

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 220/TT/2025

Coram:

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

Date of Order: 19.03.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for the truing-up of transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and for the determination of transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Assets under "Transmission System associated with Rihand Stage-II" in the Northern Region.

And in the matter of:

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

...Petitioner

Vs.

- 1. Uttar Pradesh Power Corporation Limited,**
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001.
- 2. Ajmer Vidyut Vitran Nigam Limited,**
Corporate Office, Vidyut Bhawan,
Panchsheel Nagar, Makarwali Road
Ajmer-305004 (Rajasthan).
- 3. Jaipur Vidyut Vitran Nigam Limited,**
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan)
- 4. Jodhpur Vidyut Vitran Nigam Limited,**
New Power House, Industrial Area,
Jodhpur-342003 (Rajasthan).



5. **Himachal Pradesh State Electricity Board Limited,**
Vidyut Bhawan,
Kumar House Complex Building-II
Shimla-171004.
6. **Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala-147001.
7. **Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6
Panchkula-134109 (Haryana).
8. **Jammu Kashmir Power Corporation Limited,**
220/66/33 kV Gladni SS SLDC Building,
Narwal, Jammu.
9. **BSES Yamuna Power Limited,**
B-Block, Shakti Kiran Building,
(Near Karkadooma Court),
Karkadooma 2nd Floor,
New Delhi-110092.
10. **BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
New Delhi.
11. **Tata Power Delhi Distribution Limited,**
33 kV Sub-station, Building
Hudson Lane, Kingsway Camp
North Delhi-110009.
12. **Chandigarh Electricity Department,**
Chandigarh Administration
Sector-9, Chandigarh.
13. **Uttarakhand Power Corporation Limited,**
Urja Bhawan
Kanwali Road
Dehradun.
14. **North Central Railway,**
Allahabad.
15. **New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi-110002.

...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 (PGCIL) for truing-up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and for the determination of transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of the Combined Assets (hereinafter referred to as “the Combined Asset”) under “Transmission System associated with Rihand Stage-II” (hereinafter referred to as “the transmission system”) in the Northern 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 asset covered under this petition, as per para 12 and 13 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 Regulations, 2019 and Tariff Regulations, 2024 as per para 12 and 13 above for respective block.

Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long-term customers / DIC as the case may be, as and when the same is materialized as per Regulation 67 of Tariff Regulations, 2019 and Regulation 89 of Tariff Regulations, 2024. The petitioner may be allowed to recover the deferred tax liability materialized directly without making any application before the Hon’ble Commission as provided in the regulations.

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 RLDC fees & charges and Licensee fee, 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 Hon'ble 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 Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 19 above.*

h) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 19 above.*

i) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 20 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.*

k) *Allow to continue the recovery of lease payment being done for Obra Forest Division, Renukoot Forest Division and Sonebhadra Forest Division directly from the beneficiaries as allowed by Hon'ble Commission vide order dated 29.1.2016 in Petition No. 561/TT/2014 and 14.03.2022 in petition no. 314/TT/2020*

and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

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

(a) The Investment Approval (the IA) for the transmission system was accorded by the Central Government in Ministry of Power vide letter dated 9.12.2002 at an estimated cost of `104444 lakh including an IDC of ₹15749 lakh at 2nd Quarter, 2002 price level.

(b) The details of Combined Asset covered under the instant transmission system as per the IA are as under:

Asset-I :- 400 kV D/C Rihand-Allahabad, Allahabad-Mainpuri and Mainpuri-Ballabgarh transmission line with associated bays

Asset-II :- ICT-I at Patiala Sub-station, LILO of one circuit of Nalagarh-Hissar transmission line at Kaithal, 400 kV S/C Patiala-Malerkotla transmission and ICT- III at Abdullapur Sub-station with associated bays

Asset-III :- ICT-I and II at Kaithal and 4 number 220 kV line bays at Kaithal Sub-station

Asset-IV:- ICT-II at Patiala Sub-station and LILO of one circuit (400 kV) of Nalagarh-Hissar transmission line at Patiala Sub-station with associated bays

Asset-V :- 315 MVA, 400/220 kV ICT-I and ICT-II along with associated bays and 4 number 220 kV line bays at Mainpuri Substation

Asset-VI:- 400 kV S/C Dadri-Panipat transmission line with associated bays

Asset-VII:- 2 number 220 kV bays at Abdullapur Sub-station

(c) The transmission tariff for the period from COD to 31.3.2009 with respect to Asset-I, Asset-II, Asset-IV and Asset-VI was approved vide order dated 27.9.2007 in Petition No. 2/2007. The transmission tariff for the period from COD to 31.3.2009 with respect to Asset-III, Asset-V and Asset-VII was approved vide order dated 3.2.2009 in Petition No. 68/2008. The transmission tariff with respect to the transmission assets was revised on account of Additional Capital Expenditure (ACE) for the period from 1.4.2006 to 31.3.2009, vide order dated 7.9.2009 in Petition No.70/2009. Further, the transmission tariff for the transmission assets was again revised on account of the ACE for the period from 1.4.2008 to 31.3.2009 vide order dated 15.2.2010 in Petition No. 236/2009.

(d) Annual transmission charges in respect of the Combined Asset for the 2009-14 tariff period were determined vide order dated 30.5.2011 in Petition

No. 319/2010. Further, transmission tariff for the 2009-14 period was trued up and tariff for the period from 1.4.2014 to 31.3.2019 in respect of the Combined Asset was determined vide order dated 29.1.2016 in Petition No. 561/TT/2014.

(e) Based on the Appellate Tribunal for Electricity (the APTEL) judgement dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch cases, the Commission vide order dated 14.3.2022 in Petition No. 314/TT/2020 has revised the transmission tariff for the 2004-09 and 2009-14 tariff periods, trued-up the tariff for the 2014-19 tariff period and determined the Annual Fixed Charges (AFC) for the 2019-24 tariff period.

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 Commission, vide Record of Proceedings dated 12.2.2025, directed the Petitioner to confirm whether all the assets are currently in use and whether there has been any de-capitalization, and submit the details of other Petitions where the additional assets have been implemented at Abdullapur Substation, Allahabad Substation, Dadri Substation, Patiala Substation, Mainpuri Substation, Ballabgarh Substation, Panipat Substation, Kaithal Substation, Malerkotla Substation and tariff

details approved by the Commission. The Petitioner, vide additional information dated 5.3.2025, has submitted that 02 Nos. 50MVA Switchable Line Reactors of 400 kV Allahabad-Fatehpur I & II (earlier Allahabad-Mainpuri) at Allahabad Substation capitalized under the instant transmission project, have been taken out from regular service with effect from 10.12.2021 and 12.12.2021, respectively. Apart from it, all other assets covered under the instant Petition are in use, and there is no other decapitalization in the 2019-24 and 2024-29 as on date.

7. With regard to the details of other Petitions where the additional assets have been implemented at Abdullapur Substation, Allahabad Substation, Dadri Substation, Patiala Substation, Mainpuri Substation, Ballabgarh Substation, Panipat Substation, Kaithal Substation, Malerkotla Substation and tariff details approved by the Commission, the Petitioner has submitted the following information:

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Abdullapur S/S	400 KV D/C Abdullapur-Bawana transmission line with associated bays, 315 MVA ICT-II at Abdullapur sub-station, 220 KV Jorian (HVPNL) bay at Abdullapur sub-station; and 400 KV D/C Nalagarh- Hissar transmission line with associated bays	01-01-2000	Nathpa-Jhakri Transmission System in Northern Region	Diary No: 1342/2024
	400 KV D/C Nathpa-Jhakri-Abdullapur line ICT-I, Bus Reactor and 2 Nos 220 KV bays at Abdullapur for Tepla(HVPNL)	01-04-2003		
	ICT-I at Patiala Sub-station, LILO of one circuit of Nalagarh-Hissar transmission line at Kaithal, 400 kV S/C Patiala-Malerkotla transmission and ICT- III at Abdullapur Sub-station with associated bays	01-10-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	2 number of 220 kV bays at Abdullapur Substation	01-11-2006		
	400 kV 125 MVA Bus Reactor with associated bays at Abdullapur	01-03-2011	System Strengthening in Northern Region	92/TT/2025

	400 kV D/C Abdullapur-Sonepat Transmission Line alongwith 400 kV associated bays at Abdullapur and Sonepat Sub-station	01-04-2011	Grid for Karcham Wangtoo HEP	
	1x315 MVA, 400/220 kV Transformer at Abdullapur	01-12-2013	Augmentation of Transformation capacity (Part-I) in Northern & Eastern Region	451/TT/2024
	400 kV D/C (Quard) Circuit-I of Dehradun- Abdullapur Transmission Line along with associated bays at Dehradun and Abdullapur Sub-station	31-03-2018	NRSS XXIV	Diary No: 907/2024
	400 kV D/C (Quard) Circuit-II of Dehradun-Abdullapur Transmission Line along with associated bays at Dehradun and Abdullapur Sub-station	01-04-2018		
	Conversion of 02 Nos 400kV,50 MVAR line reactors into switchable line reactors at Abdullapur Substation	15-02-2020	Conversion of Fixed Line Reactors into Switchable Line Reactors in Northern Region	Diary No: 840/2024
	2 no. 220 kV bays at Abdullapur Substation	18-03-2021	NRSS-XL	52/TT/2023

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220kV Allahabad Substation	Asset-I: LILO of Singrauli-Kanpur transmission line-I at Allahabad	01-11-2001	Asset-I: LILO of Singrauli-Kanpur transmission line-I at Allahabad, Asset-II: LILO of Singrauli-Kanpur transmission line-II at Allahabad, Asset-III: ICT-I at Allahabad along with associated bays and Asset-IV: ICT-II at Allahabad along with associated bays in Northern Region	Diary No: 1119/2024
	Asset-II: LILO of Singrauli-Kanpur transmission line-II at Allahabad	01-08-2001		
	Asset-III: ICT-I at Allahabad along with associated bays	01-02-2003		
	Asset-IV: ICT-II at Allahabad along with associated bays in the Northern Region	01-01-2003		
	400 kV Biharshariff-Sasaram-Allahabad D/C line for transfer of surplus power from Eastern Region	01-12-2002	Eastern Northern Inter-regional HVDC Transmission System	Diary No: 987/2024
	400 kV Sasaram - Allahabad D/C line (including LILO at Sarnath)	01-12-2002		
	220 kV Allahabad-Rewa Road D/C Transmission Line Ckt-1	01-01-2003	Strenhthening Scheme in UP	119/TT/2025
	220 kV Allahabad-Rewa Road D/C Transmission Line Ckt-II	01-08-2003		
	220 kV Allahabad-Phulpur S/C Transmission Line	01-06-2004		

	400 kV D/C Rihand-Allahabad, Allahabad-Mainpuri and Mainpuri Ballabgarh transmission line with associated bays	01-06-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	400 kV, 125 MVAR Bus Reactor at Allahabad	01-11-2012	Provision of Bus Reactors in Northern Region	Diary No: 921/2024
	ICT 315 MVA 400/220 kV Allahabad Extension Sub-station	02-11-2014	Augmentation of transformer capacity Part-A	676/TT/2020
	400 kV Meja-Allahabad Line-I alongwith 01 number 400 kV Allahabad bay	10-11-2016	Transmission System Associated With Meja TPS	Diary No: 928/2024
	400 kV Meja-Allahabad Line-II alongwith 01 number 400 kV Allahabad bay	10-02-2017		
	400 kV D/C Allahabad-Kanpur Line along with associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur end	28-09-2017	NRSS XXX	Diary No: 846/2024
	Singrauli-Allahabad 400 kV S/C Line along with associated bays at both ends including 1X50 MVAR Line Reactor at Allahabad end	26-10-2019		
	1x125 MVAR, 400kV Bus Reactor and associated bay at Allahabad Sub Station	31-08-2021	NRSS-XL	52/TT/2023

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
500 kV HVDC, Dadri Substation	Rihand-Dadri Pole-I & Pole-II 500 kV HVDC	10-01-1992	Rihand Transmission System	Diary No: 02/2025
	Ballabgarh-Dadri 400 kV D/C line Ckt-I & Ckt-II	26-06-1990		
	Dadri-Mandola 400 kV D/C line	22-11-1990		
	Dadri-Malerkotla 400 kV S/C line	30-06-1992		
	400 kV S/C Dadri-Panipat transmission line with associated bays	01-04-2006	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	Special Protection Scheme for Rihand- Dadri HVDC Bi-pole and Gorakhpur-Muzzafarpur 400 kV line in Northern Region	01-08-2008	Special Protection Scheme for Rihand-Dadri HVDC Bi-pole and Gorakhpur-Muzzafarpur 400 kV line in Northern Region	120/TT/2025

	01 Number of 12Ω Series Bus Reactor at Ballabhgarh 400/220 kV (POWERGRID) Sub-station along with associated bays, 01 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-I and 01 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-II	07-12-2018	Provision of Series Reactors in Northern Region	Diary No: 847/2024
--	--	------------	---	--------------------

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Patiala S/S	ICT-I at Patiala Sub-station, LILO of one circuit of Nalagarh-Hissar transmission line at Kaithal, 400 kV S/C Patiala-Malerkotla transmission and ICT- III at Abdullapur Sub-station with associated bays	01-10-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	ICT-II at Patiala Sub-station and LILO of one circuit (400 kV) of Nalagarh-Hissar transmission line at Patiala Sub-station with associated bays	01-12-2005		
	LILO of 400 kV Nalagarh-Kaithal Line at Patiala along with associated bays,	01-09-2011	Northern Region System Strengthening Scheme-XIV	368/TT/2024
	400/220 kV 500 MVA ICT-III at Patiala Sub-station	01-09-2011		
	400 kV 125 MVAR Bus Reactor at Patiala Substation along with associated bays at Patiala Substation	01-10-2011		
	400 kV D/C Patiala-Ludhiana Transmission Line along with associated bays at Patiala and Ludhiana Substation	01-10-2011	Transmission System associated with Rampur HEP	222/TT/2025
	400 kV D/C Patiala-Panchkula transmission line	01-05-2016	Northern Region System Strengthening Scheme-XXXII	Diary No: 16/2025
	01 No. 125 MVAR 400 kV Bus Reactor at Patiala Substation	08-10-2021	Northern Region System Strengthening Scheme-XL	52/TT/2023
	1x500MVA, 400/220kV ICT along with 400kV & 220kV Bays at Patiala (PG) Substation	12-07-2023	Augmentation of Transformation Capacity at 400/220kV Kurukshetra (PG) & Patiala (PG) Substation	182/TT/2024

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Mainpuri Substation	400 kV D/C Rihand-Allahabad, Allahabad-Mainpuri and Mainpuri Ballabgarh transmission line with associated bays	01-06-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	315 MVA, 400/220 kV ICT-I and ICT-II along with associated bays and 4 number 220 kV line bays at Mainpuri Sub-station	01-01-2006		
	40% FSC on Allahabad-Mainpuri 400 kV D/C line at Mainpur	01-05-2011	Northern Region System Strengthening Scheme-II	Diary No: 842/2024
	400/220 kV, 500 MVA ICT along with associated bays at 400/220kV Mainpuri Substation	31-08-2017	Aug. of Transformation Capacity in Mainpuri and Sikar	216/TT/2025
	2 Numbers 220 kV line bays at 400/220 kV Mainpuri Sub-station	05-04-2018		

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Ballabgarh Substation	Kanpur-Ballabgarh 400 kV S/C line	10-10-1988	Rihand Transmission System	Diary No: 02/2025
	Ballabgarh-Jaipur 400 kV S/C line	10-10-1988		
	Ballabgarh-Dadri 400 kV D/C line Ckt-I & Ckt-II	01-07-1990		
	400 kV Agra-Ballabgarh S/C Transmission line	01-12-1991	Trans syst. Associtaed with Auraiya Gas Power Plant	Diary No: 1174/2024
	Stage-1 of 400 kV Thyristor controlled series compensation project (Fact Device) on Kanpur-Ballabgarh 400 kV S/C line at Ballabgarh in Northern Region	01-07-2002	Stage-1 of 400 kV Thyristor controlled series compensation project (Fact Device) on Kanpur-Ballabgarh 400 kV S/C line at Ballabgarh in Northern Region	195/TT/2025
	400 kV D/C Rihand-Allahabad, Allahabad-Mainpuri and Mainpuri Ballabgarh transmission line with associated bays	01-06-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	400 kV D/C Twin Conductor Kanpur-Ballabgarh Transmission Line along with its Associated Bays	01-11-2010	Northern Region System Strengthening Scheme-IX	125/TT/2025
	40% FSC at Ballabgarh on 400 kV D/C Kanpur-Ballabgarh Transmission Line	01-07-2011		
	400/220 kV Ballabgarh Sub-station (re-alignment works)	01-12-2012	765 kV System for Central Part of Northern Grid-Part III" in Northern Region	Diary No: 1101/2024

	Augmentation of transformation capacity at 400/220kV Ballabhgarh Sub-station by installing 500 MVA ICT-III	05-06-2017	NRSS-XXXII	Diary No: 16/2025
	Augmentation of transformation capacity at 400/220 kV Ballabhgarh Sub-station by installing 500 MVA ICT-IV	03-07-2017		
	400/220 kV 500 MVA ICT-I at Ballabhgarh Sub-station	28-03-2016		
	400/220 kV 500 MVA ICT-II at Ballabhgarh Sub-station	16-09-2016		
	01 Number of 12 Ω Series Bus Reactor at Ballabhgarh 400/220 kV (POWERGRID) Sub-station along with associated bays, 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-I and 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-II	07-12-2018	Provision of Series Reactors in Northern Region	Diary No: 847/2024

Name of the Station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Panipat Substation	400 kV Muradnagar-Panipat line	01-06-1986	Singrauli Transmission System in Northern Region	Diary No: 1343/2024
	400 kV S/C Dadri-Panipat transmission line with associated bays	01-04-2006	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220 kV Kaithal S/S	ICT-I at Patiala Sub-station, LILO of one circuit of Nalagarh-Hissar transmission line at Kaithal, 400 kV S/C Patiala-Malerkotla transmission and ICT- III at Abdullapur Sub-station with associated bays	01-10-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	ICT-I and II at Kaithal and 4 number 220 kV line bays at Kaithal Substation	01-11-2005		
	400 kV D/C Meerut-Kaithal (Quad) Transmission Line along with associated bays	01-11-2010	NRSS-XI	130/TT/2025
	80 MVAR Bus Reactor at Kaithal Sub-Station	01-07-2011	NRSS-XIX	Diary No: 1201/2024
	LILO of Patiala-Hissar line at Kaithal Sub-Station along with associated bays	01-09-2011	Transmission System associated with Rampur HEP	222/TT/2025

	125 MVAR Bus Reactor at 400/220 kV Kaithal Sub-station Extension	29-10-2016	Bus Reactors in Northern Region (Phase-II)	Diary No: 839/2024
	LILO of 400 kV S/C Dadri-Malerkotla transmission line at Kaithal alongwith associated bays and 400 kV, 50 MVAR Line Reactor	01-04-2017	NRSS-XXXII	Diary No: 16/2025
	Asset-6: Associated bays of "1X315 MVA 400/220 kV ICT" at Kaithal Substation (ICT shifted from Ballabgarh Substation)	04-11-2017	NRSS-XXXIV	Diary No: 1095/2024
	Asset-7: 2 numbers 220 kV bays at Kaithal Substation	24-11-2017		
	Asset-9: 1X315 MVA 400/220 kV ICT at Kaithal Substation (Only ICT shifted from Ballabgarh SS)	04-11-2017		

Name of the Sub-station	Asset name	COD	Associated Project Name	Covered in Petition no. (Latest)
400/220kV Malerkotla Substation	Dadri-Malerkotla 400 kV S/C line	30-06-1992	Rihand Transmission System	Diary No: 02/2025
	315 MVA ICT-II at Malerkotla Sub Station	01-04-1996	Nathpa-Jhakri Transmission System in Northern Region	Diary No: 1342/2024
	ICT-I at Patiala Sub-station, LILO of one circuit of Nalagarh-Hissar transmission line at Kaithal, 400 kV S/C Patiala-Malerkotla transmission and ICT- III at Abdullapur Sub-station with associated bays	01-10-2005	Transmission system associated with Rihand Stage-II in Northern Region	220/TT/2025
	Total upstream system including Malerkotla-Ludhiana-Jalandhar transmission line along with associated bays at Ludhiana Sub-station Malerkotla Substation	01-06-2008	NRSS-III	Diary No: 843/2024
	400/220 kV 500 MVA ICT-III at Malerkotla Sub-station	01-10-2011	Northern Region System Strengthening Scheme-XIV	368/TT/2024
	2 number of line bays at Malerkotla GIS 400/220 kV Sub-station	03-04-2017	Northern Region System Strengthening Scheme-XXXI (Part-B)	Diary No: 1116/2024
	2 number of line bays at Malerkotla GIS 400/220 kV Sub-station	18-01-2017		

8. The hearing in the matter was held on 12.2.2025, and the order was reserved.

9. This order is being issued considering the Petitioner's submissions in the Petition vide affidavit dated 29.8.2024 and the additional information vide affidavit dated 5.3.2025.

10. 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

11. The Petitioner has claimed the following trued-up transmission charges in respect of Combined Asset for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1197.30	1197.31	1197.29	1197.31	1197.29
Interest on Loan	693.30	600.15	511.02	406.34	301.27
Return on Equity	5063.02	5063.02	5063.02	5063.02	5063.02
Interest on Working Capital	233.92	221.53	209.49	212.39	246.12
O&M Expenses	2968.16	3073.48	3181.35	3293.92	3407.25
Total	10155.70	10155.49	10162.17	10172.98	10214.95

12. The Petitioner has claimed the following trued up Interest on Working Capital (IWC) in respect of the transmission asset for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	247.35	256.12	265.11	274.49	283.94
Maintenance Spares	445.23	461.02	477.20	494.09	511.09
Receivables	1248.65	1252.05	1252.87	1254.20	1255.94
Total Working Capital	1941.23	1969.19	1995.18	2022.78	2050.97
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	233.92	221.53	209.49	212.39	246.12

Capital Cost for the 2019-24 Tariff Period

13. The Commission vide order dated 14.3.2022 in Petition No. 314/TT/2020 trued-up the tariff for the 2014-19 period and granted tariff for the 2019-24 tariff period. The capital cost of ₹91334.96 lakh has been approved by the Commission for the Combined Asset as on 31.3.2019 in Petition No. 314/TT/2020 and the same has been considered as opening capital cost as on 1.4.2019 for the purpose of truing-up of

transmission tariff for 2019- 24 period in accordance with Regulation 19 of the 2019 Tariff Regulations in the instant Petition.

14. The Petitioner initially did not project any ACE for the 2019-24 tariff period and claimed the capital cost of ₹91334.96 lakh as on 31.3.2019 and as on 31.3.2024.

15. The Petitioner, vide affidavit dated 5.3.2025, has submitted that 02 Nos. 50 MVar switchable Line Reactors of 400 kV Allahabad-Fatehpur I & II (earlier Allahabad-Mainpuri) at Allahabad Substation capitalized under the instant project have been taken out from the regular service with effect from 10.12.2021 and 12.12.2021, respectively. The Petition was inadvertently filed for the truing up without any de-capitalization, and the de-capitalization of the above reactors is being done now whose details have been given in affidavit dated 5.23.2025 and the same are as follows:

(₹ in lakh)						
Year of Decapitalization	Work/Equipment Proposed to be Decapitalised	Year of Capitalization	Original Book Value	Debt Equity Ratio	Cumulative Depreciation	Cumulative Repayment
2021-22 (10.12.2021)	400 kV, 50MVar Allahabad Fatehpur-1 Switchable Line Reactor	June, 2005	50.96	70.54:29.46	35.76	35.76
2021-22 (12.12.2021)	400kV, 50MVar Allahabad Fatehpur-2 Switchable Line Reactor	June, 2005	50.96	70.54:29.46	35.76	35.76

16. The revised capital cost for the Combined Asset is as below:

(₹ in lakh)				
Asset	Apportioned approved cost as per FR	Expenditure up to 31.3.2019	ACE during the year 2021-22	Actual cost as on 31.3.2024
Combined Asset	104444.00	91334.96	(-) 101.92	91233.04

17. We have considered the submissions of the Petitioner. Regulation 26(2) of the 2019 Tariff Regulations is extracted as under:

“(2) In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding

adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.”

18. From the above, we observe that 02 Nos. 50 MVar Switchable Line Reactors of 400 kV Allahabad-Fatehpur I & II have been de-capitalised with effect from 10.12.2021 and 12.12.2021, respectively. However, as against the debt-equity ratio of 70.54:29.46 as stated by the Petitioner in respect of these de-capitalised assets, the Commission vide order dated 3.2.2009 in Petition No. 68/2008 had considered the debt-equity ratio of 70.40:29.60, and the same has been considered for de-capitalisation in this Petition.

19. The Petitioner has not claimed Additional Capital Expenditure (ACE) for the 2019-24 tariff period in respect of Combined Asset

20. We have considered the Petitioner's submissions. The capital cost allowed as on 31.3.2019 and as on 31.3.2024 for the Combined Asset is as follows:

Apportioned approved cost as per FR/RCE	Expenditure as on 31.3.2019	Expenditure during 2021-22	Actual capital cost as on 31.3.2024
		2021-22	
104444.00	91334.96	(-) 101.92	91233.04

Debt-Equity Ratio

21. 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 Combined Asset during the 2019-24 tariff period is as follows:

Funding	Capital Cost as on 1.4.2019		ACE during the period 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	64378.18	70.49	(-) 71.75	70.40	64306.43	70.49
Equity	26956.78	29.51	(-) 30.17	29.60	26926.61	29.51
Total	91334.96	100.00	(-) 101.92	100.00	91233.04	100.00

Depreciation

22. 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 Combined Asset as per the rates of depreciation specified in the 2019 Tariff Regulations. Further, the Combined Asset has completed 12 years of life as on 31.3.2019 and, therefore, the remaining depreciable value of ₹25143.21 lakh has been spread over the balance of the useful life of 21 years of the Combined Asset in accordance with Regulation 33 of the 2019 Tariff Regulations. Cumulative depreciation has been adjusted for de-capitalisation of assets considered during the tariff period. The depreciation allowed for the Combined Asset is as follows:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening capital cost	91334.96	91334.96	91334.96	91233.04	91233.04
B	Addition during the year 2019-24 due to ACE	0.00	0.00	(-) 101.92	0.00	0.00
C	Closing capital cost (A+B)	91334.96	91334.96	91233.04	91233.04	91233.04
D	Average capital cost (A+C)/2	91334.96	91334.96	91284.00	91233.04	91233.04
E	Average capital cost (90% depreciable assets)	90888.04	90888.04	90837.08	90786.12	90786.12
F	Average capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
F1	Value of Freehold land	446.92	446.92	446.92	446.92	446.92
G	Depreciable value (excluding IT equipment and software) (E*90%)	81799.24	81799.24	81753.37	81707.51	81707.51
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)	81799.24	81799.24	81753.37	81707.51	81707.51
J	WAROD	Spread Over				
K	Elapsed useful life at the beginning of the year	12.00	13.00	14.00	15.00	16.00
L	Balance useful life at the beginning of the year	21.00	20.00	19.00	18.00	17.00
M	Remaining depreciable value (before providing depreciation for the year) (I - 'Q' of preceding period)	25143.21	23945.91	22702.75	21533.53	20337.22
N	Depreciation during the year (D*J)	1197.30	1197.30	1194.88	1196.31	1196.31
O	Cumulative depreciation at the end of the year	57853.33	59050.62	60245.50	61370.29	62566.60
P	Cumulative depreciation adjustment due to de-capitalisation	0.00	0.00	71.52	0.00	0.00
Q	Net cumulative depreciation at the end of the year (O-P)	57853.33	59050.62	60173.98	61370.29	62566.60

23. The details of depreciation allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, depreciation claimed in the instant Petition, and trued-up depreciation allowed for the transmission asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.2.2022 in Petition No. 314/TT/2020	1197.30	1197.30	1197.30	1197.30	1197.30
Claimed by the Petitioner in the instant Petition	1197.30	1197.31	1197.29	1197.31	1197.29
Allowed after truing-up in this order	1197.30	1197.30	1194.88	1196.31	1196.31

Interest on Loan (IoL)

24. The Petitioner has claimed the weighted average rate of IoL based on its actual loan portfolio and interest rate. Accordingly, the IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The depreciation allowed during the 2019-24 tariff period has been considered as repayment during the 2019-24 tariff period. Further, repayment has been adjusted for de-capitalisation of assets considered during the period. The trued-up IoL allowed in respect of the Combined Asset is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	64378.18	64378.18	64378.18	64306.43	64306.43
B	Cumulative Repayments up to previous year	55548.14	56745.44	57942.73	59066.09	60262.40
C	Net Loan-Opening (A-B)	8830.04	7632.74	6435.45	5240.34	4044.03
D	Addition due to ACE	0.00	0.00	(-) 71.75	0.00	0.00
E	Repayment during the year	1197.30	1197.30	1194.88	1196.31	1196.31
E1	Repayment adjustment on account of de-capitalisation of assets	0.00	0.00	71.52	0.00	0.00
E2	Net Repayment of Loan (E - E1)	1197.30	1197.30	1123.36	1196.31	1196.31
F	Net Loan-Closing (C+D-E2)	7632.74	6435.45	5240.34	4044.03	2847.72
G	Average Loan (C+F)/2	8231.39	7034.10	5837.89	4642.18	3445.88
H	WAROI (in %)	8.4226	8.5319	8.7550	8.7583	8.7521
I	Interest on Loan (G*H)	693.30	600.14	511.11	406.58	301.59

25. The details of IoL allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, IoL claimed in the instant Petition, and trued-up IoL allowed for the transmission asset in the instant order are as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020	693.30	600.15	511.01	406.34	301.27
Claimed by the Petitioner in the instant Petition	693.30	600.15	511.02	406.34	301.27
Allowed after truing-up in this order	693.30	600.14	511.11	406.58	301.59

Return on Equity (RoE)

26. The Petitioner has submitted that its Income Tax assessment has been completed, and the 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 (IT Act, 1961)]. The Petitioner has further submitted that the Income Tax Returns (ITRs) have been filed for FY 2021-22, FY 2022-23, and FY 2023-24 (filed in Petition No. 401/TT/2024).

27. The Petitioner has further submitted that it is liable to pay the income tax at 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

28. We have considered the Petitioner's submissions and have also gone through the record. We observe that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the

IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with 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 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 considered 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 is considered for the purpose of grossing up the rate of RoE:

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

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

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	26956.78	26956.78	26956.78	26926.61	26926.61
B	Addition due to ACE	0.00	0.00	(-) 30.17	0.00	0.00
C	Closing Equity (A+B)	26956.78	26956.78	26926.61	26926.61	26926.61

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
D	Average Equity (A+C)/2	26956.78	26956.78	26941.69	26926.61	26926.61
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	5063.02	5063.02	5060.19	5057.36	5057.36

30. The details of the RoE allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, RoE claimed in the instant Petition, and trued-up RoE allowed for the Combined Asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020	5063.02	5063.02	5063.02	5063.02	5063.02
Claimed by the Petitioner in the instant Petition	5063.02	5063.02	5063.02	5063.02	5063.02
Allowed after truing-up in this order	5063.02	5063.02	5060.19	5057.36	5057.36

Operation & Maintenance Expenses (O&M Expenses)

31. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses for the Combined Asset:

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	2968.17	3073.48	3181.34	3293.92	3407.25

32. We have considered the Petitioner's submissions. 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 the 2019 Tariff Regulation. The O&M Expenses worked out in respect of the Combined Asset are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Substations: 400 kV Bays (Total No of bays: 25)					
1 No. ICT-III Bay at Abdullapur Substation,					
2 No. 400 kV Rihand-I& II Bay at Allahabad Substation,					
2 No. 400 kV Manipur-I& II Bay at Allahabad Substation,					
1 No. 400 kV Dadri Panipat Bay at Dadri Substation,					
2 No. 400 kV ICT-I & II Bay at Patiala Substation,					
1 No. 400 kV Nalagarh Bay at Patiala Substation,					
1 No. 400 kV Hisar Bay at Patiala Substation,					
1 No. 400 kV Malerkotla Bay at Patiala Substation,					
2 No. 400 kV ICT-I & II Bay at Mainpuri Substation,					

2 No. 400 kV Allahabad-I & II Bay at Mainpuri Substation, 2 No. 400 kV Ballangarh-I & II Bay at Mainpuri Substation, 2 No. 400 kV Manipur-I & II Bay at Ballabgarh Substation, 1 No. 400 kV Dadri Bay at Panipat Substation, 2 No. 400 kV ICT-I & II Bay at Kaithal Substation, 1 No. 400 kV Nalagarh Bay at Kaithal Substation, 1 No. 400 kV Hisar Bay at Kaithal Substation, 1 No. 400 kV Patiala Bay at Malerkotla Substation,					
Norms as per Regulation (Rs. Pe Bay)	32.15	33.28	34.45	35.66	36.91
O&M expenses allowable	803.75	832	861.25	891.5	922.75
Substations: 220 kV Bays					
1 No. ICT-III Bay at Abdullapur Sub-station,					
2 Nos. Yamunanagar-I & II Bay at Abdullapur Sub-station					
2 Nos. 220 kV Bay for ICT-I & II at Patiala Sub-station,	21	21	21	21	21
2 Nos. 220 kV Bay for Ablowal Line -I & II at Patiala Sub-station,					
2 Nos. 220 kV Bay for Rajpura line -I & II at Patiala Sub-station,					
2 Nos. 220 kV ICT-I & II Bay at Mainpuri Sub-station,					
1 No. 220 kV Harduganj Bay at Mainpuri Sub-station,					
1 Nos. 220 kV Firzobad Bay at Mainpuri Sub-station,					
2 Nos. 220 kV Manipur (UPPCL) line I & II Bay at Mainpuri Substation,					
2 No. 220 kV ICT- I & II Bay at Kaithal Sub-station,					
2 Nos. 220 kV Kaithal I & II Bay at Kaithal Sub-station,					
2 Nos. 220 kV Cheela I & II Bay at Kaithal Sub-station					
Norms as per Regulation	22.51	23.30	24.12	24.96	25.84

(Rs. Pe Bay)					
O&M Expenses	472.71	489.3	506.52	524.16	542.64
Substations: ICT					
2 Nos. 400 kV, 315 MVA ICT -I & II at Mainpuri					
2 Nos. 400 kV, 315 MVA ICT-I & II at Patiala					
2 Nos. 400 kV, 315 MVA ICT-I & II at Kaithal					
1 No. 400 kV, 315 MVA ICT-III at Abdullapur					
Norms as per Regulation (Rs. Per MVA)	0.358	0.371	0.384	0.398	0.411
O&M Expenses	789.39	818.06	846.72	877.59	906.26
Transmission Line:					
400 kV D/C Rihand-Allahabad line- (line length: 279.245 kms)					
400 kV D/C Allahabad-Mainpuri line- (line length: 363.429 kms)					
400 kV D/C Ballabgarh- Mainpuri line- (line length:235.952 kms)					
LILO of 400 kV D/C Nalagarh-Hisar Line at Kaithal– (line length: 31.852 kms)					
LILO of 400 kV D/C Nalagarh-Hisar Line at Patiala– (line length:11.436 kms)					
Total line length: 921.914 km					
Norms as per Regulation (Rs. Pe Km)	0.881	0.912	0.944	0.977	1.011
O&M Expenses	812.21	840.79	870.29	900.71	932.06
400 kV S/C Dadri-Panipat line- (line length:116.650 kms)					
400 kV S/C Patiala-Malerkotla line-(line length: 62.497 kms)					
Total line length: 179.147 Km					
Norms as per Regulation (Rs. Per Km)	0.503	0.521	0.539	0.558	0.578
O&M Expenses	90.11	93.34	96.56	99.96	103.55
Total O&M Expenses allowed	2968.17	3073.48	3181.34	3293.92	3407.25

33. Accordingly, the O&M Expenses allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, O&M Expenses claimed in the instant Petition, and trued-up O&M Expenses allowed for the transmission asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.3.2021 in Petition No. 314/TT/2020	2968.17	3073.48	3181.34	3293.92	3407.25
As claimed by the Petitioner in the instant Petition	2968.16	3073.48	3181.35	3293.92	3407.25
Allowed in the instant true-up Petition	2968.17	3073.48	3181.34	3293.92	3407.25

Interest on Working Capital (IWC)

34. IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25%

(SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FY 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

35. The components of the working capital and interest allowed thereon for the Combined Asset are as follows:

(₹ 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)	247.35	256.12	265.11	274.49	283.94
B	Working Capital for Maintenance Spares (15% of O&M expenses)	445.22	461.02	477.20	494.09	511.09
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1248.65	1252.04	1252.23	1253.40	1255.15
D	Total Working Capital (A+B+C)	1941.22	1969.19	1994.54	2021.98	2050.17
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	233.92	221.53	209.43	212.31	246.02

36. The details of IWC allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, IWC claimed in the instant Petition, and trued-up IWC allowed for the Combined Asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020	233.92	221.53	209.45	212.39	214.95
Claimed by the Petitioner in the instant Petition	233.92	221.53	209.49	212.39	246.12
Allowed after truing-up in this order	233.92	221.53	209.43	212.31	246.02

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

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1197.30	1197.30	1194.88	1196.31	1196.31
Interest on Loan	693.30	600.14	511.11	406.58	301.59
Return on Equity	5063.02	5063.02	5060.19	5057.36	5057.36
O&M Expenses	2968.16	3073.48	3181.35	3293.92	3407.25

Interest on Working Capital	233.92	221.53	209.43	212.31	246.02
Total	10155.69	10155.47	10156.95	10166.47	10208.52

38. The details of annual transmission charges allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020, annual transmission charges claimed in the instant Petition, and trued-up annual transmission charges allowed in the instant order in respect of the Combined Asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 14.3.2022 in Petition No. 314/TT/2020	10155.70	10155.47	10162.16	10172.98	101839.79
Claimed by the Petitioner in the instant Petition	10155.70	10155.49	10162.17	10172.98	10214.95
Allowed after truing-up in this order	10155.69	10155.47	10156.95	10166.47	10208.52

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

39. The Petitioner has claimed the following transmission charges for the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1197.31	1197.29	1197.31	1197.29	1197.31
Interest on Loan	196.00	90.76	19.45	0.00	0.00
Return on Equity	5063.02	5063.02	5063.02	5063.02	5063.02
O&M Expenses	2700.05	2842.14	2989.71	3146.01	3313.62
Interest on Working Capital	212.42	216.98	222.27	228.32	235.93
Total	9368.80	9410.19	9491.76	9634.64	9809.88

40. The Petitioner has claimed the following IWC for 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	225.00	236.85	249.14	262.17	276.14
Maintenance Spares	405.01	426.32	448.46	471.90	497.04
Receivables	1155.06	1160.16	1170.22	1184.59	1209.44
Total Working Capital	1785.07	1823.33	1867.82	1918.66	1982.62
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	212.42	216.98	222.27	228.32	235.93

Capital Cost

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

“19. Capital Cost: (1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence checks in accordance with these regulations shall form the basis for the determination of tariff for existing and new projects.

(2) The Capital Cost of a new project shall include the following:

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) & (p)

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

- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
- (d) to (h)
- (i) Expenditure on account of change in law and force majeure events;

(4) & (5)

(6) The following shall be excluded from the capital cost of the existing and new projects:

(a) The assets forming part of the project but not in use, as declared in the tariff petition;

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

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be de-capitalised from the original project only after its redeployment;

Provided further that unless shifting of an asset from one project to another is of a permanent nature, there shall be no de-capitalization of the concerned assets.

(d)

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

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

42. The capital cost approved as on 31.3.2024 is `91233.04 lakh. Therefore, the capital cost of `91233.04 lakh as on 31.3.2024 has been considered as the opening capital cost as on 1.4.2024 for the purpose of determining transmission tariff for the 2024-29 period in accordance with Regulation 19 of the 2024 Tariff Regulations.

Additional Capital Expenditure

43. Since the Petitioner has not claimed ACE in respect of the Combined Asset for the 2024-29 tariff period. The details of the capital cost allowed as on 1.4.2024 and as on 31.3.2029 are as follows:

(₹ in lakh)			
Apportioned approved cost as per FR/RCE	Expenditure as on 1.4.2024	Expenditure during 2024-29 tariff period	Actual capital cost as on 31.3.2029
		2024-9	
104444.00/NA	91233.04	0.00	91233.04

Debt Equity Ratio

44. 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."

45. 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 ratio

considered for the purpose of computation of the tariff of the 2024-29 period, subject to truing up, 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 %)	(₹ in lakh)	(in %)
Debt	64306.43	70.49	64306.43	70.49
Equity	26926.61	29.51	26926.61	29.51
Total	91233.04	100.00	91233.04	100.00

Depreciation

46. 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.

.....”

47. 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 transmission asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

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

(₹ in lakh)

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening capital cost	91233.04	91233.04	91233.04	91233.04	91233.04
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)	91233.04	91233.04	91233.04	91233.04	91233.04
D	Average capital cost (A+C)/2	91233.04	91233.04	91233.04	91233.04	91233.04
E	Average capital cost (90% depreciable assets)	90786.12	90786.12	90786.12	90786.12	90786.12
F	Average capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
F1	Value of freehold land	446.92	446.92	446.92	446.92	446.92
G	Depreciable value (excluding IT equipment and software)	81707.51	81707.51	81707.51	81707.51	81707.51



	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	(E*90%)					
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)	81707.51	81707.51	81707.51	81707.51	81707.51
J	WAROD	Spread Over				
K	Lapsed useful life at the beginning of the year	17.00	18.00	19.00	20.00	21.00
L	Balance useful life at the beginning of the year	16.00	15.00	14.00	13.00	12.00
M	Remaining depreciable value (before providing depreciation for the year) (I - 'O' of preceding period)	19140.91	17944.60	16748.30	15551.99	14355.68
N	Depreciation during the year (D*J)	1196.31	1196.31	1196.31	1196.31	1196.31
O	Cumulative depreciation at the end of the year	63762.90	64959.21	66155.52	67351.82	68548.13

Interest on Loan (IoL)

49. 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.”

50. The WAROI considered by the Petitioner has been retained for the purpose of tariff, subject to truing up. The depreciation allowed during the 2024-29 tariff period has been considered as repayment during the 2024-29 tariff period.

51. The IoL allowed for the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	64306.43	64306.43	64306.43	64306.43	64306.43
B	Cumulative Repayments up to Previous Year	61458.71	62655.01	63851.32	64306.43	64306.43
C	Net Loan-Opening (A-B)	2847.72	1651.41	455.11	0.00	0.00
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	1196.31	1196.31	455.11	0.00	0.00
F	Net Loan-Closing (C+D-E)	1651.41	455.11	0.00	0.00	0.00
G	Average Loan (C+F)/2	2249.57	1053.26	227.55	0.00	0.00
H	Weighted Average Rate of Interest on Loan (in %)	8.7307	8.6634	8.6634	8.6634	8.6634
I	Interest on Loan (G*H)	196.40	91.25	19.71	0.00	0.00

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 claimed return on equity (RoE) considering base rate of 15.500% and effective tax rate of 17.472%, for the tariff period 2024-29, and the same has been considered, subject to truing up.

54. The RoE allowed for the Combined Asset is as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	26926.61	26926.61	26926.61	26926.61	26926.61
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	26926.61	26926.61	26926.61	26926.61	26926.61
D	Average Equity (A+C)/2	26926.61	26926.61	26926.61	26926.61	26926.61
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	5057.36	5057.36	5057.36	5057.36	5057.36

Operation and Maintenance Expenses (O&M Expenses)

55. The O&M Expenses claimed by the Petitioner for the 2024-29 tariff period in respect of the Combined Asset are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	2700.06	2842.14	2989.72	3146.01	3313.61

56. 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.”

57. We have considered the Petitioner's submissions. The O&M Expenses for the 2024-29 tariff period have been worked out as per the 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:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Substations: 400 kV Bays (Total bays: 25)					
1 No. ICT-III Bay at Abdullapur Substation,					
2 Nos. 400 kV Rihand-I & II Bay at Allahabad Substation,					
2 Nos. 400 kV Manipur-I& II Bay at Allahabad Substation,					
1 No. 400 kV Dadri Panipat Bay at Dadri Substation,					
2 Nos. 400 kV ICT-I & II Bay at Patiala Substation,					
1 No. 400 kV Nalagarh Bay at Patiala Substation,					
1 No. 400 kV Hisar Bay at Patiala Substation,					
1 No. 400 kV Malerkotla Bay at Patiala Substation,					
2 Nos. 400 kV ICT-I & II Bay at Mainpuri Substation,					
2 Nos. 400 kV Allahabad-I & II Bay at Mainpuri Substation					
2 Nos. 400 kV Ballangarh-I & II Bay at Mainpuri Substation					
2 Nos. 400 kV Manipur-I& II Bay at Ballabhgarh Substation,					
1 No. 400 kV Dadri Bay at Panipat Substation,					
2 Nos. 400 kV ICT-I & II Bay at Kaithal Substation,					
1No. 400 kV Nalagarh Bay at Kaithal Substation,					
1No. 400 kV Hisar Bay at Kaithal Substation,					
1 No. 400 kV Patiala Bay at Malerkotla Substation,					
Norms as per Regulation (Rs. Per Bay)	29.53	31.08	32.71	34.43	36.23
O&M expenses	738.25	777	817.75	860.75	905.75
Substations: 220 kV Bays (Total bays: 21 Nos)					
1 No. ICT-III Bay at Abdullapur Substation,					
2 Nos. Yamunanagar-I& II Bay at Abdullapur Substation					
2 Nos. 220 kV Bay for ICT-I & II at Patiala Substation,					
2 Nos. 220 kV Bay for Ablawal Line -I & II at Patiala Substation,					
2 Nos. 220 kV Bay for Rajpura line -I & II at Patiala Substation,					

2 Nos. 220 kV ICT-I & II Bay at Mainpuri Substation,					
1 No. 220 kV Harduganj Bay at Mainpuri Substation,					
1 No. 220 kV Firzabad Bay at Mainpuri Substation,					
2 Nos. 220 kV Manipur (UPPCL) line I & II Bay at Mainpuri Substation,					
2 Nos. 220 kV ICT- I & II Bay at Kaithal Substation,					
2 Nos. 220 kV Kaithal I & II Bay at Kaithal Substation,					
2 Nos. 220 kV Cheela I & II Bay at Kaithal Substation					
Norms as per Regulation (Rs. Per Bay)	20.67	21.75	22.90	24.10	25.36
O&M expenses	434.07	456.75	480.9	506.1	532.56
Substations: ICT					
2 Nos. 400 kV, 315 MVA ICT -I & II at Mainpuri					
2 Nos. 400 kV, 315 MVA ICT-I & II at Patiala					
2 Nos. 400 kV, 315 MVA ICT-I & II at Kaithal					
1 No. 400 kV, 315 MVA ICT-III at Abdullapur					
Norms as per Regulation (Rs. Per MVA)	0.262	0.276	0.290	0.305	0.322
O&M expenses	577.71	608.58	639.45	672.525	710.01
Substations: Reactors					
4					
2 No. 400 kV, 50 MVAR Line Reactor at Allahabad					
2 No. 400 kV, 80 MVAR Line Reactor at Mainpuri					
Norms as per Regulation (Rs. Pe MVar)	0.262	0.276	0.290	0.305	0.322
O&M expenses	68.12	71.76	75.4	79.3	83.72
Transmission Line: D/C Twin Conductor					
921.914					
400 kV D/C Rihand-Allahabad line- 279.245 km					
400 kV D/C Allahabad-Mainpuri line- 363.429 km					
400 kV D/C Ballabgarh-Mainpuri line- 235.952 km					
LILO of 400 kV D/C Nalagarh-Hisar Line at Kaithal– 31.852 km					
LILO of 400 kV D/C Nalagarh-Hisar Line at Patiala– 11.436 km					
Norms as per Regulation (Rs. Per km)	0.861	0.906	0.953	1.003	1.056
O&M expenses	793.77	835.25	878.58	924.68	973.54

Transmission Line : S/C Twin Conductor	179.147	179.147	179.147	179.147	179.147
400 kV S/C Dadri-Panipat line- 116.650 kms					
400 kV S/C Patiala-Malerkotla line- 62.497 kms					
Norms as per Regulation (Rs. Per km)	0.492	0.518	0.545	0.573	0.603
O&M Expenses	88.14	92.80	97.64	102.65	108.03
Total O&M Expenses allowed	2700.05	2842.14	2989.71	3146.01	3313.62

Interest on Working Capital (IWC)

58. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations provide 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.”

59. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance with Regulation 34 of the 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.

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

(₹ 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)	225.00	236.85	249.14	262.17	276.14
B	Working Capital for Maintenance Spares (15% of O&M expenses)	405.01	426.32	448.46	471.90	497.04
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1154.27	1159.39	1169.42	1183.76	1208.60
D	Total Working Capital (A+B+C)	1784.29	1822.56	1867.01	1917.83	1981.78
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	212.33	216.88	222.17	228.22	235.83

Annual Fixed Charges for the 2024-29 Tariff Period

61. The transmission charges allowed in respect of the Combined Asset for the 2024-29 tariff period, subject to truing up, are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1196.31	1196.31	1196.31	1196.31	1196.31
Interest on Loan	196.40	91.25	19.71	0.00	0.00
Return on Equity	5057.36	5057.36	5057.36	5057.36	5057.36
O&M Expenses	2700.05	2842.14	2989.71	3146.01	3313.62
Interest on Working Capital	212.33	216.88	222.17	228.22	235.83
Total	9362.45	9403.93	9485.26	9627.89	9803.11

Lease Rent Payment

62. The Petitioner has submitted that the Commission vide orders dated 29.1.2016 in Petition No. 561/TT/2014 and dated 14.3.2022 in Petition No. 314/TT/2020 have allowed to recover lease payment being done for Obra Forest Division, Renukoot Forest Division and Sonebhadra Forest Division directly from the beneficiaries with documentary evidence. It is prayed that the same may be allowed to be continued.

63. We have considered the submissions of the Petitioner. The Commission vide order dated 29.1.2016 in Petition No. 561/TT/2014 had allowed the Petitioner to

recover lease payment on production of proof of payments. The relevant portion of the order is extracted as follows:

“62..... As regards the petitioner’s prayer to recover the estimated annual lease payment of ₹6055949.00 per annum with effect from 1.4.2014, the petitioner is directed to claim the same from the beneficiaries directly, by producing the proof of payment, as and when the payments are made.”

64. We are of the view that the lease rent shall be recovered by the Petitioner from the beneficiaries on production of documentary evidence. The Petitioner also directed to submit the details of lease rent payment details at the time of truing-up of the tariff for the 2024-29 period.

Filing Fee and Publication Expenses

65. 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 the 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.

66. 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)

67. 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 a regulation, the expenses of CTUIL will be borne by the Petitioner, which will be

recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

68. 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.”

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

Licence Fee and RLDC Fees and Charges

70. The Petitioner has claimed reimbursement of the licence fee, RLDC Fees, and Charges. The Petitioner is allowed the reimbursement of the licence 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

71. 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 Respondent 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.

72. 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

73. The Petitioner has submitted that as per Regulation 36(3)(d) of the 2024 Tariff Regulations, the security expenses and capital spares of more than ₹10 lakh and insurance expenses arrived through the competitive bidding for the transmission system and associated communication system shall be allowed separately after a prudence check.

74. As regards the security expenses of the transmission asset, the Petitioner has submitted that it will 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.

75. The Petitioner has also submitted that it has not claimed insurance expenses in the instant Petition and has submitted that it will 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.

76. 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.

77. 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 0.09% 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."

78. 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 an estimated basis in terms of the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

79. The billing, collection, and disbursement of the transmission charges for the transmission asset 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.

80. To summarize:

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Allowed	10155.69	10155.47	10156.95	10166.47	10208.52

- 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	9362.45	9403.93	9485.26	9627.89	9803.11

81. This order disposes of Petition No. 220/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member