

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 136/TT/2025

Coram:

**Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 11.04.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 and determination of the transmission tariff for the 2024-29 tariff period for 05 Nos. Assets under the "North Eastern Region Strengthening Scheme-VIII" in the North Eastern Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Assam Power Distribution Company Limited,
04th Floor, Bijulee Bhawan, Paltan Bazar,
Guwahati-781001.**
- 2. Meghalaya Energy Corporation Limited,
Short Round Road, "Lumjingshai",
Shillong-793001.**
- 3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh.**
- 4. Power and Electricity Department,
Government of Mizoram,
Aizawl, Mizoram.**



5. **Manipur State Power Distribution Corporation Limited,**
Keishampat, Imphal.
6. **Department of Power,**
Government of Nagaland,
Kohima, Nagaland.
7. **Tripura State Electricity Corporation Limited,**
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799001.

...Respondent(s)

Parties Present: Shri Mohd. Mohsin, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vishal Sagar, PGCIL
Shri Amit Yadav, PGCIL
Ms. Suchitra Gautam, PGCIL
Shri Divyanshu Bhatt, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Piyush Awasthi, PGCIL
Shri Amit Garg, PGCIL
Ms. Ashita Chauhan, PGCIL
Mr. Ashish Alankar, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, for truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period in respect of the following 05 Nos. Assets (hereinafter referred to as “the transmission assets/Combined Asset”) under the “North Eastern Region Strengthening Scheme-VIII” (hereinafter referred to as “the transmission project”) in the North Eastern Region:



Asset-1: **Jiribam (POWERGRID) GIS Sub-station** - Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works.

Haflong (POWERGRID) GIS Sub-station - Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works.

Asset-2: **Kumarghat (POWERGRID) GIS Sub-station** - Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works.

Asset-3: **Aizawl (POWERGRID) GIS Sub-station** - Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works.

Asset-4: **Dimapur (POWERGRID) GIS Sub-station** –
a) Replacement of existing 220/132 kV, 4x33.33 MVA single phase ICT unit by 220/132 kV, 1x160 MVA 3-phase unit,
b) Addition of new 220/132 kV, 1x160 MVA three phase ICT along with associated bays,
c) Conversion of 132kV Bus Bar Scheme from Single Main and Transfer to Double Main GIS,
d) Conversion of 220 kV switchyard from AIS to GIS and associated works.

Asset-5: **Mokokchung (POWERGRID) GIS Sub-station** - 220/132 kV, 30 MVA (3x10 MVA Single Phase Units) ICT (3rd) along with the associated bays.

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

- “a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 14 and 15 above.*
- b) Admit the capital cost claimed and additional capitalization incurred during 2019-24 and also allow the projected additional capitalization during 2024-29.*
- c) 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 2019 and Tariff Regulations, 2024 as per para 14 and 15 above for respective block.*
- d) 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.*
- e) Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central*

- f) Allow the Initial spares claimed as project as a whole.*
- g) 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 respondents.*
- h) Allow the petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 21 above.*
- i) Allow the petitioner to file a separate petition before the Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 21 above.*
- j) Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 21 above.*
- k) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 22 above.*
- l) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries*

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

Background

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

- a. The Investment Approval (IA) of the transmission project was accorded by the Board of Directors of the Petitioner in its 358th meeting held on 20.9.2018, communicated vide Memorandum No. C/CP/PA1617-10-0Q-IA011 dated 12.10.2018, at an estimated cost of ₹22136.00 lakh including an IDC of ₹1345.00 lakh based on the March 2018 price level.
- b. The scope of the transmission project was discussed and agreed in the 6th Standing Committee Meeting (SCM) on Power System Planning of the North Eastern Region held on 3.10.2016. The same was also approved in

the 17th TCC/NERPC meeting held on 3.10.2016 at Imphal and at the 37th Empowered Committee on transmission held on 20.9.2017.

- c. The scope of work covered under the transmission project broadly includes:

Sub-stations Extension/Upgradation:

- i. **Jiribam (Powergrid) GIS Sub-station -**
Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works
- ii. **Haflong (POWERGRID) GIS Sub-station -**
Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works
- iii. **Kumarghat (POWERGRID) GIS Sub-station -**
Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works
- iv. **Aizawl (POWERGRID) GIS Sub-station -**
Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works
- v. **Dimapur (POWERGRID) GIS Sub-station -**
Replacement of existing 220/132 kV, 4x33.33 MVA single phase ICT unit by 220/132 kV, 1x160 MVA 3-phase unit, b) Addition of new 220/132 kV, 1x160 MVA three phase ICT along with associated bays, c) Conversion of 132 kV Bus Bar Scheme from Single Main and Transfer to Double Main GIS, d) Conversion of 220 kV switchyard from AIS to GIS and associated works
- vi. **Mokokchung (POWERGRID) GIS Sub-station -**
220/132 kV, 30 MVA (3x10 MVA Single Phase Units) ICT (3rd) along with associated bays

- d. The Petitioner has filed the present Petition for truing up of the transmission tariff (Individual Assets) for the 2019-24 tariff period and the determination of the transmission tariff (Combined Asset) for the 2024-29 tariff period, for the following transmission assets implemented in the North Eastern Region:

Asset No.	Asset Name	COD	Remarks
Asset-1	Jiribam (POWERGRID) GIS Sub-station- Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works Haflong (POWERGRID) GIS Sub-station- Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works	23.8.2021	All assets merged during 2024-29 tariff period with the Effective COD: 27.12.2021
Asset-2	Kumarghat (POWERGRID) GIS Sub-station- Upgradation of 13 2kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works	30.10.2021	
Asset-3	Aizawl (POWERGRID) GIS Sub-station- Upgradation of 132 kV level from AIS to GIS with Double Bus Arrangement, LBB & Bus Bar Protection and associated works	16.1.2022	
Asset-4	Dimapur (POWERGRID) GIS Sub-station- Replacement of existing 220/132 kV, 4x33.33 MVA single phase ICT unit by 220/132 kV, 1x160 MVA 3-phase unit, b) Addition of new 220/132 kV, 1x160 MVA three phase ICT along with associated bays, c) Conversion of 132 kV Bus Bar Scheme from Single Main and Transfer to Double Main GIS, d) Conversion of 220 kV switchyard from AIS to GIS and associated works	18.2.2022	
Asset-5	Mokokchung (POWERGRID) GIS Sub-station- 220/132 kV, 30 MVA (3x10 MVA Single Phase Units) ICT (3rd) along with associated bays	9.3.2022	

- e. The Commission determined the transmission tariff of the transmission assets from the COD to 31.3.2024 vide order dated 15.9.2023 in Petition No. 184/TT/2022.

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

5. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been

received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. None of the Respondents have filed any reply in the matter.

6. The hearing in the matter was held on 25.3.2025 and the order was reserved. This order is being issued considering the Petitioner's submissions in the Petition vide affidavit dated 9.11.2024 and subsequent affidavit dated 25.3.2025.

7. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition.

TRUE-UP OF ANNUAL FIXED CHARGES FOR 2019-24 TARIFF PERIOD

8. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission assets are as follows:

Asset-1:

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Depreciation	98.62	180.16	190.06
Interest on Loan	80.73	152.87	157.58
Return on Equity	101.07	184.83	195.36
Interest on Working Capital	6.45	11.53	13.74
O&M Expenses	73.01	124.80	129.20
Total	359.88	654.19	685.94

Asset-2:

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Depreciation	33.92	98.92	107.71
Interest on Loan	25.91	89.61	99.85
Return on Equity	35.63	104.94	114.32
Interest on Working Capital	2.40	6.69	8.18
O&M Expenses	30.36	74.88	77.52
Total	128.22	375.04	407.58

Asset-3:

(₹ in lakh)			
Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Depreciation	15.47	88.72	96.72
Interest on Loan	11.92	80.03	89.67
Return on Equity	16.26	92.95	101.49
Interest on Working Capital	1.14	6.27	7.68
O&M Expenses	14.88	74.88	77.52
Total	59.67	342.85	373.08

Asset-4:

(₹ in lakh)			
Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Depreciation	36.40	339.58	360.91
Interest on Loan	29.19	291.70	306.82
Return on Equity	39.30	366.71	389.48
Interest on Working Capital	2.48	23.02	27.60
O&M Expenses	29.12	261.75	271.13
Total	136.49	1282.76	1355.94

Asset-5:

(₹ in lakh)			
Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Depreciation	6.45	108.23	115.53
Interest on Loan	5.02	98.90	108.27
Return on Equity	6.81	114.09	122.37
Interest on Working Capital	0.33	5.66	6.90
O&M Expenses	2.32	38.11	39.47
Total	20.93	364.99	392.54

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission assets are as follows:

Asset-1

(₹ in lakh)			
Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
O&M Expenses	10.05	10.40	10.77
Maintenance Spares	18.09	18.72	19.38
Receivables	73.28	80.65	84.34
Total Working Capital	101.42	109.77	114.49
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	6.45	11.53	13.74

Asset-2

(₹ in lakh)

Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
O&M Expenses	6.03	6.24	6.46
Maintenance Spares	10.85	11.23	11.63
Receivables	37.70	46.24	50.11
Total Working Capital	54.58	63.71	68.20
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	2.40	6.69	8.18

Asset-3

(₹ in lakh)

Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
O&M Expenses	6.03	6.24	6.46
Maintenance Spares	10.85	11.23	11.63
Receivables	35.79	42.27	45.87
Total Working Capital	52.67	59.74	63.96
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	1.14	6.27	7.68

Asset-4

(₹ in lakh)

Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
O&M Expenses	21.08	21.81	22.59
Maintenance Spares	37.95	39.27	40.67
Receivables	146.23	158.15	166.71
Total Working Capital	205.26	219.22	229.97
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	2.48	23.02	27.60

Asset-5

(₹ in lakh)

Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
O&M Expenses	3.07	3.18	3.29
Maintenance Spares	5.52	5.72	5.92
Receivables	40.95	45.00	48.26
Total Working Capital	49.54	53.90	57.47
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	0.33	5.66	6.90



Capital Cost for the 2019-24 Tariff Period

10. The capital cost of the transmission assets has been calculated in accordance with Regulation 19(1) and 19(2) of the 2019 Tariff Regulations.

11. The Commission vide order dated 15.9.2023 in Petition No. 184/TT/2022 had allowed the capital cost as on the COD for the transmission assets and ACE for the 2019-24 tariff period. The details of the capital cost allowed are as follows:

Assets	FR Apportioned Approved Cost	Capital Cost allowed up to COD	Allowed ACE			(₹ in lakh) Capital Cost allowed as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	5224.73	2750.65	141.37	1032.37	47.46	3971.54
Asset-2	2802.06	1283.62	736.54	84.12	199.93	2304.21
Asset-3	2682.09	1242.45	653.34	355.00	0.00	2250.78
Asset-4	8816.76	5964.62	54.60	1316.23	146.25	7481.70
Asset-5	2609.87	1901.58	0.00	290.67	54.98	2247.23

12. The Petitioner in the instant true-up Petition has claimed the following capital cost for the 2019-24 tariff period:

Assets	FR Apportioned Approved Cost	Capital Cost Claimed as on COD	ACE Claimed			Capital Cost claimed as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	5224.73	2753.18*	418.28	217.44	156.39	3545.29
Asset-2	2802.06	1283.62	449.73	257.94	75.02	2066.31
Asset-3	2682.09	1242.46	323.83	166.50	136.68	1869.47
Asset-4	8816.76	5964.62	194.20	698.93	109.06	6966.81
Asset-5	2609.87	1901.58	30.70	185.03	109.04	2226.35

***Computational difference IDC**

13. In response to the Commission's query, the Petitioner vide affidavit dated 25.3.2025 has submitted that all the assets covered under the instant Petition are presently in use and there is no de-capitalization in the transmission assets. The Petitioner has further submitted that the capital cost approved for Asset-1 as on COD

was ₹2750.65 lakh, whereas the capital cost claimed as on COD is ₹2753.18 lakh. Hence, there is a difference of ₹2.53 lakh, arisen due to the disallowance of IDC on account of computational difference and the same has been reclaimed in the instant Petition.

Cost Over-run

14. The completion cost including ACE is within FR apportioned approved cost in respect of all the transmission assets covered under the instant Petition. Therefore, there is no cost over-run in respect of the transmission assets.

Time Over-run

15. As per the IA dated 20.9.2018, the transmission assets were scheduled to be put into commercial operation within 30 months from the date of IA, i.e., 20.3.2021. As per the MoP's letters from dated 27.7.2020 and 12.6.2021, the COD of the transmission assets was extended by 5 months and by 3 months, respectively, vide order dated 15.9.2023 in Petition No. 183/TT/2022. Accordingly, the revised SCOD of the transmission assets is 20.11.2021. A summary of the revised SCOD, actual COD and time over-run condoned/ not condoned, as decided vide order dated 15.9.2023 in Petition No. 184/TT/2022, in respect of the transmission assets are as follows:

Assets	Revised SCOD as per MoP letters dated 27.7.2020 and 12.6.2021	COD	Total Time Over-run (days)	Time Over-run Condoned (days)	Time Over-run not condoned (days)
Asset-1	20.11.2021	23.8.2021	-	-	-
Asset-2		30.10.2021	-	-	-
Asset-3		16.1.2022	57 days	-	57 days
Asset-4		18.2.2022	90 days	-	90 days
Asset-5		9.3.2022	109 days	109 days	-

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

16. The Petitioner has claimed the IDC in respect of the transmission assets and has submitted the Auditor’s Certificates dated 4.10.2024 in support of the same. The Petitioner has submitted the computation of IDC along with the year-wise details of the IDC discharged.

17. The allowable IDC has been worked out considering the information submitted by the Petitioner in respect of the transmission assets separately on cash basis. The loan details submitted in Form-9C for the 2019-24 tariff period and IDC computation sheet have been considered for the purpose of IDC calculation on cash basis and on accrual basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged.

18. Accordingly, based on the information furnished by the Petitioner, IDC allowed is as under:

(₹ in lakh)

Assets	IDC as per Auditor’s Certificate	IDC Allowed (Accrual Basis)	IDC Disallowed	IDC Undischarged as on COD	IDC allowed as on COD (Cash Basis)	IDC Discharged During	
						2021-22	2022-23
	A	B	C	D	E=B-C-D		
Asset-1	145.23	145.06	0.17	37.70	107.36	4.40	33.30
Asset-2	38.80	38.80	0.00	2.41	36.39	2.41	0.00
Asset-3	33.27	32.73	0.54	7.20	25.53	7.20	0.00
Asset-4	44.72	44.72	0.00	0.00	44.72	0.00	0.00
Asset-5	39.06	39.06	0.00	0.00	39.06	0.00	0.00

19. The Petitioner has claimed the IEDC as admitted by the Commission vide order dated 15.9.2023 in Petition No. 184/TT/2022. The Petitioner has also submitted that the entire IEDC has been discharged as on the COD in respect of the transmission assets. Accordingly, IEDC allowed is as follows:



(₹ in lakh)

Assets	IEDC as per Auditor's Certificate	IEDC Disallowed	IEDC allowed
	A	B	C=A-B
Asset-1	426.69	0.00	426.69
Asset-2	219.93	0.00	219.93
Asset-3	236.28	11.09	225.19
Asset-4	775.59	55.98	719.61
Asset-5	106.71	0.00	106.71

Initial Spares

20. The Initial Spares claimed by the Petitioner are within the limits as per Regulation 23(d) of the 2019 Tariff Regulations and the same has been allowed by the Commission vide order dated 15.9.2023 in Petition No. 184/TT/2022.

Capital Cost allowed as on COD

21. The capital cost of the transmission assets has been calculated in accordance with Regulation 19 of the 2019 Tariff Regulations. The details of the capital cost approved as on the COD are as under:

(₹ in lakh)

Assets	Capital cost claimed as on COD as per the Auditor's Certificate (A)	Less: IDC disallowed due to computational difference / over-run (B)	Less: IDC undischarged as on COD (C)	Less: IEDC disallowed due to time over-run (D)	Capital cost allowed as on COD (E = A-B-C-D)
Asset-1	2790.01	0.17	37.70	0.00	2753.04
Asset-2	1286.03	0.00	2.41	0.00	1283.62
Asset-3	1261.28	0.54	7.20	11.09	1242.45
Asset-4	6020.60	0.00	0.00	55.98	5964.62
Asset-5	1901.58	0.00	0.00	0.00	1901.58

Additional Capital Expenditure (ACE)

22. The Commission vide order dated 15.9.2023 in Petition No. 184/TT/2022, allowed the ACE in respect of the transmission assets for the 2019-24 tariff period under Regulation 24(1)(a) of the 2019 Tariff Regulations on account of the balance and

retention payments for the works already executed and Regulation 24(1)(b) of the 2019 Tariff Regulations on account of works deferred for execution and the same is as under:

Assets	Projected ACE Allowed		
	2021-22	2022-23	2023-24
Asset-1	141.37	1032.07	47.46
Asset-2	736.54	84.12	199.93
Asset-3	653.34	355.00	0.00
Asset-4	54.60	1316.23	146.25
Asset-5	0.00	290.67	54.98

23. The Petitioner has claimed the following ACE based on the actual expenditure in accordance with Regulation 24(1)(a) of the 2019 Tariff Regulations in the instant Petition:

Particulars	Regulations	Assets	Actual ACE		
			2021-22	2022-23	2023-24
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	Asset-1	418.28	217.44	156.39
		Asset-2	449.73	257.94	75.02
		Asset-3	323.83	166.50	136.68
		Asset-4	194.20	698.93	109.06
		Asset-5	30.70	185.03	109.04

24. In response to the Commission's query vide RoP of the hearing dated 11.3.2025, the Petitioner vide affidavit dated 25.3.2025 has submitted that the CODs of the transmission projects are 23.8.2020 (Asset-1), 30.10.2021 (Asset-2), 16.1.2022 (Asset-3), 18.2.2022 (Asset-4) and 9.3.2022 (Asset-5) with the cut-off date as 31.8.2024, 31.10.2024, 31.1.2025, 28.2.2025 and 31.3.2025, respectively. The Petitioner has further submitted that against the approved estimated ACE of ₹5112.56 lakh, the actual ACE incurred/estimated to be incurred in the instant project is ₹5381.06 lakh (₹3525.77 lakh incurred during 2019-24 tariff period and ₹1855.30 lakh estimated to be incurred during FY 2024-25). So, there is a variation of ₹268.50 lakh in the approved ACE and

the claimed ACE (5.2% with respect to approved ACE). Detail of the variation in the ACE is as under:

Asset-1:

(₹ in lakh)

Cost allowed as per order dated 15.9.2023 in Petition No.184/TT/2022						
FR Apportioned cost	Capital cost as on COD	ACE during 2019-24				Capital cost as on 31.3.2024
		2020-21	2021-22	2022-23	2023-24	
5224.73	2750.65	--	141.37	1032.07	47.46	3971.54
Cost claimed in the instant Petition						
5224.73	2753.18	--	418.28	214.44	156.39	3545.29
Variation	2.53*	--	(276.91)	817.63	(108.93)	425.26#

*Computational difference IDC reclaimed

Spill over to FY 2024-25

Asset-2:

(₹ in lakh)

Cost allowed as per order dated 15.9.2023 in Petition No. 184/TT/2022						
FR Apportioned cost	Capital cost as on COD	ACE during 2019-24				Capital cost as on 31.3.2024
		2020-21	2021-22	2022-23	2023-24	
2802.06	1283.62	--	736.54	84.12	199.93	2304.21
Cost claimed in the instant Petition						
2802.06	1283.62	--	449.73	257.94	75.02	2066.31
Variation		--	286.81	(173.82)	124.91	237.90#

Spill over to FY 2024-25

Asset-3:

(₹ in lakh)

Cost allowed as per order dated 15.9.2023 in Petition No.184/TT/2022						
FR Apportioned cost	Capital cost as on COD	ACE during 2019-24				Capital cost as on 31.3.2024
		2020-21	2021-22	2022-23	2023-24	
2682.39	1242.45	--	653.34	355.00	0.00	2250.78
Cost claimed in the instant Petition						
2682.39	1242.46	--	323.83	166.50	136.68	1869.47
Variation		--	329.51	188.50	(136.68)	381.31#

Spill over to FY 2024-25

Asset-4:

(₹ in lakh)

Cost allowed as per order dated 15.9.2023 in Petition No.184/TT/2022						
FR Apportioned cost	Capital cost as on COD	ACE during 2019-24				Capital cost as on 31.3.2024
		2020-21	2021-22	2022-23	2023-24	
8816.76	5964.62	--	54.60	1316.23	146.25	7481.70
Cost claimed in the instant Petition						
8816.76	5964.62	--	194.20	698.93	109.06	6966.81
Variation	--	--	(139.60)	617.30	37.19	514.89#

Spill over to FY 2024-25



Asset-5:

(₹ in lakh)

Cost allowed as per order dated 15.9.2023 in Petition No.184/TT/2022						
FR Apportioned cost	Capital cost as on COD	ACE during the 2019-24				Capital cost as on 31.3.2024
		2020-21	2021-22	2022-23	2023-24	
2609.87	1901.58	--	--	290.67	54.98	2247.23
Cost claimed in the instant Petition						
2609.87	1901.58	--	30.70	185.03	109.04	2226.35
Variation	--	--	(30.70)	105.64	(54.06)	20.88

25. The Petitioner has submitted that the ACE incurred during 2019-24 tariff period has been claimed under Regulation 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations. Further, the primary reason for variations in the approved ACE and actual ACE is that while projecting the estimated ACE, contracts were not closed and liabilities were not finalized. However, in the instant true up Petition, the ACE has been claimed on the basis of actual payments made to the vendors after receipt of the final invoices and incorporating the amendments and also after due reconciliation in accordance with the contractual clauses as per the provisions of the contract. The Petitioner has also submitted the package-wise and vendor-wise details of the ACE for the 2019-24 tariff period for the transmission assets and the same are as under:

Asset-1												
Party	Particulars (Transmission Line/Sub-station)	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge (Retention)				Unexecuted Work (Bill raised after COD - Unbilled)				Outstanding Liability as on 31.3.2024
				2021-22	2022-23	2023-24	Total	2021-22	2022-23	2023-24	Total	
Shandong Taikai	Sub-station	2021-22	354.18	173.18	100.00	0.00	273.18	0.00	39.09	54.47	93.56	81.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	18.93	0.00	18.93	0.00	18.93	0.00	0.00	0.00	0.00	0.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	462.74	115.90	0.00	54.46	170.36	0.00	26.09	0.00	26.09	292.38



Asset-1												
Party	Particulars (Transmission Line/Sub-station)	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge (Retention)				Unexecuted Work (Bill raised after COD - Unbilled)				Outstanding Liability as on 31.3.2024
				2021-22	2022-23	2023-24	Total	2021-22	2022-23	2023-24	Total	
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	89.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.05
Godrej and Boyce Mfg Co. Ltd.	Building and civil works	2021-22	65.00	65.00	0.00	0.00	65.00	47.88	0.00	0.00	47.88	0.00
Others	Sub-station	2021-22	0.00	0.00	0.00	0.00	0.00	11.92	0.00	47.46	59.38	0.00
			989.90	354.08	118.93	54.46	527.47	59.80	65.18	101.93	226.91	462.43

Asset-2										
Party	Particulars (Transmission Line/Sub-station)	Year	Outstanding Liability as on COD	Discharge (Retention)		Unbilled				Outstanding Liability as on 31.03.2024
				2021-22	Total (19-24)	2021-22	2022-23	2023-24	Total (19-24)	
Shandong Taikai	Sub-station	2021-22	189.40	0.00	0.00	173.86	173.82	0.00	347.68	189.40
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	352.82	53.04	53.04	35.01	0.00	0.00	35.01	299.78
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	23.40	23.40	23.40	63.41	0.00	0.00	63.41	0.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	Sub-station	2021-22	0.00	0.00	0.00	0.00	45.40	53.40	98.80	0.00
Other	Sub-station	2021-22	0.00	0.00	0.00	0.00	38.72	21.62	60.34	0.00
SS Construction & Others	Building & Civil work	2021-22	0.00	0.00	0.00	85.01	0.00	0.00	85.01	0.00
Valiant Communication	IT & Communication	2021-22	0.00	0.00	0.00	13.60	0.00	0.00	13.60	0.00



on & others										
			565.62	76.44	76.44	370.89	257.94	75.02	703.85	489.18

Asset-3										
Party	Particulars (Transmission Line/Sub-station)	Year of Actual Capitalization	Outstanding Liability as on	Discharge (Retention)		Work done before DOCO but bill received after DOCO (Unbilled liability)				Outstanding Liability as on 31.03.2024
				2022-23	Total (19-24)	2021-22	2022-23	2023-24	Total (19-24)	
Shandong Taikai	Sub-station	2021-22	163.59	0.00	0.00	121.03	42.40	136.68	300.11	163.59
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	330.87	43.15	43.15	23.98	19.95	0.00	43.93	287.72
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	32.93	32.93	32.93	19.63	20.74	0.00	40.37	0.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	2.00	2.00	2.00	20.45	5.33	0.00	25.78	0.00
Godrej and Boyce Mfg Co. Ltd. & others	Building & Civil works	2021-22	0.00	0.00	0.00	95.29	0.00	0.00	95.29	0.00
Misc packages	IT & Communication	2021-22	0.00	0.00	0.00	35.72	0.00	0.00	35.72	0.00
			529.39	78.08	78.08	316.10	88.42	136.68	541.20	451.31

Asset-4											
Party	Particulars (Transmission Line/Sub-station)	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge (Retention)			Work done before DOCO but bill received after DOCO (Unbilled liability)				Outstanding Liability as on 31.03.2024
				2022-23	2023-24	Total	2021-22	2022-23	2023-24	Total	
Shandong Taikai	Sub-station	2021-22	555.61	391.50	51.31	442.81	46.75	100.20	10.09	157.04	112.80
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	463.01	107.19	20.82	128.01	0.00	100.04	7.46	107.50	335.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	10.66	0.00	10.66	10.66	0.00	0.00	8.72	8.72	0.00
Godrej and Boyce	Sub-station	2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Asset-4											
Party	Particulars (Transmission Line/Sub- station)	Year of Actual Capitali- zation	Outstan- ding Liability as on COD	Discharge (Retention)			Work done before DOCO but bill received after DOCO (Unbilled liability)				Outstanding Liability as on 31.03.2024
				2022- 23	2023- 24	Total	2021- 22	2022- 23	2023- 24	Total	
Mfg Co. Ltd.											
Mr. Debasish Mallick Chowdhury & others	Building	2021-22	0.00	0.00	0.00	0.00	126.81	0.00	0.00	126.81	0.00
M/S Schneider Electric India	IT & Communication	2021-22	0.00	0.00	0.00	0.00	20.64	0.00	0.00	20.64	0.00
Other Misc Packages	Sub-station	2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total			1029.28	498.69	82.79	581.48	194.20	200.24	26.27	420.71	447.80

Asset-5											
Party	Particulars (Transmission Line/Sub- station)	Year	Outstanding Liability as on COD	Discharge (Retention)			Unbilled				Outstanding Liability as on 31.03.2024
				2022- 23	2023- 24	Total (19- 24)	2021- 22	2022- 23	2023- 24	Total (19- 24)	
Shandong Taikai	Sub-station	2021-22	22.02	0.00	22.02	22.02	0.00	40.19	0.00	40.19	34.46
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	81.96	74.27	7.69	81.96	9.12	0.31	0.00	9.43	69.91
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	9.19	0.00	9.19	9.19	0.00	0.00	0.00	0.00	0.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	15.56	0.00	15.56	15.56	21.58	2.40	0.00	23.98	0.00
Godrej and Boyce Mfg Co. Ltd.	Sub-station	2021-22	0.00	0.00	0.00	0.00	0.00	12.90	0.00	12.90	0.00
Mani Borah & Others	Building	2021-22	0.00	0.00	0.00	0.00	0.00	53.25	54.59	107.84	0.00
Total			128.73	74.27	54.46	128.73	30.70	109.05	54.59	194.34	104.37



26. We have considered the Petitioner's submissions. The ACE claimed by the Petitioner is before the cut-off date and has been incurred for clearing the balance and retention payments for the works executed prior to the COD and for making payments on completion of certain works which were unexecuted as on COD. Such expenditure is permissible for the purpose of tariff in terms of Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations Accordingly, the same is allowed for the purpose of tariff. The ACE allowed is as under:

(₹ in lakh)

Asset-1			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	2021-22	413.88
		2022-23	184.11
		2023-24	156.39
Add IDC Discharged		2021-22	4.40
		2022-23	33.30
Total ACE			792.08

(₹ in lakh)

Asset-2			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	2021-22	447.33
		2022-23	257.94
		2023-24	75.02
Add IDC Discharged		2021-22	2.41
Total ACE			782.70

(₹ in lakh)

Asset-3			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	2021-22	316.10
		2022-23	166.50
		2023-24	136.68
Add IDC Discharged		2021-22	7.20
Total ACE			626.48

(₹ in lakh)

Asset-4			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	2021-22	194.20
		2022-23	698.93
		2023-24	109.06
Total ACE			1002.19

(₹ in lakh)

Asset-5			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) of the 2019 Tariff Regulations	2021-22	30.70
		2022-23	185.03
		2023-24	109.05
Total ACE			324.78

27. The capital cost and ACE allowed in respect of the transmission assets for the 2019-24 period is as follows:

(₹ in lakh)

Assets	FR Apportioned Approved Cost	Capital Cost allowed as on COD	Actual ACE			Total Capital Cost as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	5224.73	2753.04	418.28	217.41	156.39	3545.12
Asset-2	2802.06	1283.62	449.74	257.94	75.02	2066.32
Asset-3	2682.09	1242.45	323.30	166.50	136.68	1868.92
Asset-4	8816.76	5964.62	194.20	698.93	109.06	6966.81
Asset-5	2609.87	1901.58	30.70	185.03	109.05	2226.36

Debt-Equity ratio

28. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of the tariff of the transmission assets during the 2019-24 tariff period are as follows:

Asset-1						
Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1927.13	70.00	554.46	70.00	2481.59	70.00
Equity	825.91	30.00	237.62	30.00	1063.54	30.00
Total	2753.04	100.00	792.08	100.00	3545.12	100.00

Asset-2						
Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	898.53	70.00	547.89	70.00	1446.42	70.00
Equity	385.09	30.00	234.81	30.00	619.90	30.00
Total	1283.62	100.00	782.70	100.00	2066.32	100.00

Asset-3						
Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	869.72	70.00	438.53	70.00	1308.25	70.00
Equity	372.74	30.00	187.94	30.00	560.68	30.00
Total	1242.45	100.00	626.48	100.00	1868.93	100.00

Asset-4						
Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	4175.23	70.00	701.53	70.00	4876.77	70.00
Equity	1789.39	30.00	300.66	30.00	2090.04	30.00
Total	5964.62	100.00	1002.19	100.00	6966.81	100.00

Asset-5						
Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1331.11	70.00	227.35	70.00	1558.45	70.00
Equity	570.47	30.00	97.43	30.00	667.91	30.00
Total	1901.58	100.00	324.78	100.00	2226.36	100.00

Depreciation

29. The depreciation has been worked out considering the admitted capital expenditure as on COD and, thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the transmission assets as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

30. The depreciation allowed for the transmission assets for the 2019-24 tariff period are as under:

					(₹ in lakh)
Asset-1					
Sl. No.	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24	
A	Opening Capital Cost	2753.04	3171.32	3388.73	
B	Addition during the year 2019-24 due to ACE	418.28	217.41	156.39	
C	Closing Capital Cost (A+B)	3171.32	3388.73	3545.12	

Asset-1				
Sl. No.	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
D	Average Capital Cost (A+C)/2	2962.18	3280.02	3466.93
E	Average Capital Cost (90% depreciable assets)	2855.78	3157.76	3344.11
F	Average Capital Cost (100% depreciable assets)	106.39	122.26	122.81
G	Depreciable value (excluding IT equipment and software) (E*90%)	2570.21	2841.99	3009.70
H	Depreciable value of IT equipment and software (F*100%)	106.39	122.26	122.81
I	Total Depreciable Value (G+H)	2676.60	2964.25	3132.52
J	Weighted average rate of Depreciation (WAROD) (in %)	5.50	5.49	5.48
K	Balance useful life at the beginning of the year (Year)	24	24	23
L	Lapsed useful life at the beginning of the year (Year)	-	-	1
M	Aggregate Depreciable Value	2676.60	2964.25	3132.52
N	Depreciation during the year (D*J)	98.62	180.15	190.06
O	Cumulative Depreciation at the end of the year	98.62	278.77	468.83
P	Remaining Aggregate Depreciable Value at the end of the year	2577.98	2685.48	2663.68

(₹ in lakh)

Asset-2				
Sl. No.	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
A	Opening Capital Cost	1283.62	1733.36	1991.30
B	Addition during the year 2019-24 due to ACE	449.74	257.94	75.02
C	Closing Capital Cost (A+B)	1733.36	1991.30	2066.32
D	Average Capital Cost (A+C)/2	1508.49	1862.33	2028.81
E	Average Capital Cost (90% depreciable assets)	1469.78	1822.17	1988.65
F	Average Capital Cost (100% depreciable assets)	38.71	40.16	40.16
G	Depreciable value (excluding IT equipment and software) (E*90%)	1322.80	1639.95	1789.79
H	Depreciable value of IT equipment and software (F*100%)	38.71	40.16	40.16
I	Total Depreciable Value (G+H)	1361.51	1680.11	1829.95
J	Weighted average rate of Depreciation (WAROD) (in %)	5.36	5.31	5.31
K	Balance useful life at the beginning of the year (Year)	24	24	23



Asset-2				
Sl. No.	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
L	Lapsed useful life at the beginning of the year (Year)	-	-	1
M	Aggregate Depreciable Value	1361.51	1680.11	1829.95
N	Depreciation during the year (D*J)	33.91	98.92	107.71
O	Cumulative Depreciation at the end of the year	33.91	132.83	240.55
P	Remaining Aggregate Depreciable Value at the end of the year	1327.60	1547.28	1589.40

(₹ in lakh)

Asset-3				
Sl. No.	Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
A	Opening Capital Cost	1242.45	1565.74	1732.24
B	Addition during the year 2019-24 due to ACE	323.30	166.50	136.68
C	Closing Capital Cost (A+B)	1565.74	1732.24	1868.92
D	Average Capital Cost (A+C)/2	1404.10	1648.99	1800.58
E	Average Capital Cost (90% depreciable assets)	1361.12	1591.36	1742.95
F	Average Capital Cost (100% depreciable assets)	42.97	57.63	57.63
G	Depreciable value (excluding IT equipment and software) (E*90%)	1225.01	1432.22	1568.65
H	Depreciable value of IT equipment and software (F*100%)	42.97	57.63	57.63
I	Total Depreciable Value (G+H)	1267.98	1489.86	1626.29
J	Weighted average rate of Depreciation (WAROD) (in %)	5.36	5.38	5.37
K	Balance useful life at the beginning of the year (Year)	24	24	23
L	Lapsed useful life at the beginning of the year (Year)	-	-	1
M	Aggregate Depreciable Value	1267.98	1489.86	1626.29
N	Depreciation during the year (D*J)	15.46	88.70	96.70
O	Cumulative Depreciation at the end of the year	15.46	104.15	200.85
P	Remaining Aggregate Depreciable Value at the end of the year	1252.52	1385.70	1425.44

(₹ in lakh)

Asset-4				
Sl. No.	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
A	Opening Capital Cost	5964.62	6158.82	6857.75
B	Addition during the year 2019-24 due to ACE	194.20	698.93	109.06
C	Closing Capital Cost (A+B)	6158.82	6857.75	6966.81
D	Average Capital Cost (A+C)/2	6061.72	6508.29	6912.28
E	Average Capital Cost (90% depreciable assets)	5992.54	6430.47	6834.46
F	Average Capital Cost (100% depreciable assets)	69.18	77.82	77.82
G	Depreciable value (excluding IT equipment and software) (E*90%)	5393.29	5787.42	6151.02
H	Depreciable value of IT equipment and software (F*100%)	69.18	77.82	77.82
I	Total Depreciable Value (G+H)	5462.47	5865.24	6228.84
J	Weighted average rate of Depreciation (WAROD) (in %)	5.22	5.22	5.22
K	Balance useful life at the beginning of the year (Year)	25	25	24
L	Lapsed useful life at the beginning of the year (Year)	-	-	1
M	Aggregate Depreciable Value	5462.47	5865.24	6228.84
N	Depreciation during the year (D*J)	36.41	339.58	360.91
O	Cumulative Depreciation at the end of the year	36.41	375.99	736.90
P	Remaining Aggregate Depreciable Value at the end of the year	5426.06	5489.25	5491.94

(₹ in lakh)

Asset-5				
Sl. No.	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
A	Opening Capital Cost	1901.58	1932.28	2117.31
B	Addition during the year 2019-24 due to ACE	30.70	185.03	109.05
C	Closing Capital Cost (A+B)	1932.28	2117.31	2226.36
D	Average Capital Cost (A+C)/2	1916.93	2024.80	2171.84
E	Average Capital Cost (90% depreciable assets)	1903.89	2011.20	2157.69
F	Average Capital Cost (100% depreciable assets)	13.04	13.60	14.15
G	Depreciable value (excluding IT equipment and software) (E*90%)	1713.50	1810.08	1941.92
H	Depreciable value of IT equipment and software (F*100%)	13.04	13.60	14.15



Asset-5				
Sl. No.	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
I	Total Depreciable Value (G+H)	1726.54	1823.68	1956.07
J	Weighted average rate of Depreciation (WAROD) (in %)	5.35	5.35	5.32
K	Balance useful life at the beginning of the year (Year)	25	25	24
L	Lapsed useful life at the beginning of the year (Year)	-	-	1
M	Aggregate Depreciable Value	1726.54	1823.68	1956.07
N	Depreciation during the year (D*J)	6.46	108.23	115.53
O	Cumulative Depreciation at the end of the year	6.46	114.69	230.22
P	Remaining Aggregate Depreciable Value at the end of the year	1720.08	1708.99	1725.85

31. The details of depreciation approved vide order dated 15.9.2023 in Petition No. 184/TT/2022 in respect of the transmission assets, depreciation claimed by the Petitioner in the instant Petition and trued-up depreciation allowed in the instant order are as follows:

(₹ in lakh)			
Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	93.99	186.87	215.49
Claimed by the Petitioner in the instant Petition	98.62	180.16	190.06
Approved after true-up in this order	98.62	180.15	190.06

(₹ in lakh)			
Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	37.36	110.47	117.30
Claimed by the Petitioner in the instant Petition	33.92	98.92	107.71
Approved after true-up in this order	33.91	98.92	107.71

(₹ in lakh)			
Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	17.22	110.97	120.47
Claimed by the Petitioner in the instant Petition	15.47	88.72	96.72
Approved after true-up in this order	15.46	88.70	96.70

(₹ in lakh)			
Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	36.02	348.92	387.15
Claimed by the Petitioner in the instant Petition	36.40	339.58	360.91
Approved after true-up in this order	36.41	339.58	360.91

(₹ in lakh)			
Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	6.41	108.92	117.59
Claimed by the Petitioner in the instant Petition	6.45	108.23	115.53
Approved after true-up in this order	6.46	108.23	115.53

Interest on Loan (IoL)

32. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual loan portfolio and rate of interest. We have considered the Petitioner's submissions. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the transmission assets are as follows:

(₹ in lakh)				
	Asset-1			
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
A	Gross Normative Loan	1927.13	2219.92	2372.11
B	Cumulative Repayments upto Previous Year	0.00	98.62	278.77
C	Net Loan-Opening (A-B)	1927.13	2121.30	2093.34
D	Additions	292.80	152.19	109.47

Asset-1				
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
E	Repayment during the year	98.62	180.15	190.06
F	Net Loan-Closing (C+D-E)	2121.30	2093.34	2012.75
G	Average Loan (C+F)/2	2024.22	2107.32	2053.05
H	Weighted Average Rate of Interest on Loan (in %)	6.5864	7.2536	7.6752
I	Interest on Loan (G*H)	80.72	152.86	157.58

(₹ in lakh)

Asset-2				
	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
A	Gross Normative Loan	898.53	1213.35	1393.91
B	Cumulative Repayments upto Previous Year	0.00	33.91	132.83
C	Net Loan-Opening (A-B)	898.53	1179.44	1261.08
D	Additions	314.82	180.56	52.51
E	Repayment during the year	33.91	98.92	107.71
F	Net Loan-Closing (C+D-E)	1179.44	1261.08	1205.88
G	Average Loan (C+F)/2	1038.99	1220.26	1233.48
H	Weighted Average Rate of Interest on Loan (in %)	5.9500	7.3437	8.0954
I	Interest on Loan (G*H)	25.91	89.61	99.85

(₹ in lakh)

Asset-3				
	Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
A	Gross Normative Loan	869.72	1096.02	1212.57
B	Cumulative Repayments upto Previous Year	0.00	15.46	104.15
C	Net Loan-Opening (A-B)	869.72	1080.56	1108.42
D	Additions	226.31	116.55	95.68
E	Repayment during the year	15.46	88.70	96.70
F	Net Loan-Closing (C+D-E)	1080.56	1108.42	1107.40
G	Average Loan (C+F)/2	975.14	1094.49	1107.91
H	Weighted Average Rate of Interest on Loan (in %)	5.9500	7.3097	8.0915
I	Interest on Loan (G*H)	11.92	80.00	89.65

(₹ in lakh)

Asset-4				
	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
A	Gross Normative Loan	4175.23	4311.17	4800.43
B	Cumulative Repayments upto Previous Year	0.00	36.41	375.99
C	Net Loan-Opening (A-B)	4175.23	4274.77	4424.44



Asset-4				
	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
D	Additions	135.94	489.25	76.34
E	Repayment during the year	36.41	339.58	360.91
F	Net Loan-Closing (C+D-E)	4274.77	4424.44	4139.87
G	Average Loan (C+F)/2	4225.00	4349.60	4282.15
H	Weighted Average Rate of Interest on Loan (in %)	6.0035	6.7064	7.1651
I	Interest on Loan (G*H)	29.19	291.70	306.82

(₹ in lakh)

Asset-5				
	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
A	Gross Normative Loan	1331.11	1352.60	1482.12
B	Cumulative Repayments upto Previous Year	0.00	6.46	114.69
C	Net Loan-Opening (A-B)	1331.11	1346.14	1367.43
D	Additions	21.49	129.52	76.34
E	Repayment during the year	6.46	108.23	115.53
F	Net Loan-Closing (C+D-E)	1346.14	1367.43	1328.23
G	Average Loan (C+F)/2	1338.62	1356.78	1347.83
H	Weighted Average Rate of Interest on Loan (in %)	5.9516	7.2895	8.0327
I	Interest on Loan (G*H)	5.02	98.90	108.27

33. The details of IoL allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022 for the transmission assets, IoL claimed by the Petitioner in the instant Petition and trued-up IoL allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	75.94	142.92	154.31
Claimed by the Petitioner in the instant Petition	80.73	152.87	157.58
Approved after true-up in this order	80.72	152.86	157.58

(₹ in lakh)

Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	28.37	80.38	79.52
Claimed by the Petitioner in the instant Petition	25.91	89.61	99.85
Approved after true-up in this order	25.91	89.61	99.85

(₹ in lakh)

Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	13.32	82.03	82.53
Claimed by the Petitioner in the instant Petition	11.92	80.03	89.67
Approved after true-up in this order	11.92	80.00	89.65

(₹ in lakh)

Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	28.77	267.21	275.82
Claimed by the Petitioner in the instant Petition	29.19	291.70	306.82
Approved after true-up in this order	29.19	291.70	306.82

(₹ in lakh)

Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	4.98	81.63	82.09
Claimed by the Petitioner in the instant Petition	5.02	98.90	108.27
Approved after true-up in this order	5.02	98.90	108.27

Return on Equity (RoE)

34. The Petitioner has submitted that its Income Tax Assessment has been completed, and assessment orders have been issued by the Income Tax Department for FY 2019- 20 and FY 2020-21 and the income has been assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner has further submitted that the Income Tax Returns (ITR) have been filed for FY 2021-22, FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024).

35. The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health

and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

Year	Claimed effective tax rate (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

36. We have considered the Petitioner's submissions and have also gone through the record. We have noted that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the statement of Profit and Loss prepared in accordance with Schedule-II of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up of the rate of RoE. Any under recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective Tax (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	17.472	15.500	18.782
2020-21	17.472	17.472	15.500	18.782
2021-22	17.472	17.472	15.500	18.782
2022-23	17.472	17.472	15.500	18.782
2023-24	17.472	17.472	15.500	18.782

37. Accordingly, the trued-up RoE allowed in respect of the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

	Asset-1			
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
A	Opening Equity	825.91	951.40	1016.62
B	Additions	125.48	65.22	46.92
C	Closing Equity (A+B)	951.40	1016.62	1063.54
D	Average Equity (A+C)/2	888.65	984.01	1040.08
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	101.06	184.82	195.35

(₹ in lakh)

	Asset-2			
	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
A	Opening Equity	385.09	520.01	597.39
B	Additions	134.92	77.38	22.51
C	Closing Equity (A+B)	520.01	597.39	619.90
D	Average Equity (A+C)/2	452.55	558.70	608.64
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	35.63	104.93	114.32

(₹ in lakh)

	Asset-3			
	Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
A	Opening Equity	372.74	469.72	519.67
B	Additions	96.99	49.95	41.00
C	Closing Equity (A+B)	469.72	519.67	560.68
D	Average Equity (A+C)/2	421.23	494.70	540.18
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	16.26	92.91	101.46

(₹ in lakh)

Asset-4				
	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
A	Opening Equity	1789.39	1847.65	2057.33
B	Additions	58.26	209.68	32.72
C	Closing Equity (A+B)	1847.65	2057.33	2090.04
D	Average Equity (A+C)/2	1818.52	1952.49	2073.68
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	39.30	366.72	389.48

(₹ in lakh)

Asset-5				
	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
A	Opening Equity	570.47	579.68	635.19
B	Additions	9.21	55.51	32.72
C	Closing Equity (A+B)	579.68	635.19	667.91
D	Average Equity (A+C)/2	575.08	607.44	651.55
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	6.81	114.09	122.37

38. The details of RoE approved vide order dated 15.9.2023 in Petition No. 184/TT/2022 for the transmission assets, RoE claimed by the Petitioner in the instant Petition and trued-up RoE allowed in the instant order is as follows:

(₹ in lakh)

Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	96.25	192.03	222.44
Claimed by the Petitioner in the instant Petition	101.07	184.83	195.36
Approved after true-up in this order	101.06	184.82	195.35

(₹ in lakh)

Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	39.02	116.20	124.20
Claimed by the Petitioner in the instant Petition	35.63	104.94	114.32
Approved after true-up in this order	35.63	104.93	114.32



(₹ in lakh)

Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	18.17	116.82	126.82
Claimed by the Petitioner in the instant Petition	16.26	92.95	101.49
Approved after true-up in this order	16.26	92.91	101.46

(₹ in lakh)

Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	38.85	376.24	417.44
Claimed by the Petitioner in the instant Petition	39.30	366.71	389.48
Approved after true-up in this order	39.30	366.72	389.48

(₹ in lakh)

Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	6.75	115.34	125.07
Claimed by the Petitioner in the instant Petition	6.81	114.09	122.37
Approved after true-up in this order	6.81	114.09	122.37

Operation & Maintenance Expenses (O&M Expenses)

39. The Petitioner in the instant true-up Petition has claimed the following O&M Expenses:

(₹ in lakh)

O&M Expenses	2021-22	2022-23	2023-24
Asset-1	73.01	124.80	129.20
Asset-2	30.36	74.88	77.52
Asset-3	14.88	74.88	77.52
Asset-4	29.12	261.75	271.13
Asset-5	2.32	38.11	39.47

40. The Commission in order dated 15.9.2023 in Petition No. 184/TT/2022 did not approved the O&M Expenses for Asset-1, Asset-2 and Asset-3. The extract of the said order is reproduced as under:

“62. We have considered the submissions of the Petitioner. The Petitioner has not claimed any O&M Expenses towards upgraded GIS bays due to the fact that the Petitioner has claimed O&M Expenses towards AIS bays in respective tariff petitions. O&M Expenses for AIS bays claimed will be reviewed at the time of truing-up of the respective true-up petitions. Accordingly, O&M Expenses are not approved for Asset- 1, Asset-2 and Asset-3.”

41. The Petitioner in the instant Petition has submitted that certain AIS bays, which have been upgraded to GIS bays at Sub-stations in Jiribam, Halflong, Kumarghat, Aizawl, and Dimapur. These upgrades are part of multiple Petitions. i.e., 148/TT/2020, 483/TT/2019, 252/TT/2020, 315/TT/2020, and 479/TT/2020, for which true-up Petitions for the 2019-24 tariff period have not yet been filed. The Petitioner has further submitted that the O&M charges in the instant true up Petition are applicable to the upgraded GIS bays. To prevent double claiming of O&M Expenses, the Petitioner has proposed that O&M Expenses for the AIS bays will be discontinued from the COD of the upgraded GIS bays in the respective Petitions or projects.

42. The Commission vide RoP dated 11.3.2025, directed the Petitioner to submit justification along with the details corresponding to the O&M Expenses claimed in the 2019-24 tariff period.

43. In response, the Petitioner vide affidavit dated 25.3.2025 has submitted that the existing AIS bays at Jiribam, Halflong, Kumarghat, Aizawal and Dimapur Sub-station were upgraded to GIS bays. The O&M Expenses of these Sub-stations have been covered under the true-up Petitions having Diary No. 1118/2024, Diary No. 1076/2024, Diary No. 1022/2024, Diary No. 1008/2024 and Petition No. 462/TT/2024, respectively. Accordingly, The O&M Expenses applicable to the GIS bays have been claimed in the instant true up Petition. Further, for the upgraded bays, the O&M Expenses of AIS bays have been discontinued in the respective Petitions/ projects (as above-mentioned Petitions) from the COD of the upgraded GIS bays.

44. We have considered the Petitioner's submissions. The O&M Expenses for the AIS bays claim will be reviewed at the time of truing-up of the respective true-up Petitions as mentioned by the Petitioner. The O&M Expenses allowed for the transmission assets, in this Petition, as per the norms specified in the 2019 Tariff Regulations and the same are as follows:

(₹ in lakh)

Particulars	Asset-1		
	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Sub-station Bays			
Norms (₹ lakh/Bay)	12.061	12.481	12.922
132 kV (GIS)	10	10	10
Total O&M Expenses allowed	73.03	124.81	129.22

(₹ in lakh)

Particulars	Asset-2		
	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Sub-station Bays			
Norms (₹ lakh/Bay)	12.061	12.481	12.922
132 kV (GIS)	6	6	6
Total O&M Expenses allowed	30.33	74.89	77.53

(₹ in lakh)

Particulars	Asset-3		
	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Sub-station Bays			
Norms (₹ lakh/Bay)	12.061	12.481	12.922
132 kV (GIS)	6	6	6
Total O&M Expenses allowed	14.87	74.89	77.53

(₹ in lakh)

Particulars	Asset-4		
	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Sub-station Bays			
Norms (₹ lakh/Bay)	16.884	17.472	18.088
220 kV (GIS)	5	5	5
Norms (₹ lakh/Bay)	12.061	12.481	12.922
132 kV (GIS)	7	7	7
Transformer (in MVA)			
220 kV: Dimapur: ICT (in MVA)	320	320	320
Norm (₹ lakh/MVA)	0.263	0.272	0.282
Total O&M Expenses allowed	29.11	261.77	271.13

(₹ in lakh)

Particulars	Asset-5		
	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Sub-station Bays			
Norms (₹ lakh/Bay)	16.884	17.472	18.088
220 kV (GIS)	1	1	1
Norms (₹ lakh/Bay)	12.061	12.481	12.922
132 kV (GIS)	1	1	1
Transformer (in MVA)			
220 kV: Mokokchung: ICT (in MVA)	30	30	30
Norm (₹ lakh/MVA)	0.263	0.272	0.282
Total O&M Expenses allowed	2.32	38.11	39.47

45. The details of O&M Expenses approved vide order dated 15.9.2023 in Petition No. 184/TT/2022, claimed by the Petitioner in the instant Petition and trued-up O&M Expenses in the instant order are as follows:

(₹ in lakh)

Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	73.01	124.80	129.20
Approved after true-up in this order	73.03	124.81	129.22

(₹ in lakh)

Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	30.36	74.88	77.52
Approved after true-up in this order	30.33	74.89	77.53

(₹ in lakh)

Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	14.88	74.88	77.52
Approved after true-up in this order	14.87	74.89	77.53



(₹ in lakh)			
Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	8.17	73.47	76.13
Claimed by the Petitioner in the instant Petition	29.12	261.75	271.13
Approved after true-up in this order	29.11	261.77	271.13

(₹ in lakh)			
Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	2.32	38.11	39.47
Claimed by the Petitioner in the instant Petition	2.32	38.11	39.47
Approved after true-up in this order	2.32	38.11	39.47

Interest on Working Capital (IWC)

46. IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FY 2021-22 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

47. The components of the working capital and interest allowed thereon for the transmission assets for the 2019-24 period are as follows:

(₹ in lakh)				
	Asset-1			
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	10.05	10.40	10.77
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	18.09	18.72	19.38
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	73.28	80.65	84.34

	Asset-1			
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
D	Total Working Capital (A+B+C)	101.42	109.77	114.49
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	6.45	11.53	13.74

(₹ in lakh)

	Asset-2			
	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	6.03	6.24	6.46
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	10.85	11.23	11.63
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	37.70	46.24	50.12
D	Total Working Capital (A+B+C)	54.59	63.71	68.21
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	2.40	6.69	8.18

(₹ in lakh)

	Asset-3			
	Particulars	2021-22 (Pro-rata 75 Days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	6.03	6.24	6.46
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	10.85	11.23	11.63
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	35.79	42.26	45.86
D	Total Working Capital (A+B+C)	52.67	59.73	63.95
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	1.14	6.27	7.67

(₹ in lakh)

	Asset-4			
	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	21.08	21.81	22.59
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	37.95	39.27	40.67
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	146.24	158.15	166.71
D	Total Working Capital (A+B+C)	205.27	219.23	229.98
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	2.48	23.02	27.60



(₹ in lakh)

	Asset-5			
	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.07	3.18	3.29
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.53	5.72	5.92
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	40.96	45.00	48.26
D	Total Working Capital (A+B+C)	49.55	53.89	57.47
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	0.33	5.66	6.90

48. The details of IWC allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022, claimed by the Petitioner in the instant petition and trued-up IWC in the instant order for the transmission assets are as follows:

(₹ in lakh)

Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	3.49	6.84	7.75
Claimed by the Petitioner in the instant Petition	6.45	11.53	13.74
Approved after true-up in this order	6.45	11.53	13.74

(₹ in lakh)

Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	1.37	4.03	4.20
Claimed by the Petitioner in the instant Petition	2.40	6.69	8.18
Approved after true-up in this order	2.40	6.69	8.18

(₹ in lakh)

Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	0.64	4.06	4.31
Claimed by the Petitioner in the instant Petition	1.14	6.27	7.68
Approved after true-up in this order	1.14	6.27	7.67

(₹ in lakh)			
Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	1.67	15.80	17.02
Claimed by the Petitioner in the instant Petition	2.48	23.02	27.60
Approved after true-up in this order	2.48	23.02	27.60

(₹ in lakh)			
Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	0.33	5.46	5.74
Claimed by the Petitioner in the instant Petition	0.33	5.66	6.90
Approved after true-up in this order	0.33	5.66	6.90

Trued-up Annual Fixed Charges for 2019-24 Tariff Period

49. Accordingly, the Annual Fixed Charges (AFC) allowed after the truing-up for the 2019-24 tariff period in respect of the transmission assets are as follows:

(₹ in lakh)				
	Asset-1			
	Particulars	2021-22 (Pro-rata 221 days)	2022-23	2023-24
A	Depreciation	98.62	180.15	190.06
B	Interest on Loan	80.72	152.86	157.58
C	Return on Equity	101.06	184.82	195.35
D	O&M Expenses	73.03	124.81	129.22
E	Interest on Working Capital	6.45	11.53	13.74
F	Total (A+B+C+D+E)	359.88	654.16	685.95

(₹ in lakh)				
	Asset-2			
	Particulars	2021-22 (Pro-rata 153 days)	2022-23	2023-24
A	Depreciation	33.91	98.92	107.71
B	Interest on Loan	25.91	89.61	99.85
C	Return on Equity	35.63	104.93	114.32
D	O&M Expenses	30.33	74.89	77.53
E	Interest on Working Capital	2.40	6.69	8.18
F	Total (A+B+C+D+E)	128.19	375.04	407.61

(₹ in lakh)

	Asset-3			
	Particulars	2021-22 (Pro-rata 75 days)	2022-23	2023-24
A	Depreciation	15.46	88.70	96.70
B	Interest on Loan	11.92	80.00	89.65
C	Return on Equity	16.26	92.91	101.46
D	O&M Expenses	14.87	74.89	77.53
E	Interest on Working Capital	1.14	6.27	7.67
F	Total (A+B+C+D+E)	59.64	342.77	373.01

(₹ in lakh)

	Asset-4			
	Particulars	2021-22 (Pro-rata 42 days)	2022-23	2023-24
A	Depreciation	36.41	339.58	360.91
B	Interest on Loan	29.19	291.70	306.82
C	Return on Equity	39.30	366.72	389.48
D	O&M Expenses	29.11	261.77	271.13
E	Interest on Working Capital	2.48	23.02	27.60
F	Total (A+B+C+D+E)	136.49	1282.79	1355.95

(₹ in lakh)

	Asset-5			
	Particulars	2021-22 (Pro-rata 25 days)	2022-23	2023-24
A		6.46	108.23	115.53
B	Interest on Loan	5.02	98.90	108.27
C	Return on Equity	6.81	114.09	122.37
D	O&M Expenses	2.32	38.11	39.47
E	Interest on Working Capital	0.33	5.66	6.90
F	Total (A+B+C+D+E)	20.93	364.99	392.54

50. The details of AFC allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022, AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order for the transmission assets are as follows:

(₹ in lakh)

Asset-1	2021-22 (Pro-rata 221 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	269.67	528.66	599.99
Claimed by the Petitioner in the instant Petition	359.88	654.19	685.94
Approved after true-up in this order	359.88	654.16	685.95

(₹ in lakh)

Asset-2	2021-22 (Pro-rata 153 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	106.12	311.08	325.22
Claimed by the Petitioner in the instant Petition	128.22	375.04	407.58
Approved after true-up in this order	128.19	375.04	407.61

(₹ in lakh)

Asset-3	2021-22 (Pro-rata 75 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	49.35	313.88	334.13
Claimed by the Petitioner in the instant Petition	59.67	342.85	373.08
Approved after true-up in this order	59.64	342.77	373.01

(₹ in lakh)

Asset-4	2021-22 (Pro-rata 42 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	113.28	1081.64	1173.56
Claimed by the Petitioner in the instant Petition	136.49	1282.76	1355.94
Approved after true-up in this order	136.49	1282.79	1355.95

(₹ in lakh)

Asset-5	2021-22 (Pro-rata 25 days)	2022-23	2023-24
Allowed vide order dated 15.9.2023 in Petition No. 184/TT/2022	20.79	349.46	369.96
Claimed by the Petitioner in the instant Petition	20.93	364.99	392.54
Approved after true-up in this order	20.93	364.99	392.54

Determination of Annual Fixed Charges for the 2024-29 Tariff Period

51. The Petitioner has combined all the transmission assets as a Combined Asset during the 2024-29 tariff period and has claimed a combined tariff for the 2024-29 period. The Petitioner has claimed the following transmission charges in respect of the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

	Combined Asset				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	963.96	1012.94	1012.94	1012.94	982.75
Interest on Loan	752.14	727.18	668.65	611.88	531.08
Return on Equity	991.79	1044.05	1044.05	1044.05	1044.05
Interest on Working Capital	62.28	64.58	64.91	65.20	65.03
O&M Expenses	510.00	536.85	564.86	594.37	625.68
Total	3280.17	3385.60	3355.41	3328.44	3248.59

52. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for the Combined Asset are as under:

(₹ in lakh)

	Combined Asset				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	42.50	44.74	47.07	49.53	52.14
Maintenance Spares	76.50	80.53	84.73	89.16	93.85
Receivables	404.40	417.40	413.68	409.23	400.51
Total Working Capital	523.40	542.67	545.48	547.92	546.50
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	62.28	64.58	64.91	65.20	65.03

Effective Date of Commercial Operation (E-COD)

53. The Petitioner has claimed the E-COD of the Combined Asset as 27.12.2021. Based on the trued-up admitted capital cost as on 31.3.2019 and actual COD of the transmission assets, E-COD of the Combined Asset has been worked out as under:

Assets	Trued-up Capital Cost as on 31.3.2024 (₹ in lakh)	Actual COD	No. of days from COD of Asset from COD of Project	Weight of cost (in %)	Weighted days	Effective COD (Last COD - Total Weighted days)
Asset-1	3545.12	23.8.2021	198.00	21.26	42.10	27.12.2021
Asset-2	2066.32	30.10.2021	130.00	12.39	16.11	
Asset-3	1868.92	16.1.2022	52.00	11.21	5.83	
Asset-4	6966.81	18.2.2022	19.00	41.78	7.94	
Asset-5	2226.36	9.3.2022	0.00	13.35	0.00	
Total	16673.54			100.00	71.98	



54. E-COD is used to determine the lapsed life of the project as a whole, which works out as 2 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from the E-COD).

Weighted Average Life (“WAL”) of the Project

55. The life as defined in Regulation 33 of the 2024 Tariff Regulations has been considered for the determination of WAL. The Combined Asset may have multiple elements such as land, building, transmission line, Sub-station, and PLCC, and each element may have a different span of life. Therefore, the concept of WAL has been used as the useful life of the transmission system as a whole.

56. WAL has been determined based on the admitted capital cost of individual elements under the transmission project as on 31.3.2024 and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, WAL in respect of the Combined Asset has been worked out as 24 years as follows:

Particulars	Combined Asset Cost (₹ in lakh) (1)	Life as per the 2024 Tariff Regulations (Years) (2)	Weighted Cost (3)=(1)x(2)	Weighted Average Life of Asset (in years) (4)=(3)/(1)
Land - Freehold	0.00	0	0.00	24.30042 years, rounded off to 24 years
Land - Leasehold	0.00	0	0.00	
Building Civil Works & Colony	1463.80	25	36595.01	
Transmission Line	0.00	35	0.00	
Sub-station	14561.71	25	364042.72	
PLCC	335.45	7	2348.14	
IT Equipment incl. software	312.58	7	2188.07	
	16673.54		405173.93	24

57. WAL as on 1.4.2024, as determined above, is applicable prospectively (i.e., for the 2024-29 tariff period onwards), and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed in the preceding

paragraphs, the E-COD of the Combined Asset is 27.12.2021, and the lapsed life of the project as a whole works out as 2 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, WAL has been used to determine the remaining useful life as on 31.3.2024 to be 22 years.

Capital Cost

58. 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, 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).....

(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;

(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 decapitalised 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.”

59. The Petitioner has claimed the following capital cost for the Combined Asset during the 2024-29 tariff period:

Asset Details	FR Apportioned Approved Cost	Expenditure as on 1.4.2024	Projected ACE		Estimated Completion Cost as on 31.3.2029
			2024-25	2025-26	
Combined Asset	22135.81	16674.23	1855.29	0.00	18529.52

60. We have considered the Petitioner's submissions. The capital cost has been dealt in line with Regulation 19(3) of the 2024 Tariff Regulations. The trued-up asset wise capital cost admitted by the Commission as on 31.3.2024 for the Combined Asset has been considered as opening capital cost as on 1.4.2024 for working out the tariff for the 2024-29 period as per following details:

Particulars	(₹ in lakh) Combined Asset
Freehold Land	0.00
Leasehold Land	0.00
Building Civil Works & Colony	1463.80
Transmission Line	0.00
Sub Station	14561.71
PLCC	335.45
IT Equipment (Incl. Software)	312.58
Total	16673.54

61. The trued-up capital cost of ₹16673.54 lakh for the Combined Asset as on 31.3.2019, has been considered as the admitted capital cost as on 1.4.2024 for working out the tariff for the 2024-29 period.

Additional Capital Expenditure (ACE)

62. Regulations 24 and 25 of the 2024 Tariff Regulations provides as follows:

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

- (a) Undischarged liabilities recognized to be payable at a future date;
- (b) Works deferred for execution;
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;
- (e) Change in law or compliance of any existing law 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 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 of 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 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 whose 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.

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 ₹ 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses”

63. The Petitioner has claimed the ACE of ₹1855.29 lakh for the Combined Asset for the 2024-29 tariff period under Regulations 24(1)(a) and 25(1)(d) of the 2024 Tariff Regulations on account of the undischarged liabilities recognized to be payable at a future date for the work done up to the COD and payments made towards liability admitted for works within the original scope executed prior to the cut-off date. The same has been summarised as under:

(₹ in lakh)	
Asset	Claimed ACE
	2024-25
Combined Asset	1855.29

64. The details of ACE claimed by the Petitioner for the Combined Asset are as under:

(₹ in lakh)		
Asset-1		
Party	Particulars (Transmission Line/Sub-station)	Liability Discharged during 2024-25
Shandong Taikai	Sub-station	81.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	292.38
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	89.05
Godrej and Boyce Mfg. Co. Ltd.	Building and civil works	0.00
Others	Sub-station	0.00
Total		462.43

(₹ in lakh)

Asset-2		
Party	Particulars (Transmission Line/Sub-station)	Liability Discharged during 2024-25
Shandong Taikai	Sub-station	189.40
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	299.78
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Other	Sub-station	0.00
Other	Sub-station	0.00
Sub-station Construction & Others	Building & Civil work	0.00
Valiant Communication & others	IT & Communication	0.00
Total		489.18

(₹ in lakh)

Asset-3		
Party	Particulars (Transmission Line/Sub-station)	Liability Discharged during 2024-25
Shandong Taikai	Sub-station	163.59
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	287.72
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd. & others	Building & Civil works	0.00
Misc packages	IT & Communication	0.00
Total		451.31

(₹ in lakh)

Asset-4		
Party	Particulars (Transmission Line/Sub-station)	Liability Discharged during 2024-25
Shandong Taikai	Sub-station	112.80
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	235.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Mr. Debasish Mallick Chowdhury & others	Building	0.00
M/S Schneider Electric India	IT & Communication	0.00
Other Misc. Packages	Sub-station	0.00
Total		347.80

(₹ in lakh)

Asset-5		
Party	Particulars (Transmission Line/Sub-station)	Liability Discharged during 2024-25
Shandong Taikai	Sub-station	34.46
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	69.91

Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Godrej and Boyce Mfg. Co. Ltd.	Sub-station	0.00
Mani Borah & Others	Building	0.00
Total		104.37

65. In response to the Commission's query vide RoP for the hearing dated 11.3.2025, the Petitioner, vide affidavit dated 25.3.2025, has submitted that the ACE claimed beyond the cut-off date is on account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies for the works executed within the cut-off date, and the same may be allowed as per Regulation 25(1)(d) of the 2024 Tariff Regulations.

66. We have considered the Petitioner's submissions. The ACE allowed is as under:

Particulars	Regulation	(₹ in lakh) ACE allowed 2024-25
Payment made towards admitted liabilities for the works executed up to the cut-off date; Payment made towards the liability admitted for works within the original scope executed prior to the cut-off date	24(1)(a) and 25(1)(d) of the 2024 Tariff Regulations	1855.09

67. The total capital expenditure as on 31.3.2029 is within the apportioned approved cost. Accordingly, the ACE and the capital cost as on 31.3.2029 is allowed for the Combined Asset for the 2024-29 tariff period as follows.

Asset	Capital Cost admitted as on 1.4.2024 (A)	ACE allowed for 2024-29 (B)	Capital Cost allowed as on 31.3.2029 (C=A+B)
Combined Asset	16673.54	1855.09	18528.63

Debt-Equity ratio

68. 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 approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2024 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2024, if the equity actually deployed as on 1.4.2024 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

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

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2024, 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 modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.

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

69. The debt-equity ratio considered for the purpose of computation of 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 purpose of computation of tariff of the Combined Asset for the 2024-29 tariff period is as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(in %)	ACE in 2024-29 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(in %)
Debt	11671.48	70.00	1298.56	70.00	12970.04	70.00
Equity	5002.06	30.00	556.53	30.00	5558.59	30.00
Total	16673.54	100.00	1855.09	100.00	18528.63	100.00

Depreciation

70. 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.....”

71. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter, up to 31.3.2029. The WAROD has been worked out for the Combined Asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

72. The depreciation allowed for the Combined Asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	16673.54	18528.63	18528.63	18528.63	18528.63
B	Addition during the year 2024-29 due to ACE	1855.09	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	18528.63	18528.63	18528.63	18528.63	18528.63
D	Average Capital Cost (A+C)/2	17601.08	18528.63	18528.63	18528.63	18528.63
E	Average Capital Cost (90% depreciable assets)	17288.50	18216.05	18216.05	18216.05	18216.05
F	Average Capital Cost (100% depreciable assets)	312.58	312.58	312.58	312.58	312.58
G	Depreciable value (excluding IT equipment and software) (E*90%)	15559.65	16394.44	16394.44	16394.44	16394.44
H	Depreciable value of IT equipment and software (F*100%)	312.58	312.58	312.58	312.58	312.58
I	Total Depreciable Value (G+H)	15872.23	16707.02	16707.02	16707.02	16707.02
J	Weighted average rate of Depreciation (WAROD) (in %)	5.48	5.47	5.47	5.47	5.30
K	Balance useful life at the beginning of the year (Year)	22	21	20	19	18
L	Lapsed useful life at the beginning of the year (Year)	2	3	4	5	6
M	Aggregate Depreciable Value	15872.23	16707.02	16707.02	16707.02	16707.02
N	Depreciation during the year (D*J)	963.93	1012.91	1012.91	1012.91	982.71
O	Cumulative Depreciation at the end of the year	2841.28	3854.19	4867.09	5880.00	6862.70
P	Remaining Aggregate Depreciable Value at the end of the year	13030.96	12852.84	11839.93	10827.02	9844.32

Interest on Loan (IoL)

73. 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 decapitalization 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.”*

74. The Weighted Average Rate of IoL has been considered on the basis of the rate prevailing as on 1.4.2024. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true-up. IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed for the 2024-29 tariff period in respect of the Combined Asset is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	11671.48	12970.04	12970.04	12970.04	12970.04
B	Cumulative Repayments upto Previous Year	1877.35	2841.28	3854.19	4867.09	5880.00
C	Net Loan-Opening (A-B)	9794.13	10128.76	9115.86	8102.95	7090.04
D	Additions	1298.56	0.00	0.00	0.00	0.00
E	Repayment during the year	963.93	1012.91	1012.91	1012.91	982.71
F	Net Loan-Closing (C+D-E)	10128.76	9115.86	8102.95	7090.04	6107.34
G	Average Loan (C+F)/2	9961.45	9622.31	8609.40	7596.50	6598.69
H	Weighted Average Rate of Interest on Loan (in %)	7.5502	7.5569	7.7661	8.0544	8.0478
I	Interest on Loan (G*H)	752.11	727.15	668.62	611.86	531.05

Return on Equity (RoE)

75. 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:

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

(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.”

76. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner’s submissions and have gone through the record.

77. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	5002.06	5558.59	5558.59	5558.59	5558.59
B	Additions	556.53	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	5558.59	5558.59	5558.59	5558.59	5558.59
D	Average Equity (A+C)/2	5280.33	5558.59	5558.59	5558.59	5558.59
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	991.75	1044.01	1044.01	1044.01	1044.01

Operation & Maintenance Expenses (O&M Expenses)

78. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2024-29 period are as follows:

(₹ in lakh)					
Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Sub-station Bays					
220 kV (GIS)	6	6	6	6	6
132 kV (GIS)	30	30	30	30	30
Transformer (in MVA)					
220 kV: ICT (in MVA)	350	350	350	350	350
Total O&M Expenses allowed	510.00	536.85	564.86	594.37	625.68

79. The norms specified under Regulation 36(3) of the 2024 Tariff Regulations provides as under:

“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 (₹ 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 (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ 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 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)	0.346	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 (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (₹ Lakh per 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.

(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.

.....”

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

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Sub-station Bays					
Norms (₹ lakh/Bay	14.469	15.225	16.03	16.87	17.752
220 kV (GIS)	6	6	6	6	6
Norms (₹ lakh/Bay)	11.046	11.627	12.236	12.88	13.545
132 kV (GIS)	30	30	30	30	30
Transformer (in MVA)					
Norm (₹ lakh/MVA)	0.262	0.276	0.29	0.305	0.322
220 kV: ICT (in MVA)	350	350	350	350	350
Total O&M Expenses allowed	509.89	536.76	564.76	594.37	625.56

Interest on Working Capital (IWC)

81. Regulation 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.”

82. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC has been worked out 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 to FY 2028-29.

83. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of the Combined Asset are as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	42.49	44.73	47.06	49.53	52.13
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	76.48	80.51	84.71	89.16	93.83
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	404.38	417.38	413.65	409.22	400.48
D	Total Working Capital (A+B+C)	523.35	542.62	545.43	547.91	546.45
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	62.28	64.57	64.91	65.20	65.03

Annual Fixed Charges of the 2024-29 Tariff Period

84. The annual transmission charges allowed for the 2024-29 tariff period for the Combined Asset are as under:

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	963.93	1012.91	1012.91	1012.91	982.71
Interest on Loan	752.11	727.15	668.62	611.86	531.05
Return on Equity	991.75	1044.01	1044.01	1044.01	1044.01
Interest on Working Capital	62.28	64.57	64.91	65.20	65.03
O&M Expenses	509.89	536.76	564.76	594.37	625.56
Total	3279.96	3385.40	3355.20	3328.34	3248.36

Filing Fee and Publication Expenses

85. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further 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.

86. 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.

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

87. The Petitioner has submitted that as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of the CTUIL may be allowed separately through a separate regulation. The Petitioner has further submitted that 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.

88. 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.”

89. We have considered the Petitioner’s submissions and perused Regulation 99 of the 2024 Tariff Regulations. In view of the explicit provision made under Regulation 99 of the 2024 Tariff Regulations, we permit the Petitioner, i.e., PGCIL, to bear the fees and charges expenses 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

90. The Petitioner has claimed reimbursement of the license fee, RLDC Fees and Charges. The Petitioner is allowed the reimbursement of the license fee in accordance with 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 in terms of Regulation 94(3) of the 2024 Tariff Regulations for the 2024-29 tariff period.

Goods and Services Tax

91. The Petitioner has submitted that the transmission charges claimed herein are exclusive of GST, and in case 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 also prayed that additional taxes, if any, are paid by the Petitioner on account of the

demand from the Government/ statutory authorities, and the Commission may allow the same to be recovered from the beneficiaries.

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

Security Expenses, Insurance and Capital Spares

93. 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 arrived through the competitive bidding for the transmission system and associated communication system shall be allowed separately after a prudence check.

94. As regards the security expenses of the Combined Asset, the Petitioner has submitted that it shall file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the security expenses regarding the Combined Asset are not claimed in the instant Petition.

95. The Petitioner has also submitted that it has not claimed insurance expenses in the instant Petition and has submitted that it shall file a separate Petition for claiming the overall insurance expenses and consequential Interest on Working Capital (IWC) on the same, considering the actual insurance expenses incurred by it for the FY 2023-24 after escalating the same at 5.25% per annum to arrive at the estimated insurance expense for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

96. The Petitioner has not claimed capital spares for the Combined Asset in the instant Petition for 2024-29 tariff period. According to the Petitioner, it shall file a separate Petition for the capital spares consumed and consequential IWC thereon on an actual basis for the 2024-29 tariff period as per the 2024 Tariff Regulations. The Petitioner has also submitted that it has filed Petition No. 45/MP/2024, claiming therein capital spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

97. We have considered the Petitioner's submissions and have 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."

98. 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, 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

99. The Petitioner has submitted that the truing-up of the tariff for the 2019-24 tariff period shall be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers in terms. Further, the tariff 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 as per the 2020 Sharing Regulations.

100. We have considered the Petitioner's submission. The billing, collection, and disbursement of the transmission charges for the transmission assets shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

101. To summarise:

- a. The trued-up Annual Fixed Charges (AFC) claimed and allowed for the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)				
Assets	Particulars	2021-22	2022-23	2023-24
Asset-1	AFC Claimed	359.88	654.19	685.94
	AFC Allowed	359.88	654.16	685.95
Asset-2	AFC Claimed	128.22	375.04	407.58
	AFC Allowed	128.19	375.04	407.61
Asset-3	AFC Claimed	59.67	342.85	373.08
	AFC Allowed	59.64	342.77	373.01
Asset-4	AFC Claimed	136.49	1282.76	1355.94
	AFC Allowed	136.49	1282.79	1355.95
Asset-5	AFC Claimed	20.93	364.99	392.54
	AFC Allowed	20.93	364.99	392.54

b. The Annual Fixed Charges claimed and allowed for the Combined Asset for the 2024-29 tariff period in this order is as follows:

(₹ in lakh)						
Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Asset	AFC Claimed	3280.17	3385.60	3355.41	3328.44	3248.59
	AFC Allowed	3279.96	3385.40	3355.20	3328.34	3248.36

102. This order disposes of the Petition No. 136/TT/2025, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member