

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 292/TT/2025

Coram:

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

Date of Order: 09.04.2025

In the matter of:

Petition for truing up of fees and charges for the 2019-24 tariff period in respect of the “Unified Load Despatch & Communication Scheme (POWERGRID portion i.e. Communication System portion and SLDC System retained by the Petitioner after the formation of POSOCO)” in the Northern Region under Section 62 read with Section 79 (1)(d) of the Electricity Act, 2003 and under Regulation 15 (1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

And in the matter of:

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

...Petitioner

Vs.

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



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



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 fees and charges for the 2019-24 period in respect of Unified Load Despatch and Communication Scheme (POWERGRID Portion i.e. Communication System Portion and SLDC System retained by the Petitioner after the formation of POSOCO) in the Northern Region under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003 and under Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (2019 Tariff Regulations).

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

- "a) Approve the trued-up fees and charges for 2019-24 block for the asset covered under this petition, as per para 13 above.*
- b) Allow to recover income tax directly from the beneficiaries.*
- c) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*
- d) Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*



- e) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 16 above.*
- f) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at para 16 above.*
- g) *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 Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

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

- a) The Central Electricity Authority (CEA) accorded a techno-economic clearance for the ULDC Scheme in the Northern Region vide its letter dated 12.1.1994 at an estimated cost of ₹43660 lakh, including an Interest During Construction ("IDC") of ₹12837 lakh. The Investment Approval (IA) was accorded by the Ministry of Power (MoP) in March, 1995, at an estimated cost of ₹47951 lakh, including an IDC of ₹9383 lakh. The approved estimated cost included an amount of ₹4601 lakh for the investments to be made by the beneficiary constituent States. Subsequently, the Central Government, vide its letter dated 25.2.2002, accorded its fresh approval to the Revised Cost Estimate (RCE) of ₹65892 lakh, including an IDC of ₹11426 lakh, consisting of (i) the Petitioner's portion of ₹59458 lakh, including an IDC of ₹9989 lakh and (ii) SEB's portion of ₹6434.00 lakh, including an IDC of ₹1437 lakh, based on 2nd Quarter 2001 Price Level.
- b) The Petitioner, who was earlier operating the Regional Load Dispatch Centres (RLDCs), devised a scheme called the Unified Load Dispatch and Communication Scheme (the ULDC Scheme) for all the five Regions with the objective of strengthening the load dispatch infrastructure and augmenting communication system for the efficient discharge of load dispatch functions. The ULDC Scheme



included investments in RLDCs at the Central level as well as in State Load Dispatch Centres (SLDCs) as the beneficiary States of the region.

- c) The assets under the ULDC Scheme were declared under the commercial operation (COD) on 1.8.2002.
- d) The Petitioner while claiming the fees and charges of the ULDC Scheme during the prior tariff control periods, submitted that the tariff regulations framed by the Commission were not suitable for recovery of the cost of the ULDC Scheme from the beneficiaries. Accordingly, the Petitioner proposed a levelized tariff, which meant that a uniform amount would be recovered over a period of 15 years. Accordingly, the Commission approved the recovery of loan and equity corresponding to 2001-04, 2004-09 and 2009-14 tariff periods, along with the subsequent Additional Capital Expenditure (ACE) incurred during those periods, based on the Weighted Average Rate of Interest (WAROI) and Return on Equity (RoE), using the Capital Recovery Factor for loan and equity, respectively for 15 years.
- e) As per the directives of MoP vide letter dated 4.7.2008, Power System Operation Corporation Limited (POSOCO), a wholly owned subsidiary of the Petitioner, responsible for the operation of the National Load Dispatch Centre (NLDC) and Regional Load Dispatch Centers (RLDCs) was established. The Government of India had constituted a Task Force to look into the financial aspects of the augmentation and upgradation of the State Load Dispatch Centers (SLDCs) and issues related to emoluments for the personnel's engaged in the system operation. The Task Force made certain recommendations with regard to the ownership of the assets. Subsequent to the Task Force's report, the Petitioner constituted Committees at the regional level to identify the assets to be transferred to POSOCO. Further, as per the directions of the Committees, the assets directly related to the discharge of load dispatch functions, raised by the Petitioner under the Scheme,



were transferred to POSOCO. The Petitioner was left with the assets associated with the communication system under the Central Portion of the Scheme and assets for SLDCs (the States' Portion). Accordingly, based on the recommendations of the Committees, the assets under the ULDC Scheme were transferred to POSOCO and to the Petitioner vide Commission's order dated 8.12.2011 in Petition No. 68/2010 and the same is as follows:

(A) Assets transferred to POSOCO:

- (i) EMS/SCADA system (computer system, hardware and software)
- (ii) Auxiliary power supply system comprising of uninterrupted power supply, diesel generating set etc.
- (iii) Building and civil works.

(B) Assets which remained with the Petitioner:

I. Central Portion

- (i) Fibre Optic Cables (overhead and underground)
- (ii) Fibre Optic Communication Equipment
- (iii) Digital Microwave Communication System (Tower, Antenna, Equipment etc.)
- (iv) PABX
- (v) Power Line Carrier Communication System;
- (vi) Auxiliary power supply system.

II. State Portion

The entire State portion, which consists of the following equipment, remains with the Petitioner:

- (i) EMS/SCADA system
- (ii) Fibre Optic System
- (iii) Digital Microwave Communication System (Tower, Antenna, Equipment etc.)
- (iv) PABX
- (v) Power Line Carrier Communication System Auxiliary power supply system (part)

- f) The Commission, vide order dated 2.9.2005 in Petition No. 82/2002, approved the charges for the 2001-04 tariff period, for the expenditure incurred from COD to



31.3.2004. The Commission, vide order dated 9.5.2006 in Petition No. 139/2005, initially approved the charges for the 2004-09 tariff period. The Commission vide order dated 11.4.2008 in Review Petition No. 133/2006, further revised the charges for the 2004-09 tariff period. The charges were further revised by the Commission vide order dated 29.1.2009 in IA No. 11/2008 in Petition No. 139/2005, taking into account the ACE incurred by the Petitioner during FY 2004-05. Later, the Commission, vide order dated 18.3.2011 in Petition No. 28/2010, revised the charges for the period 2005-09.

- g) The Commission, vide order dated 17.12.2013 and corrigendum order dated 24.12.2013 in Petition No. 59/TT/2012, approved the Fees and Charges for the 2009-14 tariff period for the assets retained by the Petitioner after the formation of POSOCO in the Northern Region, as per the principles approved by the Commission vide order dated 8.12.2011 in Petition No 68/2010. Subsequently, the Commission, vide order dated 15.7.2016 in Petition No. 19/TT/2015, trued-up the Fees and Charges for the 2009-14 tariff period, and approved the Fees and Charges for the 2014-19 tariff period, which was further revised vide order dated 20.7.2018 in Petition No. 218/TT/2017.
- h) The Commission, vide its aforementioned order dated 8.12.2011 in Petition No. 68/2010, decided to continue with the levelized tariff for the existing assets, in the absence of provisions in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, for determining the tariff for the Petitioner's communication and ULDC systems. Accordingly, the fees and charges for the 2009-14 tariff period were determined for all regions. The relevant portion of the Commission's order dated 8.12.2011 in Petition No.68/2010 is as follows:

"It clearly emerges from the above judgment that the Central Commission can specify the terms and conditions of tariff even in the absence of the regulations. Since no regulation was specified for determination of tariff of the communication system and the ULDC system, the Commission determined the tariff of these assets during the period 2004-09 on levelized basis by



adopting some of the parameters of 2004 tariff regulations. We have decided to continue with the levelized tariff for the existing assets in the absence of any provision in 2009 regulations regarding determination of tariff of communication system and ULDC system of the petitioner. For the new assets, the tariff will be decided as per the regulations for communication systems to be framed. Accordingly, we direct the staff of the Commission to take necessary action to prepare draft regulations for determination of tariff for the communication system and ULDC system of the Petitioner.”

- i) The Petitioner filed Petition No. 32/MP/2011, for approval of implementation of expansion/replacement of SCADA/EMS system for SLDCs in the Northern Region. The Commission vide order dated 28.12.2011 in Petition No. 32/MP/2011, while approving the replacement/upgradation of SCADA/EMS system for SLDCs, further observed that the Petitioner can implement the schemes in accordance with agreements with the beneficiaries in the respective Regional Power Committees. Accordingly, the Petitioner obtained the approval of RPCs for expansion/upgradation of SCADA/EMS system in WRPC, SRPC, ERPC and NERPC. However, while granting approval of upgradation project for the Northern Region, the Commission directed the Petitioner to ensure that the projects for RLDC and SLDCs in respective regions be implemented in an integrated and compatible manner to obviate any operational difficulties in future. Furthermore, the Commission directed the Petitioner to implement all the schemes in a coordinated manner within the same time frame to achieve optimization of cost and economies of scale.
- j) The Commission vide order dated 26.4.2022 in Petition No. 272/TT/2020, trued-up the Fees and Charges for the 2014-19 tariff period and determined the Annual Fees and Charges for the 2019-24 tariff period.

4. The Respondents are the generating companies, distribution companies, electricity departments and transmission licensees, which are procuring transmission services (Communication) from the Petitioner and are main beneficiaries of the Northern 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.

6. On perusal of the Petition, it is noted that the Petitioner has not impleaded the following parties as Respondents in the instant Petition, despite their inclusion in Petition No. 272/TT/2020 (previous Petition for the truing-up for Fees and Charges for the 2014-19 tariff period and determination of the Annual Fees and Charges for the 2019-24 tariff period, in respect of the instant asset):

- i. NTPC Limited
- ii. National Hydro Power Corporation Limited
- iii. Satluj Jal Vidyut Nigam Limited
- iv. THDC India Limited
- v. Nuclear Power Corporation of India Limited
- vi. ADHPL, Noida
- vii. Aravali Power Company Private Limited
- viii. Jaypee Karchan Hydro Corporation Limited
- ix. Everest Power Private Limited
- x. Shree Cement Limited
- xi. Delhi Transco Limited
- xii. Haryana Vidyut Prasaran Nigam Limited
- xiii. PSTCL, Punjab
- xiv. RVPN, Rajasthan
- xv. Powerlinks Transmission Limited

7. However, the Petitioner, in para 4 of the Petition, has submitted that the entire cost of the Non-Microwave portion of the assets has been recovered upto 31.7.2017 i.e. during FY 2017-18, therefore, only O&M Charges and Interest on Working Capital (IWC) for the Central Portion of the Non-microwave portion of the communication system have been claimed.

8. In view of the above submission of the Petitioner, we are of the view that there is no requirement for the impleadment of the said parties in the present Petition.

9. The hearing in the matter was held on 13.3.2025, and the order was reserved.



10. The Commission vide the Record of Proceedings (RoP) dated 13.3.2025, directed the Petitioner to submit the asset-wise actual O&M expenditure incurred, including head-wise details for the 2019-24 tariff period. In response, the Petitioner vide affidavit dated 24.3.2025 has submitted the relevant details.

11. This order is being issued considering the Petitioner's submissions in the Petition vide affidavits dated 22.11.2024, 11.2.2025 and 24.3.2025. None of the Respondents have filed any reply.

12. We have considered the Petitioner's submissions and have gone through the record. The fees and charges for the 2019-24 period are being trued upon the basis of information available on record, which includes the information given in the data, tariff forms and documents available on record and called for, from the Petitioner.

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

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

14. The details of the Annual Fee and Charges allowed by the Commission vide order dated 26.4.2022 in Petition No. 272/TT/2020, for the 2019-24 tariff period in respect of the Non-microwave System Central Portion are as follows:

(₹ in lakh)						
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	
Annual Capital Recovery	0.00	0.00	0.00	0.00	0.00	
Charges-Total						
O&M Expenses	171.37	171.37	171.37	171.37	171.37	
Interest on Working Capital	7.47	6.97	6.50	6.50	6.49	
Total	178.83	178.34	177.87	177.87	177.86	

15. The Petitioner has claimed the following trued-up fee & charges in respect of the Non-microwave System Central Portion for the 2019-24 tariff period:



(₹ in lakh)

Particulars	Non-Microwave-Central Portion				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	0.00	0.00	0.00	0.00	0.00
O&M Expenses	157.02	108.52	22.46	0.00	0.00
Interest on Working Capital	6.84	4.42	0.85	0.00	0.00
Total true-up Fee & Charges	163.86	112.94	23.31	0.00	0.00

Capital Cost for the 2019-24 Tariff Period

16. The Commission, vide order dated 26.4.2022 in Petition No. 272/TT/2020, while true-up the tariff for the 2014-19 tariff period and, determining the tariff for the 2019-24 tariff period observed that the accelerated depreciation of the 'Net Capital Cost' as on 1.4.2014 in respect of the Central Portion and "Remaining Existing assets-State Portion" has been recovered up to 31.7.2017. Further, the accelerated depreciation of "Replaced SCADA/EMS-State Portion" has been recovered up to 31.12.2015. Accordingly, the Commission, allowed the O&M Expenses for the Central Portion along with the consequential IWC only as part of the approved Fees and Charges for the 2019-24 tariff period. The relevant extracts of the said order are as follows:

"39. We have considered the submissions made by the Commission. The COD of the instant ULDC scheme was 1.8.2002. The Commission had approved the recovery of deemed loan, corresponding to 2002-04, 2004-09 and 2009-14 tariff periods and subsequent ACE during those periods, based on the weighted average rate of interest using capital recovery factor for loan for 15 years. Accordingly, accelerated depreciation of the Net Capital Cost as on 1.4.2014 for the Central portion and "Remaining Existing assets-State portion" has been recovered up to 31.7.2017. Further, the accelerated depreciation of "Replaced SCADA/EMS-State Portion" has been recovered up to 31.12.2015.

40. Therefore, only the O&M Expenses for the Central Portion along with the consequential IWC have been allowed as part of the approved fees and charges for the 2019-24 tariff period."

17. The Petitioner, in the instant true-up Petition, has submitted that the Annual Fees and Charges have been worked out in line with the Commission's order dated 26.4.2022 in Petition No. 272/TT/2020. Since the entire cost of Non-Microwave System Central Portion of the assets have been recovered by 2017-18, only O&M Charges and Interest on Working



Capital (IWC) for the Central Portion of the Non-Microwave Portion of the Communication System have been claimed by the Petitioner in the instant Petition.

18. We have considered the submission of the Petitioner. The COD of the ULDC Scheme was 1.8.2002. The Commission had approved the recovery of the deemed loan, corresponding to 2002-04, 2004-09 and 2009-14 tariff periods, and allowed the subsequent ACE during these periods, based on the WAROI using Capital Recovery Factor for loan, for 15 years. Accordingly, the accelerated depreciation of the Net Capital Cost as on 1.4.2014 in respect of the Central Portion and “Remaining Existing assets-State portion” has been recovered up to 31.7.2017. Further, the accelerated depreciation of “Replaced SCADA/EMS-State Portion” has also been recovered up to 31.12.2015.

19. Therefore, only the O&M Expenses for the Central Portion, along with the consequential IWC, have been allowed as part of the approved Fees and Charges for the 2019-24 tariff period.

Operation & Maintenance Expenses (O&M Expenses)

20. The Commission vide order dated 26.4.2022 in Petition No. 272/TT/2020 allowed the following O&M Expenses in respect of the Non-microwave System Central Portion for the 2019-24 tariff period:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
171.37	171.37	171.37	171.37	171.37

21. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses in respect of Non-microwave System Central Portion for the 2019-24 tariff period:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
157.02	108.52	22.46	0.00	0.00

22. The Petitioner in the instant true-up Petition has submitted that actual O&M expenses for the 2019-24 tariff period have been considered for calculating the Annual



Capital Charges in respect of the Central sector of the Non-Microwave Portion. The Petitioner has also submitted the existing system have been replaced progressively from 2021 to 2023 under the “Reliable Communication for Central Sector Portion under Northern Region”, and O&M of the replaced asset will be claimed under the new project. Therefore, no O&M Expenditure has been claimed after 2022-23 onwards. The Petitioner has further submitted the Auditor’s Certificate dated 27.9.2024 in support of the actual O&M Expenses claimed in respect of the Central Sector of the Non-Microwave Portion for the 2019-24 tariff period.

23. In compliance with the RoP dated 13.3.2025, the Petitioner vide affidavit dated 24.3.2025 has submitted the requisite head-wise details of actual O&M Expenses which are as follows:

(₹ in lakh)					
Description	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Cost	32.27	24.90	4.53	0.00	0.00
Repair and Maintenance	67.16	62.38	10.69	0.00	0.00
Training and Recruitment	0.00	0.01	0.00	0.00	0.00
Communication Expenses	0.17	0.16	0.00	0.00	0.00
Travelling Expenses	0.06	0.07	0.00	0.00	0.00
Entertainment Expenses	0.87	0.07		0.00	0.00
Rates and Taxes (License Fee and Royalty)	0.00	0.05	0.28	0.00	0.00
Corporate Centre & RHQ Center Expenses	56.49	20.88	6.96	0.00	0.00
Total Expenses	157.02	108.52	22.46	0.00	0.00

24. We have considered the Petitioner’s submission. It has been observed that the Petitioner has claimed the actual O&M Expenses for FYs 2019-20, 2020-21 and 2021-22 on account of expenditure on employee cost, R&M cost, communication expenses, travelling expenses, rates and taxes etc. for the 2019-24 tariff period. Further, the O&M charges for FYs 2022-23 and 2023-24 have not been claimed by the Petitioner as the existing system has been progressively upgraded under “Reliable Communication for Central Sector Portion under Northern Region” and O&M of the replaced asset shall be claimed under the new project. Therefore, the details of the actual O&M Expenses allowed



as per the Auditor's Certificate, as submitted by the Petitioner for the 2019-24 tariff period, are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
157.02	108.52	22.46	0.00	0.00

25. Accordingly, the details of the O&M Expenses allowed vide order dated 26.4.2022 in Petition No. 272/TT/2020, the O&M Expenses claimed in the instant Petition, and the trued-up O&M Expenses allowed in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 26.4.2022 in Petition No. 272/TT/2020	171.37	171.37	171.37	171.37	171.37
Claimed by the Petitioner in the instant petition.	157.02	108.52	22.46	0.00	0.00
Allowed after truing-up in this order	157.02	108.52	22.46	0.00	0.00

Interest on Working Capital (IWC)

26. IWC is worked out in line with the 2019 Tariff Regulations. Therefore, the computations of IWC in respect of the Non-Microwave System-Central Portion for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Non-Microwave Central Portion					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for One month)	13.09	9.04	1.87	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M expenses)	23.55	16.28	3.37	0.00	0.00
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	20.15	13.92	2.87	0.00	0.00
Total Working Capital	56.79	39.24	8.11	0.00	0.00
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	6.84	4.42	0.85	0.00	0.00



27. Accordingly, the details of the IWC allowed vide order dated 26.4.2022 in Petition No. 272/TT/2020, the IWC claimed in the instant Petition, and trued-up IWC allowed in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 26.4.2022 in Petition No. 272/TT/2020	7.47	6.97	6.50	6.50	6.49
IWC claimed by the Petitioner in the instant Petition	6.84	4.42	0.85	0.00	0.00
Allowed after truing-up in this order	6.84	4.42	0.85	0.00	0.00

Recovery of loan and equity

28. The Capital Recovery Factor (CRF) for the loan in respect of the communication assets has been calculated by applying the year-wise weighted average rate of interest on the basis of the impact due to the change in the floating rate of interest on the loans. Further, with respect to CRF for equity and its grossing-up with the tax rate, the Commission vide order dated 9.10.2018 in Petition No. 214/TT/2017 had observed as follows:

....the concept of grossing up linked with the tariff determination for ordinary assets cannot per se be applied for calculating fees and charges in accordance with the Capital Recovery Factor (CRF) concept. By considering the grossed-up value of RoE, CRF gets distorted because of factoring of tax component. Therefore, in departure from the provisions for recovery of RoE specified under the tariff regulations applicable, post-tax RoE of 15.50% per annum, converted to monthly rates has been considered. As RoE has been considered post-tax, the petitioner shall be entitled to recover income-tax from the respondents in proportion of the fees and charges shared by them in accordance with this order.

29. The rates considered on an annual basis have been converted to monthly rates. As RoE has been considered post-tax, the Petitioner shall be entitled to recover the income-tax from the Respondents in proportion to the Fee and Charges shared by them in accordance with this order.

Monthly Capital Recovery Charges

30. Since the capital expenditure has already been fully recovered during the 2014-19 tariff period, only the O&M Expenses and IWC components have been worked out in truing-up of the annual Fee and Charges for the 2019-24 tariff period.

Trued-up Annual Fee and Charges for the 2019-24 Tariff Period

31. Accordingly, the Fee and Charges allowed after truing-up for the 2019-24 tariff period in respect of the Non-Microwave System Central Portion are as follows:

Particulars	(₹ in lakh)				
	Non-Microwave Central Portion				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	0.00	0.00	0.00	0.00	0.00
O&M Expenses	157.02	108.52	22.46	0.00	0.00
Interest on Working Capital	6.84	4.42	0.85	0.00	0.00
Total Fee & Charges	163.86	112.94	23.31	0.00	0.00

32. The details of the Annual Fee and Charges allowed vide 26.4.2022 in Petition No. 272/TT/2020, Annual; Fee and Charges claimed in the instant Petition and trued-up Annual Fee and Charges allowed in respect of the Non-microwave System Central Portion for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 26.4.2022 in Petition No. 272/TT/2020	178.83	178.34	177.87	177.87	177.86
Claimed by the Petitioner in the instant Petition.	163.86	112.94	23.31	0.00	0.00
Allowed after truing-up in this order	163.86	112.94	23.31	0.00	0.00

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

33. The Petitioner in the instant Petition has submitted that the existing system has been replaced progressively from 2021 to 2023 under “Reliable Communication for Central Sector portion under Northern Region” and O&M of the replaced asset will be claimed under the new project. Thus, only the Fees and Charges for the 2019-24 tariff period have been claimed in the instant Petition, as these charges include only O&M expenditure and the IWC component. No fees or charges will be applicable from 2022-23 onwards. The Petitioner has further submitted that a separate Petition for assets under “Reliable Communication for Central Sector portion under Northern Region” has been filed vide Diary No. 341/2024.



34. We have considered the submissions of the Petitioner. The Petitioner has submitted that there will be no Fees and Charges from 2022-23 onwards as the existing system has been replaced progressively from 2021 to 2023 under “Reliable Communication for Central Sector portion under Northern Region”. Therefore, No Fees and Charges have been worked out for the 2024-29 tariff period in the instant order.

Filing Fees and Publication Expenses

35. The Petitioner has claimed reimbursement of the fees 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 fees 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 70(1) of the 2019 Tariff Regulations.

36. 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.

License Fee and RLDC Fees and Charges

37. The Petitioner has claimed reimbursement of the license fee, RLDC Fees and Charges. The Petitioner is allowed the reimbursement of the license fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner is also allowed to recover the RLDC fee and charges from the beneficiaries in terms of Regulation 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

38. The Petitioner has submitted that the fees and 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,



if any additional taxes are due, the Petitioner will pay them on account of the Government's or statutory authorities' demand, and the Commission may allow these taxes to be recovered from the beneficiaries.

39. 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

40. The Petitioner has submitted that as per Regulation 35(3)(c) of the 2019 Tariff Regulations, the security expenses and capital spares shall be allowed separately after a prudence check.

41. As regards the security expenses of the Non-microwave System Central Portion (communication asset), the Petitioner has submitted that it shall file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations. According to the Petitioner, the security expenses regarding the Non-Microwave Central Portion of the communication asset are not claimed in the instant Petition.

42. 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.

43. We have considered the Petitioner's submissions and have perused the record. We deem it proper here to refer to Regulation 35(3)(c) of the 2019 Tariff Regulations which provides as follows:

"35(3)....

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:



Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.”

44. On perusal of Regulation 35(3)(c) of the 2019 Tariff Regulations and considering the Petitioner’s submissions, the Petitioner is allowed to file a single consolidated Petition comprising of security expenses, capital spares in terms of the 2019 Tariff Regulations for the 2019-24 tariff period.

Sharing of Transmission Charges

45. The trued-up Fee and Charges for the 2019-24 tariff period in respect of the communication asset’s Non-Microwave Central Portion in this order shall be recovered on a monthly basis and billing collection and disbursement of transmission charges shall be governed by the provisions of the Regulation 57(2) of the 2019 Tariff Regulations.

46. The Fee and Charges for the 2024-29 tariff period in respect of the communication asset’s Non-Microwave System Central Portion shall be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations.

47. To summarize:

The trued-up Fee and Charges claimed and approved for the 2019-24 tariff period in respect of the communication asset’s Non-microwave System Central Portion are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	163.86	112.94	23.31	0.00	0.00
AFC Allowed	163.86	112.94	23.31	0.00	0.00

48. This order disposes of Petition No. 292/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

