CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 437/TT/2025

Coram:

Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Date of Order: 26.10.2026

In the matter of:

Petition under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003, and under Regulations 15(1)(a) and 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, for the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, for the assets under "Augmentation of ISTS for interconnection of HVPNL Transmission Schemes".

And in the matter of:

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

Versus

1. **Uttar Pradesh Power Corporation Limited,**
   Shakti Bhawan, 14, Ashok Marg,
   Lucknow – 226001.

2. **Ajmer Vidyut Vitran Nigam Limited,**
   Corporate Office, Vidyut Bhawan,
   Panchsheel Nagar, Makarwali Road,
   Ajmer – 305004 (Rajasthan).

3. **Jaipur Vidyut Vitran Nigam Limited,**
   132 kV, GSS RVPNL, Substation Building,
   Caligiri Road, Malviya Nagar,
   Jaipur – 302017 (Rajasthan).

4. **Jodhpur Vidyut Vitran Nigam Limited,**
   New Power House, Industrial Area,
   Jodhpur – 342003 (Rajasthan).

5. **Himachal Pradesh State Electricity Board Limited,**
   Vidyut Bhawan, Kumar House Complex Building II,
   Shimla – 171004 (Himachal Pradesh).

6. **Haryana Power Purchase Centre,**
   Shakti Bhawan, Sector-6,
   Panchkula – 134109 (Haryana).

7. **Jammu Kashmir Power Corporation Limited,**
   220/66/33 kV Gladni SS SLDC building,
   Narwal, Jammu.

8. **BSES Yamuna Power Limited,**
   B-Block, Shakti Kiran building,
   Near Karkardooma Court, 2nd Floor,
   Karkardooma, New Delhi – 110092.

9. **BSES Rajdhani Power Limited,**
   BSES Bhawan, Nehru Place,
   New Delhi.

10. **Tata Power Delhi Distribution Limited,**
    33 kV Substation Building, Hudson Lane,
    Kingsway Camp, North Delhi – 110009.

11. **Chandigarh Electricity Department,**
    UT- Chandigarh, Div-11, Opposite Transport Nagar,
    Industrial Area Phase-1, Chandigarh.

12. **Uttarakhand Power Corporation Limited,**
    Urja Bhawan, Kanwali Road, Dehradun.

13. **North Central Railway,**
    Allahabad.

14. **New Delhi Municipal Council,**
    Palika Kendra, Sansad Marg,
    New Delhi – 110002.

15. **Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office,
Patiala – 147001.

16. **Haryana Vidyut Prasharan Nigam Limited,**
Shakti Bhawan, Sector – 6,
Panchkula – 134109.

17. **Central Transmission Utility of India Limited,**
(CTUIL) Floors No. 5-10, Tower-1, Plot No. 16,
IRCON International Tower, Institutional Area,
Sector 32, Gurugram – 122001 (Haryana). **…Respondents**

For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Vishal Sagar, PGCIL
Ms. Supriya Singh, PGCIL
Shri Ranjeet Pandey, PGCIL
Shri Ashish Alankar, PGCIL

For Respondents : Ms. Himaangini Mehta, Advocate, HVPNL
Shri Raheel Kohli, Advocate, HVPNL

ORDER

This Petition has been filed by the Petitioner, Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, for the determination of the transmission tariff from the 'Date of Commercial Operation' (COD) to 31.3.2029 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as "the 2024 Tariff Regulations"), in respect of the following assets (hereinafter referred to as "the transmission assets") under "Augmentation of ISTS for Interconnection of HVPNL Transmission Schemes" in the Northern Region (hereinafter referred to as "the transmission project"):

Asset-1: 2 Nos. line bays for the 220 kV D/C line from Kharkhoda (HVPNL) pocket A at Sonepat Substation (215 and 216)

Asset-2: 400/220 kV, 500 MVA ICT along with associated bays (412 and 202) at Jind Substation.

Asset-3: 400/220 kV, 500 MVA ICT along with associated bays (409 and 209) at Bahadurgarh Substation.

Asset-4: 4 Nos. 220 kV line bays at Bahadurgarh (PG) Substation.

The Petitioner, on its own, revised the SCOD for Asset-4 to 31.7.2024. Accordingly, we have considered the SCOD for the 2 Nos. of 220 kV line bays (for the 220 kV METL-Bahadurgarh (PG) D/C Line) of Asset-4 separately, as 31.3.2024, and the remaining 2 Nos. 220 kV line bays as on 31.7.2024, for the reasons mentioned in detail at paragraph 64 of this order.

Accordingly, Asset-4 is split into Assets 4A and 4B, as under:

(i) Asset-4-A : 2 Nos. 220 kV line Bays for 220 kV Kharkhoda pocket-B-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.

(ii) Asset-4 B : 2 Nos. 220 kV line Bays for 220 kV METL-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.

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

a) Approve the DOCO of the Asset-1 and Asset-4 as 25.8.2024 and 1.11.2024 as prayed in the instant petition.

b) Condoned the Time overrun in commissioning of instant assets.

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

d) Approve the Transmission Tariff for tariff block 2024-29 block for the asset covered under this petition, as per para 28 above.

e) Approve the Notional IDC claimed in accordance with the provisions of Regulation 19(2)(b) and Regulation 21(1) of CERC Tariff Regulations, 2024.

f) 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 Regulations, 2024 as per para 28 above for respective block.

g) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*

h) *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*

i) *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 2024-29 period, if any, from the beneficiaries.*

j) *Allow the petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately as mentioned at para 33 above.*

k) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 33 above.*

l) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 33 above.*

m) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 34 above.*

n) *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.*

o) *Allow interim tariff in accordance with Regulation 10(3) of Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2024 for purpose of inclusion in the PoC charges and*

p) *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 scope of the transmission project was discussed and agreed at the 9th meeting of the National Committee of Transmission (NCT) on 28.9.2022. Subsequently, the Central Transmission Utility of India Limited (CTUIL), vide its Office Memorandum (OM) dated 15.11.2022, awarded the transmission project to the Petitioner for implementation under the Regulated Tariff Mechanism (RTM).

b. The Investment Approval (IA) for the transmission project was accorded by the Petitioner's Competent Authority on 24.2.2023 and circulated vide Memorandum dated 27.2.2023, at an estimated cost of ₹10777 lakh, including Interest During Construction (IDC) of ₹492 lakh, based on the September 2022 price level.

c. The scope of work for the transmission project is as follows:

Substation

I. Extension of 400/220 kV Substation at Bahadurgarh (PG)

(i) Augmentation by 1x500 MVA, 400/220 KV ICT (3rd)

- 400/220 KV, 500 MVA ICT – 1 no.
- 400 kV ICT Bay – 1 no.
- 220 kV ICT Bay – 1 no.

(ii) Line bays for 220 kV Kharkhoda pocket B - Bahadurgarh (PG) D/C line

- 220 kV Line bays – 2 nos.

(iii) Line bays for 220 kV METL - Bahadurgarh (PG) D/C line

- 220 kV Line bays – 2 nos.

II. Extension of 400/220 kV Substation at Jind (PG)

(i) Augmentation by 1x500 MVA, 400/220 kV ICT (3rd)

- 400/220 kV, 500 MVA ICT – 1 no.
- 400 kV ICT Bay – 1 no.
- 220 kV ICT Bay – 1 no.

III. Extension of 400/220 kV Substation at Sonepat (PG)

(i) Line bays for 220 kV D/C line from Kharkhoda pocket A

- 220 kV Line bays – 2 nos.

d. The details of the transmission assets, their Scheduled Date of Commercial Operation (SCOD) and COD are as follows:

Asset	Asset Name	SCOD	COD
Asset-1	2 Nos. line bays for 220 kV D/C line from Kharkhoda (HVPNL) pocket A at Sonepat Substation (215 and 216)	31.7.2024	25.8.2024*
Asset-2	400/220 kV, 500 MVA ICT along with associated bays (412 and 202) at Jind Substation	29.2.2024	25.9.2024
Asset-3	400/220 kV, 500 MVA ICT along with associated bays (409 and 209) at Bahadurgarh Substation	31.7.2024	6.10.2024
Asset-4	4 Nos. 220 kV line bays at Bahadurgarh (PG) Substation	31.7.2024	1.11.2024*

**Assets-1 and 4 qualify for proposed COD as per Regulation 5(1) of the 2024 Tariff Regulations, and the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as the 220 kV bays at Sonepat and Bahadurgarh Substations have been completed successfully.*

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

5. The Petitioner has served a copy of the Petition on the Respondents, and notices regarding the filing of this Petition have been published in the newspapers in

accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as "the Act"). No comments or suggestions have been received from the general public in response to the notices published in the newspapers by the Petitioner.

6. Respondent No. 1, i.e., Uttar Pradesh Power Corporation Limited (UPPCL), and Respondent No. 16, i.e., Haryana Vidyut Prasharan Nigam Limited (HVPNL), have filed their replies to the Petition vide affidavits dated 18.6.2025 and 5.8.2025, respectively. The Petitioner has filed its rejoinder to the replies of UPPCL and HVPNL, vide separate affidavits dated 11.8.2025.

7. The hearing in the matter was held on 22.7.2025, and the order was reserved.

8. This order is issued considering the submissions made by the Petitioner vide affidavits dated 24.1.2025, 16.6.2025, and 12.8.2025; the replies filed by UPPCL and HVPNL vide affidavits dated 18.6.2025 and 5.8.2025, respectively; the rejoinders filed by the Petitioner vide affidavits dated 11.8.2025; and the submissions made by CTUIL vide affidavit dated 28.8.2025.

9. Having heard the parties and perused the material on record, we proceed to dispose of the Petition.

DETERMINATION OF THE ANNUAL FIXED CHARGES FOR THE 2024-29 TARIFF PERIOD

10. The Petitioner has claimed the following transmission charges in respect of the transmission assets for the 2024-29 tariff period, vide the affidavit dated 16.6.2025:

Asset-1

(₹ in lakh)

Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	19.88	44.64	49.64	50.90	50.90

Interest on Loan	20.30	43.30	44.80	42.13	38.10
Return on Equity	20.47	45.96	51.12	52.41	52.41
Interest on Working Capital	1.97	3.87	4.14	4.23	4.29
O&M Expenses	24.80	43.50	45.80	48.20	50.72
Total	**87.42**	**181.27**	**195.50**	**197.87**	**196.42**

Asset-2

(₹ in lakh)

Particulars	**2024-25 (pro-rata for 188 days)**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Depreciation	73.58	170.09	182.15	185.17	185.17
Interest on Loan	94.67	209.58	211.07	200.10	185.04
Return on Equity	92.15	213.04	228.15	231.92	231.92
Interest on Working Capital	7.90	17.04	17.89	18.24	18.55
O&M Expenses	93.33	190.83	200.61	211.03	222.59
Total	**361.63**	**800.58**	**839.87**	**846.46**	**843.27**

Asset-3

(₹ in lakh)

Particulars	**2024-25 (pro-rata for 177 days)**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Depreciation	63.35	153.48	163.60	166.13	166.13
Interest on Loan	84.07	195.31	196.06	186.05	172.49
Return on Equity	81.86	198.32	211.39	214.66	214.66
Interest on Working Capital	7.20	16.36	17.14	17.50	17.83
O&M Expenses	87.87	190.83	200.61	211.03	222.59
Total	**324.35**	**754.30**	**788.80**	**795.37**	**793.70**

Asset-4

(₹ in lakh)

Particulars	**2024-25 (pro-rata for 151 days)**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Depreciation	21.00	63.10	68.49	69.83	69.83
Interest on Loan	24.40	70.20	71.27	67.30	61.68
Return on Equity	24.01	72.16	78.33	79.87	79.87
Interest on Working Capital	2.51	6.81	7.19	7.37	7.52
O&M Expenses	34.20	87.00	91.60	96.40	101.44
Total	**106.12**	**299.27**	**316.88**	**320.77**	**320.34**

11. The details of the Interest on Working Capital (IWC) claimed by the Petitioner for the 2024-29 tariff period in respect of the transmission assets are as follows:

Asset-1

(₹ in lakh)

Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	3.45	3.63	3.82	4.02	4.23
Maintenance Spares	6.20	6.53	6.87	7.23	7.61
Receivables	17.96	22.35	24.10	24.33	24.22
Total Working Capital	27.62	32.51	34.79	35.58	36.06
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**1.97**	**3.87**	**4.14**	**4.23**	**4.29**

Asset-2

(₹ in lakh)

Particulars	2024-25 (pro-rata for 188 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	15.10	15.90	16.72	17.59	18.55
Maintenance Spares	27.18	28.62	30.09	31.65	33.39
Receivables	86.56	98.70	103.55	104.07	103.96
Total Working Capital	128.84	143.22	150.36	153.31	155.90
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**7.90**	**17.04**	**17.89**	**18.24**	**18.55**

Asset-3

(₹ in lakh)

Particulars	2024-25 (pro-rata for 177 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	15.10	15.90	16.72	17.59	18.55
Maintenance Spares	27.18	28.62	30.09	31.65	33.39
Receivables	82.46	93.00	97.25	97.79	97.85
Total Working Capital	124.74	137.52	144.06	147.03	149.79
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**7.20**	**16.36**	**17.14**	**17.50**	**17.83**

Asset-4

(₹ in lakh)

Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	6.89	7.25	7.63	8.03	8.45
Maintenance Spares	12.40	13.05	13.74	14.46	15.22
Receivables	31.63	36.90	39.07	39.44	39.49
Total Working Capital	50.92	57.20	60.44	61.93	63.16
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**2.51**	**6.81**	**7.19**	**7.37**	**7.52**

Date of Commercial Operation (COD)

12. The details of the COD for the transmission assets, as claimed by the Petitioner, are as follows:

Sr. No.	Asset	COD
1	**Asset-1**: 2 Nos. line bays for 220 kV D/C line from Kharkhoda (HVPNL) pocket A at Sonepat Substation (215 and 216)	25.8.2024 (Proposed) *
2	**Asset-2**: 400/220 kV, 500 MVA ICT along with associated bays (412 and 202) at Jind Substation	25.9.2024
3	**Asset-3**: 400/220 kV, 500 MVA ICT along with associated bays (409 and 209) at Bahadurgarh Substation.	6.10.2024
4	**Asset-4**: 4 Nos. 220 kV line bays at Bahadurgarh (PG) Substation.	1.11.2024 (Proposed) *

* The Petitioner has claimed the deemed CODs as the associated downstream system under the control of HVPNL was not ready.

13. The Petitioner has submitted the following documents in support of the COD of the transmission assets:

Sr. No.	Asset	Documents
1	**Asset-1**	• CEA Energization Certificate dated 13.8.2024 • NRLDC Trial-run Certificate dated 7.11.2024 certifying the successful completion of the trial run on 'No Load' basis on 24.8.2024 • One month's notice dated 28.6.2024 to HVPNL • CTUIL Completion Certificate dated 24.1.2025 as per the Grid Code certifying the date of completion as on 24.8.2024.

2	**Asset-2**	• CEA Energization Certificate dated 17.9.2024 • NRLDC Trial-run Certificate dated 7.11.2024 certifying the successful completion of the trial run on 24.9.2024 • CMD Certificate • COD Certificate dated 8.11.2024
3	**Asset-3**	• CEA Energization Certificate dated 27.9.2024 • NRLDC Trial-run Certificate dated 27.11.2024 certifying the successful completion of the trial run on 5.10.2024 • CMD Certificate • COD Certificate dated 27.11.2024
4	**Asset-4**	• CEA Energization Certificate dated 24.10.2024 • One month's notices dated 27.9.2024 and 21.10.2024 to HVPNL • NRLDC Trial-run Certificate dated 1.1.2025 certifying the successful completion of the trial run on 'No Load' basis on 31.10.2024 • CTUIL Completion Certificate dated 24.1.2025 as per the Grid Code certifying the date of completion as on 30.10.2024.

14. The Petitioner has submitted that Assets-2 and 3 were commissioned on 25.9.2024 and 6.10.2024, respectively, with power flow. It is submitted that Assets-1 and 4 were scheduled for drawal of power by HVPNL; however, the power flow in the Petitioner's scope of work could not be achieved due to the non-readiness of the downstream system at the Sonepat and Bahadurgarh Substations (to be implemented by HVPNL). Hence, Assets-1 and 4 have been idle charged on 23.8.2024 and 30.10.2024, respectively. Therefore, the Petitioner has proposed to put Assets-1 and 4 under commercial operation w.e.f. 25.8.2024 and 1.11.2024, respectively. Accordingly, the Petitioner has sought the approval of the CODs of Assets-1 and 4 under Regulation 5 of the 2024 Tariff Regulations and Chapter-5 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (hereinafter referred to as "the Grid Code").

15. UPPCL, in its reply, has submitted that Assets 1 and 4 have not been commissioned due to the non-readiness of the downstream system within the scope of HVPNL, and that the Petitioner has indicated the proposed COD without linking it to the date of readiness of the HVPNL downstream system. It is submitted that the proposed 8COD has already expired well before the filing of the instant Petition (24.1.2025). With no expected date for utilisation of these assets in sight, the Petitioner should not have claimed tariff for them in this Petition.

16. In response, the Petitioner has submitted that Assets 1 and 4 were duly completed and charged on 23.8.2024 and 30.10.2024, respectively, and are eligible for the declaration of the COD under Regulation 5 of the 2024 Tariff Regulations and the Grid Code, as they are prevented from regular service due to the non-readiness of the downstream system. It is also submitted that the Petitioner has submitted all requisite documents to establish the readiness of the transmission assets. It is further submitted that the entire scope of the transmission project is complete and covered under the instant Petition. Thus, the Petitioner has complied with the provisions of Regulation 9(1) of the 2024 Tariff Regulations.

17. HVPNL, in its reply, has submitted that the Petitioner cannot seek condonation of delay and approval of tariff in the same Petition, and that the Petitioner has failed to provide any reason for not filing the appropriate Petition seeking approval of the CODs of the transmission assets at the relevant time. It is submitted that Assets-1 and 4 are not in use and, as such, cannot be included in the capital cost of the transmission assets in terms of Regulation 19(5)(a) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and the Central Electricity Regulatory Commission Grid Code

Regulations, 2010. It is further submitted that the tariff for Assets 1 and 4 cannot be determined on a 'cost-plus' basis.

18. In response, the Petitioner has submitted that there is no prohibition on filing of a joint Petition seeking approval of COD and tariff where the downstream system is delayed due to reasons beyond the control of the Petitioner. Reliance placed by the HVPNL on Regulation 5(2) of the 2019 Tariff Regulations and Regulation 6.3A (3) (iv) of the 2010 Grid Code is misplaced. It is submitted that the non-utilisation of Assets-1 and 4 is solely due to HVPNL's delay in making the downstream system, which HVPNL itself admits, and the Petitioner cannot be penalised for the same. It is further submitted that excluding the capital cost altogether would violate the principles of natural justice, promissory estoppel, and the regulatory compact, under which the Petitioner undertakes large capital expenditure on the understanding of cost recovery as per the applicable regulations.

Analysis and Decision

19. Regulation 5 of the 2024 Tariff Regulations provides as follows:

> *"**5. Date of Commercial Operation:** (1) The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code. In the event of mismatch of COD between associated transmission and/or generating stations, the liability for the transmission charges shall be in accordance with the provisions of the Sharing Regulations, 2020 as amended from time to time.*

20. Regulations 26(3)(a) and 27(1)(c)(i) of the Grid Code provide as follows:

> ***26. DECLARATION BY GENERATING COMPANY AND TRANSMISSION LICENSEE***
> *-------*
> *(3) Transmission system*
> *(a) The transmission licensee shall submit a certificate signed by the authorized signatory not below the rank of CMD or CEO or MD of the company to the concerned RLDC and to the Member Secretary of the*

concerned RPC before declaration of COD that the transmission line, sub-station and communication system conform to the CEA Technical Standards for Construction, CEA Technical Standards for Connectivity, CEA Technical Standards for Communication, Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010 and these regulations and are capable of operation to their full capacity.

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27. DECLARATION OF COMMERCIAL OPERATION (DOCO) AND COMMERCIAL OPERATION DATE (COD)

(1) A generating station or unit thereof or a transmission system or an element thereof or ESS may declare commercial operation as follows and inform CEA, the concerned RLDC, the concerned RPC and its beneficiaries:

(c) Transmission System

(i) The commercial operation date in the case of an Inter-State Transmission System or an element thereof shall be the date declared by the transmission licensee on which the Transmission System or an element thereof is in regular service at 0000 hours after successful trial operation for transmitting electricity and communication signals from the sending end to the receiving end as per Regulation 23 and submission of a declaration as per clause (3) of Regulation 26 of these regulations:

……..

Provided also that in case a transmission system or an element thereof executed under regulated tariff mechanism is prevented from regular service on or after the scheduled COD for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system of other transmission licensee, the transmission licensee shall approach the Commission through an appropriate petition along with a certificate from the CTU to the effect that the transmission system is complete as per the applicable CEA Standards, for approval of the commercial operation date of such transmission system or an element thereof:

……..”

21. We have considered the parties' submissions. Under the fourth proviso to Regulation 27(1)(c) of the Grid Code, if a transmission system or any of its elements developed under the RTM is ready for operation but cannot be put into regular service on or after its SCOD due to reasons beyond the transmission licensee's control, the transmission licensee shall file an appropriate Petition before the Commission. Further, such a Petition shall be accompanied by a certificate from CTUIL confirming that the transmission system or element is complete and complies with the applicable Central

Electricity Authority (CEA) standards. In the instant case, the Petitioner has submitted the CTUIL letter dated 24.1.2025. The snapshot of the letter dated 24.1.2025 is as under:

सेंट्रल ट्रांसमिशन यूटिलिटी ऑफ इंडिया लिमिटेड
(पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड के स्वामित्व में)
(भारत सरकार का उद्यम)
CENTRAL TRANSMISSION UTILITY OF INDIA LTD.
(A wholly owned subsidiary of Power Grid Corporation of India Limited)
(A Government of India Enterprise)

Encl-4

Certificate no.: CTU/CMG/RTM/Certificate/2024-25/08 Date: 24-01-2025

CTU Certificate towards completion of Transmission System

(In compliance with requirement of IEGC-2023 to apply for approval of COD)

To,
Northern Region-I HQ,
Power Grid Corporation of India Ltd.
SCO Bay No.5 to 10, Sector-16A,
Faridabad-121002 (Haryana)
Ph: 0129-2666500

1. **Project: "Augmentation of ISTS for interconnection of HVPNL transmission schemes" - *Bay No.- 210, 211, 212 and 213 at 400/220kV Powergrid Bahadurgarh S/s and Bay No. 215 and 216 at 400/220kV Sonipat (PG) S/s***

References:

i. CTUIL OM dated dated 15.11.2022.
ii. Letter from "POWERGRID" with reference no. NR1/Bahadurgarh/Completion Certificate/02 dated 04.11.2024 & RTM/Completion Certificate/01 dated 21.01.2025 requesting CTU for issuance of the completion certificate.
iii. Approval letters from CEA with reference no. NRIO/PGCIL/HR/2024/509 dated 24.10.2024 for energization of 4 no. of 220kV bays (Bay nos. 210, 211, 212 and 213) at 400/220kV Bahadurgarh (PG) S/s & ref no. CEI/2/EI/RIO(N)/Insp./2024/563 dated 13.08.2024 for energization of 2 no. of 220kV bays (bay nos. 215 & 216) at 400/220kV Sonipat (PG) S/s.
iv. GRID-INDIA certificate for completion of Trial Operation (without electrical load) for 4 nos. of 220kV line bays (Bay No. 210, 211, 212 & 213) at 400/220kV Bahadurgarh (PG) S/s with reference no.- GRID-INDIA/NRLDC/SO/582 dated 01.01.2025.
v. GRID-INDIA certificate for completion of Trial Operation (without electrical load) for 2 nos. of 220kV line bays at 400/220kV Sonipat (PG) S/s with reference no.- GRID-INDIA/NRLDC/SO/555 dated 07.11.2024.
vi. Undertakings from "POWERGRID" received on dated 04.11.2024 & 21.01.2025, signed by Executive Director, NR-1 of POWERGRID (Transmission licensee) regarding completion of transmission system.

This is to certify that transmission elements as detailed in **Table-A** have been completed by M/s "Power Grid Corporation of India Ltd." meeting all the requirements of the transmission line, sub-station, communication system & inter-related systems conforming CEA Standards & Regulations including:

(i) CEA (Technical Standards for Construction of Electrical Plants and Electric lines) Regulation, 2022.

(ii) CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007.
(iii) CEA (Technical Standards for Communication in Power System Operation) Regulations, 2020.
(iv) CEA (Measures relating to Safety and Electricity Supply) Regulations, 2023

Table-A

Sl. No.	Name of the Transmission Elements (as per scope of works under CTU's OM/NCT's letter/MoP's OM)	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element), if applicable	Date of completion
1	2 Nos. of 220 kV line bays at 400/220kV Bahadurgarh (PG) S/s (for 220kV Kharkhoda Pocket B– Bahadurgarh (PG) D/C Line) *(Bay No.-210 & 211)*	Not Applicable	30.10.2024
2	2 Nos. 220 kV Line Bays at 400/220kV Bahadurgarh (PG) S/s (for 220 kV METL-Bahadurgarh (PG) D/C Line) *(Bay No.-212 & 213)*	Not Applicable	30.10.2024
3	2 nos. of 220kV line bays at 400/220kV Sonepat (PG) S/s (for 220kV D/c line from Kharkhoda pocket A) *(Bay No.-215 & 216)*	Not Applicable	24.08.2024

This Certificate is issued based on the above referred documents/details & the undertaking submitted by "Power Grid Corporation of India Ltd." and in accordance with Fourth proviso to Regulation 27(1)(c)(i) of CERC (Indian Electricity Grid Code) Regulations, 2023, to certify that the subject transmission elements are complete as per applicable CEA Standards/Regulations and present certificate can be used to demonstrate Commercial Operation Date [COD] of aforesaid elements. Usage of this Certificate for any other purpose is prohibited.

हस्ताक्षर/Signature: 24.01.2025
नाम/Name: Ramchandra
पदनाम/Designation: Sr. GM
Date: 24-01-2025

22. The Petitioner has submitted the requisite CEA Energization Certificates, NRLDC Trial-run Certificates certifying the successful completion of the trial run, COD declaration Certificates and the CMD Certificates in respect of Assets-2 and 3. Further, the Petitioner has submitted the requisite CEA Energization Certificates, NRLDC Trial-run Certificates certifying the successful completion of the trial run on 'No Load', CMD

Certificates and the CTUIL Completion Certificate dated 24.1.2025 as per the requirements of the Grid Code.

23. It is observed that the CMD Certificates submitted by the Petitioner in respect of the transmission assets have not been marked to the concerned RLDC and the Member Secretary of the concerned RPC, in accordance with Regulation 26(3)(a) of the Grid Code. Therefore, the Petitioner is directed to mark a copy of the said certificates to the concerned authorities as required under Regulation 26(3)(a) of the Grid Code and to submit documentary proof of the same at the time of truing-up.

24. In view of the above and taking into consideration the requisite certificates submitted by the Petitioner, the COD of the transmission assets is approved as under:

Sr. No.	Asset	COD
1	Asset-1: 02 Nos. line bays for 220 kV D/C line from Kharkhoda (HVPNL) pocket A at Sonepat S/S (215 & 216)	25.8.2024*
2	Asset-2: 400/220 kV, 500 MVA ICT along with associated Bays (412 & 202) at Jind S/S	25.9.2024
3	Asset-3: 400/220 kV, 500 MVA ICT along with associated Bays (409 & 209) at Bahadurgarh S/S.	6.10.2024
4	Asset-4: 4 Nos. 220 kV line Bays at Bahadurgarh (PG) S/S.	1.11.2024*#

**The COD of Assets-1 and 4 is hereby approved under Regulation 5 of the 2024 Tariff Regulations and the 4th proviso to Regulation 27(1)(C)(i) of the Central Electricity Regulatory Commission Indian Electricity Grid Code 2023 (the Grid Code)*

The SCOD of 2 Nos. of 220 kV line bays is considered as 31.3.2024, and the SCOD for the remaining 2 nos. of 220 kV bays is considered as 31.7.2024.

Capital Cost

25. Regulation 19 of the 2024 Tariff Regulations provides as follows:

> ***"19. Capital Cost:*** *(1) The Capital cost of the generating station or the transmission system including integrated energy storage system, as the case may be, as determined by the Commission after prudence checks in accordance with these regulations shall*

form the basis for the 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 and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being 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 the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
(h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
(i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to 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 the 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)……
(p)……
(q) ……..

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

(a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;

(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;

(c) Capital expenditure on account of renovation and modernisation as admitted

by this Commission in accordance with these regulations;

(d) to (h)……..

(i) Expenditure on account of change in law and force majeure events;
(j)…….

(4) & (5) ……

(6) The following shall be excluded from the capital cost of the existing and new projects:
(a) The assets forming part of the project but not in use, as declared in the tariff petition;

(b) De-capitalised Assets after the date of commercial operation on account of obsolescence;

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:
Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be de-capitalised from the original project only after its redeployment;
Provided further that unless shifting of an asset from one project to another is of a permanent nature, there shall be no de-capitalization of the concerned assets.

(d)……

(e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and

(f) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project that does not carry any liability of repayment."

26. The Petitioner has submitted the Auditor's Certificates dated 2.1.2025 for Asset-1 and dated 28.12.2024 for Assets-2, 3 and 4, and has claimed the following capital costs incurred as on the COD and the projected Additional Capital Expenditure (ACE) to be incurred for the transmission assets:

(₹ in lakh)

Asset	Approved Cost (FR)	Expenditure Up to COD	Projected Expenditure for FY			Estimated Completion Cost
			2024-25	*2025-26*	*2026-27*	
Asset-1	970.81	488.40	283.58	141.79	47.27	961.04
Asset-2	4310.09	2829.49	831.20	415.60	138.53	4214.82

Asset-3	3992.05	2727.45	719.37	359.68	119.89	3926.39
Asset-4	1504.05	892.38	339.34	169.66	56.56	1457.94
Total	**10777.00**	**6937.72**	**2173.49**	**1086.73**	**362.25**	**10560.19**

27. The Petitioner has submitted Form-5, showing the following estimated completion cost, including the notional IDC, for the transmission assets:

(₹ in lakh)

Asset	Approved Cost (FR)	Expenditure Up to COD	Notional IDC	Projected Expenditure for FY			Estimated Completion Cost (including Notional IDC)
				2024-25	2025-26	2026-27	
Asset-1	970.81	488.40	1.00	283.58	141.79	47.27	962.04
Asset-2	4310.09	2829.49	22.52	831.20	415.60	138.53	4237.34
Asset-3	3992.05	2727.45	7.91	719.37	359.68	119.89	3934.30
Asset-4	1504.05	892.38	6.29	339.34	169.66	56.56	1464.23
Total	**10777.00**	**6937.72**	**37.72**	**2173.49**	**1086.73**	**362.25**	**10597.91**

28. Further, the Petitioner, vide affidavit dated 12.8.2025, has claimed the revised notional IDC of ₹55.58 lakh and also submitted the details of the accrued IDC as on the COD for the transmission assets. The details of the revised estimated completion cost, including the notional IDC and accrued IDC for the transmission assets, as submitted by the Petitioner, are as follows:

(₹ in lakh)

Asset	Approved Cost (FR)	Expenditure up to COD	Add notional IDC	Less Accrued IDC from COD	Revised Expenditure up to COD	Projected Expenditure for FY			Revised Estimated Completion Cost
		(A)	(B)	(C)	D=A+B+C	2024-25 (Including Accrued IDC)	2025-26	2026-27	
Asset-1	970.81	488.40	0.00	(8.89)	479.51	292.47	141.79	47.27	961.04
Asset-2	4310.09	2829.49	38.48	(4.87)	2863.10	836.07	415.60	138.53	4253.3
Asset-3	3992.05	2727.45	10.30	(3.25)	2734.5	722.62	359.68	119.89	3936.69
Asset-4	1504.05	892.38	6.8	(9.27)	889.91	348.61	169.66	56.56	1464.74
Total	**10777.00**	**6937.72**	**55.58***	**(26.28)**	**6967.02**	**2199.77**	**1086.73**	**362.25**	**10615.77***

**The Petitioner has inadvertently claimed the notional IDC of ₹38.48 lakh for Asset-2 instead of ₹40.84 lakh as per the calculation sheet submitted by the Petitioner, and the total capital cost claimed by the Petitioner now amounts to ₹10618.13 lakh*

29. The notional and accrued IDC claimed by the Petitioner shall be dealt with in the

relevant subsequent paragraphs.

Cost Overrun

30. The Petitioner has submitted that the total estimated completion cost is within the apportioned approved cost as per the Feasibility Report (FR), and thus there is no cost over-run for the transmission assets in relation to the FR cost.

31. Further, the Petitioner, vide affidavit dated 16.6.2025, has submitted item-wise reasons for the cost variation between the FR-approved cost and the estimated completion cost. The detailed reasons for the cost variation are as follows:

i. Cost variation in the substation equipment, including taxes and duties

32. The Petitioner has submitted that the lowest possible market prices for the required products or services, as per the detailed design, were obtained through the open competitive bidding process, and the contracts were awarded to the lowest evaluated eligible bidder on an overall basis. The best competitive bid prices against tenders may vary from the cost estimate, depending on prevailing market conditions, design and site requirements. These cost estimates are prepared by the Petitioner in accordance with well-defined cost estimation procedures. The FR cost estimate is a broad indicative cost, generally worked out on the basis of the average unit rates of recently awarded contracts. It is submitted that the cost estimate of the transmission project is based on the September 2022 price level.

33. Further, with regard to variations in the cost of individual items in the substation packages, it is submitted that the packages within the scope of works comprise a large number of items, and these are awarded through open competitive bidding. In this bidding process, bids are received from multiple parties quoting different rates for

various BOQ items under the package. Thereafter, the lowest bidder can be identified only on an overall basis. Hence, the item-wise unit prices in the contracts and their variation from the unit rates considered in the FR cost estimates are beyond the Petitioner's control. Also, the quantities of the lot items vary due to the actual site conditions during execution.

ii. Variation in IDC:

34. The Petitioner has submitted that the decrease in the IDC is attributable to variations in the Rate of Interest (RoI) considered in the FR, actual interest rates, and the deployment of funds based on the actuals. In the FR, the IDC was calculated considering the interest rate of 9% on domestic loans, subject to actuals, and the actual IDC accrued up to the COD has been considered in the Auditor's Certificate.

iii. Variation in IEDC:

35. The Petitioner has submitted that in the IA, the Incidental Expenditure During Construction (IEDC) and contingency have been considered at 10.75% and 3% respectively, whereas the IEDC considered in the Auditor's Certificate is based on the actual expenditure under the subject head.

36. The Petitioner, vide affidavit dated 12.8.2025, has clarified that ₹3937 lakh mentioned in the Project Highlights Segment of the Detailed Project Report (DPR) write-up is a broad indicative cost for Part-B, i.e., the Extension of Jind Substation, pertaining to the scope of work related to Asset-2, prepared during the project conceptualisation stage. The Petitioner accorded the IA for the transmission project at an estimated cost of ₹107.77 crore. The said project cost was also recorded in the 9th meeting of the National Committee on Transmission (NCT) held on 28.9.2022, and in the CTUIL OM dated 15.11.2022. Further, ₹4310.00 lakh is the apportioned FR cost for Asset-2, based

on the IA cost, as submitted in the Petition.

37. The Petitioner has also submitted that the estimated completion cost of ₹10615.77 lakh is within both the approved FR cost of ₹10777.00 lakh and the CTUIL OM indicative cost of ₹11705.00 lakh. Therefore, there is no cost over-run in respect of the transmission assets.

38. UPPCL, in its reply, has submitted that the cost estimate in the FR was prepared before inviting the bids, based on data from the various works executed by the Petitioner in the past, and does not represent the actual cost. It is merely indicative and serves only as a record of the historical due diligence undertaken before inviting the bids and signing the contracts for execution of the project. It is submitted that comparing any expenditure of the COD/ACE or completion cost with the FR cost is incorrect. The actual cost, which should serve as the representative reference for comparison of the actual expenditure, is the price at which the contracts have been signed for execution of the works related to the transmission assets. It is further submitted that the Petitioner must show the cost/prices under which the transmission asset works are to be completed under the contracts, and then show the computation of the cost overrun for each asset. UPPCL has prayed that the Commission reject the Petitioner's claim of cost overrun.

39. In response, the Petitioner has submitted that Assets-2 and 3 have already achieved their COD, while Assets-1 and 4 are eligible for commercial operation under the regulatory framework, subject to readiness issues with the downstream system. It is submitted that the entire scope of the transmission project is complete and falls within the instant Petition; Accordingly, the Petition is being filed in compliance with Regulation 9(1) of the 2024 Tariff Regulations. Hence, the claim for tariff is maintainable in law.

40. We have considered the parties' submissions and perused the documents placed on record. It is observed that the Petitioner has not furnished the cost/contract price at which the works relating to the transmission assets were awarded or executed under the respective contracts, nor has it provided the asset-wise computation of the cost over-run. In the absence of this information, we are unable to examine the justification for the claimed cost overrun.

41. Accordingly, the Petitioner is directed to submit the details of the awarded contract cost/contract price for the transmission assets, together with the corresponding asset-wise computation of the cost overrun at the time of truing-up.

42. We provisionally approve the capital cost claimed by the Petitioner. However, this approval shall be subject to review based on the justification and details the Petitioner furnishes regarding the claimed capital cost , at the time of truing-up.

Time Overrun

43. The Petitioner has submitted that, as per the IA, the transmission assets were scheduled to be commissioned progressively from February 2024 to July 2024. The Petitioner has submitted the following details of the SCOD, COD and time over-run in respect of the transmission assets:

Asset	SCOD as per IA	COD	Delay with respect to SCOD (in days)
Asset-1	31.7.2024	25.8.2024*	25 days
Asset-2	29.2.2024	25.9.2024	209 days
Asset-3	31.7.2024	6.10.2024	67 days
Asset-4	31.7.2024	1.11.2024*	93 days

**Proposed COD.*

44. The Petitioner has submitted a detailed justification for the time overrun in the

commissioning of the transmission assets, and it is as follows:

Asset-1:

45. The Petitioner has submitted that there is a 25-day delay in the commissioning of Asset-1 vis-à-vis its SCOD of 31.7.2024. The IA of the transmission project was accorded on 24.2.2023 and was scheduled to be commissioned progressively from February 2024 to July 2024. Subsequently, the LOA was placed on 21.4.2023. Thereafter, the Petitioner, with its project implementation expertise and experience, made all efforts to complete the asset. The asset was ready in July 2024, and the Petitioner requested an online inspection call with the CEA on 17.7.2024. However, the CEA carried out the inspection on 7.8.2024 and issued the certificate on 13.8.2024. Further, the asset successfully completed the 'No Load' trial operation on 24.8.2024, and its COD was proposed for approval under Regulation 5(1) of the 2024 Tariff Regulations as on 25.8.2024. The Petitioner submits that the 25-day delay due to inspection, testing, and commissioning is beyond its control.

Assets-2, 3 and 4:

46. The Petitioner has submitted that there is a delay of 209 days, 67 days and 93 days in the commissioning of Assets-2, 3 and 4, respectively, vis-à-vis their SCODs. The delay is mainly due to the non-availability of 40 mm coarse aggregate because of restrictions imposed by the Pollution Control Board (PCB) and the requirement to obtain the requisite shutdown for the commissioning of Assets-2, 3 and 4. The details are as follows:

i. Non-Availability of 40 mm Coarse Aggregate:

47. The Petitioner has submitted that the agency M/s Hartek, vide letter dated

2.10.2023, informed that it was facing difficulty in procuring the required 40 mm coarse aggregate from the approved local sources due to restrictions imposed by the Pollution Control Board (PCB). These restrictions limited the movement of vehicles carrying construction materials from the stone crushers. The operation of the stone crushers was completely closed from 2.11.2023. This is verified by the CAQM order dated 2.11.2023 and the Deputy Commissioner, Charkhi Dadri, letter dated 4.11.2023. CAQM revoked the order dated 2.11.2023 vide order dated 18.1.2024, and the gangs were mobilised after the coarse aggregate became available; construction works resumed at the site by 20.1.2024. Hence, there was a delay of 77 days (i.e., from 2.11.2023 to 18.1.2024).

ii. <u>Delay in requisite Shutdown Approval(s):</u>

48. Assets 2, 3 and 4 had to be commissioned at the existing 400/220 kV Jind and Bahadurgarh Substations; therefore, it was necessary to have continuous daytime shutdowns for 3-5 months to carry out erection, stringing, jumpering of the bus/bays, termination and pre-commissioning works, etc.

49. The required shutdown to carry out the above-mentioned work in the existing substations was as follows:

Sl. No	Particulars	No. of days required to execute the work
1	Erection of tower structure in the existing switchyard	81 days
2	Erection of bay equipment along with structures, i.e. CB, CT, LA, CVT, ICT, etc.	79 days
3	Stringing and jumpering	75 days
4	Switchyard equipment testing	29 days
5	Final testing and commissioning	19 days
	Total	**283 days (1256 working hrs.)**

50. It is submitted that the request for approval of shutdown(s) was made to NRLDC for daytime. However, NRLDC and the OCC committees approved intermittent shutdowns for a day or two, not continuous shutdowns. The shutdown was applied to carry out the necessary works, with site works picking up at the desired pace.

51. The requests for approval of shutdowns of the existing substation elements were made at the following OCC meetings:

Shutdown details for Jind Substation:

Sl. No	OCC meeting	Date	Remarks
1	212th OCC meeting	18.10.2023	**Jind Substation:** Shutdown required under construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates, with remarks. (*May be given subject to real-time grid conditions/one bus shutdown at a time). *Approved Shut-down for 220 kV Bus-1 from 1.11.2023 to 3.11.2023 (3 days), 220 kV Bus-2 from 4.11.23 to 6.11.23 (3 days) on daily basis*
2	213th OCC meeting	21.11.2023	**Jind Substation:** Shutdown required under construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates, with remarks.* (May be given subject to real-time grid conditions/one bus shutdown at a time). *Approved Shutdown for 220 kV Bus-1 from 1.12.2023 to 3.12.2023 (3 days), 220 kV Bus-2 from 4.12.2023 to 6.12.2023 (3 days) on daily basis*
3	218th OCC meeting	16.4.2024	**Jind Substation:** Shutdown required under construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.*

Sl. No	OCC meeting	Date	Remarks
			Approved shutdown for 220 kV Bus-1 on 13.5.2024, 220 kV Bus-2 on 14.5.2024 on daily basis.
4	219th OCC meeting	14.5.2024	**Jind Substation:** Shutdown required under the construction head of 400 kV Bus-2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 400 kV Bus-2 on 5.6.2024.* Shutdown required under construction head of 220 kV Bus-1 and 2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 220 kV Bus-1 on 12.6.2024 and Bus-2 on 14.6.2024.*
	Total shutdown allowed was 17 days only (Maximum 136 working hrs.)		

Shutdown details for Bahadurgarh Substation:

Sl. No	OCC meeting	Date	Remarks
1	213th OCC meeting	21.11.2023	**Bahadurgarh Substation:** Shutdown required under the construction head of the 400 kV bay for bay extension. *Shutdown applied from date: 24.11.2023 to 27.11.2023.* *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown from 1.12.2023 to 5.12.2023 on a daily basis.* Shutdown required under the construction head of ICT-2 for firewall construction. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown from 14.12.2023 to 24.12.2023 on a daily basis.*

Sl. No	OCC meeting	Date	Remarks
2	214th OCC meeting	18.12.2023	**Bahadurgarh Substation:** Shutdown required under the construction head of ICT-2 for bay extension. *Shutdown approved from 09:15 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown from 22.1.2024 to 28.1.2024 on a daily basis.* Shutdown required under construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 220 kV Bus-1 on 5.1.2024, 220 kV Bus-2 on 6.1.2024 on a daily basis.*
3	215th OCC meeting	9.1.2024	**Bahadurgarh Substation:** Shutdown required under the construction head of ICT-2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown on 15.2.2024.* Shutdown required under the construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 220 kV Bus-1 on 5.2.2024, 220 kV Bus-2 on 7.2.2024 on a daily basis.*
4	216th OCC meeting	12.02.2024	**Bahadurgarh Substation:** Shutdown required under the construction head of ICT-2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown on 11.3.2024.* Shutdown required under the construction head of 220 kV Bus 1 and 2 for bay extension work.

Sl. No	OCC meeting	Date	Remarks
			Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates. *Approved shutdown for 220 kV Bus-1 on 18.3.2024, 220 kV Bus-2 on 20.3.2024 on a daily basis.*
5	218th OCC meeting	16.04.2024	**Bahadurgarh Ssubstation:** Shutdown required under construction head of 400 kV Bus-2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 400 kV Bus-1 on 21.5.2024 and 400 kV Bus-2 on 22.5.2024 on a daily basis.* Shutdown required under the construction head of ICT-1 for bay extension. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown from 20.5.2024 to 22.5.2024 on daily basis.* Shutdown required under the construction head of ICT-2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shut down from 02.05.2024 to 15.05.2024 on daily basis.* Shutdown required under construction head of 220 kV Bus 1 and 2 for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 220 kV Bus-1 from 15.5.2024 to 16.5.2024, 220 kV Bus-2 from 18.5.2024 to 19.5.2024 on a daily basis.*
6	222nd OCC meeting	13.08.2024	**Bahadurgarh Substation:** Shutdown required under construction head of 400 kV line bays for bay extension work.

Sl. No	OCC meeting	Date	Remarks
			Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates. *Approved shutdown for 400 kV Sonipat line bay at Bahadurgarh Substation from 5.9.2024 to 6.9.2024, and 400 kV Kabulpur line bay at Bahadurgarh S/s from 3.9.2024 to 4.9.2024 on a daily basis.* Shutdown required under the construction head of 220 kV Bus-1 and 2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown for Bus-1 from 20.9.2024 to 25.9.2024, and for Bus-2 from 25.9.2024 to 30.9.2024 on a daily basis, with remarks (May be allowed subject to real-time grid conditions/no other outages during shutdown).* Shutdown required under the construction head of 400 kV Bus-1 and 2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown S/d for Bus-1 from 1.9.2024 to 10.9.2024, for Bus-2 from 11.9.2024 to 20.9.2024 on a daily basis with remarks (May be allowed subject to real-time grid conditions/no other outages during shutdown).* Shutdown required under the construction head of ICT-1 for bay extension. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown from 13.9.2024 to 14.9.2024 and on 28.9.2024 on a daily basis.* Shutdown required under the ICT-2 construction head for bay extension.

Sl. No	OCC meeting	Date	Remarks
			Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates. *Approved shutdown from 11.9.2024 to 12.9.2024 and from 26.9.2024 to 28.9.2024 on a daily basis.* Shutdown required under the construction head of 220 kV line bays for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on the respective dates.* *Approved shutdown for 400 kV Nunamajra line bay at Bahadurgarh S/S from 23.9.2024 to 25.9.2024 and from 20.9.2024 to 22.9.2024, on daily basis.*
7	223rd OCC meeting	12.09.2024	**Bahadurgarh Substation:** Shutdown required under construction head of 400 kV line bays for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown for 400 kV Sonipat line bay from 5.10.2024 to 8.10.2024, and 400 kV Bawana and Kabulpur line bays at Bahadurgarh S/S from 1.10.2024 to 4.10.2024 on a daily basis. (May be allowed subject to no other outages at both ends).* Shutdown required under the construction head of 220 kV line bays for bay extension work. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown for 400 kV Nunamajra line bay at Bahadurgarh S/S from 20.10.2024 to 25.10.2024, on a daily basis. (May be allowed subject to real-time grid conditions and Haryana consent/load to be managed by Haryana).* Shutdown required under the construction head of 220 kV Bus-1 and 2 for bay extension.

Sl. No	OCC meeting	Date	Remarks
			Shutdown approved from 09:00 hrs. to 18:00 hrs. on respective dates. *Approved shutdown for Bus-1 from 20.10.2024 to 25.10.2024, and for Bus-2 from 25.10.2024 to 30.10.2024 on a daily basis, with remarks (May be allowed subject to real-time grid conditions/no other outages during shutdown).* Shutdown required under construction head of 400 kV Bus-1 and 2 for bay extension. *Shutdown approved from 09:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown for Bus-1 from 1.10.2024 to 10.10.2024, and for Bus-2 from 11.10.2024 to 20.10.2024 on a daily basis, with remarks (May be allowed subject to real-time grid conditions/no other outages during shutdown).* Shutdown required under the construction head of ICT-1 and ICT-2 for bay extension. *Shutdown approved from 08:00 hrs. to 18:00 hrs. on respective dates.* *Approved shutdown for ICT-1 from 13.10.2024 to 14.10.2024 and on 28.10.2024 for ICT-2 from 11.10.2024 to 12.10.2024 on a daily basis. (Other ICT must remain in service/load to be managed by Haryana during Shutdown).*
	The total shutdown allowed was 120 days only (Maximum 960 working hrs.).		

52. It is further submitted that the Petitioner needed to avail the shutdown on a continuous basis, as the secured and continuous shutdowns would have helped in better planning and speedy execution. However, the above discussions make it clear that the Petitioner did not receive a continuous shutdown for the desired period. The

shutdowns were approved intermittently and on a daily returnable basis, leaving very few working periods to complete the works. The delay of more than 266 days (working 2128 hrs.) and 163 days (working 1304 hrs.) is due to the non-availability of the required shutdowns at the Jind and Bahadurgarh Substations, respectively.

53. The Petitioner has submitted that the aforementioned delay was beyond the Petitioner's control and that the events causing it were unforeseen. The Petitioner has mitigated the delay through efficient and relentless efforts and prudent project planning and execution. The Petitioner has prayed for condonation of the delay in completing the transmission assets on merit, as it was beyond its control.

54. Further, in response to the Commission's query vide RoP dated 22.7.2025, that 'the Petitioner has claimed the SCOD of Asset-4 (comprising 4 Nos. 220 kV line bays for Kharkoda Pocket B and METL at Bahadurgarh Substation) as 31.7.2024, whereas as per the IA, the SCOD of 2 Nos. line bays for METL is in March, 2024', the Petitioner, vide affidavit dated 12.8.2025, has clarified that the present scheme comprising 4 nos. of 220 kV bays at the existing Bahadurgarh (PG) 400/220 kV Substation and 2 nos. of 220 kV bays at the existing Sonepat (PG) 400/220 kV Substation was planned to facilitate the interconnection of the 220 kV feeder by the HVPNL for drawl of additional power by Haryana State. It is submitted that the implementation of these bays was planned to match the downstream 220 kV line to be constructed by HVPNL at the conception stage, and accordingly, the Petitioner commenced implementation activities to match the associated bay with HVPNL's respective downstream system.

55. It is further submitted that the progress of the 220-kV line of HVPNL was continuously monitored for matching, and the same was discussed in various OCC

meetings held during the years 2023 and 2024, wherein HVPNL stated that the line would be commissioned by March 2024. At the 216th OCC meeting, HVPNL revised the downstream system schedule from March 2024 to March 2025. Subsequently, following the change in the downstream system schedule and for administrative convenience and uniform tariff treatment, the Petitioner proposed a combined SCOD of 31.7.2024 for all 4 nos. 220 kV line bays at Bahadurgarh Substation. Also, all 4 nos. 220 kV line bays are part of a single construction package, and the SCOD of 31.7.2024 for Asset-4 aligns with the revised downstream system schedule and ensures administrative and contractual consistency. The earlier IA-based SCODs were superseded due to changes in HVPNL's implementation timeline.

56. UPPCL, in its reply, has submitted as follows:

Asset-1

(a) Asset-1 has not yet attained COD and has incurred only 50.4% of the approved cost. Much work remains to put it into operation; therefore, evaluating time overrun is premature at this stage. Hence, the Petitioner's prayer in this regard may be rejected.

Asset-2, 3 and 4

(b) The delay in shutdowns by NRLDC, cited as a reason beyond the Petitioner's control, is not understood. This is because shutdowns for undertaking construction or routine works are allowed by NRLDC in consideration of grid stability, and such requests may not be met immediately. The delay in approving shutdowns is being portrayed as an exceptional occurrence in the execution of transmission work, even though it is routine work for the Petitioner. The SCOD estimate is always prepared considering the time required to arrange the shutdowns. The delay in obtaining

approval for the shutdown cannot be considered an event beyond the Petitioner's control for condonation of delay.

(c) Asset-4 has not attained its COD as of now and has incurred only 59.8% of the approved cost. Substantial work remains before it can be put into operation. Hence, approving the time overrun at this stage is premature, and the Petitioner's prayer may be rejected.

57. In response, the Petitioner has submitted that the time overrun in commissioning the transmission assets arose from factors beyond its reasonable control. For Asset-1, the 25-day delay was attributable to inspection, scheduling and COD certificate timelines. For Assets-2, 3 and 4, the delays were primarily due to regulatory restrictions on coarse aggregate procurement imposed by the PCB order between November 2023 and January 2024, and to the inability to secure continuous shutdowns from NRLDC despite repeated applications. Shutdowns were granted only on a piecemeal basis during specific OCC meetings. The Petitioner exercised due diligence and made best efforts to complete the works expeditiously. Therefore, the prayer for condonation of delay is justified.

Analysis and Decision

58. Assets 1, 2, 3 and 4 were commissioned on 25.8.2024, 25.9.2024, 6.10.2024 and 1.11.2024, with time overruns of 25 days, 209 days, 67 days and 93 days, respectively.

59. The transmission project was allocated to the Petitioner, vide CTUIL OM dated 15.11.2022, with an implementation time frame from February 2024 to July 2024, and the details are as follows:

Sr. No.	Asset	Particulars	SCOD
1	Asset-1	2 nos. of 220 kV line bays at 400/220 kV Sonepat (PG) Substation (for 220 kV D/C line from Kharkhoda pocket (A)) • 220 kV Line bays -2 nos.	July, 2024
2	Asset-2	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Jind (PG) Substation • 400/220 kV, 500 MVA ICT -1 no. • 400 kV ICT Bay-1 no. • 220 kV ICT bay -1 no.	February, 2024
3	Asset-3	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Bahadurgarh (PG) Substation • 400/220 kV, 500 MVA ICT -1 no. • 400 kV ICT Bay-1 no. • 220 kV ICT bay -1 no.	July, 2024
4	Asset-4	2 nos. of 220 kV line bays at 400/220 kV Bahadurgarh (PG) Substation (for 220 kV Kharkhoda pocket-B-Bahadurgarh (PG) D/c line) • 220 kV Line bays -2 nos.	July, 2024
		2 nos. of 220 kV line bays at 400/220 kV Bahadurgarh (PG) Substation (for 220 kV METL-Bahadurgarh (PG) D/c line) • 220 kV Line bays -2 nos.	March, 2024

60. Accordingly, the Petitioner accorded the IA on 24.2.2023 considering the scheduled commissioning time in line with the implementation time frame approved, vide CTUIL OM dated 15.11.2022. However, it is observed that the Petitioner, in the instant Petition, has considered the SCOD of Asset-4 i.e. "*4 Nos 220 kV Line Bays at Bahadurgarh Substation*" collectively as July, 2024, instead of March, 2024 and July, 2024 separately for the 2 Nos. of 220 kV line bays for 220 kV METL-Bahadurgarh (PG) D/C Line and 220 kV Kharkhoda pocket-B-Bahadurgarh (PG) D/C Line, respectively.

61. With regard to the above, the Petitioner has submitted that, following HVPNL's change to the downstream system schedule at the 216th OCC meeting from March 2024 to March 2025, and in view of administrative convenience and uniformity in tariff treatment, the Petitioner has proposed a combined SCOD of 31.7.2024 for the entire 04 nos. 220 kV line bays at Bahadurgarh Substation. Also, all 4 nos. 220 kV line bays are

part of a single construction package. The earlier SCODs based on the IA were superseded due to changes in HVPNL's implementation timeline.

62. We note that CTUIL has allocated the transmission project to the Petitioner vide OM dated 15.11.2022, with a firm implementation time frame, and has not revised the SCOD of the transmission assets. The Petitioner has also accepted the same, and accordingly the IA was accorded, considering the same implementation time frame.

63. We have perused the minutes of the JCC meeting of the Northern Region. It is observed that the SCOD in respect of 2 Nos. 220 kV line bays for 220 kV METL - Bahadurgarh (PG) D/C Line was not altered/extended and remains firm as on March, 2024. The relevant snapshots of the JCC meetings are as follows:

30th JCC meeting held on 26.6.2024

6) **Augmentation of ISTS for interconnection of HVPNL transmission schemes**

Sl. No	Scope of the Transmission Scheme	Status & Progress of Construction
1.	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Bahadurgarh (PG) S/s	NCT OM dated 15.11.2022 SCOD: Jul'24 Expected Commissioning: Sep'2024 Status: Work under progress
2	02 nos of 220 kV line bays at 400/220 kV Bahadurgarh (PG) S/s (for 220 kV Kharkhoda pocket B- Bahadurgarh (PG) D/c line)	Expected Commissioning: Aug'2024 SCOD: Jul'24 Status: Work under progress
3	02 nos of 220 kV line bays at 400/220 kV Bahadurgarh (PG) S/s (for 220 kV METL – Bahadurgarh (PG) D/c line)	SCOD: Mar'24 Expected Commissioning: Aug'2024 Status: Work under progress
4	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Jind (PG) S/s	Expected Commissioning: Sep'2024 SCOD: Feb'24 Status: Work under progress
5	2 nos of 220 kV line bays at 400/220 kV Sonepat (PG) S/s (for 220 kV D/c line from Kharkhoda pocket A)	Expected Commissioning: Jul'24 SCOD: Jul'24 Status: Work under progress

32nd JCC meeting held on 24.12.2024

6) **Augmentation of ISTS for interconnection of HVPNL transmission schemes**

Sl. No	Scope of the Transmission Scheme	Status & Progress of Construction
1.	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Bahadurgarh (PG) S/s	NCT OM dated 15.11.2022 SCOD: Jul'24 Commissioning: Charged on 30.09.2024
2	02 nos of 220 kV line bays at 400/220 kV Bahadurgarh (PG) S/s (for 220 kV Kharkhoda pocket B- Bahadurgarh (PG) D/c line)	SCOD: Jul'24 **Commissioning: Charged on 30.09.2024; DOCO: 06-10-2024**
3	02 nos of 220 kV line bays at 400/220 kV Bahadurgarh (PG) S/s (for 220 kV METL – Bahadurgarh (PG) D/c line)	SCOD: Mar'24 Commissioning: Charged on 29.10.2024
4	Augmentation by 1x500 MVA, 400/220 kV ICT (3rd) at 400/220 kV Jind (PG) S/s	Charged on 21.09.24 SCOD: Feb'24

64. The extension of the SCOD for 2 Nos. 220 kV line bays for the 220 kV METL-Bahadurgarh (PG) D/C Line, due to the delay in the downstream network (owned by HVPNL), has not been discussed in the JCC meetings. The SCOD of March 2024, as approved by CTUIL OM dated 15.11.2022, has not been revised. The Petitioner has, on its own, revised the SCOD for Asset-4 to 31.7.2024. Therefore, we have considered the SCOD for the 2 Nos. of 220 kV line bays (for the 220 kV METL - Bahadurgarh (PG) D/C Line) of Asset-4 separately as 31.3.2024, and the remaining 2 Nos. 220 kV line bays as on 31.7.2024. Based on this, we have split Asset-4 into Asset 4A and Asset 4B which is as under:

(i) Asset-4-A : 2 Nos. 220 kV line Bays for 220 kV Kharkhoda pocket-B-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.

(ii) Asset-4 B : 2 Nos. 220 kV line Bays for 220 kV METL-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.

65. In light of the above, the Petitioner's contention is hereby rejected. Consequently, we are inclined to consider the SCOD for 2 Nos. 220 kV Line bays for the 220 kV METL-

Bahadurgarh (PG) D/C Line as 31.3.2024 rather than July 2024. Accordingly, the details of the SCOD, COD and time overrun in respect of the transmission assets are as follows:

Asset	Asset Name	SCOD as per IA	COD	Time over-run w.r.t SCOD (in days)
Asset-1	02 Nos. line bays for 220 kV D/C line from Kharkhoda (HVPNL) pocket A at Sonepat Substation (215 and 216)	31.7.2024	25.8.2024*	25 days
Asset-2	400/220 kV, 500 MVA ICT along with associated Bays (412 and 202) at Jind Substation	29.2.2024	25.9.2024	209 days
Asset-3	400/220 kV, 500 MVA ICT along with associated Bays (409 and 209) at Bahadurgarh Substation.	31.7.2024	6.10.2024	67 days
Asset-4 (A)	2 Nos. 220 kV line Bays for 220 kV Kharkhoda pocket-B-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.	31.7.2024	1.11.2024	93 days
Asset-4 (B)	2 Nos. 220 kV line Bays for 220 kV METL-Bahadurgarh (PG) D/C line at Bahadurgarh (PG) Substation.	31.3.2024	1.11.2024	215 days

66. The asset-wise time overrun is analysed as follows:

Asset-1

67. The Petitioner has submitted that Asset-1 was completed in July 2024, and that the Petitioner applied for the CEA Energization Certificate on 17.7.2024. However, the inspection was carried out on 7.8.2024, and the CEA issued the certificate on 13.8.2024. The Petitioner has mainly contended that the commissioning of Asset-1 was delayed by 25 days due to delays in inspection, testing and commissioning, which were beyond its control.

68. UPPCL has submitted that Asset-1 has not yet attained COD, and that the

evaluation of the time overrun is premature at this stage. Hence, the prayer in this regard may be rejected.

69. We have considered the submissions of the parties. With regard to UPPCL's contention, we are of the view that the deemed COD of Asset-1 is approved due to the delay in the commissioning of the downstream transmission system. Therefore, UPPCL's contention has no merit.

70. Regulation 22 of the 2024 Tariff Regulations provides as under:

> ***"22. Controllable and Uncontrollable factors:*** *The following shall be considered as controllable and uncontrollable factors for deciding time over-run, cost escalation, IDC and IEDC of the project:*
>
> *(1) "The "controllable factors" shall include but shall not be limited to the following:*
> *a. Efficiency in the implementation of the new projects not involving an approved change in scope of such new projects or change in statutory levies or change in law or force majeure events; and*
> *b. Delay in execution of the new projects on account of contractor or supplier or agency of the generating company or transmission licensee.*
>
> *(2) The "uncontrollable factors" shall include but shall not be limited to the following:*
> *a. Force Majeure Events;*
> *b. Change in Law; and*
> *c. Land acquisition-except where the delay is attributable to the generating company or the transmission licensee."*

71. It is observed that after the Petitioner filed the online application on 17.7.2024, the inspection was carried out by the concerned CEA official after 20 days, i.e., on 7.8.2024, and the inspection report was issued. Further, after the issuance of the inspection report, the Petitioner took approximately 6 days to submit the compliance report, i.e., from 7.8.2024 to 13.8.2024, and thereafter the Energization Certificate was issued by the CEA on the same day, i.e., 13.8.2024.

72. Upon perusal of Form-12 and the NRLDC Trial-run Certificate submitted by the Petitioner, it is observed that after the issuance of the CEA Energization Certificate on 13.8.2025, the Petitioner completed the commissioning activities on 19.8.2025.

Subsequently, the COD for Asset-1 was proposed as on 25.8.2025, following the successful completion of the trial run on a 'No Load' basis on 24.8.2025.

73. We note that testing and commissioning is a planned activity and does not fall within uncontrollable factors. Further, the Electrical Inspectorate requires a minimum time to inspect the equipment and issue the energisation certificate. Therefore, we are not inclined to condone the time overrun due to the statutory inspection process.

74. In light of the above, the 25-day time overrun, claimed by the Petitioner to be due to the delay in inspection and the subsequent issuance of the CEA Energization Certificate, is hereby not condoned.

Assets-2, 3 and 4

75. The Petitioner has submitted that Assets 2, 3 and 4 were delayed due to the unavailability of the 40 mm coarse aggregate, caused by restrictions imposed by the Pollution Control Board (PCB) and the requisite shutdown. The issue-wise justification for the time overrun submitted by the Petitioner is analysed as follows:

(a) Delay due to non-availability of 40 mm coarse aggregate:

76. The Petitioner has submitted that the agency M/s Hartek, vide letter dated 2.10.2023, informed that it was facing difficulty in procuring the required 40 mm coarse aggregate from the approved local sources due to restrictions imposed by the PCB. The operation of stone crushers was completely closed from 2.11.2023. CAQM revoked the restriction vide order dated 18.1.2024, and the gangs were mobilised after coarse aggregate became available. Construction works were resumed at site by 20.1.2024. The Petitioner has claimed a 77-day time overrun, i.e., from 2.11.2023 to 18.1.2024, due to the non-availability of coarse aggregate.

77. We have considered the parties' submissions and reviewed the documents placed on record. The Petitioner has submitted Form-12 in respect of Assets 2, 3 and 4, and the snapshots are as follows:

Asset-2:

Part-III
Form-12

Details of time over run

Name of Project Augmentation of ISTS for interconnection of HVPNL Transmission Schemes

Transmission Element 400/220kV, 500 MVA ICT along with associated Bays (412 & 202) at Jind S/s

Actual DOCO : 25.09.2024

S.No.	Description of Activity/Works/Service	Original Schedule (As per Planning)		Actual Achieved (As per Actual)		Time Over-Run	Reasons for delay	Agency LOA No.
		Start Date	Completion Date	Start Date	Completion Date	Days		
1.	Investment Clearance by BOD	27.02.2023	27.02.2023	27.02.2023	27.02.2023	Nil		T&R -350011 /350012
2.	NOA	28.12.2022	28.12.2022	28.12.2022	28.12.2022	Nil		
3.	Supplies	13.06.2023	25.09.2023	08.07.2023	12.01.2024	25		
4.	Foundation	02.04.2023	12.09.2023	17.08.2023	19.02.2024	137	Delay is mainly due to non-availability of 40mm Coarse aggregate. GRAP-III & GRAP-IV restriction	
5.	Erection	15.10.2023	26.01.2024	20.02.2024	27.03.2024	61	Delay in approval of Shutdown in exsisting substation, Also approved intermittent shutdowns for a day or two and not on continuous basis	
6.	Testing	07.01.2024	26.01.2024	28.03.2024	18.08.2024	205		
7.	Commissioning	27.01.2024	28.02.2024	20.08.2024	24.09.2024	209		

Asset-3:

PART-III
Form-12

Details of time over run

Name of Project Augmentation of ISTS for interconnection of HVPNL Transmission Schemes

Transmission Element 400/220kV, 500 MVA ICT-3 along with associated Bays (409 & 209) at Bahadurgarh S/s

Actual DOCO : 06.10.2024

S.No.	Description of Activity/Works/Service	Original Schedule (As per Planning)		Actual Achieved (As per Actual)		Time Over-Run	Reasons for delay	Agency LOA No.
		Start Date	Completion Date	Start Date	Completion Date	Days		
1.	Investment Clearance by BOD	27.02.2023	27.02.2023	27.02.2023	27.02.2023	Nil		T&R - 350011/350012 Shyam indus-100645/01, 02, 03 & 04
2.	NOA	21.04.2023	21.04.2023	21.04.2023	21.04.2023	Nil		
3.	Supplies	15.06.2023	10.01.2024	08.08.2023	11.04.2024	54		
4.	Foundation	12.07.2023	28.02.2024	16.06.2023	19.05.2024	81	Delay is mainly due to non-availability of 40mm Coarse aggregate. GRAP-III & GRAP-IV restriction	
5.	Erection	11.11.2023	26.06.2024	18.03.2024	25.09.2024	91	Delay in approval of Shutdown in exsisting substation, Also approved intermittent shutdowns for a day or two and not on continuous basis	
6.	Testing & Commissioning	28.06.2024	31.07.2024	26.09.2024	06.10.2024	67		

Asset-4:

PART-III
Form-12

Details of time over run

Name of Project Augmentation of ISTS for interconnection of HVPNL Transmission Schemes

Transmission Element 4 Nos. 220 kV line bays at Bahadurgarh (PG) S/Stn

Proposed DOCO : 01.11.2024

S.No.	Description of Activity/Works/Service	Original Schedule (As per Planning)		Actual Achieved (As per Actual)		Time Over-Run	Reasons for delay	Agency LOA No.
		Start Date	Completion Date	Start Date	Completion Date	Days		
1.	Investment Clearance by BOD	27.02.2023	27.02.2023	27.02.2023	27.02.2023	Nil		Shyam indus-100645/01, 02, 03 & 04
2.	NOA	21.04.2023	21.04.2023	21.04.2023	21.04.2023	Nil		
3.	Supplies	15.06.2023	10.01.2024	08.07.2023	11.04.2024	92	Delay is mainly due to non-availability of 40mm Coarse aggregate. GRAP-III & GRAP-IV restriction	
4.	Foundation	12.07.2023	28.02.2024	16.06.2023	19.05.2024	81		
5.	Erection	11.11.2023	26.06.2024	18.03.2024	25.09.2024	91	Delay in approval of Shutdown in exsisting substation, Also approved intermittent shutdowns for a day or two and not on continuous basis	
6.	Testing & Commissioning	28.06.2024	31.07.2024	30.09.2024	01.11.2024	93		

78. We note delays of 25, 54, and 92 days in the supply of materials for Assets 2, 3, and 4, respectively, which led to delays in their commissioning. However, the Petitioner has not submitted the reasons for the supply delays. Further, it took 137 days, 81 days, and 81 days to execute the foundation works for Assets 2, 3, and 4, respectively. The letters dated 2.10.2023 and 4.11.2023, as submitted by the Petitioner in support of the claim of the time overrun, are extracted as under:

HARTEK
Making Your Future Powerful

Ref: - HPPL/PGCIL/Khatkar/27 **Date: - 02-10-2023**

To,
Power Grid Corporation of India Ltd.
400/220 KV Jind Sub-Station
Khatkar, Narwana Road
Jind – 126115, Haryana

Kind Attn.: Sh. Brahma Shankar, DGM, Khatkar (Jind)

Reference: - Regarding Supply & Service contract for Extension of 220 kV Khatkar (Jind) S/s associated with 220 kV & 400 kV Substation PGCIL Khatkar (Jind) Substation.

NOA Reference No: - 5002002050/SUB-STATION (EXCLUDIN/DOM/A00-CC CD-1/NOA-1/NR2-200011)

Subject: - Regarding issue in arranging aggregates because of pollution issue for Bay extension work at 220 kV Khatkar, Jind S/s.

Dear Sir,

This has in reference to our discussion, we again like to inform you that due to pollution in nearby area including NCR, the supply of coarse aggregate was restricted in this region & due to this same was not arranged by anyone of the crusher including our approved source. Movement of transportation of vehicle for aggregate also restricted due to heavy pollution in this area, so transporter also not interested to carry any construction material, as they do not want any risk.

This is a Force Majeure issue as due to above-mentioned issue neither crusher has provided the supply nor even transporter is ready to transport the construction material in this region. Therefore, we once again request you that for gravel spreading work, we need aggregates but due to such issue material & vehicle is restricted & not available due to restriction considering pollution in this region.

This is for your kind information please.

Thanking you & assuring you of our best services at all time.

Yours Sincerely,

Hartek Power Pvt. Ltd. Mohali

Ashish Saxena
Manager (Project Management)
For Hartek Power Pvt. Ltd

HARTEK
Making Your Future Powerful™

Ref: - HPPL/ENGG/PGCIL/Khatkar/028A

Date: - 04-11-2023

To,
Power Grid Corporation of India Ltd.
400/220 KV Jind Sub-Station
Khatkar, Narwana Road
Jind – 126115, Haryana

Kind Attn.: Sh. Brahma Shankar, DGM, Khatkar (Jind)

Reference: - Regarding Supply & Service contract for Extension of 220 kV Khatkar (Jind) S/s associated with 220 kV & 400 kV Substation PGCIL Naggal (Panchkula) Substation.

NOA Reference No: - 5002002050/SUB-STATION (EXCLUDIN/DOM/A00-CC CD-1/NOA-1/NR2-200011/ NR2-200012)

Subject: - Regarding issue in arranging aggregates from approved sources for construction of 4 Nos bays at 220 kV Khatkar, Jind S/s.

Dear Sir,

This has in reference to above subject, we would like to inform you that our construction work mainly PCC work of switch yard area badly hampered due to issue in supply of aggregates from our approved source because of enforcing GRAP (Stage III) directions in district Charkhi Dadri by deputy commissioner. Due to heavy pollution, circular has been initiated from deputy commissioner & for that mining of aggregates & their transportation was totally forcefully stopped.

In brief, all construction material & their vehicle movement is totally stopped & this impacted our execution work. We requested you kindly look the above issue, as because of above reason supply of aggregates for balance work impacted a lot & here we don't have any lack. So, requested you kindly consider the period as a "FORCE MAJEUR" because after issuing the letter from Deputy commissioner, mining was totally closed & no movement of construction vehicle allowed.

This is for your kind information please.

Thanking you & assuring you of our best services at all time.

Yours Sincerely,

Hartek Power Pvt. Ltd. — G-211 Industrial Area Phase VIII-B — Mohali

Ashish Saxena
Manager (Project Management)
For Hartek Power Pvt. Ltd

POWERGRID, GURGAON

79. It is observed that the letters dated 2.10.2023 and 4.11.2023, issued by M/s Hartek Power Private Limited, relate to the 'Supply and Service Contract for extension

of 220 kV Khatkar (Jind) Substation associated with 220 kV and 400 kV Substation PGCIL Khatkar (Jind) and PGCIL Naggal (Panchkula) Substation'. However, Assets-3 and Asset-4, i.e., 400/220 kV, 500 MVA ICT-3 with associated bays and 4 Nos. 220 kV line bays, relate to Bahadurgarh Substation, not PGCIL Khatkar (Jind) and PGCIL Naggal (Panchkula) Substations. Hence, these letters, namely, 2.10.2023 and 4.11.2023, are not relevant to the time overrun of Assets-3 and Asset -4. Therefore, we are not inclined to consider the consequential impact of the 77-day time overrun, from 2.11.2023 to 18.1.2024, due to the non-availability of coarse aggregate for Assets-3 and Asset-4. Accordingly, the said 77-day period is not condoned.

80. The letters dated 2.10.2023 and 4.11.2023 are relevant only to Asset-2, i.e., the Jind Substation. However, upon perusal of Form-5A submitted by the Petitioner, it is observed that the NOA of Supply and Service Package in respect of Asset-2 was issued to M/s Shyam Indus on 28.12.2022, even before the approval of the IA on 24.2.2023. The snapshot of Form-5A is as under:

Name of the Transmission Element 400/220kV, 500 MVA ICT along with associated Bays (412 & 202) at Jind S/s

Sr. No.	Name/No. of Construction/supply/service package	Scope of works (in line with head of cost break-ups as applicable)	Whether awarded through ICB/DCB/ Departmentally/ Deposit Work, etc.	No. of bids received	Date of Award	Date of Start of work	Date of Completion of Work
1	TRANSFORMER PACKAGE - TR07 FOR PROCUREMENT OF (I) 4X500MVA, 400/220/33KV 3-ϕ PH TF UNDER BULK PROCUREMENT (LOT-3) (II) 2X315MVA, 400/220/33KV 3-PH TRANSFORMER UNDER SIS RESERVE FUND & (III)1X105MVA, (400/220/33KV 1-PH AUTO TRANSFORMER RPC REGIONAL SPARE' T&R -350011/350012 Shyam indus-100645/01, 02, 03 & 04	Supply & Service	DCB	6	28.12.2022	28.12.2022	24.09.2024

81. We note that M/s Hartek, the contractual agency that raised the issue of the non-availability of the 40 mm coarse aggregate, was not involved in the execution of Asset-2.

82. Further, as per Form-12, the Petitioner has set an implementation timeframe of 12 months from the date of IA, i.e., 24.2.2023, for engineering, supplies, civil works, erection and testing, and commissioning of Asset-2. Therefore, any non-availability of the 40 mm coarse aggregate during the time overrun, as contended by the Petitioner, is on the part of the contractor, because it is the sole responsibility of the contractual agency to maintain sufficient stock of material for execution of work at site, and thus, any delay in execution of the project on account of said reason falls under the category of a controllable factor under Regulation 22(1)(b) of the 2024 Tariff Regulations.

83. In view of the above, we are not inclined to consider the cascading effect of the 77-day time overrun, i.e. from 2.11.2023 to 18.1.2024, on account of the non-availability of the 40 mm coarse aggregate for Asset-2. Accordingly, the 77-day delay is not condoned.

(b) Delay due to requisite shutdown approval(s):

84. The Petitioner has submitted that a continuous daytime shutdown of around 3-5 months was required for the erection of equipment, connection of jumpering to the existing bus, testing and commissioning, etc. However, NRLDC and the OCC committee approved intermittent shutdowns of a day or two, not continuous. The Petitioner has claimed delays of more than 266 days and 163 days due to the non-availability of the required shutdown at the Jind and Bahadurgarh Substations, respectively.

85. UPPCL has submitted that the delay in approving the shutdowns is being portrayed as an exceptional occurrence in the execution of transmission work, and the estimation of the SCOD is always done considering the requirement of time for arranging shutdowns. Such delays are normal in transmission work and, as such,

cannot be treated as an event beyond the Petitioner's control for the purpose of condonation of delay.

86. We have considered the parties' submissions and gone through the documents placed on record. The Petitioner has submitted the minutes of various OCC meetings seeking approval for shutdown at the Jind and Bahadurgarh Substations, in support of its claim in respect of Assets-2, 3 and 4. The same is analysed as follows:

Asset-2 at Jind Substation

87. The Petitioner has submitted that for smooth execution of the work, a continuous shutdown of around 3-5 months was required during the daytime for erection of the equipment, connection of jumpering with the existing bus, testing and commissioning activities, etc. As per Form-12, the Petitioner has claimed a 205-day time overrun for completion of the erection and testing activities for the aforementioned reasons. The Petitioner has also submitted copies of the Minutes of the 212th, 213th, 218th, and 219th OCC meetings held on 18.10.2023, 21.11.2023, 16.4.2024, and 14.05.2024, respectively, in support of its claim for time overrun due to delay in granting the shutdown.

88. We have considered the submissions of the Petitioner and perused the documents placed on record. The Petitioner has submitted that the concerned authority approved the shutdown for 220 kV Bus-1 and Bus-2 at Jind Substation for the period from 1.11.2023 to 3.11.2023 and from 01.12.2023 to 03.12.2023, respectively, in the 212th OCC meeting held on 22.10.2023. Similarly, the shutdown for 220 kV Bus -1 and Bus-2 at Jind Substation was approved for the periods 04.11.2023 to 06.11.2023 and 4.12.2023 to 06.12.2023, respectively, in the 213th OCC meeting held on 22.11.2023.

89. However, after perusal of the Minutes of Meetings (MoM) of the above mentioned meetings, it is observed that the shutdown for 220 kV Bus -1 and Bus-2 at the Jind Substation during the said period was requested by the Petitioner and the subsequent approval was accorded by the competent authority in the 212th and 213th OCC meetings held on 22.10.2023 and 22.11.2023, respectively, corresponding to "Bus integration of under construction bays and stability test of 211, 212, 14 and 215 bays", which was not related to Asset-2 at the Jind Substation. i.e. 400/220 kV ICT along with associated bays (bay No. 412 & 202).

90. Further, following the 218th OCC meeting and the 219th OCC meeting held on 18.4.2024 and 15.5.2024, respectively, it is observed that the Petitioner applied for a shutdown to execute erection activities for Asset-2, i.e., "Jumpering work of Bus-1 & 2 on Bay No. 202" and "connection of IPS tube and clamps connectors in Bay No. 412", on 13.5.2024, 14.5.2024, 5.6.2024, 12.6.2024, and 14.06.2024, and these were approved by the concerned authority in the subject OCC meetings. The Petitioner applied for shutdown to carry out erection activities in May 2024 and June 2024, whereas, as per Form-12, the erection activities were completed on 27.3.2024. Therefore, the Petitioner is directed to clarify the said discrepancy and the same shall be reviewed at the time of truing up.

91. Provisionally, taking into account that after the completion of the erection activities on 27.3.2024, the Petitioner applied for approval of the requisite shutdown for the testing activities, and the same was approved on 13.5.2024, 14.5.2024, 5.6.2024, 12.6.2024 and 14.6.2024, in the 218th and 219th OCC meetings held on 18.4.2024 and 15.5.2024, respectively, the time overrun of 32 days from 13.5.2024 to 14.6.2024 on account of the delay in approval of the requisite shutdown is hereby condoned.

Therefore, in view of the above, we are inclined to condone the total time overrun of 32 days due to the delay in the shutdown in respect of Asset-2.

Assets-3 and 4 at Bahadurgarh Substation

92. The Petitioner has submitted that, for the smooth execution of the work, a continuous daytime shutdown of approximately 3-5 months was required for the erection of equipment, connection of jumpering to the existing bus, testing and commissioning activities, etc. As per Form-12, the Petitioner has claimed condonation of a 91-day time over-run in completing the erection activities due to the delay in approval of the shutdown in respect of Assets-3 and 4. The Petitioner has submitted the Minutes of the 213th, 214th, 215th, 216th, 218th, 222nd and 223rd OCC meetings held on 21.11.2023, 18.12.2023, 09.1.2024, 12.2.2024, 16.4.2024, 13.8.2024, and 12.09.2024, respectively, in support of its claim for condonation of time overrun on account of the delay in the approval of the shutdown at Bahadurgarh Substation.

93. We have considered the Petitioner's submissions and perused the documents placed on record. It is observed that the shutdowns requested by the Petitioner for December 2023, January 2024, May 2024, September 2024 and October 2024 at Bahadurgarh Substation were approved at various OCC meetings for erection activities in respect of Assets-3 and 4. Further, as per Form-12, the erection activities for Assets-3 and 4 were completed on 25.9.2024.

94. In view of the above, we are inclined to condone the 56-day time overrun from the SCOD (31.7.2024) to 25.9.2024 in completing the erection activities, due to the delay in approval of the desired shutdown for Asset-3.

95. As discussed above in this order, Asset-4 was split into two parts, i.e. Assets-

4(A) and 4(B). We are inclined to condone the time overrun of 56 days from SCOD (31.7.2024) to 25.9.2024 in respect of Asset-4(A) and 178 days from SCOD (31.3.2024) to 25.9.2024 in respect of Asset-4(B).

96. Therefore, the details of the SCOD, COD, time overrun claimed, and time over-run condoned/not condoned are summarised as under:

Asset	SCOD	COD (Proposed)	Time Overrun claimed	Time Overrun condoned	Time Over-run not condoned
Asset-1	31.7.2024	25.8.2024*	25 days	NIL	25 days
Asset-2	29.2.2024	25.9.2024	209 days	32 days	177 days
Asset-3	31.7.2024	6.10.2024	67 days	56 days	11 days
Asset-4(A)	31.7.2024	1.11.2024*	93 days	56 days	37 days
Asset-4(B)	31.3.2024	1.11.2024*	215 days	178 days	37 days

Proposed COD

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

97. The Petitioner has claimed the IDC for the transmission assets and has submitted a statement showing the computation of IDC and the discharge of IDC liability as on the COD and thereafter. The details are as follows:

(₹ in lakh)

Asset	IDC as per the Auditor's Certificate	IDC Discharge up to COD	IDC Discharge (during 2024-25)	IDC Discharge (during 2024-25)
Asset-1	10.95	2.06	8.89	0.00
Asset-2	5.67	0.80	4.87	0.00
Asset-3	3.84	0.59	3.25	0.00
Asset-4	22.11	12.84	9.27	0.00

98. We have considered the Petitioner's submissions. As discussed above, we have partly condoned the time overrun in commissioning the transmission assets, except for Asset-1. Accordingly, the IDC up to the COD has been calculated based on the details of the loans provided in the statement showing the discharge of the IDC and in Form-

9C for the transmission assets. The details of the IDC claimed and considered as on the COD, along with a summary of the discharge of the IDC liability up to the COD and thereafter for the determination of tariff for the transmission assets, subject to revision at the time of truing up, are as follows:

(₹ in lakh)

Asset	IDC as per the Auditor's Certificate (A)	IDC disallowed due to computational difference/time over-run not condoned (B)	IDC allowed (C)=(A)-(B)	Undischarged IDC as on COD (D)	IDC allowed on COD (E)=(C)-(D)
Asset-1	10.95	0.51	10.44	8.38	2.06
Asset-2	5.67	1.73	3.94	3.14	0.80
Asset-3	3.84	0.07	3.77	3.18	0.59
Asset-4A	11.06	0.66	10.39	4.06	6.34
Asset-4B	11.06	0.66	10.39	4.06	6.34

99. The Petitioner has also claimed notional IDC of ₹38.48 lakh, ₹10.30 lakh and ₹6.80 lakh for Assets-2, 3 and 4, respectively. However, as per the calculation sheet submitted by the Petitioner, there is a calculation error, and the notional IDC for Asset-2, after calculation, comes to ₹40.84 lakh, which has been considered in this order. We have considered the Petitioner's submissions and have worked out the allowable notional IDC, similar to the computation of the IDC, and the same is as under:

(₹ in lakh)

Asset	Notional IDC Claimed (A)	Notional IDC Allowed (B)	Notional IDC Disallowed (C) = (A)-(B)
Asset-2	40.84	1.76	39.08
Asset-3	10.30	7.11	3.19
Asset-4 A	3.40	3.03	0.37
Asset-4 B	3.40	3.03	0.37

100. Pursuant to the Auditor's Certificate, the Petitioner has claimed ₹172.96 lakh as

IEDC for the transmission assets. The Petitioner has submitted that it has discharged the entire IEDC for the transmission assets up to the COD. As the time overrun for the transmission assets has been partially condoned, the IEDC of ₹31.28 lakh is disallowed. Accordingly, the details of the IEDC claimed as per the Auditor's Certificate, IEDC disallowed, and IEDC allowed for the transmission assets are as under:

(₹ in lakh)

Asset	IEDC as per the Auditor's Certificate (A)	IEDC disallowed due to Time Overrun not condoned (B)	IEDC allowed (C)=(A)-(B)
Asset-1	31.06	1.42	29.64
Asset-2	87.81	26.84	60.97
Asset-3	42.00	0.78	41.22
Asset-4A	6.05	0.36	5.68
Asset-4B	6.05	0.36	5.68

Initial Spares

101. The Initial Spares claimed by the Petitioner for the transmission assets are as under:

(₹ in lakh)

Asset	Particular	Plant and Machinery Cost for Spares Calculation	Initial Spares Claimed	Ceiling (in %)	Initial Spares allowable
Asset-1	Substation (Brown Field)	919.03	62.10	6.0	54.70
Asset-2	Substation (Brown Field)	4121.34	206.96	6.0	249.85
Asset-3	Substation (Brown Field)	3880.55	177.45	6.0	236.37
Asset-4	Substation (Brown Field)	1423.74	245.95	6.0	75.18
Total	**Substation (Brown Field)**	**10344.66**	**692.46**		**616.10**

102. Regulation 23(d) of the 2024 Tariff Regulations provides as follows:

*"23. **Initial Spares:** Initial Spares shall be capitalised as a percentage of Plant and Machinery cost, subject to 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%"

103. UPPCL, in its reply, has submitted that the Petitioner has estimated the Initial Spares at ₹10344.66 lakh without disclosing the source of this estimate. The plant and machinery cost used in the calculation from the IA is indicative and has nothing to do with the actual contracted price/cost obtained through the bids. UPPCL has prayed that the Commission direct the Petitioner to disclose the plant and machinery cost obtained through the bid and to submit the computation of the estimated Initial Spares based on such plant and machinery cost.

104. In response, the Petitioner has submitted that the base cost of plant and machinery has been derived from the post-bidding awarded contract, which reflects the actual procurement cost; and that the computation of the Initial Spares has been done in conformity with Regulation 23(d) of the 2024 Tariff Regulations, which is within the permissible limits. It is submitted that the Additional Capital Expenditure (ACE) projections are based on the admitted liabilities and deferred works as envisaged under Regulations 24(1)(a) and 24(1)(b) of the 2024 Tariff Regulations, and that the detailed bifurcation will be submitted at the time of truing up.

105. We have considered the parties' submissions. After reviewing the documents on record, we observe that the plant and machinery cost used to calculate the Initial Spares

in Form-5 differs from that stated in the Auditor's Certificate for Assets-1, 2 and 3. The details are as follows:

(₹ in lakh)

Sr. No.	Asset	Plant and Machinery Cost as per Auditor's Certificate	Plant and Machinery Cost as per Form-5	Difference
		(A)	(B)	C=A-B
1	Asset-1	919.03	897.60	21.43
2	Asset-2	4121.34	4026.09	95.25
3	Asset-3	3880.55	3791.47	89.08

106. Therefore, the Petitioner is directed to clarify the above discrepancy, which shall be reviewed at the time of truing up.

107. Provisionally, based on the plant and machinery cost as per Form-5 submitted by the Petitioner and in accordance with Regulation 23(d) of the 2024 Tariff Regulations, the Initial Spares worked out and allowed in respect of the transmission assets are as follows:

(₹ in lakh)

Asset	Particulars	Cost of Spares Calculation (A)	Initial Spares Claimed (B)	Ceiling (in %)	Initial Spares allowable D=[(A-B) *C/(100-C)]	Excess Initial Spares (B-D)
Asset-1	Substation (Brown Field)	897.60	62.10	6.0	53.33	8.77
Asset-2	Substation (Brown Field)	4026.09	206.96	6.0	243.77	-36.81
Asset-3	Substation (Brown Field)	3791.47	177.45	6.0	230.68	-53.23
Asset-4	Substation (Brown Field)	1423.74	245.95	6.0	75.18	170.77

108. The Petitioner is directed to provide the actual ACE projection, based on the admitted liabilities and deferred works, as well as the excess Initial Spares, which shall be reviewed at the time of truing up.

Capital Cost allowed as on COD

109. Accordingly, the capital cost allowed in respect of the transmission assets as on the COD, excluding the IDC, IEDC, notional IDC and excess Initial Spares disallowed on account of the non-condonation of the time over-run, is as follows:

Asset-1

(₹ in lakh)

Capital Cost claimed as per Auditor's Certificate	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Add: Notional IDC	Less: Excess Initial Spares	Less: IDC undischarged up to COD allowed	Capital Cost as on COD
488.40	0.51	1.42	0.00	8.77	8.38	469.32

Asset-2

(₹ in lakh)

Capital Cost claimed as per Auditor's Certificate	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Add: Notional IDC	Less: Excess Initial Spares	Less: IDC undischarged up to COD allowed	Capital Cost as on COD
2829.49	1.73	26.84	1.76	0.00	3.14	2799.54

Asset-3

(₹ in lakh)

Capital Cost claimed as per Auditor's Certificate	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Add: Notional IDC	Less: Excess Initial Spares	Less: IDC undischarged up to COD allowed	Capital Cost as on COD
2727.45	0.07	0.77	7.11	0.00	3.18	2730.53

Asset-4A

(₹ in lakh)

Capital Cost claimed as per Auditor's Certificate	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Add: Notional IDC	Less: Excess Initial Spares	Less: IDC undischarged up to COD allowed	Capital Cost as on COD
446.19	0.66	0.36	3.03	85.39	4.06	358.75

Asset-4B

(₹ in lakh)

Capital Cost claimed as per Auditor's Certificate	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Add: Notional IDC	Less: Excess Initial Spares	Less: IDC undischarged up to COD allowed	Capital Cost as on COD
446.19	0.66	0.36	3.03	85.39	4.06	358.75

110. As discussed above, due to the revision of the SCOD for Asset-4, Asset-4 has been bifurcated into Asset-4A and Asset-4B. For the purpose of determining the tariff, we have provisionally allocated 50% of the capital cost to Asset-4A and 50% to Asset-4B.

Additional Capital Expenditure (ACE)

111. Regulations 24 and 25 of the 2024 Tariff Regulations provide as under:

> *"**24. Additional Capitalisation 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 including integrated energy storage system 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) Payment made towards admitted liabilities for works executed up to the cut-off 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) Payment against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;*
> *(e) Change in law or compliance with any existing law which is not provided for in the original scope of work;*
> *(f) For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;*
>
> *Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and*
>
> *(g) 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 additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project including integrated energy storage system 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) Payment made against award of arbitration or for compliance with the directions or order of any statutory authority; or order or decree of any court of law;
(b) Change in law or compliance with any existing law which is not provided for in the original scope of work;
(c) Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;
(d) Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;
(e) Force Majeure events;
(f) Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and

(2) In case of replacement of assets deployed under the original scope of the existing project after the 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) Assets whole useful life 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 obsolescence of technology; and
(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.
(e) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

Provided that any claim of additional capitalization with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses."

112. The Petitioner has claimed the ACE of ₹3622.47 lakh for the transmission assets for the 2024-29 tariff period under Regulations 24(1)(a) and 24(1)(b) of the 2024 Tariff Regulations. The same is summarised as follows:

(₹ in lakh)

Asset	Regulation	Projected Expenditure for FY					Total Projected Expenditure
		2024-25	2025-26	2026-27	2027-28	2028-29	
Asset-1	Regulations 24(1)(a) and 24(1)(b) of the 2024 Tariff Regulations	283.58	141.79	47.27	0.00	0.00	472.64
Asset-2		831.20	415.60	138.53	0.00	0.00	1385.33
Asset-3		719.37	359.68	119.89	0.00	0.00	1198.94
Asset-4		339.34	169.66	56.56	0.00	0.00	565.56
Total		**2173.49**	**1086.73**	**362.25**	**0.00**	**0.00**	**3622.47**

113. The Commission, vide the RoP dated 22.7.2025, directed the Petitioner to provide year-wise details of ACE additions for transmission assets for the 2024-29 tariff period. In response, the Petitioner, vide affidavit dated 12.8.2025, has submitted that the ACE claimed for the 2024-29 tariff period was incurred up to the COD and is projected to be incurred during FYs 2024-25, 2025-26 and 2026-27. The same is duly certified by the Auditor's Certificate and covered under Regulation 24(1)(a) of the 2024 Tariff Regulations. The details are as follows:

(₹ in lakh)

Asset	Approved Cost (FR)	Expenditure up to COD as per Auditor's Certificate	Revised Expenditure Up to COD	Projected Expenditure for FY					Revised Estimated Completion Cost
				2024-25	Add Acc IDC	2024-25 incl. Acc. IDC)	2025-26	2026-27	
Asset-1	970.81	488.40	470.38	283.58	7.08	290.66	141.79	47.27	950.10
Asset-2	4310.09	2829.49	2863.10	831.20	4.87	836.07	415.6	138.53	4253.3
Asset-3	3992.05	2727.45	2734.5	719.37	3.25	722.62	359.68	119.89	3936.69
Asset-4	1504.05	892.38	889.91	339.34	9.27	348.61	169.66	56.56	1464.74
Total	**10777.00**	**6937.72**	**6967.02**	**2173.49**	**26.28**	**2199.77**	**1086.73**	**362.25**	**10615.77**

114. The Petitioner has also submitted the following Liability Flow Statement:

Asset-1

(₹ in lakh)

Party Name	Particular	Outstanding Liability as on COD	Discharge				Unexecuted Works			
			2024-25	2025-26	2026-27	Total (2024-29)	2024-25	2025-26	2026-27	Total (2024-29)
M/s Shyam	Substation	53.55	32.13	16.07	5.35	53.55	223.09	111.54	37.19	371.82

Indus										
M/s Shyam Indus	PLCC	2.11	1.27	0.63	0.21	2.11	13.19	6.60	2.20	21.99
M/s Shyam Indus	IT	2.00	1.20	0.60	0.20	2.00	12.70	6.35	2.12	21.17
Total		**57.66**	**34.60**	**17.30**	**5.76**	**57.66**	**248.98**	**124.49**	**41.51**	**414.98**

Asset-2

(₹ in lakh)

Party Name	Particular	Outstanding Liability as on COD	Discharge				Unexecuted Works			
			2024-25	2025-26	2026-27	Total (2024-29)	2024-25	2025-26	2026-27	Total (2024-29)
M/s Shyam Indus, M/s T&R	Substation	280.05	168.03	84.01	28.01	280.05	652.86	326.44	108.81	1088.11
M/s Shyam Indus	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M/s Shyam Indus	IT	4.19	2.51	1.26	0.42	4.19	7.80	3.89	1.29	12.98
Total		**284.24**	**170.54**	**85.27**	**28.43**	**284.24**	**660.66**	**330.33**	**110.10**	**1101.09**

Asset-3

(₹ in lakh)

Party Name	Particular	Outstanding Liability as on COD	Discharge				Unexecuted Works			
			2024-25	2025-26	2026-27	Total (2024-29)	2024-25	2025-26	2026-27	Total (2024-29)
M/s Shyam Indus and M/s T&R	Substation	316.68	190.01	95.01	31.66	316.68	529.36	264.67	88.23	882.26
M/s Shyam Indus	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M/s Shyam Indus	IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		316.68	190.01	95.01	31.66	316.68	529.36	264.67	88.23	882.26

Asset-4

(₹ in lakh)

Party Name	Particular	Outstanding Liability as on COD	Discharge				Unexecuted Works			
			2024-25	2025-26	2026-27	Total (2024-29)	2024-25	2025-26	2026-27	Total (2024-29)
M/s Shyam Indus	Substation	180.14	108.09	54.04	18.01	180.14	214.28	107.14	35.72	357.14
M/s Shyam Indus	PLCC	6.22	3.73	1.87	0.62	6.22	13.24	6.61	2.21	22.06
M/s Shyam Indus	IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		**186.36**	**111.82**	**55.91**	**18.63**	**186.36**	**227.52**	**113.75**	**37.93**	**379.20**

115. We have considered the Petitioner's submissions and allowed the ACE claimed for the 2024-29 tariff period in accordance with Regulations 24(1)(a) and 24(1)(b) of the 2024 Tariff Regulations. The details are as follows:

Asset-1

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27
ACE	283.58	141.79	47.27
Add: IDC Discharged	8.38	0.00	0.00
Less: Excess Initial Spare	0.00	0.00	0.00
ACE allowed in the instant order	**291.96**	**141.79**	**47.27**

Asset-2

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27
ACE	831.20	415.60	138.53
Add: IDC Discharged	3.14	0.00	0.00
Less: Excess Initial Spare	0.00	0.00	0.00
ACE allowed in the instant order	**834.34**	**415.60**	**138.53**

Asset-3

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27
ACE	719.37	359.68	119.89
Add: IDC Discharged	3.18	0.00	0.00
Less: Excess Initial Spare	0.00	0.00	0.00
ACE allowed in the instant order	**722.55**	**359.68**	**119.89**

Asset-4A

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27
ACE	169.67	84.83	28.28
Add: IDC Discharged	4.06	0.00	0.00
Less: Excess Initial Spare	0.00	0.00	0.00
ACE allowed in the instant order	**173.73**	**84.83**	**28.28**

Asset-4B

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27
ACE	169.67	84.83	28.28
Add: IDC Discharged	4.06	0.00	0.0
Less: Excess Initial Spare	0.00	0.00	0.00
ACE allowed in the instant order	**173.73**	**84.83**	**28.28**

Capital Cost

116. Therefore, the capital cost considered in respect of the transmission assets for the 2024-29 tariff period is as follows

(₹ in lakh)

Asset	Capital Cost allowed as on COD	Approved ACE			Capital Cost as on 31.3.2029
		2024-25	2025-26	2026-27	
Asset-1	469.32	291.96	141.79	47.27	950.34
Asset-2	2799.54	834.34	415.60	138.53	4188.00
Asset-3	2730.53	722.55	359.68	119.89	3932.65
Asset-4A	358.75	173.73	84.83	28.28	645.59
Asset-4B	358.75	173.73	84.83	28.28	645.59

Debt-Equity Ratio

117. Regulation 18 of the 2024 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 the approval of the competent authority in other cases regarding the 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 the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2019, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:

Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed 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 96 of these regulations.

(4) In the case of the generating station and the transmission system, including communication system declared under commercial operation prior to 1.4.2024, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, 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 1.4.2024 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernization 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.

(7) Any expenditure incurred for the energy storage system during the tariff period, as may be admitted by the Commission as additional capital expenditure of the generating station or transmission system for the determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation."

118. The debt-equity ratio considered for computing the tariff for the 2024- 29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the determination of tariff for the transmission assets for the 2024-29 tariff period is as follows:

Asset-1

Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	328.53	70	336.71	70	665.24	70
Equity	140.80	30	144.31	30	285.10	30
Total	**469.32**		**481.02**		**950.34**	

Asset-2

Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	1959.68	70	971.93	70	2931.60	70
Equity	839.86	30	416.54	30	1256.40	30
Total	**2799.54**		**1388.47**		**4188.00**	

Asset-3

Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	1911.37	70	841.49	70	2752.85	70
Equity	819.16	30	360.64	30	1179.79	30
Total	**2730.53**		**1202.12**		**3932.65**	

Asset-4A

Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	251.13	70	200.78	70	451.91	70
Equity	107.63	30	86.05	30	193.68	30
Total	**358.75**		**286.84**		**645.59**	

Asset-4B

Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	251.13	70	200.78	70	451.91	70
Equity	107.63	30	86.05	30	193.68	30
Total	**358.75**		**286.84**		**645.59**	

Depreciation

119. Regulation 33 of the 2024 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 the case of the tariff of all the units of a generating station or all elements of a transmission system including the 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 the 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 a 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, the weighted average life for the generating station or the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.*
>
> *(3) The salvage value of the asset shall be considered as 10%, and depreciation shall be allowed up to the 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 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) ……*

(5) Depreciation for Existing Projects shall be calculated annually based on the Straight Line Method and at rates specified in Appendix-I to these regulations for the assets 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 generating station or transmission system, as the case may be, shall be spread over the balance useful life of the assets;

……

(6) Depreciation for New Projects shall be calculated annually based on the Straight Line Method and at rates specified in Appendix-II to these regulations for the assets 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 15 years from the effective date of commercial operation of the generating station or the transmission system, as the case may be, shall be spread over the balance useful life of the assets;

……

(7) In the case of the existing projects, the balance depreciable value as on 1.4.2024 shall be worked out by deducting the cumulative depreciation as admitted to by the Commission up to 31.3.2024 from the gross depreciable value of the assets.

(8) The generating company or the transmission licensee, as the case may be, shall submit the details of capital expenditure proposed to be incurred during five years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen years, whichever is lower, and in case of the transmission system shall equally spread the depreciable value over the balance useful life of the Asset or 10 years whichever is higher.

(9) 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-capitalised asset during its useful service.

(10) Xxxxxx

(11) Xxxxxx

(12) Xxxxxx

(13) Xxxxxx."

120. Depreciation has been worked out based on the admitted capital expenditure as on the COD and thereafter up to 31.3.2029. The Weighted Average Rate of Depreciation (WAROD) has been calculated for the transmission assets as per the rates of depreciation

specified in the 2024 Tariff Regulations.

121. The depreciation allowed for the transmission assets under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

Asset-1

(₹ in lakh)

Sl. No.	Particulars	2024-25 (pro-rata to 219 days)	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	469.32	761.28	903.07	950.34	950.34
B	Addition during the year 2024-29 due to ACE	291.96	141.79	47.27	0.00	0.00
C	Closing Capital Cost (A+B)	761.28	903.07	950.34	950.34	950.34
D	Average Capital Cost (A+C)/2	615.30	832.18	926.71	950.34	950.34
E	Average Capital Cost (90% depreciable assets)	584.98	791.23	881.12	903.60	903.60
F	Average Capital Cost (100% depreciable assets)	30.32	40.95	45.59	46.75	46.75
G	Depreciable Value (excluding IT equipment and software) (E*90%)	526.48	712.10	793.01	813.24	813.24
H	Depreciable Value of IT equipment and software (F*100%)	30.32	40.95	45.59	46.75	46.75
I	Total Depreciable Value (G+H)	556.81	753.06	838.60	859.98	859.98
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.310	5.307	5.307	5.307	5.307
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00	3.00
L	Balance useful life at the beginning of the year (Year)	23.00	23.00	22.00	21.00	20.00
N	**Depreciation during the year (D*J)**	**19.60**	**44.16**	**49.17**	**50.43**	**50.43**
O	Cumulative Depreciation at the end of the year	19.60	63.77	112.94	163.37	213.79
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	537.20	689.29	725.65	696.62	646.19

Asset-2

(₹ in lakh)

Sl. No.	Particulars	2024-25 (pro-rata to 188 days)	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	2799.54	3633.87	4049.47	4188.00	4188.00
B	Addition during the year 2024-29 due to ACE	834.34	415.60	138.53	0.00	0.00
C	Closing Capital Cost (A+B)	3633.87	4049.47	4188.00	4188.00	4188.00
D	Average Capital Cost (A+C)/2	3216.70	3841.67	4118.74	4188.00	4188.00
E	Average Capital Cost (90% depreciable assets)	3176.88	3794.10	4067.73	4136.14	4136.14
F	Average Capital Cost (100% depreciable assets)	39.82	47.57	51.00	51.86	51.86
G	Depreciable Value (excluding IT equipment and software) (E*90%)	2859.19	3414.69	3660.96	3722.53	3722.53
H	Depreciable Value of IT equipment and software (F*100%)	39.82	47.57	51.00	51.86	51.86
I	Total Depreciable Value (G+H)	2899.02	3462.26	3711.96	3774.39	3774.39
J	Weighted Average Rate of Depreciation (WAROD) (in %)	4.353	4.353	4.353	4.353	4.353
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00	3.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00	23.00	22.00
N	**Depreciation during the year (D*J)**	**72.13**	**167.25**	**179.31**	**182.32**	**182.32**
O	Cumulative Depreciation at the end of the year	72.13	239.38	418.68	601.01	783.33
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	2826.89	3222.89	3293.28	3173.38	2991.06

Asset-3

(₹ in lakh)

Sl. No.	Particulars	2024-25 (pro-rata to 177 days)	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	2730.53	3453.08	3812.76	3932.65	3932.65
B	Addition during the year 2024-29 due to ACE	722.55	359.68	119.89	0.00	0.00
C	Closing Capital Cost (A+B)	3453.08	3812.76	3932.65	3932.65	3932.65
D	Average Capital Cost (A+C)/2	3091.80	3632.92	3872.70	3932.65	3932.65
E	Average Capital Cost (90% depreciable assets)	3091.80	3632.92	3872.70	3932.65	3932.65
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	2782.62	3269.63	3485.43	3539.38	3539.38
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	2782.62	3269.63	3485.43	3539.38	3539.38
J	Weighted Average Rate of Depreciation (WAROD) (in %)	4.220	4.220	4.220	4.220	4.220
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00	3.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00	23.00	22.00
N	**Depreciation during the year (D*J)**	**63.27**	**153.31**	**163.43**	**165.96**	**165.96**
O	Cumulative Depreciation at the end of the year	63.27	216.58	380.01	545.97	711.92
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	2719.35	3053.05	3105.43	2993.42	2827.46

Asset-4A

(₹ in lakh)

Sl. No.	Particulars	2024-25 (pro-rata to 151 days)	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	358.75	532.48	617.31	645.59	645.59
B	Addition during the year 2024-29 due to ACE	173.73	84.83	28.28	0.00	0.00
C	Closing Capital Cost (A+B)	532.48	617.31	645.59	645.59	645.59
D	Average Capital Cost (A+C)/2	445.62	574.90	631.45	645.59	645.59
E	Average Capital Cost (90% depreciable assets)	445.62	574.90	631.45	645.59	645.59
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	401.06	517.41	568.31	581.03	581.03
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	401.06	517.41	568.31	581.03	581.03
J	Weighted Average Rate of Depreciation (WAROD) (in %)	4.876	4.850	4.842	4.840	4.840
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00	3.00
L	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00	21.00
N	**Depreciation during the year (D*J)**	**8.99**	**27.88**	**30.57**	**31.25**	**31.25**
O	Cumulative Depreciation at the end of the year	8.99	36.87	67.44	98.69	129.93
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	392.07	480.53	500.86	482.34	451.10

Asset-4B

(₹ in lakh)

Sl. No.	Particulars	2024-25 (pro-rata to 151 days)	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	358.75	532.48	617.31	645.59	645.59

B	Addition during the year 2024-29 due to ACE	173.73	84.83	28.28	0.00	0.00
C	Closing Capital Cost (A+B)	532.48	617.31	645.59	645.59	645.59
D	Average Capital Cost (A+C)/2	445.62	574.90	631.45	645.59	645.59
E	Average Capital Cost (90% depreciable assets)	445.62	574.90	631.45	645.59	645.59
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	401.06	517.41	568.31	581.03	581.03
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	401.06	517.41	568.31	581.03	581.03
J	Weighted Average Rate of Depreciation (WAROD) (in %)	4.876	4.850	4.842	4.840	4.840
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00	3.00
L	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00	21.00
N	**Depreciation during the year (D*J)**	**8.99**	**27.88**	**30.57**	**31.25**	**31.25**
O	Cumulative Depreciation at the end of the year	8.99	36.87	67.44	98.69	129.93
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	392.07	480.53	500.86	482.34	451.10

Interest on Loan (IoL)

122. Regulation 32 of the 2024 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 gross normative loans for the calculation of interest on loans.*
>
> *(2) The normative loan outstanding as on 1.4.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2024 from the gross normative loan.*
>
> *(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed*

to be equal to the depreciation allowed for the corresponding year or period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the 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 or allocated loan portfolio:

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

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

Provided that the rate of interest on the loan for the installation of the emission control system commissioned subsequent to date of commercial operation of the generating station or unit thereof, shall be the weighted average rate of interest of the actual loan portfolio of the emission control system, and in the absence of the actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered, subject to a ceiling of 14%;

Provided further that if the generating company or the transmission licensee, as the case may be, does not have any actual loan, then the rate of interest for a loan shall be considered as 1-year MCLR of the State Bank of India as applicable as on April 01, of the relevant financial year.

……..

(6) The interest on the 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."

123. The Weighted Average Rate of Interest (WAROI) on the loan has been determined on the basis of the rate prevailing as on 1.4.2024. The Petitioner has prayed that any change in the interest rate due to the applicable floating rate, if any, during the 2024-29 tariff period may be adjusted at the time of truing-up. Accordingly, the floating

rate of interest, if any, will be taken into account when truing-up the tariff for the 2024-29 tariff period. The Interest on Loan (IoL) has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations.

124. The Petitioner has treated the "Canara-02 Loan" as an opening loan in Form 9C of Assets-2 and 3, submitted for tariff determination. However, as per the IDC statement, the said loan was availed after COD and, therefore, cannot be treated as part of the gross opening loan as on COD. Accordingly, we reduced it from the gross opening loan and treated it as part of the drawals during the year.

125. In light of the above, the said loan has been treated in accordance with the applicable provisions of the 2024 Tariff Regulations. Accordingly, the loL allowed in respect of the transmission assets for the 2024-29 tariff period is as follows:

Asset-1

(₹ in lakh)

	Particulars	**2024-25 (pro-rata to 219 days)**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
	Interest on Loan					
A	Gross Normative Loan	328.53	532.90	632.15	665.24	665.24
B	Cumulative Repayments up to Previous Year	0.00	19.60	63.77	112.94	163.37
C	Net Loan-Opening (A-B)	328.53	513.29	568.38	552.30	501.87
D	Additions	204.37	99.25	33.09	0.00	0.00
E	Repayment during the year	19.60	44.16	49.17	50.43	50.43
F	Net Loan-Closing (C+D-E)	513.29	568.38	552.30	501.87	451.45
G	Average Loan (C+F)/2	420.91	540.84	560.34	527.09	476.66
H	Weighted Average Rate of Interest on Loan (in %)	7.9023	7.9049	7.9039	7.9025	7.9007
I	**Interest on Loan (G*H)**	**19.96**	**42.75**	**44.29**	**41.65**	**37.66**

Asset-2

(₹ in lakh)

	Particulars	2024-25 (pro-rata to 188 days)	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	1959.68	2543.71	2834.63	2931.60	2931.60
B	Cumulative Repayments up to Previous Year	0.00	72.13	239.38	418.68	601.01
C	Net Loan-Opening (A-B)	1959.68	2471.58	2595.25	2512.92	2330.59
D	Additions	584.04	290.92	96.97	0.00	0.00
E	Repayment during the year	72.13	167.25	179.31	182.32	182.32
F	Net Loan-Closing (C+D-E)	2471.58	2595.25	2512.92	2330.59	2148.27
G	Average Loan (C+F)/2	2215.63	2533.42	2554.09	2421.75	2239.43
H	Weighted Average Rate of Interest on Loan (in %)	8.1190	8.1349	8.1365	8.1377	8.1381
I	**Interest on Loan (G*H)**	**92.65**	**206.09**	**207.81**	**197.07**	**182.25**

Asset-3

(₹ in lakh)

	Particulars	2024-25 (pro-rata to 177 days)	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	1911.37	2417.16	2668.93	2752.85	2752.85
B	Cumulative Repayments up to Previous Year	0.00	63.27	216.58	380.01	545.97
C	Net Loan-Opening (A-B)	1911.37	2353.88	2452.35	2372.85	2206.89
D	Additions	505.79	251.78	83.92	0.00	0.00
E	Repayment during the year	63.27	153.31	163.43	165.96	165.96
F	Net Loan-Closing (C+D-E)	2353.88	2452.35	2372.85	2206.89	2040.93
G	Average Loan (C+F)/2	2132.63	2403.12	2412.60	2289.87	2123.91
H	Weighted Average Rate of Interest on Loan (in %)	8.0923	8.1184	8.1182	8.1169	8.1129
I	**Interest on Loan (G*H)**	**83.69**	**195.09**	**195.86**	**185.87**	**172.31**

Asset-4A

(₹ in lakh)

	Particulars	2024-25 (pro-rata to 151 days)	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	251.13	372.74	432.12	451.91	451.91
B	Cumulative Repayments up to Previous Year	0.00	8.99	36.87	67.44	98.69
C	Net Loan-Opening (A-B)	251.13	363.75	395.25	384.47	353.23
D	Additions	121.61	59.38	19.80	0.00	0.00
E	Repayment during the year	8.99	27.88	30.57	31.25	31.25
F	Net Loan-Closing (C+D-E)	363.75	395.25	384.47	353.23	321.98
G	Average Loan (C+F)/2	307.44	379.50	389.86	368.85	337.60
H	Weighted Average Rate of Interest on Loan (in %)	8.0314	8.0341	8.0336	8.0328	8.0315
I	**Interest on Loan (G*H)**	**10.21**	**30.49**	**31.32**	**29.63**	**27.11**

Asset-4B

(₹ in lakh)

	Particulars	2024-25 (pro-rata to 151 days)	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	251.13	372.74	432.12	451.92	451.92
B	Cumulative Repayments up to Previous Year	0.00	8.99	36.87	67.44	98.69
C	Net Loan-Opening (A-B)	251.13	363.75	395.25	384.47	353.23
D	Additions	121.61	59.38	19.80	0.00	0.00
E	Repayment during the year	8.99	27.88	30.57	31.25	31.25
F	Net Loan-Closing (C+D-E)	363.75	395.25	384.47	353.23	321.98
G	Average Loan (C+F)/2	307.44	379.50	389.86	368.85	337.60
H	Weighted Average Rate of Interest on Loan (in %)	8.0314	8.0341	8.0336	8.0328	8.0315
I	**Interest on Loan (G*H)**	**10.21**	**30.49**	**31.32**	**29.63**	**27.11**

Return on Equity (RoE)

126. Regulations 30 and 31 of the 2024 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 for existing project 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 storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;

(3) Return on equity for new project achieving COD on or after 01.04.2024 shall be computed at the base rate of 15.00% for the transmission system, including the communication system, at the base rate of 15.50% for Thermal generating station and run-of-river hydro generating station and at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a 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 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;

…….……"

*"**31. Tax on Return on Equity**. (1) The 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. The effective tax rate 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 concerned generating company or the transmission licensee by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon:*

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a generating company or transmission licensee has opted for Section 115BAA, the effective tax rate shall be tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

(2) The 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)

(3) The generating company or the transmission licensee, as the case may be, shall true up the effective tax rate for 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 2024-29 on actual gross income of any financial year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid for the generating company or the transmission licensee, as the case may be:

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, 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 with the applicable MAT rate including surcharge and cess;

Provided that in case a generating company or transmission licensee is paying tax under Section 115BAA, 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 with the tax rate including surcharge and cess as specified under Section 115BAA;

Provided that 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 a year-to-year basis."

127. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner's submissions and have perused the record.

128. We have considered the applicable MAT rate for the Return on Equity (RoE), which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the transmission assets for the 2024-29 tariff period is as follows:

Asset-1

(₹ in lakh)

	Particulars	**2024-25 (pro-rata for 219 days)**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
	Return on Equity					
A	Opening Equity	140.80	228.39	270.92	285.10	285.10
B	Additions	87.59	42.54	14.18	0.00	0.00
C	Closing Equity (A+B)	228.39	270.92	285.10	285.10	285.10

	Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
D	Average Equity (A+C)/2	184.59	249.65	278.01	285.10	285.10
E	Return on Equity (Base Rate) (in %)	15.00	15.00	15.00	15.00	15.00
F	MAT Rate for the respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.176	18.176	18.176	18.176	18.176
H	**Return on Equity (D*G)**	**20.13**	**45.38**	**50.53**	**51.82**	**51.82**

Asset-2

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 188 days)	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	839.86	1090.16	1214.84	1256.40	1256.40
B	Additions	250.30	124.68	41.56	0.00	0.00
C	Closing Equity (A+B)	1090.16	1214.84	1256.40	1256.40	1256.40
D	Average Equity (A+C)/2	965.01	1152.50	1235.62	1256.40	1256.40
E	Return on Equity (Base Rate) (in %)	15.00	15.00	15.00	15.00	15.00
F	MAT Rate for the respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.176	18.176	18.176	18.176	18.176
H	**Return on Equity (D*G)**	**90.34**	**209.47**	**224.58**	**228.36**	**228.36**

Asset-3

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 177 days)	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	819.16	1035.92	1143.83	1179.79	1179.79
B	Additions	216.77	107.90	35.97	0.00	0.00
C	Closing Equity (A+B)	1035.92	1143.83	1179.79	1179.79	1179.79
D	Average Equity (A+C)/2	927.54	1089.88	1161.81	1179.79	1179.79
E	Return on Equity (Base Rate) (in %)	15.00	15.00	15.00	15.00	15.00
F	MAT Rate for the respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.176	18.176	18.176	18.176	18.176
H	**Return on Equity (D*G)**	**81.75**	**198.09**	**211.17**	**214.44**	**214.44**

Asset-4A

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	107.63	159.74	185.19	193.68	193.68
B	Additions	52.12	25.45	8.48	0.00	0.00
C	Closing Equity (A+B)	159.74	185.19	193.68	193.68	193.68
D	Average Equity (A+C)/2	133.69	172.47	189.44	193.68	193.68
E	Return on Equity (Base Rate) (in %)	15.00	15.00	15.00	15.00	15.00
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.176	18.176	18.176	18.176	18.176
H	**Return on Equity (D*G)**	**10.05**	**31.35**	**34.43**	**35.20**	**35.20**

Asset-4B

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	107.63	159.75	185.19	193.68	193.68
B	Additions	52.12	25.45	8.48	0.00	0.00
C	Closing Equity (A+B)	159.75	185.19	193.68	193.68	193.68
D	Average Equity (A+C)/2	133.69	172.47	189.44	193.68	193.68
E	Return on Equity (Base Rate) (in %)	15.00	15.00	15.00	15.00	15.00
F	MAT Rate for the respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.176	18.176	18.176	18.176	18.176
H	**Return on Equity (D*G)**	**10.05**	**31.35**	**34.43**	**35.20**	**35.20**

Operation and Maintenance Expenses (O&M Expenses)

129. The Operation and Maintenance Expenses (O&M Expenses) claimed by the Petitioner for the transmission assets for the 2024-29 period are as follows:

Asset-1

(₹ in lakh)

Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	24.80	43.50	45.80	48.20	50.72

Asset-2

(₹ in lakh)

Particulars	2024-25 (pro-rata for 188 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	93.33	190.83	200.61	211.03	222.59

Asset-3

(₹ in lakh)

Particulars	2024-25 (pro-rata for 177 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	87.87	190.83	200.61	211.03	222.59

Asset-4

(₹ in lakh)

Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
O&M Expenses	34.20	87.00	91.60	96.40	101.44

130. The norms specified under Regulation 36(3) of the 2024 Tariff Regulations provide as follows:

> *"**36. Operation and Maintenance Expenses:***
> *…*
> ***(3) Transmission system:** (a) The following normative operation and maintenance expenses shall be admissible for the transmission system:*

Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	*41.34*	*43.51*	*45.79*	*48.20*	*50.73*
400 kV	*29.53*	*31.08*	*32.71*	*34.43*	*36.23*
220 kV	*20.67*	*21.75*	*22.90*	*24.10*	*25.36*
132 kV and below	*15.78*	*16.61*	*17.48*	*18.40*	*19.35*
Norms for Transformers/ Reactors (Rs Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAr (Rs Lakh per MVA or per MVAr)	*0.262*	*0.276*	*0.290*	*0.305*	*0.322*
Norms for AC and HVDC lines (Rs Lakh per km)					

Single Circuit (Bundled Conductor with six or more sub-conductors)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Single Circuit (Bundled conductor with four or more sub-conductors)	*0.738*	*0.776*	*0.817*	*0.860*	*0.905*
Single Circuit (Twin & Triple Conductor)	*0.492*	*0.518*	*0.545*	*0.573*	*0.603*
Single Circuit (Single Conductor)	*0.246*	*0.259*	*0.272*	*0.287*	*0.302*
Double Circuit (Bundled Conductor with four or more sub-conductors)	*1.291*	*1.359*	*1.430*	*1.506*	*1.585*
Double Circuit (Twin & Triple Conductor)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Double Circuit (Single Conductor)	*0.369*	*0.388*	*0.409*	*0.430*	*0.453*
Multi Circuit (Bundled Conductor with four or more sub-conductor)	*2.266*	*2.385*	*2.510*	*2.642*	*2.781*
Multi Circuit (Twin & Triple Conductor)	*1.509*	*1.588*	*1.671*	*1.759*	*1.851*
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	*2.07*	*2.18*	*2.30*	*2.42*	*2.55*
Gazuwaka BTB (Rs Lakh/MW)	*1.83*	*1.92*	*2.03*	*2.13*	*2.24*
HVDC bipole scheme (Rs Lakh/MW)	*1.04*	*1.10*	*1.16*	*1.22*	*1.28*

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 that the O&M expense norms of Double Circuit quad AC line shall be applicable to for HVDC bi-pole line;

Provided that the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2500 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for HVDC bipole scheme;

Provided further that the O&M expenses for Transmission Licensees whose transmission assets are located solely in NE Region (including Sikkim), States of Uttarakhand, Himachal Pradesh, the Union Territories of Jammu and Kashmir and Ladakh, district of Darjeeling of West Bengal shall be worked out by multiplying 1.50 to the normative O&M expenses prescribed above;

Provided also that the O&M expenses of the transmission system of Bhakra Beas Management Board shall be allowed based on past year data on a case-by-case basis at the time of the determination of tariff.

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of substation bays, transformer capacity of the transformer/reactor/Static Var Compensator/Static Synchronous Compensator (in MVA/MVAr) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA/MVAr and per km respectively.

……."

131. We have considered the submissions of the Petitioner. The O&M Expenses have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations, and the same are as follows:

Asset-1: COD 25.8.2024 (Proposed)

(₹ in lakh)

Particulars	2024-25 (pro-rata to 219 days)	2025-26	2026-27	2027-28	2028-29
Substation: Sonepat Substation • 2 Nos. 220 kV line bays for 220 kV D/C Kharkhoda (HVPNL) Transmission Line					
Norms as per Regulation (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total O&M Expenses allowed (₹ in lakh)	**24.80**	**43.50**	**45.80**	**48.20**	**50.72**

Asset-2: COD: 25.9.2024

(₹ in lakh)

Particulars	2024-25 (pro-rata to 188 days)	2025-26	2026-27	2027-28	2028-29
Substation: Jind Substation • 1 No. 400 kV ICT bay for 500 MVA, 400/220 kV ICT					
Norms as per Regulation (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed (pro-rata) (₹ in lakh)	15.17	31.08	32.71	34.43	36.23
Substation: Jind Substation • 1 No. 220 kV ICT bay for 500 MVA, 400/220 kV ICT					
Norms as per Regulation (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total Substation Expenses (₹ in lakh)	10.61	21.75	22.90	24.10	25.36
Substation: Jind Substation • 1 No. 500 MVA, 400/220 kV ICT					
Norms as per Regulation (₹ lakh/MVA)	0.262	0.276	0.290	0.305	0.322
Total Substation Expenses (₹ in lakh)	67.29	138.00	145.00	152.50	161.00
Total O&M Expenses allowed (₹ in lakh)	**93.33**	**190.83**	**200.61**	**211.03**	**222.59**

Asset-3: COD: 6.10.2024

(₹ in lakh)

Particulars	2024-25 (pro-rata to 177 days)	2025-26	2026-27	2027-28	2028-29
Substation: Bahadurgarh • 1 No. 400 kV ICT bay for 500 MVA, 400/220 kV ICT-3					
Norms as per Regulation (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed (pro-rata) (₹ in lakh)	14.28	31.08	32.71	34.43	36.23
Substation: Bahadurgarh • 1 No. 220 kV ICT bay for 500 MVA, 400/220 kV ICT-3					
Norms as per Regulation (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total Substation Expenses (₹ in lakh)	10.00	21.75	22.90	24.10	25.36
Substation: Bahadurgarh • 1 No. 500 MVA, 400/220 kV ICT-3					
Norms as per Regulation (₹ lakh/MVA	0.262	0.276	0.290	0.305	0.322
Total Substation Expenses (₹ in lakh)	63.35	138.00	145.00	152.50	161.00
Total O&M Expenses allowed (₹ in lakh)	**87.87**	**190.83**	**200.61**	**211.03**	**222.59**

Asset-4(A) and Asset-4(B): COD: 1.11.2024 (Proposed)

(₹ in lakh)

Particulars	2024-25 (pro-rata to 151 days)	2025-26	2026-27	2027-28	2028-29
Substation: Bahadurgarh • 2 Nos. 220 kV line bay for 220 kV METL - Bahadurgarh (PG) D/C Line • 2 Nos. 220 kV line bay for 220 kV Kharkhoda Pocket-B - Bahadurgarh (PG) D/C Line.					
Norms as per Regulation (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total O&M Expenses allowed (₹ in lakh)	**34.11**	**87.00**	**91.60**	**96.40**	**101.44**

Interest on Working Capital (IWC)

132. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify as follows:

> ***"34. Interest on Working Capital****: (1) The working capital shall cover:*
> ……
> *(d) 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.

(2) ……

(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024-29 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 Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.

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

133. The Petitioner has considered the IWC rate at 11.90% as on 1.4.2024. The IWC has been calculated in accordance with Regulation 34 of the 2024 Tariff Regulations. The RoI considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for FY 2024-25, 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9.00% plus 325 basis points) for FY 2025-26, and 11.95% (SBI 1-year MCLR as on 1.4.2026 of 8.70% plus 325 basis points) for FYs 2026-27 to 2028-29.

134. The components of the working capital and the interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of the transmission assets are as follows:

Asset-1

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.45	3.63	3.82	4.02	4.23
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.20	6.53	6.87	7.23	7.61
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	17.76	22.16	23.91	24.14	24.03
D	**Total Working Capital (A+B+C)**	27.41	32.31	34.60	35.39	35.86
E	Rate of Interest on Working Capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**1.96**	**3.96**	**4.13**	**4.23**	**4.29**

Asset-2

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 188 days)	2025-26	2026-27	2027-28	2028-29
A	WorkingCapital for O&M Expenses (O&M Expenses for one month)	15.10	15.90	16.72	17.59	18.55
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	27.18	28.62	30.09	31.65	33.39
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	85.28	97.53	102.35	102.91	102.82
D	**Total Working Capital (A+B+C)**	127.56	142.05	149.15	152.15	154.76
E	Rate of Interest on Working Capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**7.82**	**17.40**	**17.82**	**18.18**	**18.49**

Asset-3

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 177 days)	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	15.10	15.90	16.72	17.59	18.55
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	27.18	28.62	30.09	31.65	33.39
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	82.31	92.98	97.18	97.73	97.79
D	**Total Working Capital (A+B+C)**	124.59	137.51	143.99	146.97	149.73
E	Rate of Interest on Working Capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**7.19**	**16.84**	**17.21**	**17.56**	**17.89**

Asset-4A

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.45	3.63	3.82	4.02	4.23
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.20	6.53	6.87	7.23	7.61
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	14.16	16.83	17.94	18.17	18.23
D	**Total Working Capital (A+B+C)**	23.81	26.98	28.63	29.42	30.07
E	Rate of Interest on Working Capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**1.17**	**3.31**	**3.42**	**3.52**	**3.59**

Asset-4B

(₹ in lakh)

	Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.45	3.63	3.82	4.02	4.23
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.20	6.53	6.87	7.23	7.61
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	14.16	16.83	17.94	18.17	18.23
D	**Total Working Capital (A+B+C)**	23.81	26.98	28.63	29.42	30.07
E	Rate of Interest on Working Capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**1.17**	**3.31**	**3.42**	**3.52**	**3.59**

Annual Fixed Charges for the 2024-29 Tariff Period

135. The annual transmission charges allowed in respect of the transmission assets for the 2024-29 tariff period are as follows:

Asset-1

(₹ in lakh)

Particulars	2024-25 (pro-rata for 219 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	19.60	44.16	49.17	50.43	50.43
Interest on Loan	19.96	42.75	44.29	41.65	37.66
Return on Equity	20.13	45.38	50.53	51.82	51.82
O&M Expenses	24.80	43.50	45.80	48.20	50.72
Interest on Working Capital	1.96	3.96	4.13	4.23	4.29
Total	**86.45**	**179.75**	**193.93**	**196.33**	**194.91**

Asset-2

(₹ in lakh)

Particulars	2024-25 (pro-rata for 188 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	72.13	167.25	179.31	182.32	182.32
Interest on Loan	92.65	206.09	207.81	197.07	182.25
Return on Equity	90.34	209.47	224.58	228.36	228.36
O&M Expenses	93.33	190.83	200.61	211.03	222.59
Interest on Working Capital	7.82	17.40	17.82	18.18	18.49
Total	**356.27**	**791.04**	**830.14**	**836.97**	**834.01**

Asset-3

(₹ in lakh)

Particulars	2024-25 (pro-rata for 177 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	63.27	153.31	163.43	165.96	165.96
Interest on Loan	83.69	195.09	195.86	185.87	172.31
Return on Equity	81.75	198.09	211.17	214.44	214.44
O&M Expenses	87.87	190.83	200.61	211.03	222.59
Interest on Working Capital	7.19	16.84	17.21	17.56	17.89
Total	**323.77**	**754.17**	**788.27**	**794.85**	**793.19**

Asset-4A

(₹ in lakh)

Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	8.99	27.88	30.57	31.25	31.25
Interest on Loan	10.21	30.49	31.32	29.63	27.11
Return on Equity	10.05	31.35	34.43	35.20	35.20
O&M Expenses	17.10	43.50	45.80	48.20	50.72
Interest on Working Capital	1.17	3.31	3.42	3.52	3.59
Total	**47.53**	**136.52**	**145.54**	**147.79**	**147.88**

Asset-4B

(₹ in lakh)

Particulars	2024-25 (pro-rata for 151 days)	2025-26	2026-27	2027-28	2028-29
Depreciation	8.99	27.88	30.57	31.25	31.25
Interest on Loan	10.21	30.49	31.32	29.63	27.11
Return on Equity	10.05	31.35	34.43	35.20	35.20
O&M Expenses	17.10	43.50	45.80	48.20	50.72

Interest on Working Capital	1.17	3.31	3.42	3.52	3.59
Total	**47.53**	**136.52**	**145.54**	**147.79**	**147.88**

Filing Fee and Publication Expenses

136. The Petitioner has claimed reimbursement of the fee it paid for filing the Petition and the publication expenses. The Petitioner has submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long- term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

137. We have considered the Petitioner's submissions. The Petitioner is entitled to reimbursement of the fee paid for filing the Petition and publication expenses incurred on this count directly from the beneficiaries or long-term customers, as the case may be, in terms of Regulation 94(1) of the 2024 Tariff Regulations.

Fees and Charges of Central Transmission Utility of India Limited (CTUIL)

138. The Petitioner has submitted that as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of CTUIL may be allowed separately through a separate regulation and in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner, which will be recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

139. It is apt here to refer to Regulation 99 of the 2024 Tariff Regulations, which provides as under:

> ***"99. Special Provisions relating to Central Transmission Utility of India Ltd. (CTUIL)****: The fee and charges of CTUIL shall be allowed separately by the Commission through a separate regulation:*
>
> *Provided that until such regulation is issued by the Commission, the expenses of CTUIL shall be borne by Power Grid Corporation of India Ltd. (PGCIL) which shall be recovered by PGCIL as additional O&M expenses through a separate petition."*

140. We have considered the Petitioner's submissions and perused Regulation 99 of the 2024 Tariff Regulations. In view of the explicit provision under Regulation 99 of the 2024 Tariff Regulations, we permit the Petitioner, i.e., PGCIL, to bear the fees and charges of CTUIL and recover the same as additional O&M Expenses through a separate Petition, until such regulation is notified and issued by the Commission.

License Fee and RLDC Fees and Charges

141. The Petitioner has claimed reimbursement of the license fee and RLDC fees and charges. The Petitioner is allowed to recover the license fee under Regulation 94(4) of the 2024 Tariff Regulations for the 2024-29 tariff period. The Petitioner is also allowed to recover the RLDC fee and charges from the beneficiaries under Regulation 94(3) of the 2024 Tariff Regulations for the 2024-29 tariff period.

Goods and Services Tax

142. The Petitioner has submitted that the transmission charges claimed herein are exclusive of the Goods and Services Tax (GST), and if GST is levied in the future, the same shall be additionally paid by the Respondents and be charged and billed separately by the Petitioner. It is prayed that, if the Petitioner pays additional taxes due to a demand from the Government/Statutory Authorities, the Commission may allow the same to be recovered from the beneficiaries.

143. UPPCL, in its reply, has submitted that, at present, GST is not imposed, and if such tax is imposed in the future, it would be a change-in-law event recoverable under the relevant provisions of law. It is submitted that the Petitioner's submissions are speculative and have no basis, and are therefore liable to be rejected.

144. In response, the Petitioner reiterated its submissions made in the Petition.

145. We have considered the submissions of the parties. Since GST is not levied on the transmission services at present, we are of the view that the Petitioner's prayer on this count is premature.

Security Expenses, Insurance and Capital Spares

146. The Petitioner has submitted that as per Regulation 36(3)(d) of the 2024 Tariff Regulations, the security expenses and capital spares of more than ₹10 lakh and insurance expenses shall be allowed separately after a prudence check. Accordingly, these expenses are not claimed in the present Petition.

147. It is submitted that the Petitioner shall file a separate Petition for the recovery of the security expenses for the transmission assets from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations.

148. It is further submitted that the Petitioner has not claimed the insurance expenses in the instant Petition and shall file a separate Petition for claiming the overall insurance expenses and consequential IWC on the same, considering the actual insurance expenses incurred by it for FY 2023-24, after escalating the same at 5.25% per annum to arrive at the estimated insurance expenses for FYs 2024-25, 2025-26, 2026-27, 2027-28, and 2028-29.

149. The Petitioner has also submitted that it will file a separate petition to claim, on an actual basis, the capital spares consumed and consequential IWC thereon for the 2024-29 tariff period for the transmission assets, as per the 2024 Tariff Regulations. It is submitted that the Petitioner has filed Petition No. 45/MP/2024, claiming therein the capital spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

150. We have considered the Petitioner's submissions and perused the record. We

deem it proper here to refer to Regulation 36(3)(d) of the 2024 Tariff Regulations which provides as follows:

> *"36(3)*
> *(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:*
>
> *Provided that in case of self-insurance, the premium shall not exceed 0.12% of the GFA of the assets insured;*
>
> *Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.*
>
> *Provided that the self-insurance premium shall be transferred to a separate fund for utilization to meet the claims, and the expenditure incurred or amount utilized from the self-insurance fund shall be made available to the Commission as and when directed."*

151. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering the Petitioner's submissions, the Petitioner is allowed to file a single consolidated Petition comprising security expenses and capital spares individually costing more than ₹10 lakh and insurance expenses, on the estimated basis, as per the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

152. The Petitioner has submitted that the tariff determined for the 2024-29 tariff period shall be recovered, on a monthly basis, in accordance with Regulation 78 of the 2024 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers according to the Central Electricity Regulatory Commission (Sharing of Inter-Stage Transmission Charges and Losses) Regulation, 2020 (hereinafter referred to as "the 2020 Sharing Regulations").

153. In its reply, UPPCL submitted that Regulation 13(3) of the 2020 Sharing Regulations addresses payment of transmission charges when the COD of the generating stations is delayed, and the associated transmission system has achieved its COD. Therefore, HVPNL is responsible for paying transmission charges to the Petitioner from the proposed CODs of Assets-1 and 4 until they come into use by HVPNL. It is submitted that UPPCL is not liable to pay the Petitioner any charges for that period.

154. In response, the Petitioner has submitted that UPPCL objects to the Petitioner seeking full tariff from all DICs, including UPPCL, and that UPPCL's claim regarding its liability to pay transmission charges for the idle assets is misconceived. It is submitted that, in the present case, the delay in utilising Assets-1 and 4 is solely attributable to HVNPL's failure to complete the downstream connectivity; accordingly, as per the regulation, any transmission charges for the intervening period shall be recoverable from HVNPL.

155. HVPNL, in its reply, has submitted that the completion of the downstream systems of Assets-1 and 4 has been delayed due to the delay in the grant of statutory clearances by agencies such as the National Highway Authority of India (NHAI), Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), JKTPL, Forest Department, PWD and the Irrigation Department. It is further submitted that the imposition of GRAP-IV restrictions led to additional delays in completing the work. It is further submitted that the likely dates of commissioning of the downstream systems associated with Asset-1 are 30.8.2025 and Asset-4 (2 Nos. bays for 220 kV Bahadurgarh - METL D/C Line) are 15.3.2026 and (2 Nos. bays for LILO of 220 kV Nunamajra - Daultabad S/C Line at 400 kV Bahadurgarh) are 31.1.2026, respectively.

156. In response, the Petitioner has submitted that HVPNL has indirectly acknowledged delays by agencies such as NHAI, HSIIDC, JKTPL, Forest Department, PWD and the Irrigation Department. It is submitted that these agencies fall within the State administrative setup, and HVPNL, as the coordinating STU, is obligated under the Grid Code and regulations to ensure timely execution of the downstream network. It is further submitted that the project readiness dates now stated by HVPNL, i.e. 30.8.2025, 15.3.2026 and 31.1.2026, only reinforce the fact that the Petitioner's commissioning efforts were well ahead and that the delay lies entirely on HVPNL's part.

157. Further, in compliance with the Commission's directions vide RoP dated 22.7.2025, CTUIL, vide affidavit dated 28.8.2025, has submitted the expected CODs for Asset-1 as 30.8.2025 and for Asset-4 (Assets-4A, 4B) as 31.1.2026 and 15.3.2026.

Analysis and Decision

158. We have considered the submissions of the parties and have gone through the record. The Petitioner submitted that the downstream transmission lines associated with Assets 1 and 4, within HVPNL's scope, are yet to be commissioned.

159. HVPNL has submitted that the downstream transmission lines associated with Asset-1 are likely to be commissioned on 30.8.2025, and those associated with Asset-4 (Assets 4A and 4B) are likely to be put into regular use on 15.3.2026 and 31.1.2026. The execution of the said downstream network was delayed due to delays in the grant of statutory clearances by various agencies.

160. We are of the view that the downstream transmission lines form part of the intra-state transmission system within the scope of HVPNL. We note that the Commission is not determining the tariff for the intra-state lines. Accordingly, the Petitioner may approach

the concerned State Electricity Regulatory Commission to determine the tariff and related issues.

161. Regulation 13(12)(f) of the 2020 Sharing Regulation provides as under:

> *"(f) In case an intra-State transmission licensee is responsible for the delay in commencement of power flow in the inter-State transmission system which has achieved deemed COD, such intra-State transmission licensee of the delayed intra-State transmission system shall pay 50% of YTC of the delayed intra-State transmission system OR 50% of YTC of the inter-State transmission system which has achieved deemed COD (excluding transmission elements covered under subclause (d) of this Clause), whichever is lower, till the delayed intra-State transmission system achieves COD:*
>
> *Provided that in case of transmission elements covered under sub-clause (d) of this Clause, charges under this sub-clause shall not be levied on the intra-State transmission licensee:*
>
> *Provided further that where YTC of the delayed intra-State transmission system is not available, CTU shall work out the YTC for such intra-State transmission system, for the purpose of this clause, based on the indicative capital cost of similar configuration in the inter-State transmission system."*

162. Regulation 7 of the 2020 Sharing Regulations provides as under:

> ***"7. Components and sharing of Transformer Component (TC)***
>
> *(1) Transformer Component for a State shall comprise Yearly Transmission Charges for inter-connecting transformers (ICTs) along with their associated bays and downstream bays planned for drawal of power by the concerned State. A list of such transformers for each State shall be provided by the Central Transmission Utility to the Implementing Agency.*
>
> *Provided that where the Yearly Transmission Charges of ICTs for a State are not available, the Yearly Transmission Charges for such transformers shall be worked out and provided by the Central Transmission Utility, apportioning Yearly Transmission Charges approved by the Commission for the integrated project, based on indicative capital cost. For transformers used for drawl requirement of more than one State, Yearly Transmission Charges shall be apportioned to such States in the ratio of number of feeders from such transformers for each State.*
>
> *(2) Transformer Component for a State shall be borne and shared by the drawee DICs located in the concerned State in proportion to their quantum of GNA and GNA RE."*

163. In the instant case, the CODs of Assets-1 and 4 (Asset-4(A) and Asset-4(B)) have been approved as 25.8.2024 and 1.11.2024, respectively, under Regulation 5 of the

2024 Tariff Regulations and the Grid Code, as these assets were within the Petitioner's scope, ready, and could not be put to regular use due to the non-readiness of the associated transmission line within HVPNL's scope. Therefore, the sharing of the transmission charges for Assets-1 and 4 (Assets-4A and 4B) shall be as per the provisions of Regulation 7 of the 2020 Sharing Regulations.

164. Further, for Assets-2 and 3, the billing, collection, and disbursement of transmission charges shall be recovered in accordance with the 2020 Sharing Regulations, as provided in Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

Interim Tariff

165. The Petitioner has prayed that, in accordance with Regulation 10(3) of the 2024 Tariff Regulations, the interim tariff be included in the Point-of-Connection (PoC) charges.

166. We have considered the Petitioner's submissions. As we have determined the transmission tariff for the transmission assets in this order, the prayer for the interim tariff is redundant.

167. To summarise:

a. The Annual Fixed Charges (AFC) allowed for the 2024-29 tariff period for the transmission assets in this order are as follows:

Asset-1

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the Petition	87.42	181.27	195.50	197.87	196.42
Allowed in this order	86.45	179.75	193.93	196.33	194.91

Asset-2

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the Petition	361.63	800.58	839.87	846.46	843.27
Allowed in this order	356.27	791.04	830.14	836.97	834.01

Asset-3

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the Petition	324.35	754.30	788.80	795.37	793.70
Allowed in this order	323.77	754.17	788.27	794.85	793.19

Asset-4A

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the Petition	53.06	149.65	158.44	160.39	160.17
Allowed in this order	47.53	136.52	145.54	147.79	147.88

Asset-4B

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the Petition	53.06	149.65	158.44	160.39	160.17
Allowed in this order	47.53	136.52	145.54	147.79	147.88

168. The Annexure to this order forms part of the order.

169. This order disposes of Petition No. 437/TT/2025, in terms of the above discussions and findings.

sd/-	**sd/-**	**sd/-**	**sd/-**
(Ravinder Singh Dhillon)	**(Harish Dudani)**	**(Ramesh Babu V.)**	**(Jishnu Barua)**
Member	**Member**	**Member**	**Chairperson**

Annexure-I

Asset-1

Capex	Cumulative Dep till prev year	Addition					Admitted Capital Cost as on 31.3.2029	Dep Rate	Annual Depreciation				
		2024-25	2025-26	2026-27	2027-28	2028-29			2024-25	2025-26	2026-27	2027-28	2028-29
Land - Freehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Land - Leasehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.22%	0.00	0.00	0.00	0.00	0.00
Substation	421.69	262.77	127.61	42.54	0.00	0.00	854.61	4.22%	23.34	31.58	35.17	36.06	36.06
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.50%	0.00	0.00	0.00	0.00	0.00
PLCC	24.46	14.89	7.23	2.41	0.00	0.00	48.99	15.00%	4.79	6.44	7.17	7.35	7.35
IT Equipment	23.17	14.31	6.95	2.32	0.00	0.00	46.75	15.00%	4.55	6.14	6.84	7.01	7.01
Total	**469.32**	**291.96**	**141.79**	**47.27**	**0.00**	**0.00**	**950.34**		**32.67**	**44.16**	**49.17**	**50.43**	**50.43**
								Avg. Gross Block	**615.30**	**832.18**	**926.71**	**950.34**	**950.34**
								WAROD	**5.31%**	**5.31%**	**5.31%**	**5.31%**	**5.31%**

Asset-2

Capex	Admitted Capital Cost as on 31-03-2024	Allowed ACE					Admitted Capital Cost as on 31-03-2029	Dep Rate	Annual Depreciation				
		2024-25	2025-26	2026-27	2027-28	2028-29			2024-25	2025-26	2026-27	2027-28	2028-29
Substation	2764.89	823.99	410.45	136.82	0.00	0.00	4136.14	4.22%	134.06	160.11	171.66	174.55	174.55
IT Equipment	34.65	10.35	5.15	1.71	0.00	0.00	51.86	15.00%	5.97	7.14	7.65	7.78	7.78
Total	**2799.54**	**834.34**	**415.60**	**138.53**	**0.00**	**0.00**	**4188.00**		**140.04**	**167.25**	**179.31**	**182.32**	**182.32**
								Avg. Gross Block	**3216.70**	**3841.67**	**4118.74**	**4188.00**	**4188.00**
								WAROD	**4.35%**	**4.35%**	**4.35%**	**4.35%**	**4.35%**

Asset-3

Capex	Admitted Capital Cost as on 31.3.2024	Allowed ACE					Admitted Capital Cost as on 31.3.2029	Dep Rate	Annual Depreciation				
		2024-25	2025-26	2026-27	2027-28	2028-29			2024-25	2025-26	2026-27	2027-28	2028-29
Substation	2730.53	722.55	359.68	119.89	0.00	0.00	3932.65	4.22%	130.47	153.31	163.43	165.96	165.96
Total	**2730.53**	**722.55**	**359.68**	**119.89**	**0.00**	**0.00**	**3932.65**		**130.47**	**153.31**	**163.43**	**165.96**	**165.96**
								Avg. Gross Block	**3091.80**	**3632.92**	**3872.70**	**3932.65**	**3932.65**
								WAROD	**4.22%**	**4.22%**	**4.22%**	**4.22%**	**4.22%**

Asset-4A

Capex	Admitted Capital Cost as on 31-03-2024	Allowed ACE					Admitted Capital Cost as on 31-03-2029	Dep Rate	Annual Depreciation				
		2024-25	2025-26	2026-27	2027-28	2028-29			2024-25	2025-26	2026-27	2027-28	2028-29
Substation	335.98	165.03	80.59	26.87	0.00	0.00	608.47	4.22%	17.66	22.84	25.11	25.68	25.68
PLCC	22.77	8.69	4.24	1.42	0.00	0.00	37.12	15.00%	4.07	5.04	5.46	5.57	5.57
Total	**358.75**	**173.73**	**84.83**	**28.28**	**0.00**	**0.00**	**645.59**		**21.73**	**27.88**	**30.57**	**31.25**	**31.25**
								Avg. Gross Block	**445.62**	**574.90**	**.631.45**	**645.59**	**645.59**
								WAROD	**4.88%**	**4.85%**	**4.84%**	**4.84%**	**4.84%**

Asset-4B

Capex	Admitted Capital Cost as on 31.3.2024	Allowed ACE					Admitted Capital Cost as on 31.3.2029	Dep Rate	Annual Depreciation				
		2024-25	2025-26	2026-27	2027-28	2028-29			2024-25	2025-26	2026-27	2027-28	2028-29
Substation	335.98	165.03	80.59	26.87	0.00	0.00	608.47	4.22%	17.66	22.84	25.11	25.68	25.68
PLCC	22.77	8.69	4.24	1.42	0.00	0.00	37.12	15.00%	4.07	5.04	5.46	5.57	5.57
Total	**358.75**	**173.73**	**84.83**	**28.28**	**0.00**	**0.00**	**645.59**		**21.73**	**27.88**	**30.57**	**31.25**	**31.25**
								Avg. Gross Block	**445.62**	**574.90**	**631.45**	**645.59**	**645.59**
								WAROD	**4.88%**	**4.85%**	**4.84%**	**4.84%**	**4.84%**