

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION NO. 130/TT/2020

Coram:

**Shri P.K. Pujari, Chairperson
Shri I. S. Jha, Member**

Date of Order : 25.07.2020

In the Matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and truing up of transmission tariff of the 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of the Combined Assets consisting of **Asset-1:** (a) Upgradation of existing 2X50 MVA, 132/33 kV Imphal (POWERGRID) Sub-station to 400 kV by installation of 400/132 kV, 2X315 MVA (7X105 MVA, 1-Ph) ICTs, 2 Nos. 400 kV line bays for termination of 400 kV D/C Silchar-Imphal line and 80 MVAR, 420 kV Bus Reactor along with associated bays at Imphal Sub-station (b) Extension of existing 400/132 kV Silchar (POWERGRID) Sub-station with 2 Nos. of 400 kV GIS line bays for termination of Silchar-Imphal 400 kV D/C line **Asset-2:** Installation of 1X125 MVAR, 420 kV Bus Reactor along with GIS bays at Silchar Sub-station **Asset-3:** 1x125 MVAR, 420 kV Bus Reactor along with associated bay at Balipara (POWERGRID) Sub-station **Asset-4:** 1x125 MVAR, 420 kV Bus Reactor along with associated bay at Bongaigaon (POWERGRID) Sub-station **Asset-5:** Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/C line with High Capacity HTLS conductor along with necessary up gradation/modification in bay equipment at both ends under "North Eastern Region Strengthening Scheme-IV" in the North Eastern Region

And in the Matter of:

Power Grid Corporation of India Ltd.
SAUDAMINI, Plot No-2,
Sector-29, Gurgaon-122 001 (Haryana).

.....**Petitioner**

Versus

1. Assam Electricity Grid Corporation Ltd.,
(Formerly Assam State Electricity Board),
Bijulee Bhawan, Paltan Bazar,
Guwahati-781001, Assam.



2. Meghalaya Energy Corporation Limited
(Formerly Meghalaya State Electricity Board),
Short Round Road, "Lumjingshai",
Shillong 0793001, Meghalaya.
3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh.
4. Power and Electricity Department,
Government of Mizoram,
Aizawl, Mizoram.
5. Manipur State Electricity Distribution Company Ltd.,
(Formerly Electricity Department, Government of Manipur)
Keishampat, Imphal.
6. Department of Power,
Government of Nagaland,
Kohima, Nagaland.
7. Tripura State Electricity Corporation Ltd.,
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799001, Tripura.

....Respondent(s)

Parties present

For Petitioner: Shri S.S. Raju, PGCIL
Shri Zafrul Hasan, PGCIL
Shri Anshul Garg, PGCIL
Shri Vivek Singh, PGCIL
Shri Amit K. Jain, PGCIL

For Respondent: None

ORDER

The instant petition has been filed by Power Grid Corporation of India Limited (hereinafter referred to as "the Petitioner"), a deemed transmission licensee, for truing up of the tariff for the period 1.4.2014 to 31.3.2019 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations") and for determination of the tariff for the period from 1.4.2019 to 31.3.2024 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred



to as “the 2019 Tariff Regulations”) in respect of Combined Assets consisting of **Asset-1:** (a) Up gradation of existing 2X50 MVA, 132/33 kV Imphal (POWERGRID) Sub-station to 400 kV by installation of 400/132 kV, 2X315 MVA (7X105 MVA, 1-Ph) ICTs, 2 No. 400 kV line bays for termination of 400 kV D/C Silchar-Imphal line and 80 MVA, 420 kV Bus Reactor along with associated bays at Imphal Sub-station (b) Extension of existing 400/132 kV Silchar (POWERGRID) Sub-station with 2 Nos. of 400 kV GIS line bays for termination of Silchar-Imphal 400 kV D/C line **Asset-2:** Installation of 1X125 MVA, 420 kV Bus Reactor along with GIS bays at Silchar Sub-station **Asset-3:** 1x125 MVA, 420 kV Bus Reactor along with associated bay at Balipara (POWERGRID) Sub-station **Asset-4:** 1x125 MVA, 420 kV Bus Reactor along with associated bay at Bongaigaon (POWERGRID) Sub-station **Asset-5:** Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/C line with High Capacity HTLS conductor along with necessary up gradation/ modification in bay equipment at both ends (hereinafter collectively referred to as “the transmission assets/Combined Asset”) under the North Eastern Region Strengthening Scheme-IV (NERSS-IV) in the North Eastern Region (hereinafter referred to as the “transmission project’).

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

“1) Approve the trued-up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 12.2 and 13.1 above.

2) Admit the capital cost claimed and additional capitalization incurred during 2014-19 and also allow the projected additional capitalization during 2019-24.

3) Allow the petitioner to submit the Revised Cost estimate for the project.

4) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any



application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 12.2 and 13.1 above for respective block.

5) 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.

6) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

7) 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 2019-24 period, if any, from the respondents.

8) Allow the Initial spares claimed as project as a whole.

9) Allow the petitioner to file a separate petition before the Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 13.1 above.

10) Allow the petitioner to claim the capital spares at the end of tariff block as per actual.

11. 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 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 under:

a. The Investment Approval for implementation of "North Eastern Region Strengthening Scheme-IV (NERSS-IV)" in the North Eastern Region was accorded by the Board of Directors of the Petitioner Company in 329th meeting held on 26.5.2016 for ₹36460 lakh including IDC of ₹2055 lakh based on December 2015 price level (communicated vide Memorandum No. C/CP/NERSS-IV dated 16.6.2016). The Revised Cost Estimate (RCE) was approved vide letter Ref. No. C/CP/PA1920-10-0U-RCE005 dated



15.1.2020 of ₹39825 lakh including an IDC of ₹1529 lakh. The scope of work covered under the instant transmission project broadly includes:

Augmentation of Transformers and Reactors

- i. Dismantling/Removal of 4X105 MVA, 400/220 kV, 1-Ph ICTs at Misa Sub-station of POWERGRID and addition of 1X500 MVA, 400/220 kV 3-Ph ICT at Misa Sub-station (4x105 MVA, 400/220 kV ICT thus released shall be kept as Regional Spare).
- ii. 1x125 MVAr 420 kV Bus Reactor at Balipara (POWERGRID) Sub-station.
- iii. 1x125 MVAr 420 kV Bus Reactor at Bongaigaon (POWERGRID) Sub-station.

Operation of Silchar-Imphal 400 kV D/C line at rated voltage (400 kV) (presently operated at 132 kV)

- i. Up-gradation of existing 2x50 MVA, 132/33 kV Imphal (POWERGRID) Sub-station to 400 kV with following scope:
 - a. Installation of 400/132 kV, 2x315 MVA (7x105 MVA, 1-Ph) ICTs,
 - b. 2 Nos. 400 kV line bays for termination of Silchar-Imphal 400 kV D/C line
 - c. 80 MVAr, 420 kV Bus Reactor
- ii. Extension of existing 400/132 kV Silchar (POWERGRID) Sub-station
 - a. 2 Nos. of 400 kV GIS line bays for termination of Silchar-Imphal 400 kV D/C line
 - b. Installation of 1x125 MVAr, 420 kV Bus Reactor with GIS bays

Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/C

Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/C line with High Capacity HTLS conductor along with necessary up gradation/modification in bay equipment at both ends.

- b. The date of commercial operation of the assets along with the time over-run covered in the instant petition are as under:



Assets	Asset nomenclature in order dated 5.7.2019 in Petition No. 237/TT/2018	Asset Details	COD	Time over-run	Time over-run condoned
Asset-1	Asset-2 (a & b)	Up gradation of existing 2X50 MVA, 132/33 kV Imphal (POWERGRID) Sub-station to 400 kV by installation of 400/132 kV, 2X315 MVA (7X105 MVA, 1-Ph) ICTs, 2 No. 400 kV line bays for termination of 400 kV D/C Silchar-Imphal line and 80 MVA, 420 kV Bus Reactor along with associated bays at Imphal Sub-station (b) Extension of existing 400/132 kV Silchar (POWERGRID) Sub-station with 2 Nos. of 400 kV GIS line bays for termination of Silchar-Imphal 400 kV D/C line	29.1.2019	248 Days	116 Days
Asset- 2	Asset-2 (c)	Installation of 1X125 MVA, 420 kV Bus Reactor along with GIS bays at Silchar Sub-station	20.12.2018	208 Days	
Asset-3	Asset-3	1x125 MVA, 420 kV Bus Reactor along with associated bay at Balipara (POWERGRID) Sub-station	3.8.2018	69 Days	69 Days
Asset-4	Asset-4	1x125 MVA, 420 kV Bus Reactor along with associated bay at Bongaigaon (POWERGRID) Sub-station	22.7.2018	57 Days	57 Days
Asset-5	Asset-5	Reconductoring of Agartala GBPP - Agartala (State) 132 kV D/C line with High	8.2.2018	No delay	NA



Assets	Asset nomenclature in order dated 5.7.2019 in Petition No. 237/TT/2018	Asset Details	COD	Time over-run	Time over-run condoned
		Capacity HTLS conductor along with necessary up gradation/ modification in bay equipment at both ends			

- c. The tariff for the Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 for the 2014-19 period was approved vide order dated 5.7.2019 in Petition No. 237/TT/2018.
- d. The Petitioner has claimed the following trued-up tariff for the instant assets for the 2014-19 period:

(₹ in lakh)			
Asset	Particulars	2017-18	2018-19
Asset-1	AFC approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	--	562.17
	AFC claimed by the Petitioner based on truing up in the instant petition	--	583.54
Asset-2	AFC approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	--	139.68
	AFC claimed by the Petitioner based on truing up in the instant petition	--	140.78
Asset-3	AFC approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	--	195.36
	AFC claimed by the Petitioner based on truing up in the instant petition	--	204.13
Asset-4	AFC approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	--	185.22
	AFC claimed by the Petitioner based on truing up in the instant	--	196.26



Asset	Particulars	2017-18	2018-19
	petition		
Asset-5	AFC approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	6.25	57.54
	AFC claimed by the Petitioner based on truing up in the instant petition	6.26	50.85

4. The Respondents are distribution licensees and Power Departments, who are procuring transmission service from the Petitioner, mainly beneficiaries of the North Eastern Region.

5. The Petitioner has served the petition on the Respondents and notice of this petition has been published in the newspaper in accordance with Section 64 of the Electricity Act, 2003. No comments/objections have been received from the general public in response to the aforesaid notice published in the newspaper in the Petitioner. None of the Respondents have filed reply to the petition.

6. This order is issued considering the submissions made in the Petitions and affidavits dated 25.2.2020 and 17.3.2020.

7. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the petition.

Truing up of Annual Fixed Charges of the 2014-19 Period

8. The details of the transmission charges claimed by the Petitioner in respect of the instant assets are as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Depreciation	155.72	40.82	49.57	48.68	1.99	16.28
Interest on Loan	159.10	37.94	48.11	43.59	1.91	15.22



Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Return on Equity	164.32	42.28	55.64	51.02	2.23	18.28
Interest on Working Capital	14.43	3.33	5.44	5.34	0.13	1.07
O&M Expenses	89.97	16.41	45.37	47.63	0.00	0.00
Total	583.54	140.78	204.13	196.26	6.26	50.85

9. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the instant assets are as under:

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Interest on Working Capital						
O&M Expenses	44.14	4.89	5.73	5.73	0.00	0.00
Maintenance Spares	79.46	8.81	10.31	10.31	0.00	0.00
Receivables	572.57	83.96	51.53	47.19	7.33	8.48
Total Working Capital	696.17	97.66	67.57	63.23	7.33	8.48
Rate of Interest (%)	12.20	12.20	12.20	12.20	12.60	12.60
Interest on Working Capital	14.43	3.33	5.44	5.34	0.13	1.07

Time over-run

10. The instant assets were scheduled to be put into commercial operation on 25.5.2018. As stated in paragraph 3 above, Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 were put into commercial operation on 29.1.2019, 20.12.2018, 3.8.2018, 22.7.2018 and 8.2.2018 respectively. There is no time over-run in case of Asset-5. However, there is time over-run of 248 days, 208 days, 69 days and 57 days in case of Asset-1, Asset-2, Asset-3 and Asset-4 respectively.

11. The Commission vide order dated 5.7.2019 held that a part of the time over-run in respect of Asset-1 and Asset-2 was beyond the control of the Petitioner and condoned 116 days of time over-run in case of Asset-1 and Asset-2. The total time over-run of 69 days and 57 days in respect of Asset-3 and Asset-4 respectively was held to be beyond the control of the Petitioner and therefore, the same was condoned.



Capital Cost

12. The details of the FR apportioned approved Capital cost, the actual expenditure upto the date of commercial operation and the actual capital expenditure incurred during the 2018-19 period claimed by the Petitioner are as under:

(₹ in lakh)				
Assets	Apportioned Approved Capital Cost	Capital Cost as on Capital COD	ACE 2018-19	Total Capital Cost as on 31.3.2019
Asset-1	19261.66	16121.00	1152.2	17273.2
Asset-2	2994.03	2654.71	33.22	2687.93
Asset-3	2351.16	1192.07	486.72	1678.79
Asset-4	1831.97	1085.76	357.17	1442.93
Asset-5	1253.98	273.10	79.04	352.14
Total	27692.8	21326.64	2108.35	23434.99

13. We have considered the submissions of the Petitioner. It is observed that the estimated completion cost of the instant assets as on 31.3.2019 including the additional capitalization is within the apportioned approved Capital Cost. Therefore, there is no cost over-run.

Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)

14. There was time over-run in respect of Asset-1, Asset-2, Asset-3 and Asset-4 under the instant petition. The time over-run in respect to Asset-3 and Asset-4 was fully condoned. Therefore, there is no disallowance of IDC with respect to the said assets. However, only a part of the time over-run in respect to Asset-1 and Asset-2 was condoned and the IDC in respect of the time over-run condoned has been capitalised. IDC disallowed in respect of Asset-1 and Asset-2 is as under:

(₹ in lakh)		
Assets	IDC as per Auditor Certificate	IDC disallowed vide order dated 5.7.2019 due to time over-run not condoned
Asset-1	688.33	322.89
Asset-2	281.91	56.88



15. The Petitioner has claimed IDC of the assets covered in the instant petition and has submitted the statement showing IDC claim, discharge of IDC liability as on date of commercial operation and thereafter as under:

(₹ in lakh)

Assets	IDC as per Auditor Certificate	IDC Discharged upto COD	IDC discharged during 2018-19	IDC to be discharged during 2019-20
Asset-1	688.33	594.58	79.51	14.24
Asset-2	281.91	213.09	14.32	54.5
Asset-3	72.37	49.53	18.33	4.51
Asset-4	45.67	0.37	45.3	0
Asset-5	8.43	0	8.43	0
Total	1096.71	857.57	165.89	73.25

16. The Petitioner has submitted IDC computation statement which consists of the name of the loan, drawl date, loan amount, interest rate and interest claimed. The IDC is worked out based on the details given in the IDC statement. Further, the loan amount as on the date of commercial operation has been mentioned in Form 6 and Form 9C. While going through these documents, certain discrepancies have been observed such as mismatch in loan amount between IDC statement and in Form 6 and Form 9C. The allowable IDC has been worked out based on the information available on record and relying on loan amount as per Form 9C. The IDC claimed and considered as on the date of commercial operation and summary of discharge of IDC liability up to date of commercial operation and thereafter for the purpose of tariff determination is as under:

(₹ in lakh)

Assets	IDC as per Auditor certificate	IDC allowed	IDC disallowed due to time over-run not condoned	IDC discharged upto COD	IDC discharged in 2018-19	IDC discharged during beyond 2018-19
Asset-1	688.33	355.45	332.88	302.21	53.24	0
Asset-2	281.91	245.54	36.37	210.63	14.32	20.59
Asset-3	72.37	72.37	-	49.53	18.33	4.51
Asset-4	45.67	45.67	-	0.37	45.30	0



Assets	IDC as per Auditor certificate	IDC allowed	IDC disallowed due to time over-run not condoned	IDC discharged upto COD	IDC discharged in 2018-19	IDC discharged during beyond 2018-19
Asset-5	8.43	8.43	-	-	8.43	0

17. The Petitioner has claimed IEDC for the assets covered in the petition as per the tabulation given below. The Petitioner has claimed IEDC of the instant assets as per the Auditor Certificate. The Petitioner has submitted that the entire IEDC mentioned in the Auditor Certificate is on cash basis and was paid upto date of commercial operation.

(₹ in lakh)

Assets	IEDC claimed as per Auditor certificate	IEDC considered as on COD	IEDC discharged up to COD
Asset-1	724.85	724.85	724.85
Asset-2	87.37	87.37	87.37
Asset-3	68.11	68.11	68.11
Asset-4	47.51	47.51	47.51
Asset-5	71.51	71.51	71.51
Total	999.35	999.35	999.35

As the time over-run in case of Asset-1 and Asset-2 was not fully condoned, there is disallowance of IEDC. IEDC disallowed in case of Asset-1 and Asset-2 is as under:

(₹ in lakh)

Assets	IEDC as per Auditor Certificate	IEDC disallowed due to time over-run not condoned
Asset-1	724.85	97.83
Asset-2	87.37	8.57

18. The IEDC claimed and considered as on the date of commercial operation for the purpose of tariff determination is as under:

(₹ in lakh)

Assets	IEDC as per Auditor Certificate	IEDC allowed	IEDC disallowed due to time over-run not condoned
Asset-1	724.85	627.01	97.83
Asset-2	87.37	78.80	8.57
Asset-3	68.11	68.11	-



Assets	IEDC as per Auditor Certificate	IEDC allowed	IEDC disallowed due to time over-run not condoned
Asset-4	47.51	47.51	-
Asset-5	71.51	71.51	-

Initial Spares

19. Regulation 13(d) of the 2014 Tariff Regulations provides that Initial Spares shall be capitalized as a percentage of plant and machinery cost up to the cut-off date, subject to the following ceiling norms:

*“(d) Transmission System
Transmission line: 1.00%
Transmission sub-station (Green Field): 4.00%
Transmission sub-station (Brown Field): 6.00%
Gas Insulated sub-station :5.00%
Communication System: 3.5%”*

20. The Initial Spares as claimed by the Petitioner are as under:

(₹ in lakh)

Assets	Particulars	Estimated Completion Cost (A)	Initial Spares claimed by Petitioner (B)	Ceiling Limit (%) (C)	Initial Spares worked out and claimed by Petitioner
					$D = [(A-B)*C / (100-C)]$
Asset-1	Sub-station (Brown Field)	18111.2	574.48	6.0	1119.37
Asset-2		2512.88	50.82	6.0	157.15
Asset-3		2045.18	94.24	6.0	124.53
Asset-4		1647.45	111.34	6.0	98.05
Total For 2014-19	Sub-station (Brown Field)	24316.71	830.88	6.0	1499.10
Asset-1*	PLCC	190.78	6.07	3.5	6.70
Total		24507.49	836.95		1505.80

* Although the claim made by the Petitioner is for Asset-1, the Petitioner has inadvertently mentioned Asset-2 in the Petition.

21. The Petitioner has submitted that the Initial Spares claimed for the sub-station are within specified limit considering the project as a whole under the 2014 Tariff Regulations.



22. We have considered the submission of Petitioner. As per APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares are to be allowed as a percentage of the project cost as a whole as on the cut-off date. In the instant case, the transmission project is not complete with respect to its defined scope. Hence, it cannot be deemed to be a complete transmission project. Therefore, it is not possible to approve the Initial Spares based on the project as a whole as prayed by the Petitioner. Hence, the Initial Spares are now computed and allowed asset-wise and the same will be reconsidered after the whole transmission project is completed. The details of the Initial Spares allowed for the instant assets are as under:

Asset	Particulars	Capital Cost as on cut-off date for computing Initial spares# (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (%)	Initial Spares allowable as per Norms and judgement dated 14.9.2019 (₹ in lakh)	Allowed in order dated 5.7.2019 (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares Allowed (₹ in lakh)
		A	B	C	$D=(A-B)*C/(100-C)$	E	B-D	
Asset-1	Sub-station	18111.20	574.48	5.0	922.99	580.55*		574.48
Asset-2	GIS (Brown Field)	2512.88	50.82	5.0	129.58	50.82		50.82
Asset-3	Sub-station	2045.18	94.24	6.0	124.53	94.24		94.24
Asset-4	Conventional (Brown Field)	1647.45	111.34	6.0	98.05	86.42	13.29	98.05
Total		24316.71	830.88		1275.15	812.03		817.59
Asset-1	PLCC	190.78	6.07	3.50	6.70			6.07
Total		24507.49	836.95		1281.84	812.03		823.66

#Capital cost as per Auditor Certificate upto cut-off date

*Includes the PLCC Initial Spares

23. The Petitioner has claimed the Initial Spares for Asset-1, Asset-2, Asset-3 and Asset-4 under Sub-station (brownfield) head as a whole. However, as explained above we have computed and allowed Initial Spares asset-wise. The Petitioner has



claimed Initial Spares for Asset-1 and Asset-2 as 6% under Brownfield sub-station. It is observed that Asset-I and Asset-II are GIS sub-station and the Initial Spares are allowed as per ceiling limit of 5% as per Regulation 13 of the 2014 Tariff Regulations. The Initial Spares claimed by the Petitioner for Asset-1 (PLCC) is within the ceiling limit of 3.5% as per Regulation 13 of the 2014 Tariff Regulations and the same has been allowed. The Initial Spares claimed by the Petitioner for Asset-3 is within the ceiling limit of 6% as per Regulation 13 of the 2014 Tariff Regulations and the same has been allowed. The Initial Spares claimed by the Petitioner for Asset-4 is restricted to 6% and the excess Initial Spares claimed in case of Asset 4 has been reduced from the Initial Spares claimed. The Petitioner has not claimed Initial Spares for Asset-5.

Capital Cost as on date of commercial operation

24. The Capital Cost of the instant assets has been calculated in accordance with Regulation 9 (3) and Regulation 9 (6) of the 2014 Tariff Regulations.

25. The Commission vide order 5.7.2019 in Petition No. 237/TT/2018 had allowed Capital Cost of ₹20833.44 lakh as capital cost as on the date of commercial operation and the projected ACE of ₹2092.22 lakh for determination of tariff for the 2014-19 period for the instant assets as shown under.

Assets	Apportioned approved Capital Cost as per FR	Capital Cost allowed as on COD	(₹ in lakh)	
			ACE (as admitted) 2018-19	Estimated Completion Capital Cost (as allowed)
Asset-1	22255.69	15798.11**	1177.61	16975.72
Asset-2		2585.89**	35.69	2621.58
Asset-3	2351.16	1169.23*	369.65	1538.88
Asset-4	1831.97	1015.54*\$	337.91	1353.45
Asset-5	1253.98	264.67*	171.36	436.03
Total	27692.80	20833.44	2092.22	22925.66

(*) Accrued IDC adjusted from COD and added in respective year of discharge.



(#) The capital cost on COD has been deducted on account of IDC w.r.t time over-run amounting to ₹322.89 lakh in case of Asset-1 and ₹56.88 lakh in case of Asset-2.

(\$) The capital cost on COD has been deducted on account of Initial Spares amounting ₹24.92 lakh in case of Asset-4.

26. The Petitioner has submitted that in case of Asset-5, reconductoring was done on 8.2.2018 under transmission project covered in Petition No. 237/TT/2018 as approved in NERPC. Accordingly, the gross block has been de-capitalized from the date of reconductoring i.e. 8.2.2018 in the project transmission system associated with Agartala GBPP in Petition No. 171/TT/2014. It is observed that the Petitioner has filed Petition No. 479/TT/2019 dated 9.10.2019 for revision of transmission tariff for the 2004-09 period and 2009-14 period, truing-up of transmission tariff of the 2014-19 period and determination of transmission tariff for the 2019-24 period in respect of Asset-1: Agartala-Agartala Ckt-I and Ckt-II and Asset 2: Agartala -Kumarghat under transmission system associated with Agartala GBPP in the North Eastern Region. The Petitioner in Petition No. 479/TT/2019 has submitted that in case of asset 132 kV D/C Agartala-Agartala, reconductoring was done on 8.2.2018 under transmission project covered in Petition No. 237/TT/2018 as approved in NERPC and accordingly, the gross block has been de-capitalized from the asset in 2017-18 and the tariff has been computed and claimed vide Petition No. 479/TT/2019 which is under process.

27. The details of the Capital Cost now approved as on the date of commercial operation after adjustment of IDC, IEDC and the Initial Spares are as under:

(₹ in lakh)

Assets	Capital Cost claimed as on COD (A)	Un-discharged IDC (B)	IDC Disallowed due to time over-run (C)	IEDC Disallowed due to time over-run (D)	Excess Initial Spares disallowed (E)	Capital Cost allowed as on COD (E) = (A-B-C-D-E)
Asset-1	16121.00	53.24	332.88	97.83	0.00	15637.05
Asset-2	2654.71	34.91	36.37	8.57	0.00	2574.86



Assets	Capital Cost claimed as on COD (A)	Un-discharged IDC (B)	IDC Disallowed due to time over-run (C)	IEDC Disallowed due to time over-run (D)	Excess Initial Spares disallowed (E)	Capital Cost allowed as on COD (E) = (A-B-C-D-E)
Asset-3	1192.07	22.84	0.00	0.00	0.00	1169.23
Asset-4	1085.76	45.30	0.00	0.00	13.29	1027.17
Asset-5	273.10	8.43	0.00	0.00	0.00	264.67
Total	21326.64	164.72	369.25	106.40	13.29	20672.98

Additional Capital Expenditure (ACE)

28. ACE of ₹2092.22 lakh was allowed for the instant assets during the 2014-19 period towards balance and retention payments vide order dated 5.7.2019 in Petition No. 237/TT/2018. The Petitioner has claimed ACE as under:

- a. ACE of ₹2108.35 lakh incurred during 2018-19 is on account of any undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date under Regulation 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations.

Assets	FR approved apportioned Capital Cost	Expenditure up to COD	ACE (as per Auditor's Certificate)	Capital Cost as on 31.3.2019
			2018-19	
Asset-1	19261.66	16121.00	1152.2	17273.2
Asset-2	2994.03	2654.71	33.22	2687.93
Asset-3	2351.16	1192.07	486.72	1678.79
Asset-4	1831.97	1085.76	357.17	1442.93
Asset-5	1253.98	273.10	79.04	352.14
Total	27692.80	21326.64	2108.35	23434.99

29. The ACE claimed by the Petitioner has been allowed under Regulation 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations as it is towards balance and retention payments and balance work deferred for execution. The entitled un-discharged IDC liability as on the date of commercial operation has been allowed as ACE during the



year of its discharge. The ACE allowed for the instant assets from date of commercial operation to 31.3.2019 is as under:

(₹ in lakh)

Assets	ACE (as per Auditor's Certificate)	IDC Discharged during 2018-19	ACE during 2018-19 (Including discharged IDC)
	2018-19		
Asset-1	1152.20	53.24	1205.44
Asset-2	33.22	34.91	47.54
Asset-3	486.72	22.84	505.05
Asset-4	357.17	45.30	402.47
Asset-5	79.04	8.43	87.47
Total	2108.35	164.72	2247.97

30. The details of the capital cost as on COD, ACE during the 2014-19 period and capital cost as on 31.3.2019 for the instant assets are as under: -

(₹ in lakh)

Asset	Capital Cost as on COD	ACE (including accrual IDC discharged)	Capital Cost as on 31.3.2019
		2018-19	
Asset-1	15637.05	1205.44	16842.49
Asset-2	2574.86	47.54	2622.40
Asset-3	1169.23	505.05	1674.28
Asset-4	1027.17	402.47	1429.64
Asset-5	264.67	87.47	352.14
Total	20672.98	2247.97	22920.94

Debt-Equity ratio

31. The Petitioner has claimed Debt-Equity ratio of 70:30 as on the date of commercial operation. The Debt-Equity ratio has been considered in accordance with Regulation 19 (1), (3) and (5) of the 2014 Tariff Regulations. The Debt-Equity ratio of 70:30 has been considered for the ACE allowed during the 2014-19 period in accordance with Regulation 19(3) of the 2014 Tariff Regulations.

32. The details of the Debt-Equity in respect of Asset-1, Asset-2, Asset-3, Asset-4 and Asset-5 as on COD and as on 31.3.2019 are as under:

Asset-1



Funding	Capital Cost as on COD (₹ in lakh)	(%)	ACE during 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	10945.93	70.00	843.81	70.00	11789.74	70.00
Equity	4691.11	30.00	361.63	30.00	5052.75	30.00
Total	15637.05	100.00	1205.44	100.00	16842.49	100.00

Asset-2

Funding	Capital Cost as on COD (₹ in lakh)	(%)	ACE during 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	1802.40	70.00	33.28	70.00	1835.68	70.00
Equity	772.46	30.00	14.26	30.00	786.72	30.00
Total	2574.86	100.00	47.54	100.00	2622.40	100.00

Asset-3

Funding	Capital Cost as on COD (₹ in lakh)	(%)	ACE during 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	818.46	70.00	353.54	70.00	1172.00	70.00
Equity	350.77	30.00	151.52	30.00	502.28	30.00
Total	1169.23	100.00	505.05	100.00	1674.28	100.00

Asset-4

Funding	Capital Cost as on COD (₹ in lakh)	(%)	ACE during 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	719.02	70.00	281.73	70.00	1000.75	70.00
Equity	308.15	30.00	120.74	30.00	428.89	30.00
Total	1027.17	100.00	402.47	100.00	1429.64	100.00

Asset-5

Funding	Capital Cost as on COD (₹ in lakh)	(%)	ACE during 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	185.27	70.00	61.23	70.00	246.50	70.00
Equity	79.40	30.00	26.24	30.00	105.64	30.00
Total	264.67	100.00	87.47	100.00	352.14	100.00



Interest on Loan (IoL)

33. The Petitioner has claimed the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. Accordingly, IoL has been calculated based on actual interest rate submitted by the Petitioner, in accordance with Regulation 26 of the 2014 Tariff Regulations. The IoL worked out is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Interest on Loan						
Gross Normative Loan	10945.93	1802.40	818.46	719.02	185.27	185.27
Cumulative Repayments up to Previous Year	0.00	0.00	0.00	0.00	0.00	1.99
Net Loan-Opening	10945.93	1802.40	818.46	719.02	185.27	183.28
Additions	843.81	33.28	353.54	281.73	0.00	61.23
Repayment during the year	144.39	38.34	49.57	44.96	1.99	16.28
Net Loan-Closing	11645.35	1797.33	1122.43	955.79	183.28	228.22
Average Loan	11295.64	1799.87	970.45	837.40	184.27	205.75
Weighted Average Rate of Interest on Loan (%)	8.2547	7.6853	7.5088	7.4434	7.2772	7.3960
Interest on Loan	158.38	38.66	48.11	43.21	1.91	15.22

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	157.61	38.74	44.94	40.83	1.91	17.22
Claimed by the Petitioner in the instant Petition	159.10	37.94	48.11	43.59	1.91	15.22
Allowed after true-up in this order	158.38	38.66	48.11	43.21	1.91	15.22

Return on Equity (RoE)

34. The Petitioner is entitled to RoE for the instant assets in terms of Regulation 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that they are liable to pay income tax at MAT rates and has claimed following effective tax rates for the 2014-19 period:



Year	Claimed effective tax rate (in %)	Grossed up RoE (Base Rate/1-t) (in %)
2014-15	21.018	19.624
2015-16	21.382	19.715
2016-17	21.338	19.704
2017-18	21.337	19.704
2018-19	21.549	19.757

35. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate for the Petitioner based on the notified MAT rates. The relevant portion of the order dated 27.4.2020 is extracted hereunder:

“26. We are conscious that the entities covered under MAT regime are paying Income Tax as per MAT rate notified for respective financial year under IT Act, 1961, which is levied on the book profit of the entity computed as per the Section 115JB of the IT Act, 1961. The Section 115JB(2) defines book profit as net profit in the statement of Profit & Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying income tax on income computed under Section 115JB of the IT Act, 1961 as per the MAT rates of the respective financial year, the notified MAT rate for respective financial year shall be considered as effective tax rate for the purpose of grossing up of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax authorities shall be considered on actual payment. However, penalty (for default on the part of the Assessee) if any imposed shall not be taken into account for the purpose of grossing up of rate of return on equity. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term transmission customers/ DICs as the case may be on year to year basis.

27. Accordingly, following effective tax rates based on notified MAT rates are considered for the purpose of grossing up of rate of return on equity:

Year	Notified MAT rates (inclusive of surcharge & cess)	Effective tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.0549

The same MAT rates are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations. Accordingly, the grossed up RoE rate is as follows:-



Year	Notified MAT rates (inclusive of surcharge & cess) (in %)	Base rate of RoE (in %)	Grossed up RoE (Base Rate/1-t) (in %)
2014-15	20.961	15.50	19.611
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758

36. The Petitioner has claimed RoE for the 2014-19 period after grossing up the RoE of 15.50% with Effective Tax rates (based on MAT rates) each year as per the above said Regulation. The RoE is tried up on the basis of the MAT rate applicable in the respective years and is allowed for the instant assets as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Return on Equity						
Opening Equity	4691.11	772.46	350.77	308.15	79.40	79.40
Additions	361.63	14.26	151.52	120.74	0.00	26.24
Closing Equity	5052.75	786.72	502.28	428.89	79.40	105.64
Average Equity	4871.93	779.59	426.53	368.52	79.40	92.52
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50	15.50
MAT Rate for respective year (%)	21.549	21.549	21.549	21.549	21.342	21.549
Rate of Return on Equity (%)	19.758	19.758	19.758	19.758	19.705	19.758
Return on Equity	163.51	43.04	55.64	50.47	2.23	18.28

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	163.75	42.81	52.60	48.30	2.22	20.61
Claimed by the Petitioner in the instant Petition	164.32	42.28	55.64	51.02	2.23	18.28



Allowed after true-up in this order	163.51	43.04	55.64	50.47	2.23	18.28
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Depreciation

37. The Petitioner’s claim towards depreciation in this petition was found to be higher than the depreciation allowed for the instant assets in order dated 5.7.2019 in Petition No. 237/TT/2018. The Petitioner has neither given any justification for claiming higher depreciation than that was allowed earlier in order dated 5.7.2019 nor made any specific prayer for allowing higher depreciation in this petition.

38. The instant assets were put into commercial operation during the 2014-19 period and the tariff for the 2014-19 period was allowed vide order dated 5.7.2019 in Petition No.237/TT/2018. The Petitioner did not claim any capital expenditure towards “IT Equipment” in the above said petition where tariff for the instant assets for the 2014-19 period was allowed even though there was a clear provision in the 2014 Tariff Regulations providing depreciation @ 15% for IT Equipment. Having failed to make a claim as per the 2014 Tariff Regulations, the Petitioner has now, at the time of truing up of the tariff claimed for the 2014-19 period has apportioned a part of the capital expenditure to “IT Equipment”. The Petitioner has adopted similar methodology not only in this but also in some of the other petitions. It is observed that the Petitioner has for the first time apportioned a part of the capital expenditure towards IT Equipment and has claimed depreciation under the head “IT Equipment” @ 15% at the time of truing up of the tariff of the 2014-19 period. Regulation 8(1) of the 2014 Tariff Regulations provides for truing up of the capital expenditure including the ACE, incurred upto 31.3.2019, admitted by the Commission after prudence check. We are of the view that scope of truing up exercise is restricted to truing up of the capital expenditure already admitted and apportionment or reapportionment of the capital expenditure cannot be allowed at the time of truing up. Therefore, we are not inclined



to consider the Petitioner's prayer for apportionment of capital expenditure towards IT Equipment and allowing depreciation @ 15% from COD onwards. Accordingly, the depreciation @ 5.28% has been considered for IT Equipment as part of the Substation upto 31.3.2019 while truing up the capital expenditure for the 2014-19 period. During the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @ 15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 read with Sr. No. (p) of the Appendix-I (Depreciation Schedule) of the 2019 Tariff Regulations. The Gross Block during the 2014-19 period has been depreciated at weighted average of depreciation (WAROD). The weighted average of depreciation (WAROD) has been worked out (Annexure-I) after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Depreciation						
Opening Gross Block	15637.05	2574.86	1169.23	1027.17	264.67	264.67
Additional Capitalisation	1205.44	47.54	505.05	402.47	0.00	87.47
Closing Gross Block	16842.49	2622.40	1674.28	1429.64	264.67	352.14
Average Gross Block	16239.77	2598.63	1421.76	1228.40	264.67	308.41
Weighted average rate of Depreciation (WAROD) (%)	5.23	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset	25.00	25.00	25.00	25.00	35.00	35.00
Elapsed Life of the asset	0.00	0.00	0.00	0.00	0.00	0.00
Aggregated Depreciable Value	14615.79	2338.76	1279.58	1105.56	238.20	277.56
Combined Depreciation during the year	144.39	38.34	49.57	44.96	1.99	16.28
Aggregate Cumulative Depreciation	144.39	38.34	49.57	44.96	1.99	18.27
Remaining Aggregate Depreciable Value	14471.40	2300.42	1230.01	1060.61	236.21	259.29



(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	145.62	38.42	47.21	43.35	1.99	18.50
Claimed by the Petitioner in the instant Petition	155.72	40.82	49.57	48.68	1.99	16.28
Allowed after true-up in this order	144.39	38.34	49.57	44.96	1.99	16.28

Operation & Maintenance Expenses (O&M Expenses)

39. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The Petitioner has not claimed any O&M Expenses for Asset-5. The O&M Expenses claimed by the Petitioner for the Assets-1, 2, 3 and 4 for the 2018-19 period are as under:

(₹ in lakh)

Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
89.97	16.41	45.37	47.63	0	0

40. The norms specified in respect of the elements covered in the instant asset are as under:

Element	Norms for 2018-19
220 kV Sub-station	₹48.10 lakh/ bay
400 kV Sub-station	₹68.71 lakh/ bay
132 kV and below Sub-station	₹34.36 lakh/ bay
400 kV GIS Sub-station	₹58.73 lakh/ bay

41. The O&M Expenses allowed for Assets-1, 2, 3 and 4 under Regulation 29(3) of the 2014 Tariff Regulations are as under:

(₹ in lakh)

Details	2018-19 (Pro-rata)
Asset-1	



Details	2018-19 (Pro-rata)
5 Nos. 400 kV Conventional Bays	58.36
2 Nos. 132 kV and below Conventional Bays	11.67
2 Nos. 400 kV GIS Bays	19.95
Total	89.98
Asset-2	
1 Nos. 400 kV GIS Bays	16.41
Total	16.41
Asset-3	
1 Nos. 400 kV Conventional Bays	45.37
Total	45.37
Asset-4	
1 Nos. 400 kV Conventional Bays	47.63
Total	47.63

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	81.44	16.41	45.36	47.62	0.00	0.00
Claimed by the Petitioner in the instant Petition	89.97	16.41	45.37	47.63	0.00	0.00
Allowed after true-up in this order	89.98	16.41	45.37	47.63	0.00	0.00

Interest on Working Capital (IWC)

42. The IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and is allowed for the instant assets as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
O&M Expenses	44.14	4.89	5.73	5.73	0.00	0.00
Maintenance Spares	79.46	8.81	10.31	10.31	0.00	0.00
Receivables	559.69	83.36	51.53	46.05	7.33	8.47
Total Working Capital	683.29	97.06	67.56	62.08	7.33	8.47
Rate of Interest (%)	12.20	12.20	12.20	12.20	12.60	12.60
Interest on Working Capital	14.16	3.31	5.44	5.25	0.13	1.07

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19



Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Approved vide order dated 5.7.2019 in Petition No. 237/TT/2018	13.75	3.31	5.26	5.12	0.13	1.21
Claimed by the Petitioner in the instant Petition	14.43	3.33	5.44	5.34	0.13	1.07
Allowed after true-up in this order	14.16	3.31	5.44	5.25	0.13	1.07

Approved Annual Fixed Charges of the 2014-19 Period

43. The trued up annual fixed charges allowed for the instant transmission assets for the 2014-19 tariff period is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Depreciation	144.39	38.34	49.57	44.96	1.99	16.28
Interest on Loan	158.38	38.66	48.11	43.21	1.91	15.22
Return on Equity	163.51	43.04	55.64	50.47	2.23	18.28
Interest on Working Capital	14.16	3.31	5.44	5.25	0.13	1.07
O&M Expenses	89.98	16.41	45.37	47.63	0.00	0.00
Total	570.42	139.76	204.13	191.51	6.26	50.85

Determination of Annual Fixed Charges of the 2019-24 Tariff Period

44. The Petitioner has claimed the following transmission charges for the Combined Asset for the 2019-24 tariff period:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1398.67	1514.51	1518.39	1519.11	1519.11
Interest on Loan	1342.73	1351.53	1236.00	1114.80	990.52
Return on Equity	1415.96	1541.92	1548.08	1549.31	1549.31
Interest on Working Capital	86.67	91.50	90.78	89.90	88.74
O&M Expenses	554.14	573.74	593.75	614.77	635.61
Total	4798.17	5073.20	4987.00	4887.89	4783.29

45. The Petitioner has claimed the following IWC for the Combined Assets for the 2019-24 tariff period:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	46.18	47.81	49.48	51.23	52.97
Maintenance Spares	83.12	86.06	89.06	92.22	95.34
Receivables	589.94	625.46	614.84	602.62	588.11
Total Working Capital	719.24	759.33	753.38	746.07	736.42
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	86.67	91.50	90.78	89.90	88.74

Effective Date of Commercial Operation (E-COD)

46. The Petitioner has stated that E-COD of the Combined Asset works out to be 25.12.2018. However, based on the trued up capital cost and actual COD of the 5 individual assets, the E-COD has been worked out as 24.12.2018 and is as under:

Assets	Trued-up Capital Cost as on 31.3.2019 (₹ in lakh)	COD	No. of days from COD of Asset from COD of Project	Weight of Cost	Weighted days
Asset-1	16842.49	29.1.2019	0	73.48%	0
Asset-2	2622.40	20.12.2018	40	11.44%	4.58
Asset-3	1674.28	3.8.2018	179	7.30%	13.08
Asset-4	1429.64	22.7.2018	191	6.24%	11.91
Asset-5	352.14	8.2.2018	355	1.54%	5.45
Total	22920.94			100%	35.02
Effective COD - 24.12.2018					

Weighted Average Life (WAL) of the Asset

47. The WAL has been determined based on the admitted capital cost of individual elements as on 31.3.2019 and their respective life as specified in the 2019 Tariff Regulations. Accordingly, the WAL of all the assets commissioned during the 2014-19 period have been worked out as 24 years as shown under:

(₹ in lakh)

Particulars	Capital Cost of Combined Asset admitted as on COD	Life in Years	Weighted Capital Cost
Building Civil Works & Colony	489.19	25	12229.79
Transmission Line	319.14	35	11169.90



Particulars	Capital Cost of Combined Asset admitted as on COD	Life in Years	Weighted Capital Cost
Sub Station	21109.26	25	527731.46
PLCC	180.16	15	2702.36
IT Equipment (Incl. Software)	823.20	6.67	5487.98
Total	22920.94		559321.49
Weighted Average Life of Asset: 24 years			

Capital Cost

48. Regulation 19 of the 2019 Tariff Regulations provide as under:

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

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
- (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
- (k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
- (m) *Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
- (n) *Expenditure on account of change in law and force majeure events; and*



(o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.”

(4) The capital cost in case of existing or new hydro generating station shall also include:

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

- (a) The assets forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be decapitalised only after its redeployment;

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

- (c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;
- (d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and



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

49. The Petitioner has revised the capital cost computations pursuant to APTEL judgment in Appeal No. 74 of 2017 as discussed in para 21 and para 22 above and has claimed Capital Cost of ₹23055.22 lakh as on 31.3.2019 for the instant assets vide Auditor Certificate dated 23.7.2019. The Capital Cost of the Combined Asset has been worked out as ₹22920.94 lakh as on 31.3.2019 and the same has been considered as opening Capital Cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.

Additional Capital Expenditure

50. Regulation 24 and Regulation 25 of the 2019 Tariff Regulations provides as under:

“24. Additional Capitalisation within the original scope and upto the cut-off date

(1) The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

- (a) Undischarged liabilities recognized to be payable at a future date;*
- (b) Works deferred for execution;*
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;*
- (e) Change in law or compliance of any existing law; and*
- (f) Force Majeure events:*

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

(2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.



25. Additional Capitalisation within the original scope and after the cut-off date:

(1) The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:

- (a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;
- (b) Change in law or compliance of any existing law;
- (c) Deferred works relating to ash pond or ash handling system in the original scope of work;
- (d) Liability for works executed prior to the cut-off date;
- (e) Force Majeure events;
- (f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and
- (g) Raising of ash dyke as a part of ash disposal system.

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

- (a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;
- (b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;
- (c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
- (d) The replacement of such asset or equipment has otherwise been allowed by the Commission.”

51. The Petitioner vide affidavit dated 10.1.2020 has claimed ACE of ₹4441.19 lakh during the 2019-24 tariff period for the instant assets under Regulation 25(1)(d) of the 2019 Tariff Regulations. The Petitioner has claimed capital cost as on 31.3.2024 as under:

(₹ in lakh)

Assets	Apportioned approved Capital Cost as per FR	Expenditure as on 31.3.2019	Projected Additional Capitalisation 2019-24 (as per Auditor Certificate)			Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	
Asset-1	19261.66	16950.31	3129.11	152.2	43.49	20275.11
Asset-2	2994.03	2631.05	194.23	0.00	0.00	2825.28
Asset-3	2351.16	1678.79	506.87	0.00	0.00	2185.66
Asset-4	1831.97	1442.93	274.76	22.94	0.00	1740.63
Asset-5	1253.98	352.14	117.59	0.00	0.00	469.73



Assets	Apportioned approved Capital Cost as per FR	Expenditure as on 31.3.2019	Projected Additional Capitalisation 2019-24 (as per Auditor Certificate)			Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	
Total	27692.80	23055.22	4222.56	175.14	43.49	27496.41

52. The Petitioner has claimed ACE on account of undischarged liabilities towards final/withheld payment due to contractual exigencies for executed works within the cut-off date under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations for the 2019-24 period. Further, the Petitioner has also submitted that no “previously recognised liabilities” remain to be discharged as on date.

Capital Cost of Asset-1

The estimated capital cost of Asset-1 is more than the FR approved apportioned cost but within the RCE approved apportioned cost. The Petitioner has submitted that the cost over-run in respect of Asset-1, when compared to FR cost, was mainly due to the price variation (PV) in various packages awarded by the Petitioner. The Petitioner was directed vide TV letter dated 18.2.2020 and RoP dated 26.2.2020 to submit the detailed reasons and impact of the price variation. The Petitioner vide affidavit dated 17.3.2020 has submitted that the variation was mainly because of two factors: (i) market forces prevailing at the time of bidding process of various packages awarded for execution of project resulting in variation between awarded rates and the FR cost and (ii) price variation of ₹286.64 lakh including GST, paid in various tranches for various items on the basis of PV formulae as per the provisions of respective contracts within original project schedule during execution of project. The Petitioner has submitted the details of contracts having PV clause in case of Asset-1. The break-up of above-mentioned Price Variation of ₹286.64 lakh is as under: -

Srl. No.	LOA No. and details	Supply PV (in ₹)	Service PV (in ₹)	Remarks
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Srl. No.	LOA No. and details	Supply PV (in ₹)	Service PV (in ₹)	Remarks
1.	Sterling and Wilson Pvt. Ltd., Kolkata LOA No.- CC-CS/ 704-NER/ SST-3262/ 3/ G6/ CA-I/ 6862 & CA-II/ 6863, dated 19.6.2016	3049116	-	The entire PV amount billed was against price escalations up to the scheduled COD
2.	ABB India Ltd., Bangalore LOA No.- CC-CS/ 704-NER/ GIS-3261/ 3/ G3/ CA-I/ 5827 & CA-II/ 5828, dated 10.6.2016	25615300	-	

Further, the Petitioner has submitted that entire PV amount billed was against price escalations applicable for the period up to the scheduled COD only and no PV was paid for the non-condoned period. The Petitioner also submitted Revised Cost Estimate (RCE) for the subject project which was approved by the Board of Directors of Petitioner company vide letter Ref. No.: C/CP/PA1920-10-0U-RCE005 dated 15.1.2020 with an estimated capital cost of ₹39825.00 lakh including IDC of ₹1529.00 lakh. Therefore, the estimated completion cost for Asset-1 is within the RCE apportioned approved cost of ₹21324.66 lakh. Hence, there is no cost over-run in respect of Asset-1 or in the overall cost.

53. We have considered the submissions of the Petitioner. To understand the impact of PV, we have used the current transformer, from the ABB contract submitted by the Petitioner, as a test-case. According to the contract, the various raw materials used for the manufacture of a current transformer are ferrous metals, copper wires, CRGO, epoxy resin, labour index. The index prices of these raw materials are as under: -

Material	Index price as on 17.2.2016 i.e. 30 days prior to bid opening (according to the contract)	Index price in March 2018
Ferrous Metals (A)	135.9	188.7
Copper Wires (B)	₹332970/MT	₹414190/MT
CRGO (C)	₹209313/MT	₹291635/MT
Epoxy Resin (D)	₹380/Kg	₹423/Kg



Material	Index price as on 17.2.2016 i.e. 30 days prior to bid opening (according to the contract)	Index price in March 2018
Labour Index (L)	267	287

The formula for price adjustment/variation in the contract is as under: -

$$P_1 = P_0 \{0.15 + 0.27 * (A_1/A_0) + 0.13 * (B_1/B_0) + 0.15 * (C_1/C_0) + 0.10 * (D_1/D_0) + 0.20 * (L_1/L_0)\} - P_0$$

P₀: Ex-works price of the respective equipment, in currency of Bid.

P₁: Price adjustment amount expressed in currency of Bid, for each shipment.

54. Based on the information mentioned above, there was 22.19% variation in price of “current transformer”. It is observed that the PV was mainly attributable to inflationary trends prevalent during the execution of the project. Further, it is noted that the estimated completion capital cost for Asset-1 is within the RCE apportioned approved capital cost and there is no capital cost over-run. As the PV, which resulted in the capital cost variation of Asset-1, is mainly attributable to the inflationary trends, the variation in the capital cost of Asset-1 is approved.

55. In view of the above, the ACE claimed by the Petitioner has been allowed. The un-discharged IDC liability as on COD has been allowed as ACE during the year of its discharge. The ACE allowed during the 2019-24 period in respect of the instant asset is as under:

Assets	Additional Capitalisation (as per Auditor Certificate)			Accrual IDC Discharged	Expenditure 2019-24 (Including Accrual IDC)
	2019-20	2020-21	2021-22	2019-20	
Asset-1	3129.11	152.20	43.49		3324.80
Asset-2	194.23			20.59	214.82
Asset-3	506.87			4.51	511.38
Asset-4	274.76	22.94			297.70
Asset-5	117.59				117.59
Total	4222.56	175.14	43.49	25.10	4466.29



56. Accordingly, the capital cost as on 1.4.2019 and as on 31.3.2024 considered for the tariff determination of the 2019-24 tariff period is as under:

(₹ in lakh)

Assets	Capital Cost as on 1.4.2019	ACE (including accrual IDC discharged)			Capital Cost as on 31.3.2024
		2019-20	2020-21	2021-22	
Asset-1	16842.49	3129.11	152.20	43.49	20167.29
Asset-2	2622.40	214.82			2837.22
Asset-3	1674.28	511.38			2185.66
Asset-4	1429.64	274.76	22.94		1727.34
Asset-5	352.14	117.59			469.73
Total	22920.94	4247.66	175.14	43.49	27387.24

Debt-Equity ratio

57. Regulation 18 of the 2019 Tariff Regulations provides as under:

“18. Debt-Equity Ratio: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.

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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:



Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.”

58. The Debt-Equity considered for the purpose of computation of tariff for the 2019-24 tariff period for the Combined Asset is as under:

Particulars	Capital Cost as on 1.4.2019 (₹ in lakh)	%	ACE during 2019-24 (₹ in lakh)	%	Capital Cost as on 31.3.2024 (₹ in lakh)	%
Debt	16044.66	70.00	3126.40	70.00	19171.07	70.00
Equity	6876.28	30.00	1339.89	30.00	8216.17	30.00
Total	22920.94	100.00	4466.29	100.00	27387.24	100.00

Return on Equity (RoE)

59. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations specify as under:

“30. Return on Equity: (1) *Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.*

(2) *Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage:*



Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system;

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;

b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

“31. Tax on Return on Equity:*(1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.*

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating



company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.2155) = 19.758\%$$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

60. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. Accordingly, the MAT rate applicable in 2019-20 has been considered for the purpose of RoE, which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE allowed for the Combined Asset is as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	6876.28	8150.58	8203.12	8216.17	8216.17
Additions	1274.30	52.54	13.05	0.00	0.00
Closing Equity	8150.58	8203.12	8216.17	8216.17	8216.17
Average Equity	7513.43	8176.85	8209.65	8216.17	8216.17
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity	1411.14	1535.74	1541.90	1543.12	1543.12



Interest on Loan (IoL)

61. Regulation 32 of the 2019 Tariff Regulations provides as under:

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

(2) *The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.*

(3) *The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.*

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

(5) *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:*

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

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

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

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

62. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the



time of true up. Therefore, the IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. The IoL allowed for the Combined Asset is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	16044.66	19018.02	19140.62	19171.07	19171.07
Cumulative Repayments upto Previous Year	295.53	1689.49	3197.92	4710.23	6223.26
Net Loan-Opening	15749.13	17328.53	15942.70	14460.84	12947.81
Additions	2973.36	122.60	30.44	0.00	0.00
Repayment during the year	1393.96	1508.43	1512.30	1513.03	1513.03
Net Loan-Closing	17328.53	15942.70	14460.84	12947.81	11434.78
Average Loan	16538.83	16635.61	15201.77	13704.32	12191.29
Weighted Average Rate of Interest on Loan (%)	8.0992	8.0994	8.1066	8.1116	8.1029
Interest on Loan	1339.51	1347.38	1232.34	1111.64	987.85

Depreciation

63. Regulation 33(1), (2) and (5) of the 2019 Tariff Regulations provide as under:

"33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis"

"(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-I** to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets."



64. The IT equipment has been considered as a part of the Gross Block and depreciated using WAROD. The WAROD (Annexure-II) has been worked out after taking into account the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The salvage value of IT equipment has been considered nil, i.e. IT asset has been considered as 100 per cent depreciable. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The depreciation allowed for the Combined asset is as under: -

	(₹ in lakh)				
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	22920.94	27168.61	27343.75	27387.24	27387.24
Addition during the year 2019-24 due to projected Additional Capitalisation	4247.66	175.14	43.49	0.00	0.00
Closing Gross Block	27168.61	27343.75	27387.24	27387.24	27387.24
Average Gross Block	25044.77	27256.18	27365.49	27387.24	27387.24
Weighted average rate of Depreciation (WAROD) (%)	5.57	5.53	5.53	5.52	5.52
Balance useful life at the beginning of the year	24.00	23.00	22.00	21.00	20.00
Elapsed Life of the asset	0.00	1.00	2.00	3.00	4.00
Aggregated Depreciable Value	22624.40	24616.45	24714.83	24734.40	24734.40
Combined Depreciation during the year	1393.96	1508.43	1512.30	1513.03	1513.03
Aggregate Cumulative Depreciation	1689.49	3197.92	4710.23	6223.26	7736.29
Remaining Aggregated Depreciable Value	20934.91	21418.52	20004.60	18511.14	16998.11

Operation & Maintenance Expenses (O&M Expenses)

65. The O&M expenses claimed by the Petitioner for the instant assets for the 2019-24 period are as under:

	(₹ in lakh)				
Name of the Asset	2019-20	2020-21	2021-22	2022-23	2023-24



7 No of 400 kV bays	225.05	232.96	241.15	249.62	258.37
2 no of 132 kV and below bays	32.16	33.28	34.46	35.66	36.92
3 No of 400 kV GIS bays	67.52	69.89	72.35	74.88	77.51
400 kV ICT	225.64	233.74	241.92	250.74	258.94
PLCC	3.87	3.87	3.87	3.87	3.87
Total O&M expenses	554.14	573.74	593.75	614.77	635.61

66. The norms specified under Regulation 35(3)(a) of the 2019 Tariff Regulations provides that:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh	1,666	1,725	1,785	1,848	1,913



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<i>500 kV Rihand-Dadri HVDC bipole scheme</i>	2,252	2,331	2,413	2,498	2,586
<i>±500 kV Talcher- Kolar HVDC bipole scheme</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole</i>	2,563	2,653	2,746	2,842	2,942

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

Provided further that:

i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;

ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;

iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);

iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;

v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and

vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three year

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(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.

(4) Communication system: The operation and maintenance expenses for the communication system 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.”

67. We have considered the submissions of the petitioner. The O&M expenses has been worked out as per the norms specified in the 2019 Tariff Regulations and the same is as follows:

	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses					
Sub-station Bays					
7 No. of 400 kV bays					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Total	225.05	232.96	241.15	249.62	258.37
2 No. of 132 kV and below bays					
Norms (₹ lakh/Bay)	16.08	16.64	17.23	17.83	18.46
Total	32.16	33.28	34.46	35.66	36.92
3 No. of 400 kV GIS bays					
Norms (₹ lakh/Bay)	22.51	23.30	24.12	24.96	25.84
Total	67.52	69.89	72.35	74.89	77.51
Transformer					
400 kV Transformers (MVA)					
Norms (₹ lakh/MVA)	0.358	0.371	0.384	0.398	0.411
Total	225.54	233.73	241.92	250.74	258.93
PLCC @ 2% on original Capital Cost	3.85	3.85	3.85	3.85	3.85
Total O&M expense allowed (₹ in lakh)	554.12	573.71	593.73	614.76	635.58

Interest on Working Capital (IWC)

68. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations specifies as under:

“34. Interest on Working Capital

(1)...



(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

- i. Receivables equivalent to 45 days of 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 normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 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 bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

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

“3.Definitions ...

(7) ‘**Bank Rate**’ means the one-year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

69. The Petitioner has submitted that it has computed IWC for the 2019-24 tariff period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%.

70. The IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points). The components of the working capital and interest allowed thereon are as under:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	46.18	47.81	49.48	51.23	52.97
Maintenance Spares	83.12	86.06	89.06	92.21	95.34
Receivables	588.34	623.40	612.84	600.68	586.24
Total Working Capital	717.64	757.27	751.38	744.13	734.54
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	86.48	91.25	90.54	89.67	88.51



Annual Fixed Charges of the 2019-24 Tariff Period

71. The transmission charges allowed for the Combined Assets for the 2019-24 tariff period is as under: -

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1393.96	1508.43	1512.30	1513.03	1513.03
Interest on Loan	1339.51	1347.38	1232.34	1111.64	987.85
Return on Equity	1411.14	1535.74	1541.90	1543.12	1543.12
Interest on Working Capital	86.48	91.25	90.54	89.67	88.51
O & M Expenses	554.12	573.71	593.73	614.76	635.58
Total	4785.19	5056.50	4970.81	4872.21	4768.10

Filing Fee and the Publication Expenses

72. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

73. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Security Expenses

74. The Petitioner has submitted that security expenses for the instant assets are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC. The Petitioner has requested to consider the actual security expenses incurred during 2018-19 for claiming estimated security expenses for 2019-20 which shall be subject to true up at the end of the year



based on the actuals. The Petitioner has submitted that similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 shall be filed on a yearly basis on the basis of the actual expenses of previous year subject to true up at the end of the year on actual expenses. The Petitioner has submitted that the difference, if any, between the estimated security expenses and actual security expenses as per the audited accounts may be allowed to be recovered from the beneficiaries on a yearly basis.

75. We have considered the submissions of the Petitioner. We are of the view that the Petitioner should claim security expenses for all the transmission assets in one petition. The Commission observes that the Petitioner has already filed the Petition No.260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19. Therefore, security expenses will be dealt with in Petition No. 260/MP/2020 in accordance with the applicable provisions of the 2019 Tariff Regulations.

Goods and Services Tax

76. The Petitioner has submitted that, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further, additional taxes, if any, are to be paid by the Petitioner on account of demand from Government/Statutory authorities, the same may be allowed to be recovered from the beneficiaries

77. We have considered the submissions of the Petitioner. Since, GST is not levied on transmission service at present, we are of the view that the Petitioner's prayer is premature.



Capital Spares

78. The Petitioner has sought reimbursement of capital spares at the end of tariff block. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

79. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time as provided in Regulation 43 of 2014 Tariff Regulations for the 2014-19 tariff period and Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.

80. To summarise, the trued-up Annual Fixed Charges allowed for the instant assets for the 2014-19 tariff period are as under:

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	Asset-5	
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2017-18 (Pro-rata)	2018-19
Total	570.42	139.76	204.13	191.51	6.26	50.85

The Annual Fixed Charges allowed for the Combined Asset for the 2019-24 tariff period in this order are as under:

Total	4785.19	5056.50	4970.81	4872.21	4768.10
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81. This order disposes of Petition No. 130/TT/2020

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



ANNEXURE-1**Asset-1**

Petition No.:		130/TT/2020			
Period		2014-19 True-up			
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2018-19			2018-19
Building Civil Works & Colony	464.65	24.54	489.19	3.34%	15.93
Sub Station	14376.61	1143.99	15520.60	5.28%	789.29
PLCC	169.64	10.52	180.16	6.33%	11.07
IT Equipment (Incl. Software)	626.15	26.39	652.54	5.28%	33.76
Total	15637.05	1205.44	16842.49	Total	850.04
			Average Gross Block (₹ in lakh)		16239.77
			Weighted Average Rate of Depreciation		5.23%

Asset-2

Petition No.:		130/TT/2020			
Period		2014-19 True-up			
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2018-19			2018-19
Sub Station	2459.09	42.57	2501.65	5.28%	130.96
IT Equipment (Incl. Software)	115.77	4.97	120.74	5.28%	6.24
Total	2574.86	47.54	2622.40	Total	137.21
			Average Gross Block (₹ in lakh)		2598.63
			Weighted Average Rate of Depreciation		5.28%



Asset-3

Petition No.:	130/TT/2020				
Period	2014-19 True-up				
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2018-19			2018-19
Sub Station	1169.23	505.05	1674.28	5.28%	75.07
Total	1169.23	505.05	1674.28	Total	75.07
			Average Gross Block (₹ in lakh)		1421.76
			Weighted Average Rate of Depreciation		5.28%

Asset-4

Petition No.:	130/TT/2020				
Period	2014-19 True-up				
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2018-19			2018-19
Sub Station	980.82	398.91	1379.73	5.28%	62.32
IT Equipment (Incl. Software)	46.35	3.56	49.91	5.28%	2.54
Total	1027.17	402.47	1429.64	Total	64.86
			Average Gross Block (₹ in lakh)		1228.40
			Weighted Average Rate of Depreciation		5.28%



Asset-5

Petition No.:		130/TT/2020		ANNEXURE-I			
Period		2014-19 True-up					
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)		Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)	
Capital Expenditure		2017-18	2018-19			2017-18	2018-19
Transmission Line	264.67	0.00	54.47	319.14	5.28%	13.97	15.41
Sub Station	0.00	0.00	33.00	33.00	5.28%	-	0.87
Total	264.67	0.00	87.47	352.14	Total	13.97	16.28
				Average Gross Block (₹ in lakh)		264.67	308.41
				Weighted Average Rate of Depreciation		5.28%	5.28%



Petition No.: 130/TT/2020		ANNEXURE-2													
Period		2019-24 Tariff		Projected Additional Capitalization (₹ in lakh)					Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)				
2019-24	Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	2019-20	2020-21	2021-22	2022-23	2023-24				2019-20	2020-21	2021-22	2022-23	2023-24	
Capital Expenditure															
Building Civil Works & Colony	489.19	269.75	152.20	43.49	0.00	0.00	954.63	3.34%		20.84	27.89	31.16	31.88	31.88	
Transmission Line	319.14	97.80	0.00	0.00	0.00	0.00	416.94	5.28%		19.43	22.01	22.01	22.01	22.01	
Sub Station	21109.26	3832.08	22.94	0.00	0.00	0.00	24964.27	5.28%		1,215.74	1,317.51	1,318.11	1,318.11	1,318.11	
PLCC	180.16	12.36	0.00	0.00	0.00	0.00	192.52	6.33%		11.80	12.19	12.19	12.19	12.19	
IT Equipment (Incl. Software)	823.20	35.68	0.00	0.00	0.00	0.00	858.87	15.00%		126.16	128.83	128.83	128.83	128.83	
Total	22920.94	4247.66	175.14	43.49	0.00	0.00	27387.24	Total		1,393.96	1,508.43	1,512.30	1,513.03	1,513.03	
							Average Gross Block			25044.77	27256.18	27365.49	27387.24	27387.24	
							Weighted Average Rate of Depreciation			5.57%	5.53%	5.53%	5.52%	5.52%	

