

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 20/TT/2025

Coram:

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Date of Order: 18.03.2025

In the matter of:

Approval under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations), 2019 and the Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024 for truing up of transmission tariff for the 2019-24 and determination of transmission tariff for the 2024-29 tariff period for assets under "Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions" in the Eastern Region

Power Grid Corporation of India Limited,

"Saudamini", Plot No. 2,

Sector-29, Gurgaon – 122001 (Haryana).

...Petitioner

Vs.

1. Bihar State Power (Holding) Company Limited

Vidyut Bhawan, Bailey Road,

Patna - 781001, Assam

2. West Bengal State Electricity Distribution Company Limited

Bidyut Bhawan, Bidhan Nagar,

Block DJ, Sector-II, Salt Lake City,

Kolkata - 700 091, West Bengal

3. Grid Corporation of Orissa Limited

Shahid Nagar,

Bhubaneswar - 751 007, Odisha

4. Damodar Valley Corporation



DVC Tower, Maniktala
Civic Centre, VIP Road,
Kolkata - 700 054, West Bengal

5. Power Department, Govt. of Sikkim,
Gangtok – 737 101, Sikkim

6. Jharkhand Bijli Vitran Nigam Limited
Engineering Building, H.E.C., Dhurwa,
Ranchi – 834 004, Jharkhand

...Respondents

Parties Present : Shri Mohd. Mohsin, PGCIL
Shri Vishal Sagar, PGCIL
Shri A. Naresh Kumar, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Amit Yadav, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Piyush Awasthi, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited for the truing-up of transmission tariff for the 2019-24 and determination of transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations), 2019 (hereinafter referred to as the 2019 Tariff Regulations) and the Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations), 2024 (hereinafter referred to as the 2024 Tariff Regulations) for assets under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions” (hereinafter referred to as the Combined Asset) in the Eastern Region

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 15 & 16 above.*
- b) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on*



account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 15 & 16 above for respective block.

- c) 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.
- d) Allow the petitioner to bill and recover Licensee fee and RLDC fees & charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.
- e) 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.
- f) 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 19 above.
- g) 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 22 above.
- h) 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 19 above.
- i) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 23 above.
- j) 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 under:

- a) The Investment Approval (I.A.) for the Transmission System was accorded by the Board of Directors (B.O.D) of the Petitioner’s company vide letter dated 4.8.2011 at an estimated Cost of ₹ 7777 lakh, including IDC of ₹210 lakh based on 1st Quarter, 2011 price level.



- b) The scope of the transmission scheme under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions” in Eastern Region is as under:

Transmission Elements:

- (i) 1 No. 315 MVA, 400/220/33 kV, 3-Phase Transformers at Biharshariff Sub-station and 1 No. 315 MVA, 400/220/33, kV 3-Phase Transformers at Jamshedpur Sub-station
 - (ii) 1 No. 80 MVAR, 420 kV, 3-Phase Reactor at Rourkela Substation
 - (iii) 1 No. 160 MVA, 220/132kV, 3-Phase ICT at Baripada Substation (Shifted to Purnea Sub-Station)
 - (iv) 1 No. 315 MVA, 400/220 kV, 3-Phase ICT at Durgapur Substation
 - (v) 1 No. 160 MVA, 220/132 kV, 3-Phase ICT at Siliguri Sub-station
 - (vi) 1 No. 315 MVA, 400/220 kV, 3-Phase ICT at Rourkela Substation
 - (vii) 1 No. 50 MVA, 132/66 kV, 3-Phase ICT at Gangtok Sub-station
- c) The entire scope of the transmission scheme under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions” in Eastern Region is covered in the instant petition.
- d) The subject project/petition covers approval of transmission tariff for following asset:

Asset No	Asset Name	COD (Actual/ Effective)	Remarks
Asset-1*	Combined assets (06 Nos.)	14.2.2013	Covered under instant Petition (<i>Earlier covered under Petition no. 76/TT/2020</i>)
Asset-2*	01 Number 160 MVA, 220/132 kV, 3-Phase ICT at Purnea Sub-station (diverted from Baripada enroute)	1.9.2013	Covered under instant Petition (<i>Earlier covered under Petition no. 689/TT/2020</i>)



***Name of assets / COD**

Asset name	Name	COD
Asset1	01 No. 315 MVA, 400/220/33 kV, 3- Phase Transformer at Biharsharif Sub-station and 01 No. 315 MVA, 400/220/33 kV, 3- Phase Transformer at Jamshedpur Sub-station	1.7.2012
Asset 2	01 No. 80 MVAR, 420 kV, 3- Phase Reactor at Rourkela Sub-station	1.10.2012
Asset 3	01 No. 315 MVA, 400/220 kV, 3- Phase ICT at Durgapur Sub-station	1.3.2013
Asset 4	01 No. 160 MVA, 220/132 kV, 3-Phase ICT at Siliguri Sub-station	1.6.2013
Asset 5	01 No. 315 MVA, 400/220 kV, 3-Phase ICT at Rourkela Sub-station	1.4.2013
Asset 6	01 No. 50 MVA, 132/66 kV, 3-Phase ICT at Gangtok Sub-station	20.4.2015
Aset-7	01 Number 160 MVA, 220/132 kV, 3-Phase ICT at Purnea Sub-station (diverted from Baripada enroute)	1.9.2023

Note: Sl. No. (i) to (vi) under instant Asset-1, Sl. No.(vii) under instant Asset-2.

- e) The Petitioner has filed the present petition for truing up of transmission tariff for the 2019-24 and determination of transmission tariff for the 2024-29 tariff block for the following Assets which are under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions” for the following:

Asset Name	COD (Effective claimed)	Remarks
Combined assets (07 nos) under Provision of Spare ICTs and Reactors for Eastern region	4.3.2013	-

- f) The Transmission Tariff for the Transmission Assets-1 to 5 and Asset-6 from the COD to 31.3.2014 was determined vide order dated 10.7.2015 in Petition No. 43/TT/2013. The Tariff for Transmission Assets-7 from the COD to 31.3.2019 was determined vide order dated 25.4.2016 in Petition No. 215/TT/2015. The transmission Tariff in respect of combined Asset (Assets-1 to 5) for the 2009-14 Tariff Period was trued up and for the 2014-19 Tariff Period was allowed vide order dated 17.10.2017 in Petition No.



37/TT/2017. The Transmission tariff from COD to 31.3.2014 for Asset-6 was trued up and tariff for the 2014-19 period was allowed vide order dated 29.1.2020 in Petition No. 322/TT/2019.

- g) The Transmission Tariff for the Combined Asset (Asset-1 to 5) and Asset-6 for the 2014-19 was trued up and the Tariff for the Combined Asset (Combined Asset (Asset-1 to 5) and Asset-6) for the 2019-24 Tariff Period was allowed vide order dated 27.1.2021 in Petition No. 76/TT/2020.
- h) The Transmission Tariff for Asset-7 for the 2014-19 period was trued up and for the 2019-24 Tariff Period was allowed by the Commission vide order dated 4.4.2022 in Petition No. 689/TT/2020.
- i) The Petitioner has filed the present petition for truing up of transmission tariff for the 2019-24 and determination of transmission tariff for the 2024-29 tariff block for below asset in Eastern Region:

Asset No	Asset Name	COD (Effective)	Remarks
Asset-1	Combined assets (06 nos)	14.2.2013	Vide order dated 27.1.2021 in Petition No. 76/TT/2020, approved trued-up tariff for the 2014-19 period and determined tariff for the 2019-24 period.
Asset-2	01 Number 160 MVA, 220/132 kV, 3-Phase ICT at Purnea Sub-station (diverted from Baripada enroute)	1.9.2013	Vide order dated 4.4.2022 in Petition No. 689/TT/2020, approved trued-up tariff for the 2014-19 period and determined tariff for the 2019-24 period.

- j) In compliance with the RoP for the hearing dated 12.2.2025, the Petitioner has submitted the details of utilization of spare ICTs and Reactor at any other substation vide affidavit dated 24.2.2025 as follows:



Asset Name & COD	Utilization
01 No. 315 MVA, 400/220/33 kV, 3-Phase Transformer at Biharsharif Sub-station and 01 No. 315 MVA, 400/220/33 kV, 3-Phase Transformer at Jamshedpur Sub-station (COD: 1.7.2012)	Biharsharif: 315 MVA Spare ICT was utilized at Biharsharif S/s due to system requirement. (Utilization year:2015) Jamshedpur: 315 MVA Spare ICT was utilized at Rourkela S/s due to system requirement. (Utilization year:2021)
01 No. 80 MVAR, 420 kV, 3-Phase Reactor at Rourkela Sub-station (COD: 1.10.2012)	Rourkela: 80 MVAR Spare Reactor was utilized at Kishanganj S/s due to system requirement. (Utilization year:2019)
01 No. 315 MVA, 400/220 kV, 3-Phase ICT at Durgapur Sub-station (COD: 1.3.2013)	Durgapur: 315 MVA Spare ICT was utilized at Farakka Switchyard due to system requirement. (Utilization year:2013)
01 No. 160 MVA, 220/132 kV, 3-Phase ICT at Siliguri Sub-station (COD: 1.6.2013)	Siliguri: 160 MVA Spare ICT was utilized at Baripada S/s due to system requirement. (Utilization year:2024)
01 No. 315 MVA, 400/220 kV, 3-Phase ICT at Rourkela Sub-station (COD: 1.4.2013)	Rourkela: 315 MVA Spare ICT was utilized at Jeypore S/s due to system requirement. (Utilization year:2024)
01 No. 50 MVA, 132/66 kV, 3-Phase ICT at Gangtok Sub-station (COD: 20.4.2015)	Gangtok: 50 MVA Spare ICT has been kept as spare only till date at Gangtok S/s. However, the same is to be charged and commissioned at Gangtok S/s as per new project "ERES-XXX". (Utilization year: Anticipated : 2025)
01 Number 160 MVA, 220/132 kV, 3-Phase ICT at Purnea Sub-station (diverted when enroute to Baripada) (COD: 1.9.2013)	Purnea: 160 MVA Spare ICT was utilized at Purnea S/s due to system requirement. (Utilization year:2014)

k) Further, the Petitioner has submitted the details of other petitions where the additional assets have been implemented at Biharshariff, Jamshedpur, Rourkela, Baripada, Durgapur, Siliguri and Gangtok sub-stations as follows:

a. Additional assets at 400/220kV Biharsharif S/S				
Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	01st 400 kV D/C Kahalgaon-Biharshariff TL along with associated bays at Biharsharif S/s, 315 MVA ICT (I) at Biharsharif S/s along with associated bay, & 50 MVAR Bus Reactor (I) along with associated bay (plus 50 MVAR SLR) at Biharsharif S/s	1.4.1992	Transmission System associated with Farakka-I and II STPS in ER	Diary – 1274 of 2024



2	315 MVA ICT (II) at Biharsharif S/s alongwith associated bay	1.4.1997	Kahalgaon TS in ER	Diary – 1093 of 2024
3	400kV D/C Biharsharif – Sasaram – Sarnath TL along with associated bays at Biharsharif S/s	1.7.2001	Eastern-Northern Inter Regional HVDC Transmission system in ER	Diary – 987 of 2024
4	220kV D/C Biharsharif- Begusarai TL (section)	1.3.2001	Hathidah River Crossing section of 220 kV Biharshariff-Begusarai Transmission Line In ER	481/TT/2024
5	315 MVA ICT (III) at Biharsharif S/s along with associated bay	1.11.2004	Bihar Grid Strengthening Scheme in ER	Diary – 1109 of 2024
7	02 nd 400 kV D/C Kahalgaon-Biharshariff TL along with associated bays at Biharsharif S/s	1.12.2004	2nd 400 kV D/C Kahalgaon-Biharshariff transmission line	479/TT/2024
8	400 kV D/C Biharshariff-Muzaffarpur TL along with associated bays at both ends	1.11.2006	System Strengthening Scheme for Eastern Region (Formerly part of Tala Supplementary Scheme)	Diary – 1111 of 2024
9	400IV D/C Ballia - Biharsharif TL with associated bays at both ends, 80 MVAR Bus Reactor at Biharsharif S/s along with associated bay	1.11.2007	Kahalgaon Stage-II Phase-I in NR & ER	Diary – 962 of 2024
10	One Ckt. of 400 kV D/C Biharsharif-Sasaram TL (Ckt. III) and Part of Ckt. IV of 400 kV D/C Biharsharif-Sasaram TL charged as Biharsharif-Gaya line	1.2.2012	Supplementary Transmission System associated with DVC & Maithon Right Bank Project in NR & ER	Diary – 920 of 2024
11	Part of another Ckt. of 400 kV D/C Biharsharif-Sasaram TL (Ckt. IV) charged as Sasaram-Balia line	1.3.2012		
12	400 kV S/C Biharsharif – Gaya(part of Gaya Balia TL charged under contingency arrangement)	1.12.2012	Common Scheme for 765 kV Pooling Station and Network for NR, Import by NR from ER and Common	Diary – 04 of 2025
13	One no. 400 kV line bay at Biharsharif S/s with 50 MVAR reactor and one no.	1.2.2012		



	400 kV line bay at Sasaram with 400 kV Biharshariff- Sasaram Ckt-III, One no. 400 kV line bay at Biharsharif S/s with 50 MVAR reactor associated with 400 kV S/C Biharshariff- Gaya TL		Scheme for network for WR and Import by WR from ER and from NER/SR/WR via ER	
14	400 kV line bays at Biharsharif S/s along with 1x80 MVAR Switchable Line Reactor (for 400 kV D/C Purnea-Biharshariff TL), & 1x80 MVAR Switchable Line Reactor at Biharsharif S/s alongwith associated bay	1.10.2013	Transmission Schemes for enabling import of NER/ER surplus power by NR	11/TT/2025
15	LILO of Ckt.- I of 400 kV D/C Kahalgaon-Biharsharif at Lakhisarai	1.4.2014	ERSS-III in ER	Diary – 1129 of 2024
16	LILO of Ckt.-II of 400 kV D/C Kahalgaon-Biharsharif at Lakhisarai	3.9.2014		
17	Provision of Circuit Breakers for making line reactors at Biharsharif S/s switchable	14.3.2019		
18	125 MVAR Bus Reactor (III) along with associated bay at Biharsharif S/s	30.3.2015	Augmentation of transformation capacity and reactive compensation in ER	85/TT/2025
19	400 kV TL for Swapping of Kahalgaon #1 bay with Sasaram #1 bay at Biharsharif S/s	2.4.2015	Split Bus arrangement for various substation in ER	Diary – 717 of 2024
20	400 kV TL for Swapping of Purnea (1 and 2) Bays with Sasaram bays (3 and 4) at Biharsharif S/s	21.7.2016		
21	Split Bus arrangement with tie line breaker for 400 kV Biharsharif S/s	15.5.2017		
22	400 kV TL for reconfiguration of Biharsharif Ckt III and IV from present location to the Stage II side of Kahalgaon Switchyard of NTPC	26.1.2019		
23	Installation of 01x125 MVAR Bus Reactor in Parallel with existing 50(3X16.67) MVAR Bus Reactor at Biharsharif S/s	13.10.2017	ERSS-IX in ER	Diary – 783 of 2024
24	400/220 kV 500 MVA ICT IV along with 400kV Bay at Biharsharif (PGCIL) S/s and 220kV Bay at Biharsharif (BSPTCL) substation along with 220 kV interconnecting line from Biharsharif (BSPTCL) substation to 220 kV bushing	6.9.2019	ERSS-XX in ER	9/TT/2023

	of ICT installed at Biharsharif (PGCIL) S/s			
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b. Additional assets at 400/220kV Jamshedpur S/S

Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	400 kV S/C Durgapur - Jamshedpur TL associated bay at both ends, 315 MVA ICT (I) at Jamshedpur along with associated bays, & 50 MVAR Bus Reactor (I) at Jamshedpur along with associated bay	1.4.1992	Transmission System associated with Farakka-I and II STPS in ER	Diary – 1274 of 2024
2	400kV D/C Maithon-Jamshedpur TL associated bay at both ends, 315 MVA ICT (II) at Jamshedpur along with associated bays, & 50 MVAR Bus Reactor (II) at Jamshedpur along with associated bay	1.4.1997	Kahalgaon TS in ER	Diary – 1093 of 2024
3	400 kV Jamshedpur-Rourkela S/C (Ckt-II) TL along with associated bay at both ends	1.1.2003	400 kV Jamshedpur-Rourkela S/C (Ckt-II) Transmission Line TS in ER	Diary – 959 of 2024
4	LILO connectivity to DVC's Andal TPS (portion of 400 kV Durgapur Jamshedpur TL)	1.2.2011	ERSS-I in ER	455/TT/2024
5	400 kV D/C Andal(DVC)- Jamshedpur section of Durgapur-Jamshedpur TL and associated bays at Jamshedpur,	1.5.2012		
6	400 kV D/C Baripada-DVC (Jamshedpur) TL (part of 400 kV D/C Jamshedpur-Baripada TL)	1.6.2012		
7	LILO of one circuit of Jamshedpur – Rourkela 400 kV D/C Trans Line at Chaibasa	3.12.2014	ERSS-III in ER	Diary – 1129 of 2024
8	LILO of 2nd Ckt. of 400 kV D/C Jamshedpur-Rourkela Transmission Line at Chaibasa Sub-station (non-bussed at Chaibasa)	2.11.2015		
9	Installation of 1x125 MVAR Bus Reactor-II after replacing the existing 1X50 MVAR Bus Reactor at Jamshedpur S/s	17.11.2017	ERSS-IX in ER	Diary – 783 of 2024



10	Installation of 1x125 MVAR Bus Reactor-I in Parallel with existing 1X50 MVAR Bus Reactor at Jamshedpur Sub-station	3.12.2017		
11	Shifting of 1x315 MVA, 400/220 kV ICT from any suitable location (after replacement by 1x500 MVA ICT) and install it at Jamshedpur 400/220 kV Sub-station as 3rd ICT along-with associated bays.	16.12.2017	ERSS-XII in ER	670/TT/2020

c. Additional assets at 400/220kV Rourkela S/S

Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	400kV D/C Talcher - Rourkela transmission line along with associated bays at Rourkela S/S and 50 MVAR Bus Reactor at Rourkela S/S along with associated bay	1.6.1995	Talcher TS in ER	Diary – 963 of 2024
2	400 kV Jamshedpur-Rourkela S/C (Ckt-I) TL along with associated bay at both ends, 02x315 MVA ICTs at Rourkela S/s along with associated bays & 50 MVAR Line Reactor at Rourkela S/S	1.4.1997	Kahalgaon TS in ER	Diary – 1093 of 2024
3	400 kV Jamshedpur-Rourkela S/C (Ckt-II) TL along with associated bay at both ends and 50 MVAR SLR at Rourkela S/s along with associated bay	1.1.2003	400 kV Jamshedpur-Rourkela S/C (Ckt-II) Transmission Line TS in ER	Diary – 959 of 2024
4	LILO of 400 kV D/C Raipur-Rourkela Transmission Line at Raigarh S/s	1.1.2008	Vindhyachal-III Transmission System in WR & ER	148/TT/2025
5	400 kV D/C Ranchi-Rourkela TL and associated bays at both ends	1.12.2010	East-West Transmission Corridor Strengthening Scheme in ER & ER	142/TT/2025
6	400 kV D/C Rourkela-Raigarh TL and associated bays at both ends	1.7.2011		
7	LILO of Rourkela-Raigarh 400 kV D/C line at Jharsuguda Sub-station	1.4.2013 & 1.6.2013	Transmission System for Phase-I Generation projects in Orissa-Part A in ER	Diary – 781 of 2024



8	LILO of one circuit of Jamshedpur – Rourkela 400 kV D/C Trans Line at Chaibasa	3.12.2014	ERSS-III in ER	Diary – 1129 of 2024
9	LILO of 2nd Ckt. of 400 kV D/C Jamshedpur-Rourkela Transmission Line at Chaibasa Sub-station (non-bussed at Chaibasa)	2.11.2015		
10	125 MVAR Bus Reactor and associated bays at 400 kV Rourkela Sub-station	2.2.2015	ERSS-VIII in ER	Diary – 802 of 2024
11	LILO of both Circuit of 400 kV D/C Rourkela- Raigrah (02nd Line) along with 04 Nos of 400 kV Line bays at Jharsuguda (Sundargarh) Sub-station	7.1.2018	POWERGRID works associated with Common transmission system for Phase-II generation projects in Odisha (DPR-I) in ER	Diary – 713 of 2024
12	STATCOM System (+/-) 300MVAR complete in all respect including Coupling transformer, Mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc. at Rourkela Substation	30.3.2018	ERSS-XI in ER	Diary – 788 of 2024
13	Installation of 01x125 MVAR Bus Reactor by replacing existing 1x50 MVAR Bus Reactor at 400 KV Rourkela S/s	7.1.2018	ERSS-IX in ER	Diary – 783 of 2024
14	Installation of 315 MVA ICT (IV) (in parallel to ICT-II) at Rourkela Rourkela S/s along with associated bays	7.12.2020	ERSS-XVII Part-B in ER	Diary – 538 of 2024
15	Installation of 315 MVA ICT (III) (in parallel to ICT-I) at Rourkela Rourkela S/s along with associated bays	2.3.2021		

d. Additional assets at 400/220/132kV BARIPADA S/S

Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	315 MVA ICT-II at Baripada S/S along with associated bays	1.5.2008	Transmission System associated with Teesta (Stage-V) HEP in ER	99/TT/2025



2	160 MVA ICT (02nd) at Baripada S/S along with associated bays	1.4.2011	ERSS-II in ER	24/TT/2025
3	400 kV D/C Baripada - Mendhasal T/L and associated bays at Baripada and Mendhasal Sub-station, & 63 MVAR Switchable Line reactor along with associated bay at Baripada S/S	1.9.2011	ERSS-I in ER	455/TT/2024
4	400 kV D/C Baripada - DVC (Jamshedpur) TL (part of 400 kV D/C Jamshedpur - Baripada TL) and associated bays at Baripada Sub-station	1.6.2012		
5	LILO of 400 KV S/C Baripada - Rengali Line at Keonjhar S/S	1.2.2013	ERSS-III in ER	Diary – 1129 of 2024
6	LILO of one ckt. Of 400kV D/C Baripada – Mendhasal TL at Duburi (OPTCL) Sub-station along with associated bays at Duburi (OPTCL)	19.8.2015		
7	LILO of 400kV D/C Baripada - Mendhasal line and associated bays at Pandiabilli GIS	31.7.2016		
8	125 MVAR Bus Reactor-II at Baripada Sub-station along with associated bay (GIS)	2.10.2016	ERSS-XII in ER	670/TT/2020
9	01 Nos of 1X500 MVA, 400/220/132 kV ICT at 400/220/132 kV Baripada Sub-station along with GIS bays	2.10.2016		
10	125 MVAR Bus Reactor at Baripada Sub-station along with associated bay (GIS)	2.8.2018	ERSS-XIV in ER	Diary – 710 of 2024
11	01 no's 160 MVA, 400/220/132kV Spare ICT at Baripada sub-station	31.3.2023	Provision of SPARE ICTs in ER	187/TT/2024

e. Additional assets at 400/220kV DURGAPUR S/S

Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	400 kV D/C Farakka - Durgapur TL along with associated bay at Durgapur S/s, 400 kV S/C Durgapur - Jamshedpur TL associated bay at both ends, 02x315 MVA ICT (I&II) at Durgapur S/s, & 02x50 MVAR Bus Reactor (I&II) at Durgapur S/s,	1.4.1992	Transmission System associated with Farakka-I and II STPS in ER	Diary – 1274 of 2024
2	LILO connectivity to DVC's Andal TPS (portion of 400 kV Durgapur-Jamshedpur TL)	1.2.2011	ERSS-I in ER	455/TT/2024



3	400 kV D/C Andal (DVC)-Jamshedpur section of Durgapur-Jamshedpur TL and associated bays at Jamshedpur	1.5.2012		
4	01 No. 315 MVA, 400/220 kV, 3- Phase ICT at Durgapur S/s	1.3.2013	Provision of Spare ICTs and Reactors in ER	20/TT/2015
5	01 No. of 01x125 MVAR Bus Reactor (1st) and associated bay at Durgapur S/s, & 01 No. of 01x125 MVAR Bus Reactor (2 nd) and associated bay at Durgapur S/s	23.10.2016 & 30.12.2016	ERSS-IX in ER	Diary – 783 of 2024
6	Split Bus Arrangement at Durgapur S/s	14.10.2015	Split Bus arrangement for various substation in ER	Diary – 717 of 2024
7	01 No. 125 MVAR Bus Reactor at Durgapur S/s	2.8.2018	ERSS-XIV in ER	Diary – 710 of 2024
8	315 MVA ICT (III) at Durgapur S/s	9.6.2019	ERSS-XVII Part-B in ER	Diary – 538 of 2024
9	Bypassing of 400 kV D/C Farakka - Kahalgaon (Ckt-3 & Ckt-4) and 400 kV S/C Farakka - Durgapur (Ckt-1 & Ckt2) existing transmission line from NTPC, Farakka so as to form 400 kV D/C Kahalgaon - Durgapur along with upgraded bays at Durgapur S/s and Kahalgaon Substation	2.1.2022	ERSS-XXIII in ER	15/TT/2023
10	Shifting of 400 kV side of 400/220kV, 315 MVA ICT-I at Durgapur from Bus Section-A to Bus Section-B (without physically shifting the transformer so that all 03 numbers of ICTs are on the same 400 kV Bus Section-B)	20.11.2022	ERSS-XXIV in ER	Diary – 605 of 2024

f. Additional assets at 220/132kV SILIGURI S/S

Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	220kV D/C Dalkhola-Siliguri TL alongwith associated bays at both ends, 220kV D/C Siliguri-Birpara TL alongwith associated bays at both ends, & 100 MVA ICT at Siliguri S/s alongwith associated bays	1.4.1987	Chukka Transmission System in ER	Diary – 1287 of 2024



2	132kV D/C Rangit-Siliguri TL alongwith associated bays at Siliguri S/s	1.12.1998	Rangit Transmission System in ER	Diary – 858 of 2024
3	LILO of one circuit of 132 kV D/C Siliguri-Rangit TL at Gangtok S/s	1.10.2005	LILO of one circuit of 132 kV D/C Siliguri-Rangit Transmission Line at Gangtok in ER	471/TT/2024
4	LILO of Siliguri-Gangtok section of 132 kV Rangit-Siliguri transmission line at Melli S/s	1.10.2005	Integration of Sikkim Transmission System in ER	472/TT/2024
5	160 MVA Transformer and associated bays at 220/132 kV Siliguri S/s	1.1.2013	ERSS-IV in ER	28/TT/2025
6	Replacement of existing 100 MVA, 220/132 ICT with 1x160 MVA, 220/132 kV ICT at 220/132 kV Siliguri S/s along with necessary bay eqpt/ protection system at Siliguri S/s	2.2.2016	ERSS-XII in ER	670/TT/2020
7	Modification of 132 kV Bus arrangement at 220/132 kV Siliguri S/s with GIS bays	30.11.2016		
8	LILO of both circuit of Siliguri Dhalkhola 220 kV D/C TL at Kishanganj (GIS)	18.3.2016	Transfer of Power from Generation Projects in Sikkim to NR / WR Part-A in ER	Diary – 629 of 2024
<i>Note: Subject petition covers 220/132kV Siliguri S/s only, therefore, as per query raised in ROP, the Assets/ Projects listed above are for 220/132kV Siliguri S/s only {i.e. excludes assets/projects at 400/220kV New Siliguri {Binaguri} S/s}</i>				

g. Additional assets at 132/66kV Gangtok S/S				
Sl. No.	Asset Name	COD	Associated Project Name	Covered under Petition No. (latest)
1	LILO of one circuit of 132 kV D/C Siliguri-Rangit TL at Gangtok S/s along with associated bays, 02x50 MVA ICT (I&II) at Gangtok S/s, & 04 no's 66kV line bays for outgoing feeders at Gangtok S/s	1.10.2005	LILO of one circuit of 132 kV D/C Siliguri-Rangit Transmission Line at Gangtok in ER	471/TT/2024



2	LILO of Siliguri-Gangtok section of 132 kV Rangit-Siliguri transmission line at Melli S/s	1.10.2005	Integration of Sikkim Transmission System in ER	472/TT/2024
3	Termination of Gangtok-Rangpo/Chujachen and Melli-Rangpo/Chujachen Lines at Rangpo S/s	24.4.2014	Transfer of Power from Generation Projects in Sikkim to NR / WR Part-B in ER	382/TT/2020
4	LILO of 132 kV S/C Gangtok- Rangit Line at Rangpo and associated bays at Rangpo S/s	1.12.2014		

I) The Commission, vide order dated 27.1.2021 in Petition No. 76/TT/2020 and order dated 4.4.2022 in Petition No. 689/TT/2020 had allowed the following transmission charges for the instant transmission assets for the 2019-24 tariff period as follows:

Asset-1: Combined Assets (6 Nos.)

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	324.62	324.62	324.62	324.62	324.62
Interest on Loan	204.18	175.42	146.78	118.28	89.74
Return on Equity	346.38	346.38	346.38	346.38	346.38
Interest on Working Capital	13.16	11.90	11.50	11.10	10.67
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	888.34	858.33	829.28	800.39	771.41

Asset-2

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.87	32.87	32.87	32.87	32.87
Interest on Loan	22.85	19.89	16.95	14.08	11.21
Return on Equity	35.08	35.08	35.08	35.08	35.08
Interest on Working Capital	3.07	2.89	2.71	2.73	2.75
O&M Expenses	39.20	40.64	42.08	43.52	45.12
Total	133.08	131.37	129.69	128.28	127.03

4. The Respondents include Distribution Licensees, Power Departments, and Transmission Licenses that receive transmission services from the Petitioner, primarily benefiting the Northern Region.

5. The Petitioner has served a copy of the Petition on the Respondent, and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (the Act). No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. The Respondents have not filed any reply in the matter.
6. The hearing in the matter was held on 12.2.2025, and the order was reserved.
7. This order is being issued considering the Petitioner's submissions in the Petition vide affidavit dated 5.9.2024 and subsequent affidavit dated 24.2.2025.
8. Having heard the Petitioner's representative and perused the material available on record, we proceed to dispose of the Petition.

TRUING-UP OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

9. The Petitioner has claimed the following transmission charges in respect of the Asset-1 and Asset-2 for the 2019-24 tariff period:

Asset-1 Combined Assets (6 No's)

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	326.58	326.58	326.58	326.58	326.58
Interest on Loan	205.48	173.73	145.15	117.91	91.01
Return on Equity	348.51	348.51	348.51	348.51	348.51
Interest on Working Capital	13.24	11.94	10.76	10.40	11.47
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	893.81	860.76	831.00	803.40	777.57

Asset-2

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.87	32.87	32.87	32.87	32.87
Interest on Loan	22.81	19.69	16.76	13.97	11.20
Return on Equity	35.08	35.08	35.08	35.08	35.08
Interest on Working Capital	3.07	2.89	2.71	2.73	3.14
O&M Expenses	39.20	40.64	42.08	43.52	45.12
Total	133.03	131.17	129.50	128.17	127.41



10. The Petitioner has claimed the following Interest on Working Capital (IWC) in respect of the Asset-1 and Asset-2 for the 2019-24 tariff period:

Asset-1 Combined Assets (6 No's)

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	109.89	106.12	102.45	99.05	95.60
Total Working Capital	109.89	106.12	102.45	99.05	95.60
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	13.24	11.94	10.76	10.40	11.47

Asset-2

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	3.27	3.39	3.51	3.63	3.76
Maintenance Spares	5.88	6.10	6.31	6.53	6.77
Receivables	16.36	16.17	15.97	15.80	15.67
Total Working Capital	25.51	25.66	25.79	25.96	26.20
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	3.07	2.89	2.71	2.73	3.14

Capital Cost

11. The Commission, vide order dated 27.1.2021 in Petition No. 76/TT/2020 and order dated 4.4.2022 in Petition No. 689/TT/2020, has trued-up the tariff for the 2014-19 period for Asset-1 and Asset-2 respectively and granted the tariff for the 2019-24 tariff period. The capital cost of ₹6148.17 lakh and ₹622.56 lakh for Asset-1 and Asset-2 respectively have been approved by the Commission for the transmission assets as on 31.3.2019 in the Petition Nos. 76/TT/2020 and 689/TT/2020 respectively.

12. The Petitioner has claimed capital cost of ₹6185.24 lakh as on 1.4.2019 for the Combined Asset-1 after adding back disallowed initial spares to the extent allowable of ₹37.07 lakh as per the APTEL's judgement dated 14.9.2019. Vide order dated 17.10.2017 in Petition



No. 37/TT/2017, the initial spares amounting to Rs.80.93 lakh were disallowed by the Commission on individual element/asset level for the combined Asset -1. Based on the Auditor Certificate submitted by the Petitioner in the instant Petition, the allowable initial spares calculated are as follows:

(₹ in lakh)

	Asset	Total Project cost (₹ in lakh) (A)	Initial Spares claimed (₹ in lakh) (B)	Norms as per Tariff Regulations (%) (C)	Initial Spares allowable as per the norms (₹ in lakh) D= (A-B) x C/ (100-C)	Surplus/ Excess initial spares (₹ in lakh) E= (D-B)
Combined Asset-1	(i)	2264.79	127.86	2.50	54.79	-73.07
	(ii)	453.47	10.83	2.50	11.35	0.52
	(iii)	1111.12	26.60	2.50	27.81	1.21
	(iv)	662.65	13.72	2.50	16.64	2.92
	(v)	1286.17	26.60	2.50	32.30	5.70
	(vi)	433.82*	10.08	6.00	27.05	16.97
Asset-2	(vii)	622.56	13.72	2.50	15.61	1.89
	Total		229.41		185.55	-43.86

*2014-19 Commissioned Assets-Norms applied on Plant and Machinery Cost as per 2014 Tariff Regulation.

13. In view of above, the Petitioner has added initial spares (to the extent allowable), amounting to ₹37.07 lakh (i.e. ₹80.93 lakh – ₹43.86 lakh) to the capital cost of the Combined Asset-1 as on 1.4.2019. The details of Capital Cost claimed by the Petitioner for the 2019-24 Tariff Period is as follows:

(₹ in lakh)

Asset No.	COD (Effective/ Actual)	Admitted Capital Cost as on 31.3.2019 vide order in Petition No. 76/TT/2020 & 689/TT/2020	Initial Spares Added back to extent allowable on 1.4.2019	Capital Cost Claimed as on 1.4.2019	ACE for the 2019-24 Tariff Period	Capital Cost Claimed as on 31.3.2024
Combined Asset -1	14.2.2013	6148.17	37.07	6185.24	0.00	6185.24
Asset-2	1.9.2013	622.56	0.00	622.56	0.00	622.56



14. We have considered the submissions of the Petitioner. With respect to initial spares, the Commission, vide order dated 27.1.2021 in Petition No. 76/TT/2020, has held as under:

"22. We have considered the submissions of the Petitioner and BSPHCL. APTEL vide its judgement dated 14.9.2019 in Appeal No. 74 of 2017 observed that the Order in Petition No.76/TT/2020 Page 13 of 54 Commission for the purpose of prudence check may restrict the Initial Spares to the cost of the individual asset and later at the time of truing-up allow Initial Spares as per the ceiling limit on the overall project cost. The relevant portion of the said judgement is extracted here under:

"18.13. We do not agree with this methodology of restricting initial spares asset / element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true- up."

*23. The assets included in Combined Asset-A (Asset-1 to 5) were put into commercial operation in the 2009-14 period whereas Asset-B was put under commercial operation in the 2014-19 tariff period. Accordingly, the norms specified for the Initial Spares in the 2014 Tariff Regulations and the 2009 Tariff Regulations are applicable for computation of the allowable Initial Spares asset/element wise. As per APTEL's judgement, the Initial Spares are to be allowed as a percentage of the overall project cost at the time of truing up. In the present case, though the instant assets were put into commercial operation during the 2009-14 and the 2014-19 tariff periods, the overall project cost of the instant transmission assets is arrived at only when all of them are combined while claiming the tariff for the 2019-24 tariff period. Further, the Petitioner has not included Asset-C (Spare ICT at Purnea Sub-station) in the instant petition. Therefore, the Initial Spares are trued up on the basis of the cost of the individual assets in the 2014-19 tariff period and the Initial Spares are allowed on the basis of the overall project cost in the 2019-24 period when the instant assets are combined and the overall project cost is arrived at.-
-----"*

15. In view of the above, the initial spares shall be allowable on the basis of the overall project cost in the 2019-24 period when the instant assets are combined. It is noted that the complete scope of the work as per the Investment approval is covered in the instant Petition and the Petitioner has combined all the assets in the 2024-29 period. Therefore, the additional initial spares of amount ₹37.07 lakh allowable have been dealt with in the 2024-29 tariff period in para 41 to 43. Accordingly, the additional initial spares claimed by the Petitioner in the 2019-24 tariff period are not allowed.

16. The Petitioner in the instant true-up Petition has not claimed ACE for the 2019-24 tariff period.

17. The details of the Capital Cost allowed as on 31.3.2019 and as on 31.3.2024 is as follows:

(₹ in lakh)

Asset Name	Apportioned Approved Cost as per FR/RCE	Expenditure as on 31.3.2019	Expenditure during the 2019-24 Tariff Block	Actual Capital Cost as on 31.3.2024
			2019-24	
Combined Asset -1	6909.69/NA	6148.17	0.00	6148.17
Asset-2	867.31/NA	622.56	0.00	622.56

Debt Equity Ratio

18. 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 for the 2019-24 tariff period are as follows:

(₹ in lakh)

Funding	Asset-1 Combined Assets (6 No's)			
	Capital Cost as on 1.4.2019		Capital Cost as on 31.3.2024	
	₹ (in lakh)	%	₹ (in lakh)	%
Debt	4303.95	70.00	4303.95	70.00
Equity	1844.22	30.00	1844.22	30.00
Total	6148.17	100.00	6148.17	100.00

(₹ in lakh)

Funding	Asset-2			
	Capital Cost as on 1.4.2019		Capital Cost as on 31.3.2024	
	₹ (in lakh)	%	₹ (in lakh)	%
Debt	435.79	70.00	435.79	70.00
Equity	186.77	30.00	186.77	30.00
Total	622.56	100.00	622.56	100.00

Depreciation

19. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 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 the 2019 Tariff Regulations. The depreciation allowed for the transmission assets is as follows:

Asset-1 Combined Assets (6 No's)

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	6148.17	6148.17	6148.17	6148.17	6148.17
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	6148.17	6148.17	6148.17	6148.17	6148.17
D	Average Capital Cost (A+C)/2	6148.17	6148.17	6148.17	6148.17	6148.17
E	Average Capital Cost (90% depreciable assets)	6148.17	6148.17	6148.17	6148.17	6148.17
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	5533.35	5533.35	5533.35	5533.35	5533.35
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	5533.35	5533.35	5533.35	5533.35	5533.35
J	Weighted average rate of Depreciation (WAROD) (in %)	5.280	5.280	5.280	5.280	5.280
K	Lapsed useful life at the beginning of the year (Year)	6	7	8	9	10
L	Balance useful life at the beginning of the year (Year)	19	18	17	16	15
M	Depreciation during the year (D*J)	324.62	324.62	324.62	324.62	324.62
N	Cumulative Depreciation at the end of the year	2159.22	2483.85	2808.47	3133.09	3457.72
O	Remaining Aggregate Depreciable Value at the end of the year	3374.13	3049.51	2724.88	2400.26	2075.64

Asset-2

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	622.56	622.56	622.56	622.56	622.56
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	622.56	622.56	622.56	622.56	622.56
D	Average Capital Cost (A+C)/2	622.56	622.56	622.56	622.56	622.56
E	Average Capital Cost (90% depreciable assets)	622.56	622.56	622.56	622.56	622.56
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00



Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
G	Depreciable value (excluding IT equipment and software) (E*90%)	560.30	560.30	560.30	560.30	560.30
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	560.30	560.30	560.30	560.30	560.30
J	Weighted average rate of Depreciation (WAROD) (in %)	5.280	5.280	5.280	5.280	5.280
K	Lapsed useful life at the beginning of the year (Year)	5	6	7	8	9
L	Balance useful life at the beginning of the year (Year)	20	19	18	17	16
M	Depreciation during the year (D*J)	32.87	32.87	32.87	32.87	32.87
N	Cumulative Depreciation at the end of the year	197.77	230.64	263.51	296.38	329.26
O	Remaining Aggregate Depreciable Value at the end of the year	362.53	329.66	296.79	263.92	231.05

Interest on Loan (IoL)

20. The Petitioner has claimed the weighted average rate of Interest (WAROI) on Loans based on its actual loan portfolio and rate of interest prevailed. Interest on Loan (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 is as follows:

Asset-1 Combined Assets (6 No's)

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	4303.95	4303.95	4303.95	4303.95	4303.95
B	Cumulative Repayments up to Previous Year	1834.60	2159.22	2483.85	2808.47	3133.09
C	Net Loan-Opening (A-B)	2469.35	2144.73	1820.10	1495.48	1170.86
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	324.62	324.62	324.62	324.62	324.62
F	Net Loan-Closing (C+D-E)	2144.73	1820.10	1495.48	1170.86	846.23
G	Average Loan (C+F)/2	2307.04	1982.41	1657.79	1333.17	1008.54
H	Weighted Average Rate of Interest on Loan (in %)	8.812	8.664	8.647	8.721	8.875
I	Interest on Loan (G*H)	203.30	171.76	143.35	116.26	89.51



Asset-2

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	435.79	435.79	435.79	435.79	435.79
B	Cumulative Repayments up to Previous Year	164.90	197.77	230.64	263.51	296.38
C	Net Loan-Opening (A-B)	270.89	238.02	205.15	172.28	139.41
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	32.87	32.87	32.87	32.87	32.87
F	Net Loan-Closing (C+D-E)	238.02	205.15	172.28	139.41	106.54
G	Average Loan (C+F)/2	254.46	221.59	188.71	155.84	122.97
H	Weighted Average Rate of Interest on Loan (in %)	8.963	8.885	8.879	8.960	9.109
I	Interest on Loan (G*H)	22.81	19.69	16.76	13.96	11.20

Return on Equity (RoE)

21. 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).

22. 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 (in %) [(Base Rate)/(1-t)]
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



23. We noted that the entities covered under the MAT regime are paying the 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 the 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 of 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 the account for the purpose of grossing up 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	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782



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

Asset-1 Combined Assets (6 No's)

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	1844.22	1844.22	1844.22	1844.22	1844.22
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	1844.22	1844.22	1844.22	1844.22	1844.22
D	Average Equity (A+C)/2	1844.22	1844.22	1844.22	1844.22	1844.22
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	346.38	346.38	346.38	346.38	346.38

Asset-2

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	186.77	186.77	186.77	186.77	186.77
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	186.77	186.77	186.77	186.77	186.77
D	Average Equity (A+C)/2	186.77	186.77	186.77	186.77	186.77
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	35.08	35.08	35.08	35.08	35.08

Operation & Maintenance Expenses (O&M Expenses)

25. The Commission has not allowed the O&M expenses for Combined Asset -1 for the Tariff Period 2019-24 vide order dated 27.1.2021 in Petition No. 76/TT/2020 as the assets covered in said Petition were Spare ICTs. Whereas, the O&M expenses in respect of Asset-2 was allowed by the Commission for the 2019-24 Tariff Period vide order dated 4.4.2022 in Petition No. 689/TT/2020 as the said ICT was put into regular use w.e.f. 1.10.2014. The detail of same is as follows:



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	39.20	40.64	42.08	43.52	45.12

26. The O&M expenses Claimed by the Petitioner in the instant true up Petition has not claimed any O&M for the Combined Asset (Asset-1 to 5 and Asset-7) for the 2019-24 Tariff Period, whereas O&M expenses claimed by the Petitioner for Asset-6 for the 2019-24 Tariff Period is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	39.20	40.64	42.08	43.52	45.12

27. We have considered the submissions of the Petitioner. It is observed that the O&M Expenses claimed by the Petitioner in the instant true-up petition are as per Regulation 35(3) of 2019 Tariff Regulation. The O&M expenses is worked out as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Substations:					
1 No 160 MVA, 220 kV ICT at Purnea Substation					
Norms as per Regulation (Rs. Per MVA)	0.245	0.254	0.263	0.272	0.282
Total O&M Expenses allowed	39.20	40.64	42.08	43.52	45.12

Interest on Working Capital (IWC)

28. IWC is 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 the FYs 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points)



for the FY 2023-24. The components of the working capital and interest allowed thereon for the transmission assets are as follows:

Asset-1 Combined Assets (6 No's)

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	109.11	105.36	101.72	98.33	94.91
D	Total Working Capital (A+B+C)	109.11	105.36	101.72	98.33	94.91
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	13.15	11.85	10.68	10.32	11.39

Asset-2

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M expenses for one month)	3.27	3.39	3.51	3.63	3.76
B	Working Capital for Maintenance Spares (15% of O&M expenses)	5.88	6.10	6.31	6.53	6.77
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	16.36	16.17	15.97	15.80	15.67
D	Total Working Capital (A+B+C)	25.50	25.65	25.78	25.96	26.19
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	3.07	2.89	2.71	2.73	3.14



Annual Fixed Charges for 2019-24 Tariff Period

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

Asset-1 Combined Assets (6 No's)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	324.62	324.62	324.62	324.62	324.62
Interest on Loan	203.30	171.76	143.35	116.26	89.51
Return on Equity	346.38	346.38	346.38	346.38	346.38
Operation & Maintenance Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	13.15	11.85	10.68	10.32	11.39
Total	887.46	854.62	825.03	797.59	771.91

Asset-2

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.87	32.87	32.87	32.87	32.87
Interest on Loan	22.81	19.69	16.76	13.96	11.20
Return on Equity	35.08	35.08	35.08	35.08	35.08
Operation & Maintenance Expenses	39.20	40.64	42.08	43.52	45.12
Interest on Working Capital	3.07	2.89	2.71	2.73	3.14
Total	133.03	131.16	129.49	128.16	127.41

30. The trued-up Annual Fixed Charges (AFC) claimed and allowed in respect of the transmission assets for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)

	Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Asset-1	Claimed	893.81	860.76	831.00	803.40	777.57
	Allowed	887.46	854.62	825.03	797.59	771.91
Asset-2	Claimed	133.03	131.17	129.50	128.17	127.41
	Allowed	133.03	131.16	129.49	128.16	127.41

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

31. The Petitioner has claimed the following transmission charges in respect of the Combined Asset for the 2024-29 tariff period:



(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	359.45	151.60	151.60	151.60	151.60
Interest on Loan	70.37	47.64	33.96	20.17	6.87
Return on Equity	383.59	383.59	383.59	383.59	383.59
Interest on Working Capital	13.92	10.58	10.47	10.35	10.29
O&M Expenses	41.92	44.16	46.40	48.80	51.52
Total	869.25	637.57	626.02	614.51	603.87

32. The Petitioner has claimed the following Interest on Working Capital (IWC) in respect of the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	3.49	3.68	3.87	4.07	4.29
Maintenance Spares	6.29	6.62	6.96	7.32	7.73
Receivables	107.17	78.60	77.18	75.55	74.45
Total Working Capital	116.95	88.90	88.01	86.94	86.47
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	13.92	10.58	10.47	10.35	10.29

Capital Cost:

33. The Petitioner has claimed the capital cost of ₹6807.80 lakh for the Combined Asset (7 nos) as on 31.3.2024. As discussed above, the additional initial spares of ₹37.07 lakh are not allowed because the complete scope of the project as per IA is not combined. Accordingly, the capital cost of ₹ 6770.73 lakh as on 31.3.2024 for Combined Asset is allowed.

Initial Spares

34. The details of Initial Spares claimed by the Petitioner for the entire project i.e. 07 nos assets is as under:

₹ in lakh					
2009-14 commissioned Assets					
Asset	Total Project cost* (₹ in lakh) (A)	Initial Spares claimed (₹ in lakh) (B)	Norms as per the 2009 Tariff Regulations (%)	Initial Spares allowable as per the norms of the 2009 Tariff Regulations (₹ in lakh) $\{C = (A-B) \times 2.50 / (100-2.50)\}$	Surplus/ Excess initial spares (₹ in lakh) D= (C-B)
(i)	2264.79	127.86	2.50	54.79	-73.07
(ii)	453.47	10.83	2.50	11.35	0.52
(iii)	1111.12	26.6	2.50	27.81	1.21
(iv)	662.65	13.72	2.50	16.64	2.92
(v)	1286.17	26.6	2.50	32.30	5.70
(vii)	622.56	13.72	2.50	15.61	1.89
Total-1	-	219.33	-	158.50	-60.83
2014-19 commissioned Asset					
Asset	Total Plant & machinery cost ** (₹ in lakh) (A)	Initial Spares claimed (₹ in lakh) (B)	Norms as per the 2009 Tariff Regulations (%)	Initial Spares allowable as per the norms of the 2009 Tariff Regulations (₹ in lakh) $\{C = (A-B) \times 2.50 / (100-2.50)\}$	Surplus/ Excess initial spares (₹ in lakh) D= (C-B)
(vi)	433.82	10.08	6%	27.05	16.97
Total-2	-	10.08	-	27.05	16.97
Project level summary					
G-Total	-	229.41	-	185.55	-43.86

*Total project cost including IDC & IDC as provided in Regulation 8 of the CERC Tariff Regulations, 2009.

**Total Plant & Machinery cost as provided in Regulation 13 of the CERC Tariff Regulations, 2014.

35. The Petitioner has submitted that as per the above, on project level, the initial spares claimed are in excess as compared to initial allowable by amount of ₹ 43.86 lakh. However, it is reiterated that initial spares deducted cumulatively for the subject project vide tariff order

37/TT/2017 dated 17.10.2017 amount to ₹ 80.93 lakh (i.e. for assets nos i, iii, iv and v amounting to ₹73.07 lakh, ₹ 2.64 lakh, ₹ 2.79 lakh, and ₹ 2.43 lakh respectively). In view of above, the initial spares claimable (to the extent allowable), amounting to ₹ 37.07 lakh (i.e. ₹ 80.93 lakh – ₹ 43.86 lakh), are being added to the capital cost of the asset-1 as on 1.4.2019 since the deductions were made by the Commission for assets falling under composite Asset-1.

36. We have considered the submissions of the Petitioner. The APTEL vide its judgment dated 14.9.2019 in Appeal No. 74 of 2017 observed that the Commission for the purpose of prudence check may restrict the Initial Spares to the cost of the individual asset and later at the time of truing-up allow Initial Spares as per the ceiling limit on the overall project cost. The relevant portion of the said judgment is extracted here under:

“18.13. We do not agree with this methodology of restricting initial spares asset / element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true- up.”

37. Out of the total seven no. of assets, six (6) no. of assets are commissioned in the 2009-14 tariff period and one no. of asset is commissioned in the 2014-19 tariff period. Accordingly, the norms specified for the Initial Spares in the 2009 Tariff Regulations and the 2014 Tariff Regulations are applicable for computation of the allowable Initial Spares. The additional amount of ₹ 37.07 lakh is allowable as per the APTEL vide its judgment dated 14.9.2019 in Appeal No. 74 of 2017. Therefore, the Capital cost allowed in accordance with Regulation 19(3) of the Tariff Regulations 2024 as on 1.4.2024 is ₹6807.80 lakh (₹6770.73 lakh + ₹37.07 lakh for initial spares as discussed at para 21 above).

38. The capital cost as on 1.4.2024 is worked out as under:



(₹ in lakh)

Combined Capital Cost as on 31.3.2024	Additional Spares allowed as per APTEL judgment dated 14.9.2019	Combined Capital Cost as on 1.4.2024
6770.73	37.07	6807.80

39. The Petitioner has not projected ACE for the 2024-29 tariff period and the same has been considered. Therefore, the detail of the Capital Cost allowed as on 1.4.2024 as on 31.3.2029 is as follows:

(₹ in lakh)

Asset Name	Apportioned Approved Cost as per FR/RCE	Expenditure as on 1.4.2024	Expenditure during 2024-29 Tariff Block	Actual Capital Cost as on 31.3.2029
			2024-29	
Combined Asset (7 No's)	7777.00/NA	6807.80	0.00	6807.80

Effective Date of Commercial Operation ("E-COD")

40. The Petitioner has claimed E-COD of the Combined Asset as 4.3.2013. Accordingly, based on the trued-up admitted capital cost and actual COD of the transmission asset, E-COD has been worked out as follows:

Computation of E-COD					
Particulars	Actual COD	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Weight of the Cost (in %)	Number of days from last COD	Weighted days
Combined Asset-1	14.2.2013	6148.17	90.81	199	180.70
Asset-2	1.9.2013	622.56	9.19	0	0.00
		6770.73			180.70
E-COD (Latest COD – Total weighted Days) 4.3.2013					

41. E-COD is used to determine the lapsed life of the project as a whole which works out as eleven (11) years as on 1.4.2024 (i.e. the number of completed years as on 1.4.2024 from E-COD).



Weighted Average Life (“WAL”)

42. The life as defined in Regulation 33 of the 2024 Tariff Regulations has been considered for determination of WAL.

43. The Combined Asset may have multiple elements such as land, building, transmission line, Sub-station, and PLCC and each element may have different span of life. Therefore, the concept of WAL has been used as the useful life of the project as a whole.

44. WAL has been determined based on the admitted capital cost of individual elements as on 31.3.2024 and their respective life as stipulated in the 2024 Tariff Regulations. The life as defined in the 2024 Tariff Regulations has been considered for determination of WAL. Accordingly, WAL in respect of the Combined Asset has been worked out as 25 years as follows:

Admitted Capital Cost as on 31.3.2024				
	Combined capital Cost (₹ in lakh) (a)	Life as per 2024 Regulation (Years) (b)	Weight (a) x (b)	WAL = Total Weight/ Capital cost of the project
Building	0.00	25	0.00	
Transmission Line	0.00	35	0.00	
Sub Station	6770.73	25	169268.25	
PLCC	0.00	15	0.00	
Leasehold Land	0.00	25	0.00	
IT Equipment and software	0.00	7	0.00	
Total	6770.73		169268.25	25 Years

45. WAL as on 1.4.2024 as determined above is applicable prospectively (i.e. for 2024-29 tariff period onwards) and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed above, E-COD of the Combined Asset is 4.3.2013 and the lapsed life of the project as a whole works out as eleven (11) 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 14 years.

Debt Equity Ratio

46. 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 utilized for meeting the capital expenditure of the generating station or the transmission system.

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

(3) *In the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:*

Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 96 of these regulations.

(4) *In the case of the generating station and the transmission system, including communication system declared under commercial operation prior to 1.4.2024, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.*



(5) Any expenditure incurred or projected to be incurred on or after 1.4.2024 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and 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.”

47. The Debt-equity ratio for the 2024-29 tariff period is dealt with in line with Regulation 18 of the 2024 Tariff Regulations. Accordingly, the debt-equity considered for the purpose of computation of tariff for the 2024-29 tariff period for the combined asset is as follows:

Funding	Capital Cost as on 1.4.2024		Capital Cost as on 31.3.2029	
	₹ (in lakh)	%	₹ (in lakh)	%
Debt	4765.46	70.00	4765.46	70.00
Equity	2042.34	30.00	2042.34	30.00
Total	6807.80	100.00	6807.80	100.00

Depreciation

48. 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-capitalized asset during its useful service....."*

49. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and thereafter up to 31.3.2029. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the combined asset as per the rates of depreciation specified in the 2024 Tariff Regulations. Further, the combined asset has completed 12 years of life as on 1.4.2025, the remaining depreciable value of ₹ 1980.59 lakh as on 1.4.2025 has been spread over the balance useful life of the asset in accordance with the Tariff Regulations 2024. The depreciation allowed for the combined asset is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	6807.80	6807.80	6807.80	6807.80	6807.80
B	Addition during the year 2024-29 due to projected ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	6807.80	6807.80	6807.80	6807.80	6807.80
D	Average Capital Cost (A+C)/2	6807.80	6807.80	6807.80	6807.80	6807.80
E	Average Capital Cost (90% depreciable assets)	6807.80	6807.80	6807.80	6807.80	6807.80
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	6127.02	6127.02	6127.02	6127.02	6127.02
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	6127.02	6127.02	6127.02	6127.02	6127.02
J	Weighted average rate of Depreciation (WAROD) (in %)	5.280	Spread-over depreciation			
K	Lapsed useful life at the beginning of the year (Year)	11	12	13	14	15
L	Balance useful life at the beginning of the year (Year)	14	13	12	11	10
M	Depreciation during the year	359.45	152.35	152.35	152.35	152.35
N	Cumulative Depreciation at the end of the year	4146.42	4298.78	4451.13	4603.48	4755.84
O	Remaining Aggregate Depreciable Value at the end of the year	1980.59	1828.24	1675.89	1523.53	1371.18

Interest on Loan (IoL)

50. Regulation 32 of the 2024 Tariff Regulations provides as follows:



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

(2) The normative loan outstanding as on 1.4.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2024 from the gross normative loan.

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

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

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

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

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

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

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

51. The Petitioner has claimed the weighted average rate of Interest (WAROI) on loans based on its actual loan portfolio and rate of interest prevailing as on 1.4.2024. Interest on Loan (IOL) has been calculated based on the actual interest rate of various loans deployed for each year in accordance with 2024 Tariff Regulations. The IOL allowed in respect of the combined asset is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	4765.46	4765.46	4765.46	4765.46	4765.46
B	Cumulative Repayments up to Previous Year	3786.97	4146.42	4298.78	4451.13	4603.48
C	Net Loan-Opening (A-B)	978.48	619.03	466.68	314.33	161.97
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	359.45	152.35	152.35	152.35	152.35
F	Net Loan-Closing (C+D-E)	619.03	466.68	314.33	161.97	9.62
G	Average Loan (C+F)/2	798.76	542.86	390.50	238.15	85.80
H	Weighted Average Rate of Interest on Loan (in %)	8.919	8.931	8.892	8.758	8.738
I	Interest on Loan (G*H)	71.24	48.48	34.72	20.86	7.50

Return on Equity (RoE)

52. 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.”

53. The Petitioner has submitted that the MAT rate is applicable to it. MAT rate applicable has been considered for the purpose of the RoE which shall be trued-up in accordance with 2024 Tariff Regulations. RoE allowed in respect of the combined asset is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	2042.34	2042.34	2042.34	2042.34	2042.34
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	2042.34	2042.34	2042.34	2042.34	2042.34
D	Average Equity (A+C)/2	2042.34	2042.34	2042.34	2042.34	2042.34
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	383.59	383.59	383.59	383.59	383.59

Operation & Maintenance Expenses (O&M Expenses)

54. Regulation 36(3) of the 2024 Tariff Regulations provides as follows:

“36. Operation and Maintenance Expenses:

.....

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/Reactors (Rs Lakh per MVA or MVAR)					

O&M expenditure per MVA or per MVAR (Rs Lakh per MVA or per MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four or more sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.246	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	2.07	2.18	2.30	2.42	2.55
Gazuwaka BTB (Rs Lakh/MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (Rs Lakh/MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

(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.

(c) **Communication system:** The operation and maintenance expenses for the ULDC or such similar scheme shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up. The expenses in case of U-NMS shall be allowed on actual basis after due prudence check.

(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 0.09% 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.

(e) On the occurrence of any change in law event affecting O&M expenses, the impact shall be allowed to the transmission licensee at the time of truing up of tariff.

Provided that such impact shall be allowed only in case the overall impact of such change in law event in a year is more than 5% of normative O&M expenses of the project for the year.

(f) In case of a transmission licensee owned by the Central or State Government, the impact on account of implementation of wage or pay revision shall be allowed at the time of truing up of tariff."

55. The Petitioner has claimed the following O&M expenses for the 2024-29 tariff period for the Combined Asset in the instant petition and the same has been considered for the purpose of tariff.

(₹ in lakh)				
2024-25	2025-26	2026-27	2027-28	2028-29
41.92	44.16	46.40	48.80	51.52

56. We have considered the submissions of the Petitioner. The O&M Expenses for the 2024-29 tariff period have been worked out as per norms specified in the 2024 tariff Regulations. The O&M Expenses allowed for the 2024-29 tariff period for the Combined Asset as per Regulation 36 of the 2024 Tariff Regulations are as under:



(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Substations:					
1 No 160 MVA, 220 kV ICT at Purnea Substation	1	1	1	1	1
Norms as per Regulation (Rs. Per MVA)	0.262	0.276	0.290	0.305	0.322
Total O&M Expenses allowed	41.92	44.16	46.40	48.80	51.52

Interest on Working Capital (IWC)

57. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations provides 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.

.....

(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.”

58. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance 2024 Tariff Regulations. The Rate of Interest (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. The components of the working capital and interest allowed thereon for the combined asset are as follows:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	3.49	3.68	3.87	4.07	4.29
B	Working Capital for Maintenance Spares (15% of O&M expenses)	6.29	6.62	6.96	7.32	7.73
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	107.28	78.80	77.37	75.73	74.62
D	Total Working Capital (A+B+C)	117.06	89.11	88.20	87.12	86.64
E	Rate of Interest for working capital (%)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	13.93	10.60	10.50	10.37	10.31

Annual Fixed Charges for the 2024-29 Tariff Period

59. The transmission charges allowed for the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	359.45	152.35	152.35	152.35	152.35
Interest on Loan	71.24	48.48	34.72	20.86	7.50
Return on Equity	383.59	383.59	383.59	383.59	383.59
Operation & Maintenance Expenses	41.92	44.16	46.40	48.80	51.52
Interest on Working Capital	13.93	10.60	10.50	10.37	10.31
Total	870.13	639.19	627.56	615.97	605.27

Filing Fee and Publication Expenses

60. 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.

61. We have considered the Petitioner's submissions. The Petitioner is entitled to reimbursement of the fees 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)

62. 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 an additional O&M Expenses through a separate Petition at the end of the tariff period.

63. 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.”

64. 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 an additional O&M Expenses through a separate Petition until such a regulation is notified and issued by the Commission.



License Fee and RLDC Fees and Charges

65. 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

66. 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.

67. We have considered the Petitioner's submissions. Since 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

68. 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 prudence check.

69. 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.

70. 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 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 the FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

71. The Petitioner has not claimed capital spares for the Combined Asset in the instant Petition for the 2024-29 tariff period. According to the Petitioner, it will 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.

72. 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.”

73. 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 of security expenses, capital spares individually costing more than ₹10 lakh and insurance expenses on estimated basis in terms of the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

74. The billing, collection, and disbursement of transmission charges 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.

75. To summarize:

a) The trued-up Annual Fixed Charges (AFC) allowed in respect of the Combined Asset for the 2019-24 tariff period are as follows:

(₹ in lakh)						
Particulars	Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Asset-1	Allowed	887.46	854.62	825.03	797.59	771.91
Asset-2	Allowed	133.03	131.16	129.49	128.16	127.41



b) The AFC allowed in respect of the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Allowed	870.13	639.19	627.56	615.97	605.27

76. This order disposes of Petition No. 20/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

