

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 285/TT/2025

Coram:

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

Date of Order: 06.04.2025

In the matter of:

Approval under sub section (4) of Section 28 and 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 truing up of the transmission tariff for the 2019-24 period and determination of the transmission tariff for the 2024-29 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 period for the assets under "Fibre Optic Communication System (847.124 km) in lieu of existing Unified Load Dispatch and Communication (ULDC) Microwave links" in the Southern Region.

And in the matter of:

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

...Petitioner

Vs.

1. **Tamil Nadu Generation and Distribution Corporation Limited,**
NPKRR Maligai, 800, Anna Salai,
Chennai-600002.
2. **Kerala State Electricity Board Limited,**
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram-695004.
3. **Electricity Department,**
Government of Goa,
Vidyuti Bhawan, Panaji,
Goa-403001.
4. **Electricity Department,**
Government of Pondicherry,
137, Netaji Subhash Chandra Bose Salai,
Pondicherry-605001.
5. **Eastern Power Distribution Company of Andhra Pradesh Limited,**
P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.



6. **Southern Power Distribution Company of Andhra Pradesh Limited,**
19-13-65/A, Srinivasapuram, Tiruchanoor Road,
Tirupati, Andhra Pradesh-517503.
7. **Andhra Pradesh Central Power Distribution Company Limited,**
Corporate Office, Beside Polytechnic College, ITI Road,
Vijayawada, Krishna District, Andhra Pradesh-520008.
8. **Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad, Telangana-500063.
9. **Northern Power Distribution Company of Telangana Limited,**
H. No. 2-5-3 1/2, Vidyut Bhawan,
Corporate Office, Nakkal Gutta, Hanamkonda,
Warangal, Telangana-506001.
10. **Bangalore Electricity Supply Company Limited,**
Corporate Office, K.R. Circle,
Bangalore, Karnataka-560001.
11. **Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opp. Parivar Hotel,
Gulbarga (Kalburgi), Karnataka-585102.
12. **Hubli Electricity Supply Company Limited,**
Navanagar, PB Road,
Hubli, Karnataka-580025.
13. **Mangalore Electricity Supply Company Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan,
Kavoor Cross Road, Bejai, Mangalore, Karnataka-575004.
14. **Chamundeswari Electricity Supply Corporation Limited,**
Corporate Office, #29, Vijayanagara 2nd Stage,
Hinkal, Mysuru, Karnataka-570017.
15. **Transmission Corporation of Andhra Pradesh Limited,**
Vidyut Soudha, Hyderabad-500082.
16. **Transmission Corporation of Telangana Limited,**
Vidhyut Sudha, Khairatabad,
Hyderabad-500082.

.....Respondents

Parties Present : Shri Mohd. Mohsin, PGCIL
Shri V.C. Sekhar, PGCIL
Shri Angaru Naresh, PGCIL
Shri Vishal Sagar, PGCIL
Ms. Suchitra Rani Gautam, PGCIL
Shri Vivek Kumar Singh, PGCIL



Shri Amit Yadav, PGCIL
Ms. Anshul Garg, PGCIL
Shri Abhijit Daimari, PGCIL
Shri Arjun Malhotra, 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 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as the 2019 Tariff Regulations) and determination of the transmission tariff for the 2024-29 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 following assets under “Fibre Optic Communication System (847.124 km) in lieu of existing Unified Load Dispatch and Communication (ULDC) Microwave links” (herein referred to as “the transmission project”) in the Southern Region:

Asset-1: 384.474 km of Fiber Optic Communication System in lieu of existing Microwave (State Sector)

Asset-2: 31.80 km of Fiber Optic Communication system in lieu of existing Microwave (State Sector)

Asset-3: 906.04 km of Fiber Optic Communication System in lieu of existing Microwave (Central Sector)

Asset-4: 168.46 km of Fiber Optic Communication system in lieu of existing microwave (Central Sector)

Asset-5: 3.26 km of Fiber Optic Communication system in lieu of existing microwave (State Sector)

Asset-6: 19.50 km Optic fiber under TSTRANSCO Sector (Erstwhile APTRANSCO) (State Sector)

Asset-7: 0.697 km Optic fiber under KSEBL Sector (State Sector)

Asset-8: 39.006 km Optic Fibre for Neelamangla-Yelahanka (Central Sector)

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



- a) *“Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 14 and 15 above.*
- b) *Admit the capital cost claimed and additional capitalization incurred during 2019-24 and also allow the projected additional capitalization during 2024-29.*
- c) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 14 and 15 above for respective block.*
- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- f) *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.*
- g) *Allow the petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 21 above.*
- h) *Allow the petitioner to file a separate petition before the Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 21 above.*
- i) *Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 21 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 22 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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



Background

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

- (a) The Investment Approval (IA) for the transmission project was accorded by Board of Directors of the Petitioner in its 248th meeting held on 8.2.2011 at an estimated cost of ₹4509 lakh including IDC of ₹264 lakh based on 3rd Quarter, 2010 price level (notified vide Memorandum No. C/CP/Fibre Optic in Southern Region dated 15.2.2011). The scheduled completion time of the project was 30 months from the date of IA, i.e., by 8.8.2013.
- (b) The broad scope of work is as under:
 - (i) Installation of OPGW Fibre Optic cable on the existing EHV transmission line of POWERGRID and constituents, the estimated length of such cable is approximately 1575 km.
 - (ii) Installation of approximately 120 km underground Fibre Optic to provide last mile connectivity to the control room where transmission line connectivity is not available. It is also envisaged that portion of the network which involves installation of the underground cable would be provided with radio-based communication which operates in free band to back up the underground cable link of the network. Five number of radio links were proposed.
 - (iii) The terminal equipment for communication based upon Synchronous Digital Hierarchy (SDH) technology to be installed in the Sub-stations of constituents and POWERGRID. The transmission project also involves installation of primary multiplexers at the new wide band nodes. To monitor the network, "Network Management System" (NMS) would also be required.



- (c) The Unified Load Dispatch and Communication (ULDC) Scheme in the Southern Region was put under commercial operation w.e.f. 1.7.2002. The Commission vide order dated 27.1.2009 in Petition No.143/2005 and order dated 18.3.2011 in Petition No. 36/2010 had approved the charges for the 2004-09 tariff period for the expenditure incurred up to 31.3.2009.
- (d) The Petitioner had filed Miscellaneous Petition under sub-Section (4) of Section 28 of Electricity Act, 2003 and Regulations 44 ("Power to Relax") of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein referred to as "the 2009 Tariff Regulations") for fixation of tariff norms for recovery of the cost of the assets ("Communication System" and "SLDC System") to be retained/ to be installed by the Petitioner after the formation of POSOCO for the 2009-14 tariff period, vide Petition No. 68/2010. The Commission, vide paragraph 21 of the order dated 8.12.2011 in Petition No. 68/2010 granted liberty to the Petitioner to approach the Commission for determination of tariff for Fibre Optic Network being installed in lieu of microwave links for each of the regions separately.
- (e) Accordingly, as per the directives of the Commission in order dated 8.12.2011 in Petition No. 68/2010 and considering the judgment dated 11.11.2011 by the Appellate Tribunal for Electricity (the APTEL) in Appeal No. 21 of 2010 filed by Haryana Vidyut Prasaran Nigam Limited (HVPNL), the Petitioner filed Petition No. 60/TT/2012 under sub-Section (4) of Section 28 of the Electricity Act, 2003 for Unified Load Despatch and Communication Scheme (POWERGRID Portion, i.e., Communication



System portion and SLDC System retained by the Petitioner after formation of POSOCO) in the Southern Region for the 2009-14 period.

- (f) The detail of the transmission assets along with the Commercial Operation Date (COD) covered under the instant Petition are as under:

Assets	Asset Description	COD
Asset-1	384.474 km of Fiber Optic Communication System in lieu of existing Microwave (State Sector)	1.2.2013
Asset-2	31.80 km of Fiber Optic Communication system in lieu of existing Microwave (State Sector)	1.4.2013
Asset-3	906.04 km of Fiber Optic Communication System in lieu of existing Microwave (Central Sector)	1.4.2013
Asset-4	168.46 km of Fiber Optic Communication system in lieu of existing microwave (Central Sector)	1.1.2014
Asset-5	3.26 km of Fiber Optic Communication system in lieu of existing microwave (State Sector)	1.1.2014
Asset-6	19.50 km Optic fiber under TSTRANSCO Sector (Erstwhile APTRANSCO) (State Sector)	1.6.2015
Asset-7	0.697 km Optic fiber under KSEBL Sector (State Sector)	1.6.2015
Asset-8	39.006 km Optic Fibre for Neelamangla-Yelahanka (Central Sector)	28.3.2018

- (g) The Commission vide order dated 15.1.2016 in Petition No. 181/TT/2013 and 31.5.2016 in Petition No. 487/TT/2014, determined the tariff for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2009-14 tariff period.
- (h) The Commission vide order dated 22.2.2019 in Petition No. 169/TT/2018, trued up the Fees and Charges for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2009-14 tariff period and determined the Fees and Charges for the 2014-19 tariff period for the transmission project.
- (i) The Commission vide order dated 29.7.2016 in Petition No. 255/TT/2015 approved the transmission tariff for Asset-6 and Asset-7 from the COD to 31.3.2019. Further, the Commission vide order dated 13.2.2021 in Petition No. 143/TT/2019 approved the transmission tariff for Asset-8 from the COD to 31.3.2019.



- (j) The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 has trued up the Fee and Charges and AFC for the 2014-19 tariff period and determined the Fee and Charges and AFC for the 2019-24 tariff period for Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, Asset-6, Asset-7 and Asset-8.

4. The Respondents are the distribution companies and power departments, which are procuring transmission services (Communication) from the Petitioner and are mainly beneficiaries of the Southern Region.

5. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (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. None of the Respondents have filed any reply in the matter.

6. The hearing in the matter was held on 13.3.2025 and the order was reserved. This order is being issued considering asset-wise submissions of the Petitioner in the Petition vide affidavit dated 11.11.2024 and subsequent affidavit dated 24.3.2025.

7. Having heard the Petitioner's representative and perused the material available on record, we proceed to dispose of the Petition.

TRUING-UP OF ANNUAL FEE AND CHARGES FOR THE 2019-24 TARIFF PERIOD FOR ASSET-1, ASSET-2, ASSET-3, ASSET-4 and ASSET-5

8. Regulation 8 (1) (iii) of the 2019 Tariff Regulations specify as:

“(iii) Tariff of the associated communication system forming part of transmission system which has achieved commercial operation prior to 1.4.2014 shall be as per the methodology approved by the Commission prior to 1.4.2014.”



9. The tariff of the existing communication system forming part of the transmission system is to be determined as per the methodology followed prior to 1.4.2014 as specified in Regulation 8 (1) (iii) of the 2019 Tariff Regulations.

10. The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 had allowed the following Annual Fee and Charges for the 2019-24 tariff period for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	103.50	103.50	103.50	103.50	103.50
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.56	1.46	1.36	1.36	1.35
Total	105.05	104.95	104.85	104.85	104.85

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	78.19	78.19	78.19	78.19	78.19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.18	1.10	1.03	1.03	1.02
Total	79.36	79.29	79.21	79.21	79.21

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	216.25	216.25	216.25	216.25	216.25
O&M Expenses	31.43	31.43	31.43	31.43	31.43
Interest on working Capital	4.62	4.32	4.03	4.03	4.02
Total	252.29	251.99	251.70	251.70	251.69

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	40.11	40.11	40.11	40.11	40.11
O&M Expenses	5.97	5.97	5.97	5.97	5.97
Interest on working Capital	0.86	0.81	0.75	0.75	0.75
Total	46.95	46.89	46.84	46.84	46.84

(₹ in lakh)

Asset-5					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	17.62	17.62	17.62	17.62	17.62



O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	0.27	0.25	0.23	0.23	0.23
Total	17.89	17.87	17.85	17.85	17.85

11. The details of the trued-up Annual Fee and Charges claimed by the Petitioner in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2019-24 period are as under:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	103.51	103.53	103.54	103.56	103.58
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.56	1.46	1.36	1.36	1.55
Total	105.06	104.99	104.90	104.92	105.13

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	78.20	78.22	78.22	78.24	78.26
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.18	1.10	1.03	1.03	1.17
Total	79.38	79.32	79.25	79.26	79.43

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	216.28	216.30	216.29	216.31	216.33
O&M Expenses	42.73	66.47	40.86	25.58	29.38
Interest on working Capital	5.11	5.75	4.39	3.81	4.51
Total	264.12	288.52	261.54	245.70	250.22

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	40.12	40.12	40.11	40.12	40.18
O&M Expenses	8.49	13.20	8.11	5.08	5.83
Interest on working Capital	0.97	1.10	0.83	0.72	0.85
Total	49.58	54.42	49.05	45.92	46.86

(₹ in lakh)

Asset-5					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charges-Total	17.63	17.64	17.63	17.62	17.56
O&M Expenses	0.00	0.00	0.00	0.00	0.00



Interest on working Capital	0.27	0.25	0.23	0.23	0.26
Total	17.90	17.88	17.86	17.85	17.82

Capital Cost for the 2019-24 Tariff Period

12. The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 had allowed the following capital cost for working out the Fee and Charges for the 2019-24 period for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 and the same is as under:

(₹ in lakh)

Asset-1		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2019	Loan	520.25
	Equity	222.96
	Total	743.21
Capital Cost Recovered up to 31.3.2019	Loan	129.63
	Equity	37.92
	Total	167.55
Net Capital Cost as on 1.4.2019	Loan	417.95
	Equity	194.16
	Total	575.66

(₹ in lakh)

Asset-2		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2019	Loan	392.78
	Equity	168.33
	Total	561.11
Capital Cost Recovered up to 31.3.2019	Loan	94.22
	Equity	27.41
	Total	121.64
Net Capital Cost as on 1.4.2019	Loan	298.56
	Equity	140.92
	Total	439.48

(₹ in lakh)

Asset-3		
Particulars	Capital	Central Portion
Gross Capital Cost as on 1.4.2019	Loan	1099.89
	Equity	471.38
	Total	1571.27
Capital Cost Recovered up to 31.3.2019	Loan	275.83
	Equity	80.39
	Total	356.22
Net Capital Cost as on 1.4.2019	Loan	824.06
	Equity	390.99
	Total	1215.05



(₹ in lakh)

Asset-4		
Particulars	Capital	Central Portion
Gross Capital Cost as on 1.4.2019	Loan	209.11
	Equity	89.62
	Total	298.73
Capital Cost Recovered up to 31.3.2019	Loan	47.33
	Equity	12.96
	Total	60.29
Net Capital Cost as on 1.4.2019	Loan	161.78
	Equity	76.66
	Total	238.44

(₹ in lakh)

Asset-5		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2019	Loan	89.89
	Equity	38.52
	Total	128.41
Capital Cost Recovered up to 31.3.2019	Loan	18.26
	Equity	5.02
	Total	23.28
Net Capital Cost as on 1.4.2019	Loan	71.63
	Equity	33.50
	Total	105.13

13. The Petitioner has not claimed any Additional Capital Expenditure (ACE) for the 2019-24 tariff period for the assets in the instant true-up Petition.

Rates for recovery of Loan and Equity

14. The basis of calculating rates for recovery of Loan and Equity is as follows:

- (i) The net/ outstanding capital cost as on 1.4.2019 has been considered for working out the Fee and Charges for the assets for the 2019-24 tariff period. The capital recovery has been worked out by considering the recovery of loan and equity based on the year wise Weighted Average Rate of Interest (WAROI) and rate of Return on Equity (RoE) using the monthly Capital Recovery Factor (CRF) concept.
- (ii) WAROI works out for FYs 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 separately, which have been applied for calculating the CRF for loan in respect of the assets.



(iii) Similar to the approach adopted in order dated 22.5.2023 in Petition No. 299/TT/2022, the rate of RoE of 15.50% has been applied for calculating the monthly CRF for equity without grossing up the RoE with the applicable tax rate. The interest rates considered on annual basis have been converted to monthly rates.

Monthly Capital Recovery Charges:

15. Monthly Recovery factors for the assets have been worked out as under:

	(₹ in lakh)				
Particulars (Asset-1)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.013852	0.015008	0.016516	0.018561	0.021475
Equity	0.017374	0.018433	0.019845	0.021790	0.024605

	(₹ in lakh)				
Particulars (Asset-2)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.013698	0.014807	0.016243	0.018183	0.020920
Equity	0.017224	0.018236	0.019578	0.021417	0.024053

	(₹ in lakh)				
Particulars (Asset-3)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.013699	0.014806	0.016240	0.018176	0.020907
Equity	0.017224	0.018236	0.019578	0.021417	0.024053

	(₹ in lakh)				
Particulars (Asset-4)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.012791	0.013719	0.014894	0.016446	0.018590
Equity	0.016619	0.017452	0.018536	0.019983	0.021985

	(₹ in lakh)				
Particulars (Asset-5)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.012738	0.013674	0.014852	0.016381	0.018372
Equity	0.016619	0.017452	0.018536	0.019983	0.021985

16. In view of the above, the monthly capital recovery charges for loan and equity for the assets have been arrived at by using respective monthly CRF and the same are as follows:



(₹ in lakh)					
Particulars (Asset-1)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	5.41	5.41	5.41	5.42	5.42
Equity	3.21	3.21	3.21	3.21	3.22

(₹ in lakh)					
Particulars (Asset-2)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	4.09	4.09	4.09	4.09	4.10
Equity	2.43	2.43	2.43	2.43	2.43

(₹ in lakh)					
Particulars (Asset-3)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	11.29	11.29	11.29	11.29	11.30
Equity	6.73	6.73	6.73	6.73	6.74

(₹ in lakh)					
Particulars (Asset-4)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	2.07	2.07	2.07	2.07	2.08
Equity	1.27	1.27	1.27	1.27	1.28

(₹ in lakh)					
Particulars (Asset-5)	2019-20	2020-21	2021-22	2022-23	2023-24
Loan	0.91	0.91	0.91	0.91	0.91
Equity	0.56	0.56	0.56	0.56	0.56

Operation & Maintenance Expenses (O&M Expenses)

17. The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 had allowed the following O&M Expenses for Asset-3 and Asset-4 for the Central Sector:

(₹ in lakh)					
Assets (Central Sector)	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-3	31.43	31.43	31.43	31.43	31.43
Asset-4	5.97	5.97	5.97	5.97	5.97

18. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses for Asset-3 and Asset-4 for the Central Sector:

(₹ in lakh)					
Assets (Central Sector)	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-3	42.73	66.47	40.86	25.58	29.32
Asset-4	8.49	13.20	8.11	5.08	5.83



19. The Petitioner in the instant trued-up Petition has submitted that actual O&M Expenses for the 2019-24 period have been considered in the instant true up Petition for calculating the Annual Capital Charges for the Central Sector portion of Asset-3 and Asset-4 only. The Petitioner has also submitted the Auditor's Certificate dated 27.9.2024 against actual O&M Expenses for the Central Sector.

20. The Commission vide RoP dated 13.3.2025, directed the Petitioner to submit the asset-wise actual O&M Expenditure, including head-wise details for the 2019-24 tariff period.

21. In compliance to the said RoP, the Petitioner vide affidavit dated 24.3.2025 has submitted the requisite head-wise details of actual O&M Expenses and the same are as follows:

Asset-3

	(₹ in lakh)				
Description	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Cost	3.54	3.59	2.43	1.54	4.10
Repair and Maintenance	7.73	-	38.43	24.04	25.28
Training and Requirement	-	0.01	-	-	-
Communication Expenses	0.01	0.06	-	-	-
Travelling Expenses	0.10	0.10	-	-	-
Leased Line Charges	15.61	-	-	-	-
Duct Space Lease Charges	15.71	62.71	-	-	-
Corporate Centre & RHQ Center Expenses	0.04	-	-	-	-
Total Expenses	42.74	66.47	40.86	25.58	29.38

Asset-4

	(₹ in lakh)				
Description	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Cost	0.70	0.71	0.48	0.31	0.81
Repair and Maintenance	1.53	-	7.63	4.77	5.02
Communication Expenses	-	0.01	-	-	-
Travelling Expenses	0.02	0.02	-	-	-
Leased Line Charges	3.10	-	-	-	-
Duct Space Lease Charges	3.12	12.45	-	-	-
Corporate Centre & RHQ Center Expenses	0.01	-	-	-	-
Total Expenses	8.49	13.20	8.11	5.08	5.83



22. We have considered the Petitioner's submission. It has been observed that the Petitioner has claimed the actual O&M Expenses on account of expenditure on the Employee Cost, R&M cost, Communication Expenses, Travelling Expenses, Leased line charges etc. for 2019-24 tariff period. Therefore, the detail of actual O&M Expenses allowed as per the Auditor's Certificate submitted by the Petitioner for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Assets	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-3	42.73	66.47	40.86	25.58	29.32
Asset-4	8.49	13.20	8.11	5.08	5.83

23. Accordingly, the details of O&M Expenses allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, O&M Expenses claimed in the instant Petition and trued-up O&M Expenses allowed in the instant order are as follows:

(₹ in lakh)					
Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	31.43	31.43	31.43	31.43	31.43
Claimed by the Petitioner in the instant petition.	42.73	66.47	40.86	25.58	29.32
Allowed after truing-up in this order	42.73	66.47	40.86	25.58	29.32

(₹ in lakh)					
Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	5.97	5.97	5.97	5.97	5.97
Claimed by the Petitioner in the instant petition.	8.49	13.20	8.11	5.08	5.83
Allowed after truing-up in this order	8.49	13.20	8.11	5.08	5.83

Interest on Working Capital (IWC)

24. 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 the FYs 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24.

25. The computations of interest on working capital for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 are as under:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for One month)	0.00	0.00	0.00	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	12.92	12.94	12.93	12.94	12.98
Total Working Capital	12.92	12.94	12.93	12.94	12.98
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	1.56	1.46	1.36	1.36	1.56

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for One month)	0.00	0.00	0.00	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	9.76	9.78	9.77	9.77	9.80
Total Working Capital	9.76	9.78	9.77	9.77	9.80
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	1.18	1.10	1.03	1.03	1.18



(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for One month)	3.56	5.54	3.41	2.13	2.44
Working Capital for Maintenance Spares (15% of O&M expenses)	6.41	9.97	6.13	3.84	4.40
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	32.47	35.57	32.24	30.29	30.87
Total Working Capital	42.44	51.08	41.78	36.26	37.71
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	5.11	5.75	4.39	3.81	4.53

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for One month)	0.71	1.10	0.68	0.42	0.49
Working Capital for Maintenance Spares (15% of O&M expenses)	1.27	1.98	1.22	0.76	0.87
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	6.10	6.71	6.05	5.66	5.78
Total Working Capital	8.08	9.79	7.94	6.85	7.14
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	0.97	1.10	0.83	0.72	0.86

(₹ in lakh)

Asset-5					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for One month)	0.00	0.00	0.00	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	2.20	2.20	2.20	2.20	2.20
Total Working Capital	2.20	2.20	2.20	2.20	2.20
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	0.27	0.25	0.23	0.23	0.26



26. The details of IWC allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, IWC claimed in the instant Petition, and trued-up IWC allowed for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 in the instant order are as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	1.56	1.46	1.36	1.36	1.35
Claimed by the Petitioner in the instant petition.	1.56	1.46	1.36	1.36	1.55
Allowed after truing-up in this order	1.56	1.46	1.36	1.36	1.56

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	1.18	1.10	1.03	1.03	1.02
Claimed by the Petitioner in the instant petition.	1.18	1.10	1.03	1.03	1.17
Allowed after truing-up in this order	1.18	1.10	1.03	1.03	1.18

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	4.62	4.32	4.03	4.03	4.02
Claimed by the Petitioner in the instant petition.	5.11	5.75	4.39	3.81	4.51
Allowed after truing-up in this order	5.11	5.75	4.39	3.81	4.53

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.86	0.81	0.75	0.75	0.75
Claimed by the Petitioner in the instant petition.	0.97	1.10	0.83	0.72	0.85
Allowed after truing-up in this order	0.97	1.10	0.83	0.72	0.86

(₹ in lakh)

Asset-5					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.27	0.25	0.23	0.23	0.23
Claimed by the Petitioner in the instant petition.	0.27	0.25	0.23	0.23	0.26
Allowed after truing-up in this order	0.27	0.25	0.23	0.23	0.26

Trued-up Annual Fee and Charges for Asset-1, Asset-2, Asset-3, Asset-4 & Asset-5 for the 2019-24 Tariff Period

27. Accordingly, the transmission charges allowed after truing-up for the 2019-24 tariff period in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 are as follows:

(₹ in lakh)

Particulars	Asset-1				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	103.51	103.53	103.54	103.56	103.69
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.56	1.46	1.36	1.36	1.56
Total Fee & Charges	105.06	104.99	104.90	104.92	105.24

(₹ in lakh)

Particulars	Asset-2				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	78.20	78.22	78.22	78.24	78.34
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.18	1.10	1.03	1.03	1.18
Total Fee & Charges	79.38	79.32	79.25	79.26	79.51

(₹ in lakh)

Particulars	Asset-3				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	216.28	216.30	216.29	216.31	216.54
O&M Expenses	42.73	66.47	40.86	25.58	29.32
Interest on Working Capital	5.11	5.75	4.39	3.81	4.53
Total Fee & Charges	264.12	288.52	261.54	245.70	250.39

(₹ in lakh)

Particulars	Asset-4				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	40.12	40.12	40.11	40.12	40.21
O&M Expenses	8.49	13.20	8.11	5.08	5.83
Interest on Working Capital	0.97	1.10	0.83	0.72	0.86
Total Fee & Charges	49.58	54.42	49.05	45.92	46.90

(₹ in lakh)

Particulars	Asset-5				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	17.63	17.64	17.63	17.62	17.57



O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.27	0.25	0.23	0.23	0.26
Total Fee & Charges	17.90	17.88	17.86	17.85	17.83

28. The details of annual transmission charges allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, annual transmission charges claimed in the instant Petition and trued-up annual transmission charges allowed in the instant order in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 are as follows:

(₹ in lakh)					
Particulars (Asset-1)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	105.05	104.95	104.85	104.85	104.85
Claimed by the Petitioner in the instant Petition	105.06	104.99	104.90	104.92	105.13
Allowed after truing-up in this order	105.06	104.99	104.90	104.92	105.24

(₹ in lakh)					
Particulars (Asset-2)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	79.36	79.29	79.21	79.21	79.21
Claimed by the Petitioner in the instant Petition	79.38	79.32	79.25	79.26	79.43
Allowed after truing-up in this order	79.38	79.32	79.25	79.26	79.51

(₹ in lakh)					
Particulars (Asset-3)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	252.29	251.99	251.70	251.70	251.69
Claimed by the Petitioner in the instant Petition	264.12	288.52	261.54	245.70	250.22
Allowed after truing-up in this order	264.12	288.52	261.54	245.70	250.39

(₹ in lakh)					
Particulars (Asset-4)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	46.95	46.89	46.84	46.84	46.84
Claimed by the Petitioner in the instant Petition	49.58	54.42	49.05	45.92	46.86
Allowed after truing-up in this order	49.58	54.42	49.05	45.92	46.90

(₹ in lakh)					
Particulars (Asset-5)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	17.89	17.87	17.85	17.85	17.85
Claimed by the Petitioner in the instant Petition	17.90	17.88	17.86	17.85	17.82
Allowed after truing-up in this order	17.90	17.88	17.86	17.85	17.83



TRUING-UP OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD FOR ASSET-6, ASSET-7 and ASSET-8

29. The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 had allowed the following Annual Fixed Charges (AFC) for Asset-6, Asset-7 and Asset-8 for 2019-24 tariff period:

(₹ in lakh)

Asset-6					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3.37	3.37	3.37	3.37	3.37
Interest on Loan	2.18	1.86	1.53	1.21	0.88
Return on equity	3.00	3.00	3.00	3.00	3.00
Interest on working Capital	0.13	0.12	0.10	0.10	0.09
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	8.68	8.35	8.00	7.68	7.34

(₹ in lakh)

Asset-7					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	0.06	0.06	0.06	0.06	0.06
Interest on Loan	0.04	0.03	0.03	0.02	0.02
Return on equity	0.05	0.05	0.05	0.05	0.05
Interest on working Capital	0.00	0.00	0.00	0.00	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	0.15	0.14	0.14	0.13	0.13

(₹ in lakh)

Asset-8					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	6.17	6.17	6.17	6.17	6.17
Interest on Loan	5.10	4.55	4.01	3.46	2.92
Return on equity	5.49	5.49	5.49	5.49	5.49
Interest on working Capital	0.34	0.31	0.28	0.27	0.26
O&M Expenses	1.95	1.95	1.95	1.95	1.95
Total	19.05	18.47	17.90	17.34	16.80

30. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset for the 2019-24 period are as follows:

(₹ in lakh)

Asset-6					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3.37	3.37	3.37	3.37	3.37
Interest on Loan	2.18	1.86	1.53	1.21	0.88
Return on equity	3.00	3.00	3.00	3.00	3.00



Interest on working Capital	0.13	0.12	0.10	0.10	0.11
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	8.68	8.35	8.00	7.68	7.36

(₹ in lakh)

Asset-7					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	0.06	0.06	0.06	0.06	0.06
Interest on Loan	0.04	0.03	0.03	0.02	0.02
Return on equity	0.05	0.05	0.05	0.05	0.05
Interest on working Capital	0.00	0.00	0.00	0.00	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	0.15	0.14	0.14	0.13	0.13

(₹ in lakh)

Asset-8					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	6.17	6.17	6.17	6.17	6.17
Interest on Loan	5.10	4.55	4.01	3.46	2.92
Return on equity	5.49	5.49	5.49	5.49	5.49
Interest on working Capital	0.34	0.42	0.32	0.27	0.31
O&M Expenses	3.03	4.71	2.90	1.81	2.08
Total	20.17	21.34	18.89	17.20	16.97

Capital Cost for the 2019-24 Tariff Period

31. The capital cost of ₹53.20 lakh, ₹0.97 lakh and ₹97.48 lakh was approved by the Commission in its order dated 22.5.2023 in Petition No. 299/TT/2022, for Asset-6, Asset-7 and Asset-8, respectively, as on 31.3.2019 and the same has been considered as the opening capital cost as on 1.4.2019 for the purpose of truing-up of the transmission tariff for the 2019- 24 period in accordance with Regulation 19 of the 2019 Tariff Regulations in the instant Petition.

32. The Petitioner has not claimed any ACE for the 2019-24 tariff period for Asset-6, Asset-7 and Asset-8 in the instant true-up Petition.

33. We have considered the Petitioner's submissions. As the Petitioner has not claimed any ACE for the 2019-24 tariff period, therefore, no ACE has been allowed for



Asset-6, Asset-7 and Asset-8 for the 2019-24 period. Therefore, the capital cost allowed for Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)

Asset Name	FR Apportioned Approved Cost	Expenditure as on 31.3.2019	Expenditure during 2019-24 Tariff Period	Actual Capital Cost as on 31.3.2024
Asset-6	77.82	53.20	0.00	53.20
Asset-7	10.18	0.97	0.00	5.97
Asset-8	103.00	97.48	0.00	97.48

Debt Equity Ratio

34. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of the tariff of Asset-6, Asset-7 and Asset-8 for the 2019-24 tariff period are as follows:

Funding (Asset-6)	Capital Cost as on 1.4.2019		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	37.24	70.00	37.24	70.00
Equity	15.96	30.00	15.96	30.00
Total	53.20	100.00	53.20	100.00

Funding (Asset-7)	Capital Cost as on 1.4.2019		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	0.68	70.00	0.68	70.00
Equity	0.29	30.00	0.29	30.00
Total	0.97	100.00	0.97	100.00

Funding (Asset-8)	Capital Cost as on 1.4.2019		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	68.24	70.00	68.24	70.00
Equity	29.24	30.00	29.24	30.00
Total	97.48	100.00	97.48	100.00

Depreciation

35. 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 Asset-6, Asset-7 and Asset-



8 as per the rates of depreciation specified in the 2019 Tariff Regulations. The depreciation allowed for Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)

Sl. No.	Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	53.20	53.20	53.20	53.20	53.20
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	53.20	53.20	53.20	53.20	53.20
D	Average Capital Cost (A+C)/2	53.20	53.20	53.20	53.20	53.20
E	Average Capital Cost (90% depreciable assets)	53.20	53.20	53.20	53.20	53.20
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	47.88	47.88	47.88	47.88	47.88
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)	47.88	47.88	47.88	47.88	47.88
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	6.330
K	Lapsed useful life at the beginning of the year (Year)	3	4	5	6	7
L	Balance useful life at the beginning of the year (Year)	12	11	10	9	8
M	Depreciation during the year (D*J)	3.37	3.37	3.37	3.37	3.37
N	Cumulative Depreciation at the end of the year	16.25	19.62	22.98	26.35	29.72
O	Remaining Aggregate Depreciable Value at the end of the year	31.63	28.26	24.90	21.53	18.16

(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	0.97	0.97	0.97	0.97	0.97
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	0.97	0.97	0.97	0.97	0.97
D	Average Capital Cost (A+C)/2	0.97	0.97	0.97	0.97	0.97
E	Average Capital Cost (90% depreciable assets)	0.97	0.97	0.97	0.97	0.97
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	0.87	0.87	0.87	0.87	0.87
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)	0.87	0.87	0.87	0.87	0.87
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	6.330



Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
K	Lapsed useful life at the beginning of the year (Year)	3	4	5	6	7
L	Balance useful life at the beginning of the year (Year)	12	11	10	9	8
M	Depreciation during the year (D*J)	0.06	0.06	0.06	0.06	0.06
N	Cumulative Depreciation at the end of the year	0.29	0.35	0.41	0.48	0.54
O	Remaining Aggregate Depreciable Value at the end of the year	0.58	0.52	0.46	0.40	0.34

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	97.48	97.48	97.48	97.48	97.48
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	97.48	97.48	97.48	97.48	97.48
D	Average Capital Cost (A+C)/2	97.48	97.48	97.48	97.48	97.48
E	Average Capital Cost (90% depreciable assets)	97.48	97.48	97.48	97.48	97.48
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	87.73	87.73	87.73	87.73	87.73
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)	87.73	87.73	87.73	87.73	87.73
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	6.330
K	Lapsed useful life at the beginning of the year (Year)	1	2	3	4	5
L	Balance useful life at the beginning of the year (Year)	14	13	12	11	10
M	Depreciation during the year (D*J)	6.17	6.17	6.17	6.17	6.17
N	Cumulative Depreciation at the end of the year	12.32	18.49	24.66	30.83	37.00
O	Remaining Aggregate Depreciable Value at the end of the year	75.41	69.24	63.07	56.90	50.73

36. The details of depreciation allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, depreciation claimed in the instant Petition, and trued-up depreciation allowed for the Asset-6, Asset-7 and Asset-8 in the instant order are as follows:



Asset-6

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	3.37	3.37	3.37	3.37	3.37
Claimed by the Petitioner in the instant Petition	3.37	3.37	3.37	3.37	3.37
Allowed after truing-up in this order	3.37	3.37	3.37	3.37	3.37

Asset-7

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.06	0.06	0.06	0.06	0.06
Claimed by the Petitioner in the instant Petition	0.06	0.06	0.06	0.06	0.06
Allowed after truing-up in this order	0.06	0.06	0.06	0.06	0.06

Asset-8

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	6.17	6.17	6.17	6.17	6.17
Claimed by the Petitioner in the instant Petition	6.17	6.17	6.17	6.17	6.17
Allowed after truing-up in this order	6.17	6.17	6.17	6.17	6.17

Interest on Loan (IoL)

37. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and rate of interest prevailed. IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)						
Sl. No.	Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	37.24	37.24	37.24	37.24	37.24
B	Cumulative Repayments up to Previous Year	12.88	16.25	19.62	22.98	26.35
C	Net Loan-Opening (A-B)	24.36	20.99	17.62	14.26	10.89
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	3.37	3.37	3.37	3.37	3.37
F	Net Loan-Closing (C+D-E)	20.99	17.62	14.26	10.89	7.52
G	Average Loan (C+F)/2	22.68	19.31	15.94	12.57	9.21



Sl. No.	Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
H	Weighted Average Rate of Interest on Loan (in %)	9.616	9.619	9.615	9.610	9.603
I	Interest on Loan (G*H)	2.18	1.86	1.53	1.21	0.88

(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	0.68	0.68	0.68	0.68	0.68
B	Cumulative Repayments up to Previous Year	0.23	0.29	0.35	0.41	0.48
C	Net Loan-Opening (A-B)	0.45	0.39	0.33	0.26	0.20
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	0.06	0.06	0.06	0.06	0.06
F	Net Loan-Closing (C+D-E)	0.39	0.33	0.26	0.20	0.14
G	Average Loan (C+F)/2	0.42	0.36	0.30	0.23	0.17
H	Weighted Average Rate of Interest on Loan (in %)	9.352	9.378	9.349	9.313	9.268
I	Interest on Loan (G*H)	0.04	0.03	0.03	0.02	0.02

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	68.24	68.24	68.24	68.24	68.24
B	Cumulative Repayments up to Previous Year	6.15	12.32	18.49	24.66	30.83
C	Net Loan-Opening (A-B)	62.09	55.92	49.75	43.58	37.41
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	6.17	6.17	6.17	6.17	6.17
F	Net Loan-Closing (C+D-E)	55.92	49.75	43.58	37.41	31.24
G	Average Loan (C+F)/2	59.00	52.83	46.66	40.49	34.32
H	Weighted Average Rate of Interest on Loan (in %)	8.638	8.613	8.584	8.548	8.503
I	Interest on Loan (G*H)	5.10	4.55	4.01	3.46	2.92

38. The details of IoL allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, IoL claimed in the instant Petition, and trued-up IoL allowed for the Asset-6, Asset-7 and Asset-8 in the instant order are as follows:

Asset-6

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	2.18	1.86	1.53	1.21	0.88
Claimed by the Petitioner in the instant Petition	2.18	1.86	1.53	1.21	0.88
Allowed after truing-up in this order	2.18	1.86	1.53	1.21	0.88

Asset-7

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.04	0.03	0.03	0.02	0.02
Claimed by the Petitioner in the instant Petition	0.04	0.03	0.03	0.02	0.02
Allowed after truing-up in this order	0.04	0.03	0.03	0.02	0.02

Asset-8

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	5.10	4.55	4.01	3.46	2.92
Claimed by the Petitioner in the instant Petition	5.10	4.55	4.01	3.46	2.92
Allowed after truing-up in this order	5.10	4.55	4.01	3.46	2.92

Return on Equity (RoE)

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

40. The Petitioner has further submitted that it is liable to pay 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



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

Year	Notified MAT rates (in %) (inclusive of surcharge & Cess)	Effective tax (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in%)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

42. Accordingly, the trued-up RoE allowed in respect of Asset-6, Asset-7 and Asset-8 for the 2019-24 tariff period is as follows:

(₹ in lakh)

Sl. No.	Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	15.96	15.96	15.96	15.96	15.96
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	15.96	15.96	15.96	15.96	15.96
D	Average Equity (A+C)/2	15.96	15.96	15.96	15.96	15.96
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)	3.00	3.00	3.00	3.00	3.00

(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	0.29	0.29	0.29	0.29	0.29
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	0.29	0.29	0.29	0.29	0.29
D	Average Equity (A+C)/2	0.29	0.29	0.29	0.29	0.29
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)	0.05	0.05	0.05	0.05	0.05

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	29.24	29.24	29.24	29.24	29.24
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	29.24	29.24	29.24	29.24	29.24
D	Average Equity (A+C)/2	29.24	29.24	29.24	29.24	29.24
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)	5.49	5.49	5.49	5.49	5.49

43. The details of RoE allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, RoE claimed in the instant Petition, and trued-up RoE allowed for the Asset-6, Asset-7 and Asset-8 in the instant order are as follows:

Asset-6

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	3.00	3.00	3.00	3.00	3.00



Claimed by the Petitioner in the instant Petition	3.00	3.00	3.00	3.00	3.00
Allowed after truing-up in this order	3.00	3.00	3.00	3.00	3.00

Asset-7

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.05	0.05	0.05	0.05	0.05
Claimed by the Petitioner in the instant Petition	0.05	0.05	0.05	0.05	0.05
Allowed after truing-up in this order	0.05	0.05	0.05	0.05	0.05

Asset-8

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	5.49	5.49	5.49	5.49	5.49
Claimed by the Petitioner in the instant Petition	5.49	5.49	5.49	5.49	5.49
Allowed after truing-up in this order	5.49	5.49	5.49	5.49	5.49

Operation & Maintenance Expenses (O&M Expenses)

44. The Commission vide order dated 22.5.2023 in Petition No. 299/TT/2022 had allowed the following O&M Expenses for Asset-8:

(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	1.95	1.95	1.95	1.95	1.95

45. The Petitioner, in the instant true-up Petition, has not claimed any O&M expenses for Asset-6 and Asset-7 being a State Sector asset. The Petitioner has claimed the following O&M Expenses only for Asset-8:

(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	3.03	4.71	2.90	1.81	2.08

46. The Petitioner in the instant trued-up Petition has submitted that the actual O&M Expenses for the 2019-24 tariff period has been considered for calculating the Annual Capital Charges for the Central Sector portion of Asset-8. The Petitioner has also



submitted the Auditor's Certificate dated 27.9.2024 against the actual O&M Expenses for the Central Sector.

47. The head-wise detail of actual O&M Expenses submitted by the Petitioner vide affidavit dated 24.3.2025 for Asset-8 are as follows:

Asset-8

	(₹ in lakh)				
Description	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Cost	0.25	0.25	0.17	0.11	0.29
Repair and Maintenance	0.55	-	2.72	1.70	1.79
Travelling Expenses	0.01	0.01	-	-	-
Leased Line Charges	1.11	-	-	-	-
Duct Space Lease Charges	1.11	4.44	-	-	-
Total O&M Expenses	3.03	4.70	2.89	1.81	2.08

48. We have considered the Petitioner's submission. It has been observed that the Petitioner has claimed the actual O&M Expenses on account of expenditure on the Employee Cost, R&M cost, Communication Expenses, Travelling Expenses, Leased line charges etc. for 2019-24 Tariff Period. Therefore, the detail of O&M Expenses allowed as per the Auditor's Certificate submitted by the Petitioner for the 2019-24 tariff period are as follows:

	(₹ in lakh)				
Asset Name	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-8	3.03	4.70	2.89	1.81	2.08

49. Accordingly, the details of O&M Expenses allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, O&M Expenses claimed in the instant petition and trued-up O&M Expenses allowed in the instant order with respect to Asset-8 are as follows:

(₹ in lakh)					
Asset-8					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	1.95	1.95	1.95	1.95	1.95
Claimed by the Petitioner in the instant petition.	3.03	4.71	2.90	1.81	2.08
Allowed after truing-up in this order	3.03	4.70	2.89	1.81	2.08



Interest on Working Capital (IWC)

50. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FYs 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24.

51. The components of the working capital and interest allowed thereon for Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)						
Sl. No.	Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1.07	1.03	0.99	0.95	0.90
D	Total Working Capital (A+B+C)	1.07	1.03	0.99	0.95	s0.90
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)	0.13	0.12	0.10	0.10	0.11

(₹ in lakh)						
Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00	0.00	0.00



Sl. No.	Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	0.02	0.02	0.02	0.02	0.02
D	Total Working Capital (A+B+C)	0.02	0.02	0.02	0.02	0.02
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)	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.25	0.39	0.24	0.15	0.17
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.45	0.71	0.43	0.27	0.31
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	2.48	2.63	2.33	2.12	2.09
D	Total Working Capital (A+B+C)	3.19	3.73	3.00	2.54	2.57
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)	0.38	0.42	0.32	0.27	0.31

52. The details of IWC allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, IWC claimed in the instant Petition, and trued-up IWC allowed for the Asset-6, Asset-7 and Asset-8 in the instant order are as follows:

Asset-6

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.13	0.12	0.10	0.10	0.09
Claimed by the Petitioner in the instant Petition	0.13	0.12	0.10	0.10	0.11
Allowed after truing-up in this order	0.13	0.12	0.10	0.10	0.11



Asset-7

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.00	0.00	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	0.00	0.00	0.00	0.00	0.00
Allowed after truing-up in this order	0.00	0.00	0.00	0.00	0.00

Asset-8

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.34	0.31	0.28	0.27	0.26
Claimed by the Petitioner in the instant Petition	0.34	0.42	0.32	0.27	0.31
Allowed after truing-up in this order	0.38	0.42	0.32	0.27	0.31

Trued-up Annual Fee and Charges for Asset-6, Asset-7 & Asset-8 for the 2019-24 Tariff Period

53. Accordingly, the transmission charges allowed after truing-up for the 2019-24 tariff period for Asset-6, Asset-7 and Asset-8 are as follows:

	(₹ in lakh)				
Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3.37	3.37	3.37	3.37	3.37
Interest on Loan	2.18	1.86	1.53	1.21	0.88
Return on Equity	3.00	3.00	3.00	3.00	3.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.13	0.12	0.10	0.10	0.11
Total	8.67	8.34	8.00	7.67	7.36

	(₹ in lakh)				
Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	0.06	0.06	0.06	0.06	0.06
Interest on Loan	0.04	0.03	0.03	0.02	0.02
Return on Equity	0.05	0.05	0.05	0.05	0.05
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Total	0.16	0.15	0.15	0.14	0.13

	(₹ in lakh)				
Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	6.17	6.17	6.17	6.17	6.17
Interest on Loan	5.10	4.55	4.01	3.46	2.92
Return on Equity	5.49	5.49	5.49	5.49	5.49
O&M Expenses	3.03	4.70	2.89	1.81	2.08
Interest on Working Capital	0.38	0.42	0.32	0.27	0.31
Total	20.17	21.33	18.87	17.20	16.97



54. The details of annual transmission charges allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022, annual transmission charges claimed in the instant Petition and trued-up annual transmission charges allowed in the instant order in respect of Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)					
Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	8.68	8.35	8.00	7.68	7.34
Claimed by the Petitioner in the instant Petition	8.68	8.35	8.00	7.68	7.36
Allowed after truing-up in this order	8.67	8.34	8.00	7.67	7.36

(₹ in lakh)					
Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	0.15	0.14	0.14	0.13	0.13
Claimed by the Petitioner in the instant Petition	0.15	0.14	0.14	0.13	0.13
Allowed after truing-up in this order	0.16	0.15	0.15	0.14	0.13

(₹ in lakh)					
Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 22.5.2023 in Petition No. 299/TT/2022	19.05	18.47	17.90	17.34	16.80
Claimed by the Petitioner in the instant Petition	20.17	21.34	18.89	17.20	16.97
Allowed after truing-up in this order	20.17	21.33	18.87	17.20	16.97

DETERMINATION OF ANNUAL FEES AND CHARGES FOR ASSET-1, ASSET-2, ASSET-3, ASSET-4 & ASSET-5 FOR THE 2024-29 TARIFF PERIOD

55. As stated above, Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 were put into commercial operation on 1.2.2013, 1.4.2013, 1.4.2013, 1.1.2014 and 1.1.2014, respectively, and as per Regulation 8(1)(iii) of the 2019 Tariff Regulations the Fee and Charges for the 2019-24 tariff period have to be determined as per the methodology adopted prior to 1.4.2014. Accordingly, the levelized tariff has been allowed for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2024-29 period.

56. The Petitioner has claimed the following Annual Fee and Charges for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2024-29 tariff period:



(₹ in lakh)

Asset-1					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges-Total	103.60	103.62	103.61	86.25	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.54	1.54	1.54	1.28	0.00
Total	105.14	105.16	105.15	87.53	0.00

(₹ in lakh)

Asset-2					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges-Total	78.27	78.28	78.27	78.20	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	1.17	1.17	1.17	1.16	0.00
Total	79.44	79.45	79.44	79.36	0.00

(₹ in lakh)

Asset-3					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges-Total	216.34	216.36	216.26	215.86	0.00
O&M Expenses	31.43	31.43	31.43	31.43	0.00
Interest on working Capital	4.57	4.57	4.57	4.56	0.00
Total	252.34	252.36	252.26	251.84	0.00

(₹ in lakh)

Asset-4					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges-Total	40.19	40.22	40.18	40.14	30.08
O&M Expenses	5.97	5.97	5.97	5.97	4.48
Interest on working Capital	0.86	0.86	0.86	0.85	0.64
Total	47.02	47.05	47.01	46.96	35.20

(₹ in lakh)

Asset-5					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges-Total	17.56	17.57	17.56	17.55	13.15
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	0.26	0.26	0.26	0.26	0.20
Total	17.82	17.83	17.82	17.81	13.35



57. The COD of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 was 1.2.2013, 1.4.2013, 1.4.2013, 1.1.2014 and 1.1.2014, respectively. Therefore, the details of completion of 15 years of useful life in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 are as under:

Assets	COD	Completion of 15 Years of useful Life
Asset-1	1.2.2013	31.1.2028
Asset-2	1.4.2013	31.3.2028
Asset-3	1.4.2013	31.3.2028
Asset-4	1.1.2014	31.12.2028
Asset-5	1.1.2014	31.12.2028

58. The net capital cost allowed for the 2019-24 tariff period has been considered as the opening capital cost as on 1.4.2024 for the purpose of determination of Fee and Charges for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5.

59. The Petitioner has not claimed any ACE for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 during the 2024-29 tariff period. Accordingly, the capital cost considered for determining Fee and Charges for the 2024-29 tariff period are as follows:

(₹ in lakh)

Asset-1		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2024 -	Loan	520.25
	Equity	222.96
	Total	743.21
Capital Cost Recovered up to 31.3.2024	Loan	311.17
	Equity	111.85
	Total	423.02
Net Capital Cost as on 1.4.2024	Loan	209.08
	Equity	111.11
	Total	320.19

(₹ in lakh)

Asset-2		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2024	Loan	392.78
	Equity	168.33
	Total	561.11
Capital Cost Recovered up to 31.3.2024	Loan	229.15
	Equity	81.81
	Total	310.95



Net Capital Cost as on 1.4.2024	Loan	163.63
	Equity	86.52
	Total	250.15

(₹ in lakh)

Asset-3		
Particulars	Capital	Central Portion
Gross Capital Cost as on 1.4.2024	Loan	1099.89
	Equity	471.38
	Total	1571.27
Capital Cost Recovered up to 31.3.2024	Loan	648.33
	Equity	231.31
	Total	879.64
Net Capital Cost as on 1.4.2024	Loan	451.56
	Equity	240.07
	Total	691.63

(₹ in lakh)

Asset-4		
Particulars	Capital	Central Portion
Gross Capital Cost as on 1.4.2024	Loan	209.11
	Equity	89.62
	Total	298.73
Capital Cost Recovered up to 31.3.2024	Loan	113.01
	Equity	38.40
	Total	151.41
Net Capital Cost as on 1.4.2024	Loan	96.10
	Equity	51.22
	Total	147.32

(₹ in lakh)

Asset-5		
Particulars	Capital	State Portion
Gross Capital Cost as on 1.4.2024	Loan	89.89
	Equity	38.52
	Total	128.41
Capital Cost Recovered up to 31.3.2024	Loan	47.48
	Equity	16.14
	Total	63.62
Net Capital Cost as on 1.4.2024	Loan	42.41
	Equity	22.38
	Total	64.79

Rates of Recovery of Loan and Equity

60. The basis of calculating rates for recovery of Loan and Equity is as follows:

- (i) The net/ outstanding capital cost as on 1.4.2024 has been considered for working out the Fees and Charges for Asset-1, Asset-2, Asset-3, Asset-4



and Asset-5 for the 2024-29 tariff period. The capital recovery has been worked out by considering the recovery of loan and equity based on the year wise WAROI and rate of RoE using the monthly CRF concept.

- (ii) WAROI works out for the FYs 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 separately, which have been applied for calculating the CRF for loan in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5.
- (iii) Similar to the approach adopted in order dated 22.5.2023 in Petition No. 299/TT/2022, the rate of RoE of 15.50% has been applied for calculating the monthly CRF for equity without grossing up the RoE with the applicable tax rate. The interest rates considered on annual basis, have been converted to monthly rates.

61. Monthly Recovery factors for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 have been worked out as under:

(₹ in lakh)					
Particulars (Asset-1)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.025940	0.033592	0.049628	0.104154	-
Equity	0.028969	0.036528	0.052509	0.107241	-

(₹ in lakh)					
Particulars (Asset-2)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.025050	0.031969	0.045842	0.087483	-
Equity	0.028085	0.034911	0.048725	0.090494	-

(₹ in lakh)					
Particulars (Asset-3)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.025034	0.031949	0.045801	0.087311	-
Equity	0.028085	0.034911	0.048725	0.090494	-

(₹ in lakh)					
Particulars (Asset-4)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.021613	0.026280	0.034278	0.051518	0.115039
Equity	0.024896	0.029442	0.037411	0.054674	0.118410



(₹ in lakh)					
Particulars (Asset-5)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.021396	0.026061	0.034077	0.051353	0.114953
Equity	0.024896	0.029442	0.037411	0.054674	0.118410

62. In view of above, the monthly capital recovery charges for loan and equity for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 have been arrived at by using respective monthly CRF and are as follows:

(₹ in lakh)					
Particulars (Asset-1)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	5.42	5.42	5.42	5.42	0.00
Equity	3.22	3.22	3.22	3.22	0.00

(₹ in lakh)					
Particulars (Asset-2)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	4.10	4.10	4.10	4.09	0.00
Equity	2.43	2.43	2.43	2.43	0.00

(₹ in lakh)					
Particulars (Asset-3)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	11.30	11.31	11.30	11.26	0.00
Equity	6.74	6.74	6.74	6.74	0.00

(₹ in lakh)					
Particulars (Asset-4)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	2.08	2.08	2.08	2.07	2.08
Equity	1.28	1.28	1.28	1.28	1.29

(₹ in lakh)					
Particulars (Asset-5)	2024-25	2025-26	2026-27	2027-28	2028-29
Loan	0.91	0.91	0.91	0.91	0.91
Equity	0.56	0.56	0.56	0.56	0.56

Operation and Maintenance Expenses (O&M Expenses)

63. The O&M Expenses claimed by the Petitioner for Asset-3 and Asset-4 for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Asset-3	31.43	31.43	31.43	31.43	0.00
Asset-4	5.97	5.97	5.97	5.97	4.48



64. The Petitioner has not claimed O&M Expenses for Asset-1, Asset-2 and Asset-5, whereas, for Asset-3 and Asset-4, O&M Expenses has been claimed @2% of the estimated completion cost for the Central Sector.

65. Regulation 36(3)(c) of the 2024 Tariff Regulations provides as under:

“36. Operation and Maintenance Expenses:

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

66. We have considered the Petitioner’s submissions. It has been observed that the Petitioner has claimed the O&M Expenses @2% of the original project cost in case of Asset-3 and Asset-4. Therefore, as per Regulation 36(3)(c) of 2024 Tariff Regulations the O&M Expenses for the 2024-29 tariff period is allowed subject to truing up based on the actual expenditure. The Petitioner is directed to submit the actual O&M Expenses in respect of Asset-3 and Asset-4 duly certified by the Auditor at the time of truing up of tariff of the 2024-29 period. The O&M Expenses allowed for 2024-29 tariff period in respect of the Asset-3 and Asset-4 are as follows:

(₹ in lakh)					
Asset-3					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Original project cost	1571.27	1571.27	1571.27	1571.27	1571.27
O&M Expenses@2% original project cost	31.43	31.43	31.43	31.43	31.43
Asset-4					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Original project cost	298.73	298.73	298.73	298.73	298.73
O&M Expenses@2% original project cost	5.98	5.98	5.98	5.98	5.98

Interest on Working Capital (IWC)

67. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance 2024 Tariff Regulations. The Rate of Interest (RoI) considered is 11.90% (SBI 1-year MCLR applicable as on 01.04.2024 of 8.65% plus 325 basis points) for FY 2024-25 to FY 2028-29. The components of the working capital and interest allowed thereon for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 are as follows:

(₹ in lakh)

Sl. No.	Particulars (Asset-1)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	12.94	12.98	12.98	12.96	0.00
D	Total Working Capital (A+B+C)	12.94	12.98	12.98	12.96	0.00
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)	1.54	1.54	1.54	1.54	0.00

(₹ in lakh)

Sl. No.	Particulars (Asset-2)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	9.78	9.80	9.80	9.79	0.00
D	Total Working Capital (A+B+C)	9.78	9.80	9.80	9.79	0.00
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)	1.16	1.17	1.17	1.17	0.00



(₹ in lakh)

Sl. No.	Particulars (Asset-3)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	4.71	4.71	4.71	4.71	4.71
B	Working Capital for Maintenance Spares (15% of O&M expenses)	2.62	2.62	2.62	2.62	2.62
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	31.05	31.14	31.13	31.08	4.04
D	Total Working Capital (A+B+C)	38.38	38.47	38.46	38.41	11.37
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)	4.57	4.58	4.58	4.57	1.35

(₹ in lakh)

Sl. No.	Particulars (Asset-4)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.90	0.90	0.90	0.90	0.90
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.50	0.50	0.50	0.50	0.50
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	5.79	5.80	5.79	5.78	5.83
D	Total Working Capital (A+B+C)	7.18	7.19	7.18	7.18	7.23
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)	0.87	0.81	0.75	0.75	0.87

(₹ in lakh)

Sl. No.	Particulars (Asset-5)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	2.19	2.20	2.19	2.19	2.21
D	Total Working Capital (A+B+C)	2.19	2.20	2.19	2.19	2.21
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)	0.26	0.25	0.23	0.23	0.20

68. Accordingly, the transmission charges allowed for 2024-29 tariff period in respect of Asset-1, Asset-2, Asset-3, Asset-4 & Asset-5 are as follows:



(₹ in lakh)

Particulars	Asset-1				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	103.71	103.73	103.71	86.34	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.54	1.54	1.54	1.29	0.00
Total Fee & Charges	105.25	105.27	105.26	87.63	0.00

(₹ in lakh)

Particulars	Asset-2				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	78.35	78.36	78.35	78.28	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.16	1.17	1.17	1.17	0.00
Total Fee & Charges	79.51	79.52	79.51	79.44	0.00

(₹ in lakh)

Particulars	Asset-3				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	216.56	216.57	216.48	216.08	0.00
O&M Expenses	31.43	31.43	31.43	31.43	31.43
Interest on Working Capital	4.57	4.58	4.58	4.57	1.35
Total Fee & Charges	252.55	252.58	252.48	252.08	32.78

(₹ in lakh)

Particulars	Asset-4				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	40.23	40.25	40.21	40.17	30.36
O&M Expenses	5.98	5.98	5.98	5.98	5.98
Interest on Working Capital	0.87	0.81	0.75	0.75	0.87
Total Fee & Charges	47.07	47.04	46.94	46.90	37.21

(₹ in lakh)

Particulars	Asset-5				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	17.57	17.58	17.57	17.56	13.27
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.26	0.25	0.23	0.23	0.15
Total Fee & Charges	17.84	17.83	17.80	17.79	13.42



DETERMINATION OF ANNUAL FEES AND CHARGES FOR ASSET-6, ASSET-7, & ASSET-8 FOR THE 2024-29 TARIFF PERIOD

69. The Petitioner has claimed the following transmission charges in respect of Asset-6, Asset-7 and Asset-8 for 2024-29 tariff period:

Asset-6

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3.37	3.37	3.37	3.37	1.55
Interest on Loan	0.56	0.24	0.04	0.00	0.00
Return on Equity	3.00	3.00	3.00	3.00	3.00
Interest on Working Capital	0.10	0.10	0.10	0.09	0.07
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	7.09	6.71	6.51	6.46	4.62

Asset-7

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	0.06	0.06	0.06	0.06	0.03
Interest on Loan	0.01	0.01	0.00	0.00	0.00
Return on Equity	0.05	0.05	0.05	0.05	0.05
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	0.12	0.12	0.11	0.11	0.08

Asset-8

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	6.17	6.17	6.17	6.17	6.17
Interest on Loan	2.38	1.84	1.31	0.81	0.31
Return on Equity	5.49	5.49	5.49	5.49	5.49
Interest on Working Capital	0.29	0.28	0.28	0.27	0.26
O&M Expenses	1.95	1.95	1.95	1.95	1.95
Total	16.28	15.73	15.20	14.69	14.18

70. The Petitioner has claimed the following Interest on Working Capital (IWC) in respect of Asset-6, Asset-7 and Asset-8 for 2024-29 tariff period:

Asset-6

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	0.87	0.83	0.80	0.79	0.57
Total Working Capital	0.87	0.83	0.80	0.79	0.57



Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	0.10	0.10	0.10	0.09	0.07

Asset-7

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	0.01	0.01	0.01	0.01	0.01
Total Working Capital	0.01	0.01	0.01	0.01	0.01
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00

Asset-8

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	0.16	0.16	0.16	0.16	0.16
Maintenance Spares	0.29	0.29	0.29	0.29	0.29
Receivables	2.01	1.94	1.87	1.81	1.75
Total Working Capital	2.46	2.39	2.32	2.26	2.20
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	0.29	0.28	0.28	0.27	0.26

Capital Cost

71. 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.”

72. The capital cost approved for Asset-6, Asset-7 and Asset-8 as on 31.3.2024 is ₹53.20 lakh, ₹5.97 lakh and ₹97.48 lakh, respectively. The same has been considered as the opening capital cost for Asset-6, Asset-7 and Asset-8 as on 1.4.2024 for determination of transmission tariff for the 2024-29 period.

Additional Capital Expenditure

73. The Petitioner has not claimed ACE in respect of Asset-6, Asset-7 and Asset-8 for the 2024-29 tariff period.

74. We have considered the Petitioner's submissions. As the The Petitioner has not claimed any ACE for the 2019-24 tariff period, no ACE has been allowed for Asset-6, Asset-7 and Asset-8 for the 2024-29 tariff period. Therefore, the capital cost allowed for Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)				
Asset Name	FR Apportioned Approved Cost	Expenditure as on 31.3.2024	Expenditure during 2024-29 Tariff Period	Actual Capital Cost as on 31.3.2029
Asset-6	77.82	53.20	0.00	53.20
Asset-7	10.18	0.97	0.00	5.97
Asset-8	103.00	97.48	0.00	97.48

Debt Equity Ratio

75. 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. *the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:*

Explanation- The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

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

(3) In the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, 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."

76. 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 tariff for 2024-29 tariff period for Asset-6, Asset-7 and Asset-8 are as follows:

Funding (Asset-6)	Capital Cost as on 1.4.2024		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	37.24	70.00	37.24	70.00
Equity	15.96	30.00	15.96	30.00
Total	53.20	100.00	53.20	100.00

Funding (Asset-7)	Capital Cost as on 1.4.2024		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	0.68	70.00	0.68	70.00
Equity	0.29	30.00	0.29	30.00
Total	0.97	100.00	0.97	100.00

Funding (Asset-8)	Capital Cost as on 1.4.2024		Capital Cost as on 31.3.202(9	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	68.24	70.00	68.24	70.00
Equity	29.24	30.00	29.24	30.00
Total	97.48	100.00	97.48	100.00

Depreciation

77. 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.....”

78. 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 Asset-6, Asset-7 and Asset-8 as per the rates of depreciation specified in the 2024 Tariff Regulations.

79. The depreciation allowed for under Regulation 33 of the 2024 Tariff Regulations for Asset-6, Asset-7 and Asset-8 for the 2024-29 tariff period are as under:

(₹ in lakh)

Sl. No.	Particulars (Asset-6)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	53.20	53.20	53.20	53.20	53.20
B	Addition during the year 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	53.20	53.20	53.20	53.20	53.20
D	Average Capital Cost (A+C)/2	53.20	53.20	53.20	53.20	53.20
E	Average Capital Cost (90% depreciable assets)	53.20	53.20	53.20	53.20	53.20
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	47.88	47.88	47.88	47.88	47.88
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)	47.88	47.88	47.88	47.88	47.88
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	Spread-over depreciation
K	Lapsed useful life at the beginning of the year (Year)	8	9	10	11	12
L	Balance useful life at the beginning of the year (Year)	7	6	5	4	3
M	Depreciation during the year	3.37	3.37	3.37	3.37	1.56
N	Cumulative Depreciation at the end of the year	33.09	36.46	39.82	43.19	44.75
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	14.79	11.42	8.06	4.69	3.13

(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	0.97	0.97	0.97	0.97	0.97
B	Addition during the year 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	0.97	0.97	0.97	0.97	0.97
D	Average Capital Cost (A+C)/2	0.97	0.97	0.97	0.97	0.97



Sl. No.	Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
E	Average Capital Cost (90% depreciable assets)	0.97	0.97	0.97	0.97	0.97
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	0.87	0.87	0.87	0.87	0.87
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)	0.87	0.87	0.87	0.87	0.87
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	Spread-over depreciation
K	Lapsed useful life at the beginning of the year (Year)	8	9	10	11	12
L	Balance useful life at the beginning of the year (Year)	7	6	5	4	3
M	Depreciation during the year	0.06	0.06	0.06	0.06	0.03
N	Cumulative Depreciation at the end of the year	0.60	0.66	0.72	0.79	0.81
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	0.27	0.21	0.15	0.09	0.06

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	97.48	97.48	97.48	97.48	97.48
B	Addition during the year 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	97.48	97.48	97.48	97.48	97.48
D	Average Capital Cost (A+C)/2	97.48	97.48	97.48	97.48	97.48
E	Average Capital Cost (90% depreciable assets)	97.48	97.48	97.48	97.48	97.48
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	87.73	87.73	87.73	87.73	87.73
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)	87.73	87.73	87.73	87.73	87.73
J	Weighted average rate of Depreciation (WAROD) (in %)	6.330	6.330	6.330	6.330	6.330
K	Lapsed useful life at the beginning of the year (Year)	6	7	8	9	10
L	Balance useful life at the beginning of the year (Year)	9	8	7	6	5
M	Depreciation during the year	6.17	6.17	6.17	6.17	6.17
N	Cumulative Depreciation at the end of the year	43.17	49.34	55.51	61.68	67.85



Sl. No.	Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	44.56	38.39	32.22	26.05	19.88

Interest on Loan (IoL)

80. 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.”

81. The Petitioner has claimed the WAROI on loans based on its actual loan portfolio and rate of interest prevailed. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2024 Tariff Regulations.

82. The IoL allowed in respect of Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)						
Sl. No.	Particulars (Asset-6)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	37.24	37.24	37.24	37.24	37.24
B	Cumulative Repayments up to Previous Year	29.72	33.09	36.46	37.24	37.24
C	Net Loan-Opening (A-B)	7.52	4.15	0.78	0.00	0.00
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	3.37	3.37	0.78	0.00	0.00
F	Net Loan-Closing (C+D-E)	4.15	0.78	0.00	0.00	0.00
G	Average Loan (C+F)/2	5.84	2.47	0.39	0.00	0.00
H	Weighted Average Rate of Interest on Loan (in %)	9.607	9.613	9.598	9.566	9.424
I	Interest on Loan (G*H)	0.56	0.24	0.04	0.00	0.00

(₹ in lakh)						
Sl. No.	Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	0.68	0.68	0.68	0.68	0.68
B	Cumulative Repayments up to Previous Year	0.54	0.60	0.66	0.68	0.68
C	Net Loan-Opening (A-B)	0.14	0.08	0.02	0.00	0.00
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	0.06	0.06	0.02	0.00	0.00
F	Net Loan-Closing (C+D-E)	0.08	0.02	0.00	0.00	0.00
G	Average Loan (C+F)/2	0.11	0.05	0.01	0.00	0.00
H	Weighted Average Rate of Interest on Loan (in %)	9.278	9.313	9.218	9.048	8.656
I	Interest on Loan (G*H)	0.01	0.00	0.00	0.00	0.00

(₹ in lakh)						
Sl. No.	Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	68.24	68.24	68.24	68.24	68.24
B	Cumulative Repayments up to Previous Year	37.00	43.17	49.34	55.51	61.68
C	Net Loan-Opening (A-B)	31.24	25.07	18.90	12.73	6.56
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	6.17	6.17	6.17	6.17	6.17
F	Net Loan-Closing (C+D-E)	25.07	18.90	12.73	6.56	0.39
G	Average Loan (C+F)/2	28.15	21.98	15.81	9.64	3.47
H	Weighted Average Rate of Interest on Loan (in %)	8.447	8.374	8.276	8.134	7.915
I	Interest on Loan (G*H)	2.38	1.84	1.31	0.78	0.27

Return on Equity (RoE)

83. 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.”

84. The Petitioner has submitted that the MAT rate is applicable to it. The MAT rate applicable has been considered for the purpose of RoE which shall be trued-up in



accordance with 2024 Tariff Regulations. RoE allowed in respect of Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)

Sl. No.	Particulars (Asset-6)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	15.96	15.96	15.96	15.96	15.96
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	15.96	15.96	15.96	15.96	15.96
D	Average Equity (A+C)/2	15.96	15.96	15.96	15.96	15.96
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
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)	3.00	3.00	3.00	3.00	3.00

(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	0.29	0.29	0.29	0.29	0.29
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	0.29	0.29	0.29	0.29	0.29
D	Average Equity (A+C)/2	0.29	0.29	0.29	0.29	0.29
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
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)	0.05	0.05	0.05	0.05	0.05

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	29.24	29.24	29.24	29.24	29.24
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	29.24	29.24	29.24	29.24	29.24
D	Average Equity (A+C)/2	29.24	29.24	29.24	29.24	29.24
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
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)	5.49	5.49	5.49	5.49	5.49

Operation and Maintenance Expenses (O&M Expenses)

85. The Petitioner has not claimed any O&M expenses of Asset-6 and Asset-7 for 2024-29 Tariff Period. The O&M Expenses claimed by the Petitioner for Asset-8 for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	1.95	1.95	1.95	1.95	1.95



86. The Petitioner has submitted that no O&M Expenses have been claimed for Asset-6, and Asset-7, whereas for Asset-8 the O&M Expenses have been claimed @2% of original project cost for the Central Sector.

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

“36. Operation and Maintenance Expenses:

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

88. We have considered the Petitioner’s submissions. It has been observed that the Petitioner has claimed the O&M Expenses @2% of the original project cost in case of Asset-8. Therefore, as per Regulation 36(3)(c) of 2024 Tariff Regulations, the O&M Expenses for the 2024-29 tariff period is allowed subject to truing up based on the actual expenditure. The Petitioner is directed to submit the actual O&M Expenses in respect of Asset-8, duly certified by the Auditor at the time of truing up of tariff of the 2024-29 period. The O&M Expenses allowed for 2024-29 tariff period in respect of the Asset-8 are as follows:

(₹ in lakh)					
Asset-8					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Original project cost	97.48	97.48	97.48	97.48	97.48
O&M Expenses @2% of original project cost	1.95	1.95	1.95	1.95	1.95

Interest on Working Capital (IWC)

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

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

.....



(d) For Hydro generating station (including Pumped Storage Hydro generating station) and Transmission System:

- (i) Receivables equivalent to 45 days of annual fixed cost;
- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
- (iii) Operation and maintenance expenses, including security expenses for one month.

.....

(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024- 29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.

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

90. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance 2024 Tariff Regulations. The Rate of Interest (RoI) considered is 11.90% (SBI 1-year MCLR applicable as on 01.04.2024 of 8.65% plus 325 basis points) for FY 2024-25 to FY 2028-29. The components of the working capital and interest allowed thereon for Asset-6, Asset-7 and Asset-8 are as follows:

(₹ in lakh)						
Sl. No.	Particulars (Asset-6)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	0.87	0.83	0.80	0.79	0.57
D	Total Working Capital (A+B+C)	0.87	0.83	0.80	0.79	0.57
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)	0.10	0.10	0.10	0.09	0.07



(₹ in lakh)

Sl. No.	Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	0.02	0.02	0.01	0.01	0.01
D	Total Working Capital (A+B+C)	0.02	0.02	0.01	0.01	0.01
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)	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

Sl. No.	Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	0.16	0.16	0.16	0.16	0.16
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.29	0.29	0.29	0.29	0.29
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	2.01	1.94	1.87	1.80	1.74
D	Total Working Capital (A+B+C)	2.46	2.40	2.33	2.26	2.20
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)	0.29	0.29	0.28	0.27	0.26

Annual Fixed Charges for the 2024-29 Tariff Period for Asset-6, Asset-7 and Asset-8

91. The transmission charges allowed in respect of Asset-6, Asset-7 and Asset-8 for the 2024-29 tariff period are as follows:

Asset-6

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3.37	3.37	3.37	3.37	1.56
Interest on Loan	0.56	0.24	0.04	0.00	0.00
Return on Equity	3.00	3.00	3.00	3.00	3.00
Interest on Working Capital	0.10	0.10	0.10	0.09	0.07
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	7.03	6.70	6.50	6.46	4.63



Asset-7

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	0.06	0.06	0.06	0.06	0.03
Interest on Loan	0.01	0.00	0.00	0.00	0.00
Return on Equity	0.05	0.05	0.05	0.05	0.05
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	0.13	0.12	0.12	0.12	0.09

Asset-8

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	6.17	6.17	6.17	6.17	6.17
Interest on Loan	2.38	1.84	1.31	0.78	0.27
Return on Equity	5.49	5.49	5.49	5.49	5.49
Interest on Working Capital	0.29	0.29	0.28	0.27	0.26
O&M Expenses	1.95	1.95	1.95	1.95	1.95
Total	16.28	15.74	15.20	14.67	14.15

Filing Fee and Publication Expenses

92. 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 shall be entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

93. 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)

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



separate regulation. The Petitioner has further submitted that in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner which will be recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

95. 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.”

96. 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 a regulation is notified and issued by the Commission.

Licence Fee and RLDC Fees and Charges

97. 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

98. The Petitioner has submitted that the transmission charges claimed herein are exclusive of GST, and in case GST is levied in the future, the same shall be additionally paid by the Respondents and be charged and billed separately by the Petitioner. It is also prayed that additional taxes, if any, are paid by the Petitioner on account of the demand from the Government/ statutory authorities, and the Commission may allow the same to be recovered from the beneficiaries.

99. 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

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

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



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

103. The Petitioner has not claimed capital spares for the transmission assets 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.

104. We have considered the Petitioner's submissions and have perused the record. We deem it proper here to refer to Regulation 36(3)(d) of the 2024 Tariff Regulations which provides as follows:

"36(3)....

(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:

Provided that in case of self-insurance, the premium shall not exceed 0.12% of the GFA of the assets insured;

Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization."

105. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering the Petitioner's submissions, the Petitioner is allowed to file a single



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

Sharing of Transmission Charges

106. The fee and charges approved in this order for the 2019-24 tariff period for Asset-3 and Asset-4 and transmission charges of Asset-8 under the Central Sector shall be shared by the beneficiaries and long-term transmission customers as per applicable Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations. The fee and charges approved for Asset-1, Asset-2 and Asset-5 and transmission charges of Asset-6 and Asset-7 under the State Sector shall be shared by the respective States as provided under the proviso to Regulation 57(2) of the 2019 Tariff Regulations.

107. The fee and charges approved in this order for the 2024-29 tariff period for Asset-3 and Asset-4 and transmission charges of Asset-8 under the Central Sector shall be shared by the beneficiaries and long-term transmission customers as per applicable Sharing Regulations as provided in Regulation 78 of the 2024 Tariff Regulations. The fee and charges approved for Asset-1, Asset-2 and Asset-5 and transmission charges of Asset-6 and Asset-7 under the State Sector shall be shared by the respective States as provided under the proviso to Regulation 78(2) of the 2019 Tariff Regulations.

108. To summarize:

- (a) The trued-up Annual Fee & Charges claimed and allowed for Asset-1, Asset-2, Asset-3, Asset-4 And Asset-5 for the 2019-24 tariff period are as under:



(₹ in lakh)					
Particulars (Asset-1)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	105.06	104.99	104.90	104.92	105.13
Allowed	105.06	104.99	104.90	104.92	105.24

(₹ in lakh)					
Particulars (Asset-2)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	79.38	79.32	79.25	79.26	79.43
Allowed	79.38	79.32	79.25	79.26	79.51

(₹ in lakh)					
Particulars (Asset-3)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	264.12	288.52	261.54	245.70	250.22
Allowed	264.12	288.52	261.54	245.70	250.39

(₹ in lakh)					
Particulars (Asset-4)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	49.58	54.42	49.05	45.92	46.86
Allowed	49.58	54.42	49.05	45.92	46.90

(₹ in lakh)					
Particulars (Asset-5)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	17.90	17.88	17.86	17.85	17.82
Allowed	17.90	17.88	17.86	17.85	17.83

(b) The trued-up Annual Fixed Charges claimed and allowed for Asset-6, Asset-7 And Asset-8 for the 2019-24 tariff period for Asset-6, Asset-7 And Asset-8 for the 2019-24 period are as follows:

(₹ in lakh)					
Particulars (Asset-6)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	8.68	8.35	8.00	7.68	7.36
Allowed	8.67	8.34	8.00	7.67	7.36

(₹ in lakh)					
Particulars (Asset-7)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	0.15	0.14	0.14	0.13	0.13
Allowed	0.16	0.15	0.15	0.14	0.13

(₹ in lakh)					
Particulars (Asset-8)	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	20.17	21.34	18.89	17.20	16.97
Allowed	20.17	21.33	18.87	17.20	16.97

(c) The annual Fees and Charges claimed and allowed for Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars (Asset-1)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	105.14	105.16	105.15	87.53	0.00
Allowed	105.25	105.27	105.26	87.63	0.00

(₹ in lakh)

Particulars (Asset-2)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	79.44	79.45	79.44	79.36	0.00
Allowed	79.51	79.52	79.51	79.44	0.00

(₹ in lakh)

Particulars (Asset-3)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	252.34	252.36	252.26	251.84	0.00
Allowed	252.55	252.58	252.48	252.08	32.78

(₹ in lakh)

Particulars (Asset-4)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	47.02	47.05	47.01	46.96	35.20
Allowed	47.07	47.04	46.94	46.90	37.21

(₹ in lakh)

Particulars (Asset-5)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	17.82	17.83	17.82	17.81	13.35
Allowed	17.84	17.83	17.80	17.79	13.42

(d) The annual Fees and Charges claimed and allowed for Asset-6, Asset-7 and Asset-8 for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars (Asset-6)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	7.09	6.71	6.51	6.46	4.62
Allowed	7.03	6.70	6.50	6.46	4.63

(₹ in lakh)

Particulars (Asset-7)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	0.12	0.12	0.11	0.11	0.08
Allowed	0.13	0.12	0.12	0.12	0.09

(₹ in lakh)

Particulars (Asset-8)	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	16.28	15.73	15.20	14.69	14.18
Allowed	16.28	15.74	15.20	14.67	14.15



109. This order disposes of Petition No. 285/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

