and Charges**

62. The Petitioner shall be entitled for reimbursement of licence fees in accordance with Regulation 70(4) of the 2019 Tariff Regulations for 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 2019-24 tariff period.

### **Goods and Services Tax**

63. 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 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.



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

### **Security Expenses**

65. The Petitioner has submitted that security expenses in respect of transmission asset is not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and consequential IWC.

66. We have considered the above submissions of the Petitioner. The Petitioner has claimed consolidated security expenses on projected basis for 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission vide order dated 3.8.2021 in Petition No. 260/MP/2020 has approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the Commission's order dated 3.8.2021 in Petition No. 260/MP/2020. Accordingly, 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**

67. 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**

68. Clause 3.0 of the BPTA dated 28.2.2018 signed between the Petitioner and



BPDB stipulates that transmission charges shall be paid to the Petitioner by BPDB. Therefore, the billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of the BPTA signed between BPDB and the Petitioner. The transmission charges shall be paid by BPDB as per the provisions of Clause 3.0 of the BPTA and the same shall not be considered under the Common pool. The transmission asset shall be considered at zero cost in ISTS network.

69. To summarise,

(a) AFC allowed in respect of the transmission asset for 2019-24 tariff period in the instant order are as follows:

(₹ in lakh)			
2020-21 (Pro-rata for 248 days)	2021-22	2022-23	2023-24
1413.79	2138.27	2163.80	2158.40

70. Annexure-I given hereinafter form part of the order.

71. This order disposes of Petition No. 7/TT/2022 in terms of the above discussions and findings.

**sd/-**  
**(P.K. Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

**sd/-**  
**(I.S. Jha)**  
**Member**



Annexure – I

2019-24 Capital Expenditure as on COD	Admitted Capital Cost as on COD (₹ in lakh)	ACE				Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciatio n (%)	Annual Depreciation as per Regulations			
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Transmission Line	13811.55	81.34	27.01	0.00	0.00	13,919.90	5.28	731.40	734.26	734.97	734.97
Sub-Station	1219.15	476.46	500.18	0.00	0.00	2195.79	5.28	76.95	102.73	115.94	115.94
PLCC	210.69	0.07	0.03	0.00	0.00	210.80	6.33	13.34	13.34	13.34	13.34
IT Equipment and software	99.70	0.04	0.01	0.00	0.00	99.75	15.00	14.96	14.96	14.96	14.96
<b>Total</b>	<b>15341.09</b>	<b>557.91</b>	<b>527.23</b>	<b>0.00</b>	<b>0.00</b>	<b>16426.23</b>		<b>836.64</b>	<b>865.29</b>	<b>879.21</b>	<b>879.21</b>
						<b>Average Gross Block (₹ in lakh)</b>		15620.05	16162.62	16426.23	16426.23
						<b>Weighted Average Rate of Depreciation (in %)</b>		5.36	5.35	5.35	5.35

