

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**New Delhi**

**Petition No. 294/TT/2025**

**Coram:**

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

**Date of Order: 30.03.2025**

**In the matter of:**

Approval under sub-section (4) of Section 28 of the Electricity Act, 2003 for determination of (i) truing up of Charges for the 2019-24 period (ii) determination of Fees and Charges for the 2024-29 period for Unified Load Dispatch and Communication Scheme (POWERGRID Portion, i.e., Communication System Portion and SLDC System retained by the Petitioner after formation of POSOCO) in the Eastern Region.

**And in the matter of:**

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

**...Petitioner**

**Vs.**

- 1. Bihar State Power (Holding) Company Limited,**  
(Formerly Bihar State Electricity Board-BSEB),  
Vidyut Bhawan, Bailey Road,  
Patna-800001.
- 2. West Bengal State Electricity Distribution Company Limited,**  
Bidyut Bhawan, Bidhan Nagar,  
Block DJ, Sector-II, Salt Lake City,  
Calcutta-700091.
- 3. Grid Corporation of Orissa Limited,**  
Shahid Nagar, Bhubaneswar-751007.
- 4. Damodar Valley Corporation,**  
DVC Tower, Maniktala,  
Civic Centre, VIP Road, Calcutta-700054.
- 5. Power Department,**  
Government of Sikkim, Gangtok-737101.
- 6. Jharkhand Bijli Vitran Nigam Limited,**  
Engineering Building, H.E.C., Dhurwa  
Ranchi-834004.



7. **National Thermal Power Corporation Limited,**  
NTPC Bhawan Core-7, Scope Complex,  
7, Institutional Area, Lodhi Road,  
New Delhi-110003.
8. **NTPC - Farakka STPS,**  
Farakka Super Thermal Power Plant,  
NTPC, Farakka.
9. **NTPC - Kahalgaon - I STPS,**  
Kahalgaon Super Thermal Power Plant-I,  
NTPC, Kahalgaon.
10. **NTPC - Kahalgaon - II STPS,**  
Kahalgaon Super Thermal Power Plant-II  
NTPC, Kahalgaon.
11. **NTPC – Talcher STPS**  
Talcher Super Thermal Power Plant,  
Stage – II, NTPC, Talcher.
12. **National Hydro Power Corporation Limited,**  
NHPC Office Complex,  
Sector 33, Faridabad, Haryana-121003.
13. **NHPC - Teesta-(V) Hep,**  
Teesta Hydro, Teesta – V Hydro Electric Project,  
NHPC, Singtam, East Sikkim.
14. **Rangeet Hep - NHPC,**  
Rangeet Hydro Electric Project, NHPC,  
P.O. Rangit Nagar, South Sikkim.
15. **Orissa Hydro Power Corporation Limited,**  
Burla Power House,  
District-Sambalpur, Burla-768017.
16. **Damodar Valley Power Corporation,**  
Mejia Thermal Power Station, DVC,  
P.O. MTPS, District-Bankura-722183.
17. **Powerlinks Transmission Limited,**  
Vidyut Nagar, P.O. Satellite Township,  
Siliguri-734015.

...Respondents

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

Shri Amit Yadav, PGCIL  
Shri 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 approval under sub-section (4) of Section 28 of Electricity Act 2003 for (i) truing up of Fees and Charges for the 2019-24 period, and (ii) determination of Fees and Charges for the 2024-29 period for Unified Load Dispatch and Communication Scheme (POWERGRID Portion, i.e., Communication System Portion and SLDC System retained by the Petitioner after formation of POSOCO) in the Eastern Region.

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

- “a) Approve the Trued up Fees and charges for the communication system and SLDC system for 2019-24 block and Fees and charges for the communication system and SLDC system 2024-29 block for the assets covered under this petition, as per para 9& 10 above.*
- b) Allow the petitioner to bill actual tax payment separately since tariff is being claimed on "Levelised" basis (DOCO of asset is before 01.04.2014). Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long term customers / DIC as the case may be, as and when the same is materialized as per regulation 67 of 2019 and regulation 89 of 2024 tariff regulation. The petitioner may be allow to recover the deferred tax liability materialized directly without making any application before the commission as provided in the regulations.*
- c) Allow the petitioner to claim O&M expenses as per norms to be notified by the Commission at the time of truing up.*
- 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 13 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 13 above.*
- i) Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares as per actual as mentioned at Para 13 above.*
- j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 14 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 Unified Load Dispatch and Communication Scheme (herein referred to as “the ULDC Scheme”) in the Eastern Region was put under commercial operation with effect from 1.9.2005. The Commission, vide order dated 28.7.2009 in Petition No. 74/2006 and vide order dated 3.8.2011 in Petition No. 48/2010, approved the charges from the COD to 31.3.2009. The details of the assets covered in the instant Petition are as follows:

- i. EMS /SCADA System
- ii. Fibre Optic System
- iii. Digital Microwave Communication System
- iv. PLCC/PABX System
- v. Auxiliary Power Supply System
- vi. Building and Civil Works.



- (b) The tariff for the 2009-14 period in respect of the assets were allowed vide order dated 31.12.2013 in Petition No. 56/TT/2012. The tariff for the 2014-19 period was allowed vide order dated 12.12.2017 in Petition No. 39/TT/2015. Aggrieved with the Commission's order dated 12.12.2017 in Petition No. 39/TT/2015, the Petitioner filed Review Petition No. 10/RP/2018 on the following issues:
- Non-consideration of accelerated depreciation on replaced SCADA/ EMS State Portion as approved in the impugned order dated 12.12.2017.
  - Non-consideration of additional capitalisation for 2009-10 and 2010-11 periods which had already been approved vide earlier order dated 31.12.2013 in Petition No. 56/TT/2012.
  - Non-consideration of additional capitalisation for 2011-12 and 2012-13 periods; and
  - Calculation of O&M Expenses after exclusion of fibre leasing charges and FERV as well as the other expenses.
- (c) The Commission, vide order dated 18.6.2019 in Petition No. 10/RP/2018, approved the revised fees and charges for the 2009-14 tariff period.
- (d) The Petitioner had conceptualized a scheme called the Unified Load Dispatch and Communication Scheme (ULDC Scheme) for all the five Regions with the objective of strengthening the load dispatch infrastructure and augmenting Communication System for efficient discharge of load dispatch functions.
- (e) The Petitioner while claiming the cost of ULDC Scheme during the earlier tariff control periods submitted that the tariff regulations framed by the Commission were not suitable for the recovery of the cost of the ULDC Scheme from the beneficiaries and proposed a levelized tariff meaning thereby that a uniform amount would be recovered for a period of 15 years.

Accordingly, the Commission approved the recovery of loan and equity corresponding to 2001-04 and 2004-09 tariff periods and subsequent Additional Capital Expenditure (ACE) during these periods, based on the Weighted Average Rate of Interest (WAROI) and Return on Equity (RoI) using Capital Recovery Factor for loan and equity, respectively, for 15 years.

- (f) As per the directives of the Ministry of Power Government of India, vide order dated 4.7.2008, Power System Operation Corporation Limited (POSOCO), a wholly owned subsidiary of Power Grid Corporation of India Limited was created. POSOCO is responsible for System Operations of National Load Dispatch Centre (NLDC) and Regional Load Dispatch Centers (RLDCs). Pursuant to Satnam Singh Committee's Report, the assets pertaining to system operations were transferred to POSOCO for which separate tariff orders had been issued by the Commission.
- (g) Government of India had also constituted a Task Force to look into the financial aspects of augmentation and up-gradation of the State Load Dispatch Centers (SLDC) and issues related to emoluments of the personnel engaged in the System Operation. The Task Force made certain recommendations with regard to the ownership of the assets. The Petitioner constituted Committees at regional level subsequent to the Task Force's report, to identify the assets to be transferred to POSOCO. As per the directions of the Committees, the assets directly related to the discharge of load dispatch functions raised by the Petitioner under the ULDC 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). Based

on the recommendations of the Committees, the assets under the ULDC Scheme were transferred to POSOCO and to the Petitioner in the following manner

**(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:**

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
  - (vi) Auxiliary power supply system (part)
- (h) Thereafter, the Petitioner filed a Miscellaneous Petition No. 68/2010 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 for fixation of the tariff norms

for recovery of cost for the assets to be retained/to be installed by the Petitioner after the formation of POSOCO from the 2009-14 period tariff.

- (i) To meet the communication requirements under the ULDC projects, microwave links were implemented. In a meeting held between the Ministry of Power and the Ministry of Communication and IT in November, 2008, it was decided to vacate the 2.3-2.4 GHz frequency band being used for ULDC Micro Wave Links and to establish fibre-optics based communications within two years' time period which was subsequently extended upto the end of 2011. The tariff for the Digital Microwave System installed under the ULDC Scheme was being recovered considering the 15 years useful life of the project. On account of the change in Government Policy, the useful life of these Microwave Links was reduced substantially to 6 to 9 years instead of 15 years. Since, the Petitioner (PGCIL) had already incurred the cost and the charges were being recovered considering 15 years of project life, it was allowed to recover the depreciation on accelerated manner to match the revised useful life for the Digital Microwave Links till the end of the year 2011. Accordingly, the expenditure corresponding to the Microwave Link assets was completely recovered. The remaining communication assets, i.e., other than the microwave assets (which were named as non-microwave assets for ease of understanding), are with the Petitioner (PGCIL).
- (j) The Commission, vide order dated 8.12.2011 in Petition No. 68/2010, observed as follows:

*"9.....Since the communication system and SLDC system form part of the assets of the CTU, there is a requirement to specify regulations for determination of tariff of these assets. We direct the staff of the Commission to undertake the exercise separately and include these assets of CTU in the tariff regulations applicable for the next tariff period i.e. 2014-19. As regards the tariff of these assets for the period 2009-14, we are not inclined to determine the tariff of these*



*assets by exercising our power to relaxation under Regulation 44 of the 2009 regulations since there is no provision for determination of tariff for the assets covered under the communication system and ULDC system. We are of the view that the tariff of these assets shall be determined under our general power of determination of tariff for inter-State transmission system under section 79(1)(d) of the Act.....”*

*“.....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 levelised basis by adopting some of the parameters of 2004 tariff regulations. We have decided to continue with the levelised 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.”*

*“21. We have considered the submission of the Petitioner and the respondents. We are of the view that replacement of microwave links with fibre optic links should be implemented as agreed by the beneficiaries to ensure safe and reliable operation of the power system. Moreover, the Petitioner has submitted that surrender of the microwave frequencies would save substantial cost and the fibre optic system would be beneficial in the long run as the fibre optic communication network is required for implementation of new technologies like Wide Area Measurement System (WAMS), Special Protection Schemes (SPS) etc. in view of fast development and complexity of the power system in the country. As regards the regulatory approval, we are of the view that since the project has been agreed to be implemented by the constituents of each of the regions, regulatory approval is not considered necessary. The Petitioner is granted liberty to approach the Commission for determination of tariff for the fibre optic network being installed in lieu of microwave links for each of the region separately. As regards the submission of UPPTCL, it is clarified that if the state portion is not being implemented by it separately as proposed earlier, the same shall be implemented by the Petitioner and UPPTCL would be required to share the tariff in proportion to the assets being utilised by it. It is however made clear that the timeline for replacement of the digital microwave by optical fibre should be strictly complied with.”*

- (k) In the absence of any provision in the 2009 Tariff Regulations regarding the determination of tariff of the Communication System and ULDC System of the Petitioner, it was decided by the Commission to continue with the levelized tariff for the assets. Accordingly, the annual fee and charges of the Communication System and SLDC System retained were approved vide order dated 31.12.2013 in Petition No. 56/TT/2012 as per the principles approved by the Commission vide order dated 8.12.2011 in

Petition No 68/2010. The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (herein referred to as “the 2014 Tariff Regulations”) also reiterated the methodology for working out the Fee and Charges of the then existing assets.

- (l) The Commission, in its orders, has approved the recovery of loan and equity based on the Capital Recovery Factor (CRF) which was derived based on the WAROI on Loan and RoE. The monthly CRF for loan and equity for 15 years (180 months) has been formulated as under:

$$\text{Recovery Factor} = \frac{i \times (1+i)^n}{(1+i)^n - 1}$$

Where  $n$  = period of recovery, and  $i$  = rate of recovery

- (m) The Petitioner also filed Petition No. 32/MP/2011 for approval of the implementation of expansion/replacement of SCADA/EMS System for the SLDCs in the Northern Region. The Commission while approving the replacement/up-gradation of SCADA/EMS System for SLDC System further observed in its order dated 28.12.2011 in Petition No. 32/MP/2011 that the Petitioner can implement the schemes in accordance with the agreements with the beneficiaries in the respective Regional Power Committees. Accordingly, the Petitioner obtained the approval of RPCs for expansion/up-gradation of SCADA/EMS System in WRPC, SRPC, ERPC and NERPC. However, while granting approval for up-gradation of the project for the Northern Region, the Commission directed the Petitioner to ensure that the projects for RLDC and SLDCs in the respective regions be implemented in an integrated and compatible manner to obviate any operational difficulties in future. The Commission further 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.

- (n) The Petitioner also filed Petition No. 188/MP/2014 for recovery of cost of the assets of SCADA/EMS system for SLDCs under Regulation 54 of the 2014 Tariff Regulations seeking approval of the unrecovered charges of existing ULDC SCADA/EMS System of SLDCs (retained by the Petitioner), which were being recovered considering 15 years of the project life, may be allowed to be recovered as accelerated depreciation matching with the execution schedule of the new SCADA/EMS System.
- (o) The Petitioner had submitted that the tariff for the similar SCADA/EMS System for RLDCs, executed under the same project along with that of the SLDCs, are being recovered from the same constituents by POSOCO in terms of the Central Electricity Regulatory Commission (Fees and Charges of RLDC and other related matters) Regulations, 2009 (hereinafter referred to as “2009 RLDC Fees and Charges Regulations”). As per the 2009 RLDC Fees and Charges Regulations, the salvage value for the IT equipment and software is required to be considered as nil and 100% value of the assets is required to be considered depreciable along with 15% depreciation rates for the IT equipment and 30% depreciation rate for the software. After replacement of SCADA/EMS System at SLDCs, the existing SCADA system would not be in use.
- (p) In continuation of Petition No. 188/MP/2014, the Petitioner filed Petition No. 232/TT/2016 seeking determination of transmission tariff from the COD to 31.3.2019 of the main SCADA/EMS System (5 assets) under Project “Expansion/Up-gradation of SCADA/EMS System of SLDCs in the Eastern Region. The Commission in order dated 2.3.2017 in Petition No.



188/MP/2014, observed that considering the existing SCADA/EMS System for SLDC retained by the Petitioner as 95% depreciable with 5% salvage value, wherever SCADA/EMS System of SLDC retained by the Petitioner are replaced by new SCADA/EMS System before completion of their useful life, the unrecovered charges shall be recovered as accelerated depreciation matching with the commissioning schedule of the new SCADA system. The Petitioner was directed to amend the Petition, incorporating the input of accelerated depreciation of SCADA/EMS matching with the execution of the new SCADA System. Accordingly, the Petitioner vide affidavit dated 11.8.2017 has submitted the details of accelerated depreciation of SCADA/EMS.

- (q) Taking into consideration the aforesaid facts, the truing up and determination of the fees and charges for 2009-14 period and 2014-19 period respectively was carried out. As per the provisions of the 2014 Tariff Regulations, the tariff of the existing Communication System forming part of transmission system shall be as per the methodology followed by the Commission prior to 1.4.2014. SCADA System has also been included in the Communication System. Communication System portion including SCADA/EMS retained by the Petitioner are existing assets. Therefore, the fees and charges in the present Petition have been worked out applying the CRF concept.
- (r) The Commission, vide order dated 27.6.2022 in Petition No. 42/TT/2020, had trued-up the fees and charges for the 2014-19 period and determined the Annual Fees and Charges for the 2019-24 period.

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

5. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (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 the Petitioner's submissions in the Petition vide affidavit dated 27.11.2024 and subsequent affidavit dated 21.3.2025.

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 & CHARGES FOR THE 2019-24 TARIFF PERIOD**

8. Regulation 8(1)(iii) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, (herein referred to as the "2019 Tariff Regulations") the tariff of the existing communication system forming a part of the transmission system is to be determined as per the methodology followed prior to 1.4.2014. The said Regulation provides as under:

##### **8. Tariff determination:**

(1) .....

*(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 methodology specified by the Commission vide order dated 08.12.2011 in Petition No 68/2010 and that applied in orders related with Fees and Charges of ULDC of various regions during 2014-19 tariff period.

10. In view of the above, the same methodology with associated assumptions has been continued for true-up the Fees and Charges for the 2019-24 period in respect of 'Non-Microwave Portion of the assets.

11. The instant assets were put into commercial operation before 1.4.2009 and the capital cost of the Microwave System has fully been recovered during the 2009-14 period. The assets had completed its 15 years of service on 31.8.2020 and, hence, in line with the order dated 8.12.2011 in Petition No 68/2010, the total capital cost for both the Central Portion as well as the State Portion in respect of Non-microwave System has been recovered upto 31.8.2020, i.e., during 2020-21. Therefore, the capital expenditure of Non-microwave System is fully recovered during the 2019-24 period. In the present Petition, the Petitioner has claimed the O&M Expenses and Interest on Working Capital (IWC) for the Central Portion only for 2024-29 tariff period.

12. Accordingly, we continue to allow the levelized tariff for the Non-Microwave System as per the principles approved by the Commission vide order dated 8.12.2011 in Petition No. 68/2010. Accordingly, the true-up of the annual fee and charges of the Non-Microwave System for the 2019-24 period has been considered in this order.

13. The Commission, vide order dated 27.6.2022 in Petition No. 42/TT/2020, had allowed the following annual Fees and Charges for the 2019-24 tariff period for the Non-Microwave assets:

(₹ in lakh)					
<b>Non-Microwave Central Portion</b>					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Annual Capital Recovery Charges-Total	505.92	203.50	0.00	0.00	0.00
O&M Expenses	101.11	101.11	101.11	101.11	101.11
Interest on working Capital	12.01	6.98	3.84	3.84	3.84
<b>Total</b>	<b>619.04</b>	<b>311.58</b>	<b>104.94</b>	<b>104.94</b>	<b>104.94</b>

(₹ in lakh)

<b>Non-Microwave State Portion</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>
Annual Capital Recovery Charges-Total	418.30	168.16
O&M expenses	0.00	0.00
Interest on working Capital	6.29	2.37
<b>Total</b>	<b>424.59</b>	<b>170.53</b>

14. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Non-Microwave assets for the 2019-24 period are as follows:

(₹ in lakh)

<b>Non-Microwave Central Portion</b>					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Annual Capital Recovery Charges-Total	505.11	209.86	0.00	0.00	0.00
O&M expenses	340.32	466.72	603.86	346.05	429.01
Interest on working Capital	22.43	21.94	22.91	13.13	18.62
<b>Total</b>	<b>867.85</b>	<b>698.52</b>	<b>626.77</b>	<b>359.18</b>	<b>447.63</b>

(₹ in lakh)

<b>Non-Microwave State Portion</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>
Annual Capital Recovery Charges-Total	417.62	173.51
O&M expenses	0.00	0.00
Interest on working Capital	6.28	2.44
<b>Total</b>	<b>423.90</b>	<b>175.95</b>

15. The details of the trued-up IWC claimed by the Petitioner in respect of the Non-Microwave assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

<b>Particulars</b>	<b>Non-Microwave-Central Portion</b>				
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Maintenance Spares (15% of O&M)	51.05	70.01	90.58	51.91	64.35
O&M Expenses (One Month)	28.36	38.89	50.32	28.84	35.75
Receivables (45 days)	106.70	86.12	77.27	44.28	55.04
<b>Total Working Capital</b>	<b>186.11</b>	<b>195.02</b>	<b>218.17</b>	<b>125.03</b>	<b>155.14</b>
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
<b>Total Interest on Working Capital</b>	<b>22.43</b>	<b>21.94</b>	<b>22.91</b>	<b>13.13</b>	<b>18.62</b>



(₹ in lakh)

Particulars	Non-Microwave-State Portion	
	2019-20	2020-21
Maintenance Spares (15% of O&M)	0.00	0.00
O&M Expenses (One Month)	0.00	0.00
Receivables (45 days)	52.12	21.69
<b>Total Working Capital</b>	<b>52.12</b>	<b>21.69</b>
Rate of Interest on Working Capital (in %)	12.05	11.25
<b>Total Interest on Working Capital</b>	<b>6.28</b>	<b>2.44</b>

16. The Commission, vide order dated 27.6.2022 in Petition No. 42/TT/2020, has allowed the following capital cost for working out the Fee and Charges for the period 2019-24 for the instant assets:

#### Central Portion

(₹ in lakh)

Particulars	Net Capital Cost as on 1.4.2014	Capital Recovered Upto to 31.3.2019	Net Capital Cost as on 31.3.2019
Loan	2238.48	1714.43	524.05
Equity	502.11	345.33	156.78
<b>Total</b>	<b>2740.58</b>	<b>2059.76</b>	<b>680.83</b>

#### State Portion

(₹ in lakh)

Particulars	Net Capital Cost as on 1.4.2014	Capital Recovered Upto to 31.3.2019	Net Capital Cost as on 31.3.2019
Loan	1879.54	1439.52	440.02
Equity	395.30	271.87	123.43
<b>Total</b>	<b>2274.84</b>	<b>1711.39</b>	<b>563.45</b>

17. The Petitioner in the instant true up Petition has claimed the following capital cost for working out the Fees and Charges for the 2019-24 period for the instant assets:

(₹ in lakh)

Particulars	Capital	Central Portion	State Portion
Gross Capital Cost as on 1.4.2019	Loan	4356.08	3750.59
	Equity	699.30	566.73
	<b>Total</b>	<b>5055.38</b>	<b>7317.32</b>
Capital Cost Recovered up to 31.3.2019	Loan	3832.04	3310.57
	Equity	542.51	443.30
	<b>Total</b>	<b>4374.55</b>	<b>3753.87</b>
Net Capital Cost as on 1.4.2019	Loan	524.05	440.02
	Equity	156.78	123.43
	<b>Total</b>	<b>680.83</b>	<b>563.45</b>





18. The Petitioner in the instant true up Petition has submitted that the total capital cost in respect of the Microwave portion of the assets had been recovered by June 2012. Hence, in the instant true up Petition, no Fees and Charges for this portion of the asset have been claimed.

19. The Petitioner has further submitted that the ULDC Scheme in the Eastern Region was commissioned on 1.9.2005 and the entire capital cost of the ULDC Scheme is to be recovered by 30.8.2020. Accordingly, the Capital recovery for the loan and equity for the instant asset has been completed by 30.8.2020 and for the remaining period, only O&M Charges and IWC for the Central Portion have been claimed. The entire recovery of State Portion of the assets have been completed by 30.8.2020 and no charges are claimed for the remaining period, accordingly, the applicable income tax will be recovered separately from the beneficiaries.

20. We have considered the Petitioner's submission. The COD of the instant assets was declared on 1.9.2005 and, therefore, the useful life of 15 years for the instant assets was completed on 31.8.2020. Therefore, the capital recovery for the loan and equity for the instant assets was completed by 31.8.2020 and with effect from 1.9.2020 only O&M Charges and IWC will be recovered.

21. Keeping in view of the above, the following capital cost is being considered as on 1.4.2019 for working out the Fees and Charges for the 2019-24 period for Central as well as the State Portion for "Non-Microwave Portion".

(₹ in lakh)			
Particulars	Capital	Central Portion	State Portion
Gross Capital Cost as on 1.4.2019	Loan	4356.08	3750.59
	Equity	699.30	566.73
	<b>Total</b>	<b>5055.38</b>	<b>7317.32</b>
Capital Cost Recovered up to 31.3.2019	Loan	3832.04	3310.57
	Equity	542.51	443.30
	<b>Total</b>	<b>4374.55</b>	<b>3753.87</b>

Net Capital Cost as on 1.4.2019	Loan	524.05	440.02
	Equity	156.78	123.43
	<b>Total</b>	<b>680.83</b>	<b>563.45</b>

22. The Petitioner has also has not claimed any Additional Capital Expenditure (ACE) for the 2019-24 tariff period related to the instant assets in the instant true-up Petition. Therefore, no ACE has been allowed for instant assets for the 2019-24 tariff period.

### **Debt-Equity Ratio**

23. Following are the details of debt-equity ratio, as on 1.4.2019, considered for the calculations:

Net Capital Cost for Non-Microwave Portion	(₹ in lakh) As on 1.4.2019	
	Central Portion	State Portion
Net Loan	524.05	440.02
Net Equity	156.78	123.43
<b>Total</b>	<b>680.83</b>	<b>563.45</b>
<b>Debt-Equity Ratio</b>		
Debt (in %)	76.97	78.09
Equity (in %)	23.03	21.91
<b>Total (in %)</b>	<b>100.00</b>	<b>100.00</b>

### **Rates for Recovery of Loan and Equity**

24. The net outstanding capital cost of ₹680.83 lakh and 563.45 lakh for the Central and State Portion, respectively, as on 1.4.2019, has been considered for working out the Fee and Charges for 'Non-Microwave Portion' of the SLDC 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 WAROI and rate of RoE using the monthly CRF concept.

25. WAROI works out to be 4.0060% for FY 2019-20 and 2.4928% for FY 2020-21, which have been applied for calculating the CRF for loan in respect of the instant assets.

26. Similar to the approach adopted in order dated 27.6.2022 in Petition No. 42/TT/2020, 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.

27. The interest rates considered on annual basis, have been converted to monthly rates.

### **Monthly Capital Recovery Charges**

28. Monthly Recovery factors for 'Non-Micro-wave System' have been worked out as under:

Year	Monthly Capital Recovery Factor	
	Loan (₹ in lakh)	Equity (in %)
2019-20	0.060607	0.065896
2020-21	0.201248	0.207816

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

Year	(₹ in lakh)			
	Monthly Capital Recovery Charges Central Portion		Monthly Capital Recovery Charges State Portion	
	Loan (₹ in lakh)	Equity (in %)	Loan (₹ in lakh)	Equity (in %)
2019-20	31.76	10.33	26.67	8.13
2020-21	31.64	10.33	26.57	8.13

### **Operation & Maintenance Expenses (O&M Expenses)**

30. The Commission vide order dated 27.6.2022 in Petition No. 42/TT/2020 had allowed the following O&M Expenses for instant assets:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	101.11	101.11	101.11	101.11	101.11

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



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>O&amp;M Expenses</b>	340.32	466.72	603.86	346.05	429.01

32. The Petitioner in the instant trued-up Petition has submitted that O&M Expenses of Central Portion has been considered based on the actual O&M Expenses which excluded the self-insurance, Petition filing charges, advertisement and publicity expenses. The Petitioner has also submitted the Auditor's Certificate dated 12.11.2024 supporting to the actual O&M Expenses claimed under instant true up Petition.

33. In compliance of the Commission's directions, the Petitioner vide affidavit dated 21.3.2025 has submitted that the asset-wise actual O&M Expenses, including head-wise details for the 2019-24 tariff period have been submitted in the Petition. The Petitioner has again submitted the same vide the said affidavit and the same are as under:

(₹ in lakh)					
Description	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Cost	15.03	134.37	159.44	120.40	106.67
Repair and Maintenance	147.96	157.82	394.80	185.51	267.69
Power Charges	0.00	0.00	1.74	1.72	1.17
Training and Recruitment	0.15	0.02	0.05	0.49	2.18
Communication Expenses	0.09	1.04	1.51	0.60	1.72
Travelling Expenses	0.10	4.46	6.63	4.57	7.33
Entertainment	0.00	0.15	0.46	0.00	0.14
Vehicle Hiring Charges	2.09	0.00	2.07	4.52	4.15
Printing and Stationary	0.00	0.00	0.00	0.05	0.09
EDP hire and other charges	0.00	0.00	0.00	0.00	0.08
Duct Space Lease Charges	98.61	77.54	0.00	0.00	0.00
Leased Line Charges	76.28	90.96	36.88	27.39	33.61
Transit Accommodation Expenses				0.01	0.14
Horticulture Expenses	0.00	0.00	0.00	0.03	0.02
Meeting Expenses & ETC	0.00	0.35	0.28	0.75	0.95
Corporate Centre & RHQ Center Expenses	0.00	0.00	0.00	0.00	0.08
<b>Total Expenses</b>	<b>340.32</b>	<b>466.72</b>	<b>603.86</b>	<b>346.05</b>	<b>429.01</b>

34. We have considered the Petitioner's submission. It has been observed that the Petitioner has claimed the actual O&M Expenses on account of the expenditure on

Employee Cost, R&M Cost, Communication Expenses, Travelling Expenses, Leased Line Charges, Duct Space Lease Charges, etc. for the 2019-24 tariff period. Therefore, the detail of the actual O&M Expenses allowed as per the Auditor Certificate submitted by the Petitioner for 2019-24 Tariff Period is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	340.32	466.72	603.86	346.05	429.01

35. Accordingly, the details of O&M Expenses allowed vide order dated 27.6.2022 in Petition No. 42/TT/2020, O&M Expenses claimed in the instant Petition, and 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 27.6.2022 in Petition No. 42/TT/2020	101.11	101.11	101.11	101.11	101.11
Claimed by the Petitioner in the instant petition.	340.32	466.72	603.86	346.05	429.01
Allowed after truing-up in this order	340.32	466.72	603.86	346.05	429.01

### **Interest on Working Capital (IWC)**

36. 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 the FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FY 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24.

37. The computations of IWC (annualized) for Non-Microwave System - Central Portion and State Portion are as under:



(₹ in lakh)

<b>Non-Microwave System - Central Portion</b>					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M expenses for One month)	28.36	38.89	50.32	28.84	35.75
Working Capital for Maintenance Spares (15% of O&M expenses)	51.05	70.01	90.58	51.91	64.35
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	106.70	86.12	77.27	44.28	55.19
<b>Total Working Capital</b>	<b>186.11</b>	<b>195.02</b>	<b>218.17</b>	<b>125.03</b>	<b>155.29</b>
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
<b>Interest on working capital</b>	<b>22.43</b>	<b>21.94</b>	<b>22.91</b>	<b>13.13</b>	<b>18.63</b>

(₹ in lakh)

<b>Non-Microwave System - State Portion</b>					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M expenses for One month)	0.00	0.00	-	-	-
Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	-	-	-
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	52.12	21.69	-	-	-
<b>Total Working Capital</b>	<b>52.12</b>	<b>21.69</b>	<b>-</b>	<b>-</b>	<b>-</b>
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
<b>Interest on working capital</b>	<b>6.28</b>	<b>2.44</b>	<b>-</b>	<b>-</b>	<b>-</b>

38. The details of IWC allowed vide order dated 27.6.2022 in Petition No. 42/TT/2020, IWC claimed in the instant Petition, and trued-up IWC allowed for the assets in the instant order are as follows:

#### Central Portion

(₹ in lakh)

<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Allowed vide order dated 27.6.2022 in Petition No. 42/TT/2020	12.01	6.98	3.84	3.84	3.84
Claimed by the Petitioner in the instant Petition	22.43	21.94	22.91	13.13	18.62
Allowed after truing-up in this order	22.43	21.94	22.91	13.13	18.63



## State Portion

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 27.6.2022 in Petition No. 42/TT/2020	6.29	2.37	-	-	-
Claimed by the Petitioner in the instant Petition	6.28	2.44	-	-	-
Allowed after truing-up in this order	6.28	2.44	-	-	-

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

39. The detailed computation of the various components of the trued-up annual fees and charges for the instant assets for the tariff period 2014-19 is as follows:

### **Non-Microwave: Central Portion - Charges (2019-24)**

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Opening Gross Capital Cost</b>	<b>5055.38</b>	<b>5055.38</b>	<b>5055.38</b>	<b>5055.38</b>	<b>5055.38</b>
Opening Gross Notional Loan	4356.08	4356.08	4356.08	4356.08	4356.08
Opening Gross Equity	699.30	699.30	699.30	699.30	699.30
<b>Recovered Gross Capital Cost (As on 1st April)</b>	<b>4374.55</b>	<b>4848.44</b>	<b>5055.38</b>	<b>5055.38</b>	<b>5055.38</b>
Recovered Gross Notional Loan	5055.38	5055.38	5055.38	5055.38	5055.38
Recovered Gross Equity	4356.08	4356.08	4356.08	4356.08	4356.08
<b>Opening Net Capital Cost</b>	<b>680.83</b>	<b>206.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Opening Net Notional Loan	524.05	157.23	0.00	0.00	0.00
Opening Net Equity	156.78	49.71	0.00	0.00	0.00
<b>Recovered Capital Cost (During the Year)</b>	<b>473.89</b>	<b>206.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Recovered Notional Loan	366.82	157.23	0.00	0.00	0.00
Recovered Equity	107.07	49.71	0.00	0.00	0.00
<b>Closing Net Capital Cost</b>	<b>206.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Closing Net Notional Loan	157.23	0.00	0.00	0.00	0.00
Closing Net Equity	49.71	0.00	0.00	0.00	0.00
<b>Additional Capital Cost</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Additional Notional Loan	0.00	0.00	0.00	0.00	0.00
Additional Equity	0.00	0.00	0.00	0.00	0.00
Years (Capital to be recovered up to 31.01.2021)	1.42	0.42	0.00	0.00	0.00
Months	17.00	5.00	0.00	0.00	0.00
Weighted Average Rate of Interest p.a. (in %)	4.006	2.493	0.00	0.00	0.00
Weighted Average Rate of Interest p.m. (in %)	0.334	0.208	0.00	0.00	0.00
Monthly Recovery Factors -Loan	0.060607	0.201248	0.00	0.00	0.00
Monthly Capital Recovery Charge - Loan	31.76	31.64	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Loan</b>	<b>381.13</b>	<b>158.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Rate of Return on Equity p.a. (in %)	15.500	15.500	15.500	15.500	15.500
Rate of Return on Equity p.m. (in %)	1.292	1.292	1.292	1.292	1.292
Monthly Recovery Factors -Equity	0.065896	0.207816	0.00	0.00	0.00
Monthly Capital Recovery Charge - Equity	10.33	10.33	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Equity</b>	<b>123.98</b>	<b>51.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Monthly Capital Recovery Charge - Total	42.09	41.97	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Total</b>	<b>505.10</b>	<b>209.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Fee &amp; Charges (2019-24) (Annualized)</b> <b>Non-Microwave: Central Portion – Charges</b>					
					(₹ in lakh)
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Annual Capital Recovery Charge - Loan	381.13	158.21	0.00	0.00	0.00
Annual Capital Recovery Charge - Equity	123.98	51.66	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Total</b>	<b>505.10</b>	<b>209.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
O&M Expenses	340.32	466.72	603.86	346.05	429.01
Interest on Working Capital	22.43	21.94	22.91	13.13	18.63
<b>Total Fee &amp; Charges (Annualized)</b>	<b>867.85</b>	<b>698.52</b>	<b>626.77</b>	<b>359.18</b>	<b>447.64</b>



**Non-Microwave: State Portion - Charges  
(2019-24)**

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Opening Gross Capital Cost</b>	<b>4317.32</b>	<b>4317.32</b>	<b>4317.32</b>	<b>4317.32</b>	<b>4317.32</b>
Opening Gross Notional Loan	3750.59	3750.59	3750.59	3750.59	3750.59
Opening Gross Equity	566.73	566.73	566.73	566.73	566.73
<b>Recovered Gross Capital Cost (As on 1st April)</b>	<b>3753.87</b>	<b>4146.17</b>	<b>4316.85</b>	<b>4316.85</b>	<b>4316.85</b>
Recovered Gross Notional Loan	<b>3310.57</b>	3618.58	3750.12	3750.12	3750.12
Recovered Gross Equity	<b>443.30</b>	527.59	566.73	566.73	566.73
<b>Opening Net Capital Cost</b>	<b>563.45</b>	<b>171.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Opening. Net Notional Loan	440.02	132.01	0.00	0.00	0.00
Opening. Net Equity	123.43	39.14	0.00	0.00	0.00
<b>Recovered Capital Cost (During the Year)</b>	<b>392.30</b>	<b>170.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Recovered Notional Loan	308.00	131.54	0.00	0.00	0.00
Recovered Equity	84.29	39.14	0.00	0.00	0.00
<b>Closing Net Capital Cost</b>	<b>171.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Closing Net Notional Loan	132.01	0.00	0.00	0.00	0.00
Closing Net Equity	39.14	0.00	0.00	0.00	0.00
<b>Additional Capital Cost</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Additional Notional Loan	0.00	0.00	0.00	0.00	0.00
Additional Equity	0.00	0.00	0.00	0.00	0.00
Years (Capital to be recovered up to 31.01.2021)	1.42	0.42	0.00	0.00	0.00
Months	17.00	5.00	0.00	0.00	0.00
Weighted Average Rate of Interest p.a. (in %)	4.006	2.493	0.000	0.00	0.00
Weighted Average Rate of Interest p.m. (in %)	0.334	0.208	0.000	0.00	0.00
Monthly Recovery Factors -Loan	0.060607	0.201248	0.000	0.00	0.00
Monthly Capital Recovery Charge - Loan	26.67	26.57	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Loan</b>	<b>320.01</b>	<b>132.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Rate of Return on Equity p.a. (in %)	15.500	15.500	0.00	0.00	0.00



Rate of Return on Equity p.m. (in %)	1.292	1.292	0.00	0.000	0.00
Monthly Recovery Factors -Equity	0.065896	0.207816	0.00	0.00	0.00
Monthly Capital Recovery Charge - Equity	8.13	8.13	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Equity</b>	<b>97.60</b>	<b>40.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Monthly Capital Recovery Charge - Total	34.80	34.70	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Total</b>	<b>417.62</b>	<b>173.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Fee & Charges (2019-24) (Annualized)**  
**Non-Microwave: State Portion – Charges**

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge - Loan	320.01	132.84	0.00	0.00	0.00
Annual Capital Recovery Charge - Equity	97.60	40.67	0.00	0.00	0.00
<b>Annual Capital Recovery Charge - Total</b>	<b>417.62</b>	<b>173.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	6.28	2.44	0.00	0.00	0.00
<b>Total Fee &amp; Charges (Annualized)</b>	<b>423.90</b>	<b>175.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

40. The Fee & Charges allowed for the instant asset are summarized as under:

(₹ in lakh)

Particulars	Non-Microwave-Central Portion				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	505.10	209.86	0.00	0.00	0.00
O&M Expenses	340.32	466.72	603.86	346.05	429.01
Interest on Working Capital	22.43	21.94	22.91	13.13	18.63
<b>Total Fee &amp; Charges</b>	<b>867.85</b>	<b>698.52</b>	<b>626.77</b>	<b>359.18</b>	<b>447.64</b>

(₹ in lakh)

Particulars	Non-Microwave-State Portion				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Capital Recovery Charge-Total	417.62	173.51	-	-	-
O&M Expenses	0.00	0.00	-	-	-
Interest on Working Capital	6.28	2.44	-	-	-
<b>Total Fee &amp; Charges</b>	<b>423.90</b>	<b>175.95</b>	<b>-</b>	<b>-</b>	<b>-</b>

41. Accordingly, the details of Annual Fee and Charges allowed vide 27.6.2022 in Petition No. 42/TT/2020, Annual Fee and Charges claimed in the instant Petition, and



trued-up Annual Fee and Charges allowed in the instant order in respect of the instant assets are as follows:

(₹ in lakh)

Central Sector					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order 27.6.2022 in Petition No. 42/TT/2020	619.04	311.58	104.94	104.94	104.94
Claimed by the Petitioner in the instant Petition	867.85	698.52	626.77	359.18	447.63
Allowed after truing-up in this order	867.85	698.52	626.77	359.18	447.64

(₹ in lakh)

State Sector					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order 27.6.2022 in Petition No. 42/TT/2020	424.59	170.53	-	-	-
Claimed by the Petitioner in the instant Petition	423.90	175.95	-	-	-
Allowed after truing-up in this order	423.90	175.95	-	-	-

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

42. The Petitioner has claimed the following Annual Fee and Charges for the instant assets for the 2024-29 tariff period:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charges - Total	0.00	0.00	0.00	0.00	0.00
O&M Expenses	101.11	101.11	101.11	101.11	101.11
Interest on working Capital	4.35	4.35	4.35	4.35	4.35
<b>Total</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>

43. The details of the IWC claimed by the Petitioner in respect of the Non-Microwave Central Portion for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	Non-Microwave-Central Portion				
	2024-25	2025-26	2026-27	2027-28	2028-29
Maintenance Spares (15% of O&M)	15.17	15.17	15.17	15.17	15.17
O&M Expenses (One Month)	8.43	8.43	8.43	8.43	8.43
Receivables (45 days)	13.00	13.00	13.00	13.00	13.00
<b>Total Working Capital</b>	<b>36.59</b>	<b>36.59</b>	<b>36.59</b>	<b>36.56</b>	<b>36.59</b>



Rate of Interest on Working Capital (%)	11.90	11.90	11.90	11.90	11.90
<b>Total Interest on Working Capital (IWC)</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>

### **Capital Cost**

44. The Petitioner in the instant Petition has submitted that with respect to the transmission charges for microwave portion of assets, the entire cost of Microwave portion of the assets was recovered by June 2012, therefore, no Fees and Charges for this portion of assets have been claimed. The Petitioner has further submitted that with respect to the transmission charges for non-microwave portion of assets, the ULDC Scheme in the Eastern Region was commissioned on 1.9.2005 and the entire capital cost of the ULDC Scheme had to be recovered by 30.8.2020. Accordingly, the capital recovery for the loan and equity for the instant assets have been completed by 30.8.2020. Therefore, in the 2024-29 tariff period, only O&M Expenses and IWC for the Central Portion has been claimed. The Petitioner has also submitted that the entire recovery of the State portion of the assets has been completed by 30.8.2020. Hence, no charges are claimed for the State Portion in the 2024-29 Tariff period.

45. We have considered the submissions of the Petitioner. The instant assets were declared under commercial operation on 1.9.2005 and accordingly the assets have completed their useful life of 15 years on 31.8.2020. Therefore, the Fees and Charges will be allowed only on account of O&M Expenses and consequential IWC for the 2024-29 tariff period for the Central Sector only.

### **Operation and Maintenance Expenses (O&M Expenses)**

46. The O&M Expenses claimed by the Petitioner 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	101.11	101.11	101.11	101.11	101.11

47. The Petitioner has submitted that the O&M Expenses for the 2024-29 tariff period has been worked out @2% of the original project cost in accordance with the 2024 Tariff Regulations.

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

**“36. Operation and Maintenance Expenses:**

.....

**(3) Transmission system:**

.....

*(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.”*

49. 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 of the assets. Therefore, as per Regulation 36(3)(c) of the 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 the assets duly certified by the Auditor at the time of truing up of tariff of the 2024-29 period. The O&M Expenses allowed for the 2024-29 tariff period is as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Capital Cost	5055.38	5055.38	5055.38	5055.38	5055.38
O&M Expenses	101.11	101.11	101.11	101.11	101.11

**Interest on Working Capital (IWC)**

50. 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.”

51. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC has been worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The Rate of Interest (RoI) considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for the FY 2024-25 to FY 2028-29.

52. The components of the working capital and interest allowed thereon for the transmission system is as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Working Capital for O&M Expenses (O&M Expenses for One month)	8.43	8.43	8.43	8.43	8.43
Working Capital for Maintenance Spares (15% of O&M Expenses)	15.17	15.17	15.17	15.17	15.17
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	12.97	13.00	13.00	13.00	13.00
<b>Total Working Capital</b>	<b>36.56</b>	<b>36.59</b>	<b>36.59</b>	<b>36.59</b>	<b>36.59</b>
Rate of Interest on Working Capital (in %)	11.90	11.90	11.90	11.90	11.90
<b>Interest on working capital</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>



### **Annual Fees and Charges for 2024-29 Tariff Period**

53. The Fees and Charges allowed for the instant assets are summarized as follows:

Particulars	Non-Microwave-Central Portion				
	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Capital Recovery Charge-Total	0.00	0.00	0.00	0.00	0.00
O&M Expenses	101.11	101.11	101.11	101.11	101.11
Interest on Working Capital	4.35	4.35	4.35	4.35	4.35
<b>Total Fee &amp; Charges</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>	<b>105.46</b>

### **Filing Fee and Publication Expenses**

54. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

55. 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)**

56. The Petitioner has submitted that as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of the CTUIL may be allowed separately through a separate regulation. The Petitioner has further submitted that in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner which will be



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

57. 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.”***

58. 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., the 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**

59. 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**

60. 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.

61. 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**

62. 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.

63. As regards the security expenses of the 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 assets are not claimed in the instant Petition.

64. 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.

65. The Petitioner has not claimed capital spares for the 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.

66. 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."*

67. 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**

68. The sharing of Fees and Charges for ULDC Scheme of Eastern Region is as follows:

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a) **Sharing of Charges for Central Sector Portion:** The charges for the ULDC Scheme under the Central Sector shall be shared by the Respondents as per Regulation 57 of the 2019 Tariff Regulations and Regulation 78 of the 2024 Tariff Regulations.

(b) **Sharing of Charges for State Sector Portion:** The charges for the ULDC Scheme under the State Sector shall be shared by the Respondents in proportion to the capital cost of the State Portion as per 57(2) of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78(2) of the 2024 Tariff Regulations for the 2024-29 tariff period.

69. To summarize:

(a) The trued-up Annual Fees and Charges allowed in respect of the instant assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Central Sector					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fees and Charges Claimed	867.85	698.52	626.77	359.18	447.63
Annual Fees and Charges Allowed	867.85	698.52	626.77	359.18	447.64

(₹ in lakh)

State Sector					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fees and Charges Claimed	423.90	175.95	-	-	-
Annual Fees and Charges Allowed	423.90	175.95	-	-	-

(b) The Annual Fees and Charges allowed in respect of the instant assets for the 2024-29 tariff period are as follows:

(₹ in lakh)

Central Sector					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Fees and Charges Claimed	105.46	105.46	105.46	105.46	105.46
Annual Fees and Charges Allowed	105.46	105.46	105.46	105.46	105.46

70. This order disposes of Petition No. 294/TT/2025 in terms of the above discussions and findings.

**sd/-**  
**(Harish Dudani)**  
**Member**

**sd/-**  
**(Ramesh Babu V.)**  
**Member**