

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 116/TT/2020**

**Coram:**

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

**Date of Order: 27.09.2021**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and revision of transmission tariff of the 2004-09 and 2009-14 tariff periods and truing up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of the **Combined Asset** comprising of **Asset-a:** 400 kV D/C Kanpur-Auraiya transmission line along with bays at Auraiya, **Asset-b:** Two Numbers 400 kV bays at Kanpur Sub-station associated with 400 kV Kanpur-Auraiya transmission line, **Asset-c:** LILO of 400 kV D/C Bareilly-Mandola transmission line at Bareilly and Bus Reactor at Bareilly, **Asset-d:** LILO of 400 kV S/C Lucknow-Moradabad transmission line at Bareilly, **Asset-e:** LILO of 400 kV Lucknow (UPPCL)-Sultanpur (UPPCL) at Lucknow, **Asset-f:** 80 MVAR, 420 kV Bus Reactor at Lucknow Sub-station and **Asset-g:** 400 kV Bareilly-Moradabad transmission line along with associated bays under Northern Region System Strengthening Scheme-I in Northern Region.

**And in the matter of:**

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

**.....Petitioner**

**Versus**

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,  
Vidyut Bhawan, Vidyut Marg,  
Jaipur-302005 (Rajasthan).
2. Ajmer Vidyut Vitran Nigam Limited,  
132 kV, GSS RVPNL Sub-Station Building,  
Caligiri Road, Malviya Nagar,  
Jaipur-302017 (Rajasthan).



3. Jaipur Vidyut Vitran Nigam Limited,  
132 kV, GSS RVPNL Sub-station Building,  
Caligiri Road, Malviya Nagar,  
Jaipur-302017 (Rajasthan).
4. Jodhpur Vidyut Vitran Nigam Limited,  
132 kV, GSS RVPNL Sub-station Building,  
Caligiri Road, Malviya Nagar,  
Jaipur-302017 (Rajasthan).
5. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan, Kumar House Complex Building II,  
Shimla-171004.
6. Punjab State Electricity Board,  
The Mall,  
Patiala-147001.
7. Haryana Power Purchase Centre,  
Shakti Bhawan, Sector-6,  
Panchkula-134109 (Haryana).
8. Power Development Department,  
Govt. of Jammu & Kashmir,  
Mini Secretariat,  
Jammu.
9. Uttar Pradesh Power Corporation Limited,  
(Formerly Uttar Pradesh State Electricity Board),  
Shakti Bhawan, 14, Ashok Marg,  
Lucknow-226001.
10. Delhi Transco Limited,  
Shakti Sadan, Kotla Road,  
New Delhi-110002.
11. BSES Yamuna Power Limited,  
BSES Bhawan, Nehru Place,  
New Delhi.
12. BSES Rajdhani Power Limited,  
BSES Bhawan, Nehru Place,  
New Delhi.
13. Tata Power Delhi Distribution Limited,



33 kV Sub-station Building,  
Hudson Lane, Kingsway Camp,  
North Delhi-110009.

14. Chandigarh Administration,  
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Limited,  
Urja Bhawan, Kanwali Road,  
Dehradun.
16. North Central Railway,  
Allahabad.
17. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg,  
New Delhi-110002.

.....Respondent(s)

**For Petitioner** : Shri S. S Raju, PGCIL  
Shri D. K. Biswal, PGCIL  
Shri A. K. Verma, PGCIL  
Shri V. P. Rastogi, PGCIL

**For Respondents** : None

### **ORDER**

The Petitioner, Power Grid Corporation of India Limited has filed the instant petition for revision of transmission tariff of the 2004-09 and 2009-14 tariff periods; truing up of transmission tariff of the period from 1.4.2014 to 31.3.2019 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”); and for determination of transmission tariff for the period from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of the following transmission assets forming part of the Combined Asset under the



Northern Region System Strengthening Scheme-I in Northern Region (hereinafter referred to as “the transmission scheme”):

**Asset-a:** 400 kV D/C Kanpur-Auraiya transmission line along with bays at Auraiya;

**Asset-b:** Two Numbers 400 kV bays at Kanpur Sub-station associated with 400 kV Kanpur-Auraiya transmission line;

**Asset-c:** LILO of 400 kV D/C Bareilly-Mandola transmission line at Bareilly and Bus Reactor at Bareilly;

**Asset-d:** LILO of 400 kV S/C Lucknow-Moradabad transmission line at Bareilly;

**Asset-e:** LILO of 400 kV Lucknow (UPPCL)-Sultanpur (UPPCL) at Lucknow;

**Asset-f:** 80 MVAR, 420 kV Bus Reactor at Lucknow Sub-station; and

**Asset-g:** 400 kV Bareilly–Moradabad transmission line along with associated bays.

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

*“1) Approve the revised Transmission Tariff for 2004-09 block and transmission tariff for 2009-14 block for the assets covered under this petition, as per para 8 above.*

*2) Approve the tried up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 9 and 10 above.*

*3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff regulations 2014 and tariff regulation’ 19 as per para 9.0 and 10 above for respective block.*

*Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long term customers / DIC as the case may be, as and when the same is materialized as per regulation 49 of 2014 and regulation 67 of 2019 tariff regulation. The petitioner may be allow to recover the deferred tax liability materialised directly without making any application before the commission as provided in the regulation.*

*4) 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.*

- 5) *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.*
- 6) *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.*
- 7) *Allow the petitioner to recover FERV on the foreign loans deployed as provided under clause 68 of the Tariff Regulations,2019.*
- 8) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 10.5 above.*
- 9) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 10) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is withdrawn from negative list at any time in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

### 3. **Backdrop of the case**

- a) The Investment Approval for the transmission scheme was accorded by the Board of Directors (BOD) of the Petitioner company vide Memorandum dated 25.2.2004 at an estimated cost of ₹27180.00 lakh, including IDC of ₹1421.00 lakh. The approval of Revised Cost Estimate (RCE) for the transmission scheme was accorded by BOD of the Petitioner company vide Memorandum dated 21.10.2008 at an estimated cost of ₹35084.00 lakh, including IDC of ₹1584.00 lakh (based on 4<sup>th</sup> Quarter, 2007 price level).
- b) The dates of commercial operation (COD) of Asset-a, Asset-b, Asset-c, Asset-d, Asset-e, Asset-f and Asset-g were 1.10.2006, 1.6.2007, 1.8.2007, 1.9.2007, 1.1.2008, 1.5.2008 and 1.6.2008 respectively.
- c) Provisional transmission tariff of (Asset-a), (Asset-b & Asset-c), (Asset-d) and (Asset-e) for the period from their respective COD to 31.3.2009 was allowed



by the Commission vide order dated 21.5.2007, 26.12.2007, 20.2.2008 and 26.5.2008 in Petition No. 35/2007, Petition No.150/2007, Petition No.165/2007 and Petition No.51/2008 respectively.

d) The transmission tariff of Asset-a for the period from 1.10.2006 to 31.3.2009 after accounting for the Additional Capital Expenditure (ACE) for the period from 1.10.2006 to 31.3.2007 was allowed vide order dated 30.4.2008 in Petition No. 134/2007 which was subsequently revised due to approval of RCE and ACE incurred during 2006-07 and 2007-08 vide order dated 13.5.2009 in Petition No. 26/2009.

e) The final transmission tariff of Asset-b, Asset-c, Asset-d and Asset-e for the period from their respective COD to 31.3.2009 after accounting for ACE during 2007-08 was allowed vide order dated 22.4.2009 in Petition No. 136/2008.

f) The transmission tariff of Asset-a, Asset-b, Asset-c, Asset-d and Asset-e for the 2004-09 tariff period was revised on account of ACE incurred during 2008-09 vide order dated 19.8.2010 in Petition No. 327/2009.

g) The provisional transmission tariff of Asset-f and Asset-g for the period from their respective COD to 31.3.2009 was allowed vide order dated 27.11.2008 in Petition No. 106/2008 which was subsequently finalized after accounting for ACE incurred during 2008-09 vide order dated 22.2.2010 in Petition No. 161/2009.

h) The transmission assets were combined with 1.6.2008 as the notional COD for the Combined Asset and the transmission tariff for the Combined Asset for the period from 1.4.2009 to 31.3.2014 was approved vide order dated 23.5.2011 in Petition No. 322/2010.

i) Tariff for the 2009-14 period was trued-up with determination of tariff for the 2014-19 tariff period vide order dated 29.1.2016 in Petition No. 361/TT/2014.



j) The entire scope of work covered under the transmission scheme is complete and is covered in the instant petition.

k) The Petitioner has sought revision of transmission tariff approved for the 2004-09 tariff period on account of change in Interest on Loan (IoL) and Interest on Working Capital (IWC) to the extent of revision in IoL and in Maintenance Spares in terms of the judgments of the Appellate Tribunal for Electricity (APTEL) dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and 13.6.2007 in Appeal No. 139/2006 and batch matters; consequential revision of transmission tariff allowed for the 2009-14 tariff period; truing up of tariff of the 2014-19 tariff period; and determination of transmission tariff of the 2019-24 tariff period for the Combined Asset.

l) The APTEL in judgment dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters pertaining to generating stations of NTPC had considered 4 (four) issues. The issues considered by the APTEL and its decisions/ directions are as follows:

Sl. No.	Issue	APTEL's decision/direction
1	Whether APTEL can enquire into the validity of Regulations framed by the Commission	Challenge to the validity of Regulations framed by the Commission falls outside the purview of the APTEL
2	Computation of IoL	In view of the order of the APTEL dated 14.11.2016 in Appeal Nos. 94 and 96 of 2005 and order dated 24.1.2007 passed in Appeal Nos. 81 to 87, 89 to 93 of 2005, computation of loan has to be based on loan repayment on normative basis. The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis
3(a)	O&M Expenses: Inadequate provision of employee costs as part of O&M Expenses due to variation in salary and wages	Commission's view upheld
3(b)	O&M Expenses: Non-inclusion of incentives and ex-gratia payment to employees	Commission's view upheld
4	Cost of spares for calculation of working capital	Commission's view upheld

m) APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters pertaining to generating stations of NTPC had considered 9 (nine)



issues. The issues considered and the decisions/ directions of the APTEL are as follows:

Sl. No	Issue	APTEL's decision/direction
I	Computation of outstanding loan at the beginning of the tariff period i.e. 1.4.2004	The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis
II	Consequence of refinance of loan	The Commission to consider the issue afresh
III	Treating depreciation available as deemed repayment of loan	The Commission to make a fresh computation of outstanding loan
IV	Admissibility of depreciation up to 90%	The Commission to consider the issue afresh
V	Cost of Maintenance Spares	The Commission to consider the issue afresh
VI	Impact of de-capitalisation of the assets on cumulative repayment of loan	The cumulative repayment of the loan proportionate to the assets de-capitalized required to be reduced. The Commission to act accordingly.
VII	Non-consideration of normative transit loss for coal import	The Commission to consider afresh the transit losses for coal imported from coal mines other than the dedicated ones
VII I	Foreign Exchange Rate Variation (FERV)	FERV has been kept as pass through to ensure that any liability or gain, if any, arising on account of any variation in foreign exchange rates is passed on to the beneficiary as held in order dated 4.10.2006 in Appeals Nos. 135 to 140 of 2005. The Commission to act accordingly.
IX	Computation of IoL in Singrauli Station	Net loan closing at the end of a year is reflected as net loan opening on the first day of the next year. The Commission shall re-compute the interest accordingly

n) The Commission and certain interested parties preferred Civil Appeals against the APTEL's judgments before the Hon'ble Supreme Court in 2007. The Appeals were admitted and initially stay was granted by the Hon'ble Supreme Court. Subsequently, on an assurance by NTPC that the issues under Appeal would not be pressed for implementation during the pendency of the Appeals, the stay was vacated by the Hon'ble Supreme Court.

o) Based on APTEL's judgments dated 22.1.2007 and 13.6.2007, the Petitioner had sought re-determination of tariff of its transmission assets for the





2001-04 and 2004-09 tariff periods in Petition No. 121/2007. The Commission after taking into consideration the pendency of Appeals before the Hon'ble Supreme Court adjourned the said petition *sine die* and directed that the same be revived after the disposal of the Civil Appeals by the Hon'ble Supreme Court.

p) The Hon'ble Supreme Court vide judgment dated 10.4.2018 dismissed the said Civil Appeals filed against the APTEL's said judgments. Thus, the said judgments of the APTEL have attained finality.

q) Consequent to the Hon'ble Supreme Court's order dated 10.4.2018 in NTPC matter, Petition No. 121/2007 was listed for hearing on 8.1.2019. The Commission vide order dated 18.1.2019 in Petition No. 121/2007 directed the Petitioner to submit its claim separately for the assets at the time of filing of truing up petition for the 2014-19 tariff period.

r) The instant petition was heard on 3.8.2021 and in view of the APTEL's judgments dated 22.1.2007 and 13.6.2007 and the order of Hon'ble Supreme Court dated 10.4.2018, tariff is being revised. Period wise transmission tariff is being re-worked based on the Tariff Regulations applicable for the respective tariff periods and suitable assumptions have been made at certain places and applied, which are indicated.

4. The Respondents are distribution licensees, power departments and transmission licensees which are procuring transmission services from the Petitioner, mainly beneficiaries of Northern Region.

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. Uttar Pradesh Power Corporation Ltd. (UPPCL), Respondent No. 9, has filed its reply vide affidavit dated 1.6.2020 and has raised the issues of IoL, depreciation, Return on



Equity (RoE) and O&M Expenses. The Petitioner has submitted its rejoinder vide affidavit dated 2.8.2021. The issues raised by UPPCL and the clarifications given by the Petitioner are considered in the relevant portions of this order.

**Re: Interest on Loan**

6. The APTEL while dealing with the issue of computation of IoL, in judgement dated 22.1.2007 observed that IoL for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgment dated 14.11.2006 in Appeal Nos. 94 and 96 of 2005. The APTEL vide judgement dated 14.11.2006 had set aside the Commission's methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher and held that the Commission is required to adopt normative debt repayment methodology for working out the IoL liability for the period from 1.4.1998 to 31.3.2001. In view of the above, the interest allowed for the 2004-09 tariff period is revised on the basis of the normative debt repayment methodology.

**Re: Additional Capital Expenditure**

7. The APTEL vide judgment dated 13.6.2007 in Appeal No. 139 of 2006 and others held that ACE after COD should also be considered for computation of maintenance spares. In view of the above, the maintenance spares to be considered for computation of working capital for the 2004-09 tariff period are also required to be revised taking into consideration ACE after COD.

**Re: Depreciation**

8. As regards depreciation, the APTEL in judgment dated 13.6.2007 in Appeal No. 139 of 2006 observed that depreciation is an expense and it cannot be deployed for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. In view of the above directions of the APTEL, the outstanding



loan allowed for the transmission assets for the 2004-09 tariff period is revised in the instant order.

9. The revision of transmission tariff allowed for the 2004-09 tariff period necessitates the revision of transmission tariff allowed for the 2009-14 tariff period, which is also being done in the present order. The implementation of the directions of the APTEL vide judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters was kept pending in case of the Petitioner was kept awaiting the outcome of the Civil Appeals filed before the Hon'ble Supreme Court. Taking into consideration the facts of the case and keeping in view the interest of the consumers, we are of the view that the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed in the instant order for the 2004-09 and 2009-14 tariff periods. Therefore, we direct that the Petitioner will neither claim nor pay any carrying cost from or to the beneficiaries for the difference, if any, in the tariff allowed earlier and the tariff being allowed in the instant order. Further, the said difference in tariff shall be recovered/ paid over a period of six months from the date of issue of this order.

10. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 17.10.2019, UPPCL's reply filed vide affidavit dated 1.6.2020, the Petitioner's affidavit dated 6.7.2021 filed in response to technical validation letter and Petitioner's rejoinder to UPPCL's reply filed vide affidavit dated 2.8.2021.



11. The hearing in this matter was held on 3.8.2021 through video conference and the order was reserved. Having heard the representatives of the Petitioner and after perusal of the materials on record, we proceed to dispose of the petition.

**REVISION OF TRANSMISSION CHARGES ALLOWED FOR THE 2004-09 AND 2009-14 TARIFF PERIODS**

**2004-09 Period**

12. The final transmission tariff of (Asset-a, Asset-b, Asset-c, Asset-d and Asset-e) and (Asset-f and Asset-g) for the 2004-09 tariff period that was allowed by the Commission vide orders dated 19.8.2010 and 22.2.2010 in Petition No. 327/2009 and Petition No.161/2009 respectively is as follows:

**Asset-a**

Particulars	(₹ in lakh)		
	2006-07 (Pro-rata 6 months)	2007-08	2008-09
Depreciation	101.35	219.79	229.43
Interest on Loan	224.98	469.33	470.54
Return on Equity	153.71	329.62	342.87
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	13.29	27.92	28.90
O&M Expenses	48.36	100.45	104.60
<b>Total</b>	<b>541.69</b>	<b>1147.11</b>	<b>1176.34</b>

**Asset-b**

Particulars	(₹ in lakh)	
	2007-08 (Pro-rata 10 months)	2008-09
Depreciation	22.41	27.77
Interest on Loan	35.45	42.20
Return on Equity	24.50	30.43
Advance against Depreciation	0.00	0.00
Interest on Working Capital	4.09	5.07
O&M Expenses	52.72	65.80
<b>Total</b>	<b>139.17</b>	<b>171.26</b>



**Asset-c**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	124.55	196.62
Interest on Loan	238.15	369.59
Return on Equity	163.28	260.32
Advance against Depreciation	0.00	0.00
Interest on Working Capital	20.61	32.28
O&M Expenses	153.86	240.09
<b>Total</b>	<b>700.45</b>	<b>1098.90</b>

**Asset-d**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 7 months)	2008-09
Depreciation	61.67	109.58
Interest on Loan	123.92	226.16
Return on Equity	90.10	159.81
Advance against Depreciation	0.00	0.00
Interest on Working Capital	9.76	17.47
O&M Expenses	43.37	77.36
<b>Total</b>	<b>328.81</b>	<b>590.37</b>

**Asset-e**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 3 months)	2008-09
Depreciation	37.02	150.04
Interest on Loan	81.78	334.09
Return on Equity	57.11	231.29
Advance against Depreciation	0.00	0.00
Interest on Working Capital	6.02	24.55
O&M Expenses	21.06	87.70
<b>Total</b>	<b>202.99</b>	<b>827.67</b>

**Asset-f**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 11 months)
Depreciation	20.25
Interest on Loan	34.62
Return on Equity	23.59
Advance against Depreciation	0.00
Interest on Working Capital	3.27
O&M Expenses	30.16
<b>Total</b>	<b>111.88</b>



**Asset-g**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 10 months)
Depreciation	162.56
Interest on Loan	363.71
Return on Equity	246.32
Advance against Depreciation	0.00
Interest on Working Capital	25.68
O&M Expenses	75.17
<b>Total</b>	<b>873.44</b>

13. The Petitioner has claimed the revised transmission charges in respect of the transmission assets for the 2004-09 tariff period in this petition as follows:

**Asset-a**

(₹ in lakh)

Particulars	2006-07 (Pro-rata 6 months)	2007-08	2008-09
Depreciation	101.35	219.79	229.43
Interest on Loan	227.24	488.12	509.32
Return on Equity	153.71	329.62	342.87
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	13.48	29.36	31.10
O&M Expenses	48.36	100.45	104.60
<b>Total</b>	<b>544.15</b>	<b>1167.35</b>	<b>1217.32</b>

**Asset-b**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 10 months)	2008-09
Depreciation	22.41	27.77
Interest on Loan	36.27	45.45
Return on Equity	24.50	30.43
Advance against Depreciation	0.00	0.00
Interest on Working Capital	4.11	5.18
O&M Expenses	52.72	65.80
<b>Total</b>	<b>140.01</b>	<b>174.62</b>



**Asset-c**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	124.55	196.62
Interest on Loan	241.93	389.61
Return on Equity	163.28	260.32
Advance against Depreciation	0.00	0.00
Interest on Working Capital	20.71	33.34
O&M Expenses	153.86	240.09
<b>Total</b>	<b>704.33</b>	<b>1119.98</b>

**Asset-d**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 7 months)	2008-09
Depreciation	61.67	109.58
Interest on Loan	125.39	236.52
Return on Equity	90.10	159.81
Advance against Depreciation	0.00	0.00
Interest on Working Capital	9.82	18.00
O&M Expenses	43.37	77.36
<b>Total</b>	<b>330.34</b>	<b>601.27</b>

**Asset-e**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 3 months)	2008-09
Depreciation	37.02	150.04
Interest on Loan	82.14	344.24
Return on Equity	57.11	231.29
Advance against Depreciation	0.00	0.00
Interest on Working Capital	6.03	25.16
O&M Expenses	21.06	87.70
<b>Total</b>	<b>203.36</b>	<b>838.43</b>

**Asset-f**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 11 months)
Depreciation	20.25
Interest on Loan	35.46
Return on Equity	23.59
Advance against Depreciation	0.00
Interest on Working Capital	3.30
O&M Expenses	30.16
<b>Total</b>	<b>112.76</b>



**Asset-g****(₹ in lakh)**

<b>Particulars</b>	<b>2008-09 (Pro-rata 10 months)</b>
Depreciation	162.56
Interest on Loan	369.82
Return on Equity	246.32
Advance against Depreciation	0.00
Interest on Working Capital	25.91
O&M Expenses	75.17
<b>Total</b>	<b>879.79</b>

14. UPPCL has submitted that the details of IoL claimed by the Petitioner are not legible and details of Rate of Interest (RoI) considered by the Petitioner is not given. UPPCL has further requested for the values of claimed IoL along with details of RoI on loan. In response, the Petitioner has submitted that RoI as approved by the Commission in orders dated 19.8.2010 and 22.2.2010 in Petition No. 327/2009 and Petition No.161/2009 respectively have been considered for revised tariff computation. The Petitioner has further submitted that tariff forms in Microsoft excel sheet have been submitted in the e-filing portal and the same may be inferred.

15. We have considered the submissions of the Petitioner and UPPCL. The transmission tariff is allowed for the transmission assets on the basis of the following:

- a) Admitted capital cost as on COD for the transmission assets which are as follows:

<b>Asset</b>	<b>Petition No.</b>	<b>Order Date</b>	<b>Admitted Capital Cost (as on COD) (₹ in lakh)</b>
Asset-a	26/2009	13.5.2009	7068.46
Asset-b	136/2008	22.4.2009	698.00
Asset-c	136/2008	22.4.2009	5800.10
Asset-d	136/2008	22.4.2009	3647.18
Asset-e	136/2008	22.4.2009	5431.65
Asset-f	161/2009	22.2.2010	599.59
Asset-g	161/2009	22.2.2010	6938.94





b) Weighted Average Rate of Interest (WAROI) on actual loan adopted from orders dated 30.4.2008, 13.5.2009, 22.4.2009, 19.8.2010 and 22.2.2010 in Petition No. 134/2007, Petition No.26/2009, Petition No.136/2008, Petition No.327/2009 and Petition No.161/2009 respectively;

c) With respect to calculation of IoL, moratorium in repayment of loan as per the Regulation 56(i)(f) of the 2004 Tariff Regulations applicable for the 2004-09 tariff period has been considered that provides as follows:

**“56 (i) Interest on Loan Capital**

*(f)In case any moratorium period is availed of by the transmission licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly;”*

d) Weighted Average Rate of Depreciation (WAROD), Rate of IWC and O&M Expenses as per orders dated 30.4.2008, 13.5.2009, 22.4.2009, 19.8.2010 and 22.2.2010 in Petition No. 134/2007, Petition No.26/2009, Petition No.136/2008, Petition No.327/2009 and Petition No.161/2009 respectively.

16. In view of the above, the revised transmission charges approved for transmission assets for the 2004-09 tariff period are as follows:

**Asset-a**

Particulars	(₹ in lakh)		
	2006-07 (Pro-rata 6 months)	2007-08	2008-09
Depreciation	101.35	219.79	229.43
Interest on Loan	224.98	469.33	470.54
Return on Equity	153.71	329.62	342.87
Advance against Depreciation	0.00	0.00	0.00
Interest on Working Capital	13.44	28.82	29.82
O&M Expenses	48.36	100.45	104.60
<b>Total</b>	<b>541.84</b>	<b>1148.00</b>	<b>1177.26</b>



**Asset-b**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 10 months)	2008-09
Depreciation	22.41	27.77
Interest on Loan	35.45	42.20
Return on Equity	24.50	30.43
Advance against Depreciation	0.00	0.00
Interest on Working Capital	4.09	5.10
O&M Expenses	52.72	65.80
<b>Total</b>	<b>139.17</b>	<b>171.31</b>

**Asset-c**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	124.55	196.62
Interest on Loan	238.15	369.59
Return on Equity	163.28	260.32
Advance against Depreciation	0.00	0.00
Interest on Working Capital	20.63	32.78
O&M Expenses	153.86	240.09
<b>Total</b>	<b>700.47</b>	<b>1099.40</b>

**Asset-d**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 7 months)	2008-09
Depreciation	61.67	109.58
Interest on Loan	123.92	226.16
Return on Equity	90.10	159.81
Advance against Depreciation	0.00	0.00
Interest on Working Capital	9.78	17.67
O&M Expenses	43.37	77.36
<b>Total</b>	<b>328.84</b>	<b>590.58</b>

**Asset-e**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 3 months)	2008-09
Depreciation	37.02	150.04
Interest on Loan	81.78	334.09
Return on Equity	57.11	231.29
Advance against Depreciation	0.00	0.00
Interest on Working Capital	6.03	24.64
O&M Expenses	21.06	87.70
<b>Total</b>	<b>202.99</b>	<b>827.77</b>



**Asset-f**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 11 months)
Depreciation	20.25
Interest on Loan	34.62
Return on Equity	23.59
Advance against Depreciation	0.00
Interest on Working Capital	3.28
O&M Expenses	30.16
<b>Total</b>	<b>111.90</b>

**Asset-g**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 10 months)
Depreciation	162.56
Interest on Loan	363.71
Return on Equity	246.32
Advance against Depreciation	0.00
Interest on Working Capital	25.79
O&M Expenses	75.17
<b>Total</b>	<b>873.54</b>

17. The Annual Fixed Charges (AFC) of the transmission assets allowed vide orders dated 30.4.2008, 13.5.2009, 22.4.2009, 19.8.2010 and 22.2.2010 in Petition No. 134/2007, Petition No.26/2009, Petition No.136/2008, Petition No.327/2009 and Petition No.161/2009 respectively, revised AFC claimed in the instant petition and the revised AFC approved in the instant order are as follows:

**Asset-a**

(₹ in lakh)

Particulars	2006-07 (Pro-rata 6 months)	2007-08	2008-09
Allowed vide orders dated 30.4.2008, 13.5.2009 and 19.8.2010 in Petition Nos. 134/2007, 26/2009 and 327/2009 respectively	541.69	1147.11	1176.34
Claimed by the Petitioner in the instant petition	544.15	1167.35	1217.32
Approved in the instant order	541.84	1148.00	1177.26



**Asset-b**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 10 months)	2008-09
Allowed vide orders dated 22.4.2009 and 19.8.2010 in Petition Nos. 136/2008 and 327/2009 respectively	139.17	171.26
Claimed by the Petitioner in the instant petition	140.01	174.62
Approved in the instant order	139.17	171.31

**Asset-c**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 8 months)	2008-09
Allowed vide orders dated 22.4.2009 and 19.8.2010 in Petition Nos. 136/2008 and 327/2009 respectively	700.45	1098.90
Claimed by the Petitioner in the instant petition	704.33	1119.98
Approved in the instant order	700.47	1099.40

**Asset-d**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 7 months)	2008-09
Allowed vide orders dated 22.4.2009 and 19.8.2010 in Petition Nos. 136/2008 and 327/2009 respectively	328.81	590.37
Claimed by the Petitioner in the instant petition	330.34	601.27
Approved in the instant order	328.84	590.58

**Asset-e**

(₹ in lakh)

Particulars	2007-08 (Pro-rata 3 months)	2008-09
Allowed vide orders dated 22.4.2009 and 19.8.2010 in Petition Nos. 136/2008 and 327/2009 respectively	202.99	827.67
AFC claimed by the Petitioner in the instant petition	203.36	838.43
Approved in the instant order	202.99	827.77

**Asset-f**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 11 months)
Allowed vide order dated 22.2.2010 in Petition No. 161/2009	111.88
Claimed by the Petitioner in the instant petition	112.76
Approved in the instant order	111.90



**Asset-g**

(₹ in lakh)

Particulars	2008-09 (Pro-rata 10 months)
Allowed vide order dated 22.2.2010 in Petition No. 161/2009	873.44
Claimed by the Petitioner in the instant petition	879.79
Approved in the instant order	873.54

**2009-14 Period**

18. The Commission vide order dated 23.5.2011 in Petition No. 322/2010 had allowed the tariff for the Combined Asset for the 2009-14 tariff period which was trued-up vide order dated 29.1.2016 in Petition No. 361/TT/2014 as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1731.62	1743.43	1756.43	1770.99	1780.09
Interest on Loan	1858.00	1722.45	1585.54	1447.34	1300.40
Return on Equity	1846.84	1929.42	1947.63	1964.66	1998.42
Interest on Working Capital	166.89	169.10	170.14	171.34	172.79
O&M Expenses	1071.20	1132.49	1197.34	1265.82	1338.12
<b>Total</b>	<b>6674.55</b>	<b>6696.89</b>	<b>6657.08</b>	<b>6620.15</b>	<b>6589.82</b>

19. The Petitioner has claimed the revised transmission charges for the Combined Asset for the 2009-14 tariff period in this petition as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1731.62	1743.43	1756.43	1770.99	1780.09
Interest on Loan	1988.72	1853.44	1716.72	1578.66	1431.89
Return on Equity	1846.84	1929.42	1947.63	1964.66	1998.42
Interest on Working Capital	169.62	171.83	172.87	174.08	175.53
O&M Expenses	1071.20	1132.49	1197.34	1265.82	1338.12
<b>Total</b>	<b>6808.00</b>	<b>6830.61</b>	<b>6791.00</b>	<b>6754.21</b>	<b>6724.05</b>

20. UPPCL has submitted that the IoL claimed by the Petitioner is not legible and details of Rate of Interest (RoI) considered by the Petitioner are not given. UPPCL has further requested for the values of claimed IoL along with details of RoI on loan. In response, the Petitioner has submitted that RoI as approved by the Commission in



orders dated 19.8.2010 and 22.2.2010 in Petition No. 327/2009 and Petition No.161/2009 respectively have been considered for revised tariff computation. The Petitioner has further submitted that Excel Tariff Forms have been submitted in the e-filing portal and the same may be inferred.

21. We have considered the submissions of the Petitioner. The revised transmission tariff is allowed for the Combined Asset on the basis of the following:

- a) Admitted capital cost as on 1.4.2009 of ₹32808.25 lakh for Combined Asset;
- b) WAROI on actual loan and WAROD considered from order dated 29.1.2016 in Petition No. 361/TT/2014; and
- c) Actual ACE of ₹411.71 lakh for 2009-10, ₹100.22 lakh for 2010-11, ₹462.39 lakh for 2011-12, ₹123.38 lakh for 2012-13 and ₹219.37 lakh for 2013-14 that was allowed by the Commission vide order dated 29.1.2016 in Petition No. 361/TT/2014.

22. In view of the above, the revised transmission charges approved for the Combined Asset for the 2009-14 tariff period are as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1731.62	1743.43	1756.43	1770.99	1780.09
Interest on Loan	1858.00	1722.45	1585.54	1447.34	1300.40
Return on Equity	1846.84	1929.42	1947.63	1964.66	1998.42
Interest on Working Capital	166.89	169.10	170.14	171.34	172.79
O&M Expenses	1071.20	1132.49	1197.34	1265.82	1338.12
<b>Total</b>	<b>6674.55</b>	<b>6696.89</b>	<b>6657.08</b>	<b>6620.15</b>	<b>6589.82</b>

23. AFC allowed for the 2009-14 tariff period vide order dated 29.1.2016 in Petition No. 361/TT/2014, the revised AFC claimed in the instant petition and AFC approved in the instant order are as follows:



(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	6674.55	6696.89	6657.08	6620.15	6589.82
Claimed by the Petitioner in the instant petition	6808.00	6830.61	6791.00	6754.21	6724.05
Approved in the instant order	6674.55	6696.89	6657.08	6620.15	6589.82

### **TRUING UP OF ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD**

24. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Asset for the 2014-19 tariff period are as follows:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1785.89	1785.89	1785.89	1785.89	1785.89
Interest on Loan	1280.70	1122.45	964.30	806.28	648.52
Return on Equity	2006.36	2015.56	2014.54	2014.54	2019.96
O&M Expenses	1229.76	1270.68	1312.89	1356.47	1401.40
Interest on Working Capital	184.70	183.53	182.20	180.97	179.95
<b>Total</b>	<b>6487.41</b>	<b>6378.11</b>	<b>6259.82</b>	<b>6144.15</b>	<b>6035.72</b>

25. The details of the trued-up IWC claimed by the Petitioner in respect of the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)

Particular	2014-15	2015-16	2016-17	2017-18	2018-19
WC for O & M Expenses	102.48	105.89	109.41	113.04	116.78
WC for Maintenance Spares	184.46	190.60	196.93	203.47	210.21
WC for Receivables	1081.24	1063.02	1043.31	1024.03	1005.95
<b>Total Working Capital</b>	<b>1368.18</b>	<b>1359.51</b>	<b>1349.65</b>	<b>1340.54</b>	<b>1332.94</b>
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>184.70</b>	<b>183.53</b>	<b>182.20</b>	<b>180.97</b>	<b>179.95</b>

### **Capital Cost**

26. The Commission vide order dated 29.1.2016 in Petition No. 361/TT/2014 had allowed the capital cost as on 31.3.2014 of ₹34125.32 lakh and capital cost as on 31.3.2019 of ₹34138.44 lakh including projected ACE of 13.12 lakh for determination of transmission tariff of the 2014-19 tariff period. The capital cost of the existing project



has been calculated in accordance with Regulation 9(3) of the 2014 Tariff Regulations as under:

(₹ in lakh)		
Admitted Capital Cost (as on 1.4.2014)	ACE admitted (during 2014-19 period)	Admitted Capital Cost (as on 31.3.2019)
34125.32	13.12	34138.44

27. The Petitioner has not claimed any ACE for the 2014-19 tariff period in the instant petition. Accordingly, the capital cost as on 31.3.2014 as approved vide order dated 29.1.2016 in Petition No. 361/TT/2014 has been considered as capital cost as on 1.4.2014 as well as on 31.3.2019. The details of the approved capital cost in the instant order are as follows:

(₹ in lakh)		
Capital Cost (as on 1.4.2014)	ACE (during 2014-19)	Capital Cost (as on 31.3.2019)
34125.32	0.00	34125.32

### **Debt-Equity Ratio**

28. The debt-equity ratio has been allowed in accordance with Regulation 19(3) of the 2014 Tariff Regulations. As per Regulation 19(3) of the 2014 Tariff Regulations, the debt-equity ratio allowed by the Commission for determination of transmission tariff for the period ending on 31.3.2014 shall be considered. Accordingly, the details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 for the Combined Asset is as follows:

Funding	Capital Cost (as on 1.4.2014) (₹ in lakh)	(in %)	Capital Cost (as on 31.3.2019) (₹ in lakh)	(in %)
Debt	23901.84	70.04	23901.84	70.04
Equity	10223.48	29.96	10223.48	29.96
<b>Total</b>	<b>34125.32</b>	<b>100.00</b>	<b>34125.32</b>	<b>100.00</b>





## Depreciation

29. UPPCL has submitted that the cumulative depreciation considered by the Petitioner is inconsistent as compared to the cumulative depreciation worked out by the Respondent. In response, the Petitioner has submitted that depreciation may be inferred from the petition.

30. We have considered the submissions of the Petitioner and UPPCL. The Gross Block during the 2014-19 tariff period has been depreciated at WAROD. WAROD at Annexure-I has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and the trued-up depreciation allowed is as follows:

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
Average Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Depreciation (WAROD) (in %)	5.23	5.23	5.23	5.23	5.23
Balance useful life of the asset (Year)	30712.79	30712.79	30712.79	30712.79	30712.79
Lapsed Life of the asset (Year)	27.00	26.00	25.00	24.00	23.00
Depreciable Value	5.00	6.00	7.00	8.00	9.00
<b>Depreciation during the year</b>	<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>
Cumulative Depreciation at the end of the year	12031.46	13817.35	15603.23	17389.12	19175.01
Aggregate Depreciable Value at the end of the year	18681.32	16895.44	15109.55	13323.67	11537.78

31. The details of depreciation allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	1786.23	1786.58	1786.58	1786.58	1786.58
Claimed by the Petitioner in the instant petition	1785.89	1785.89	1785.89	1785.89	1785.89
Approved after true-up in this order	1785.89	1785.89	1785.89	1785.89	1785.89

### **Interest on Loan**

32. The Petitioner has claimed WAROI on loan, based on its actual loan portfolio and rate of interest.

33. UPPCL has submitted that the calculation of normative loan as submitted by the Petitioner is wrong because the figures of cumulative depreciation taken for cumulative repayment of normative loans is inconsistent as compared to the figures computed by UPPCL. UPPCL has requested for re-working of IoL on the basis of proper figures of cumulative repayments of normative loans upto previous year. In response, the Petitioner has submitted that the figures of cumulative repayment may be inferred from the petition.

34. We have considered the submissions of the Petitioner and UPPCL. IoL has been calculated based on actual interest rate submitted by the Petitioner in accordance with Regulation 26 of the 2014 Tariff Regulations. The trued-up IoL allowed in respect of the Combined Asset is as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Interest on Loan</b>					
Gross Normative Loan	23901.84	23901.84	23901.84	23901.84	23901.84
Cumulative Repayments up to Previous Year	10245.58	12031.46	13817.35	15603.23	17389.12
Net Loan-Opening	13656.26	11870.38	10084.49	8298.60	6512.72
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	1785.89	1785.89	1785.89	1785.89	1785.89



Net Loan-Closing	11870.38	10084.49	8298.60	6512.72	4726.83
Average Loan	12763.32	10977.43	9191.55	7405.66	5619.78
Weighted Average Rate of Interest on Loan (in %)	9.0023	9.0226	9.0506	9.0913	9.1563
<b>Interest on Loan</b>	<b>1148.99</b>	<b>990.45</b>	<b>831.89</b>	<b>673.27</b>	<b>514.56</b>

35. The details of IoL allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	1149.39	991.22	832.59	673.92	515.15
Claimed by the Petitioner in the instant petition	1280.70	1122.45	964.30	806.28	648.52
Approved after true-up in this order	1148.99	990.45	831.89	673.27	514.56

### **Return on Equity**

36. The Petitioner has claimed RoE for the Combined Asset in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at Minimum Alternate Tax (MAT) rates and has claimed the effective tax rates for the 2014-19 tariff period as follows:

Year	Claimed effective tax rate (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2014-15	21.018	19.624
2015-16	21.382	19.716
2016-17	21.338	19.705
2017-18	21.337	19.704
2018-19	21.549	19.758

37. UPPCL has submitted that rate of RoE for 2014-15 and 2015-16 are based on MAT rates approved by the Income Tax Authority and there is no objection regarding RoE figures for 2014-15 and 2015-16 as worked out by the Petitioner. UPPCL has further submitted that grossed-up rate of RoE for the period from 2016-17 to 2018-19



has been worked out based on presumptive MAT rates. UPPCL has requested for re-submission of RoE calculations based on MAT rates as approved by the Income Tax Authority.

38. In response, the Petitioner has submitted that the effective rate of tax considered for 2014-15 and 2015-16 are based on Assessment Orders issued by Income-Tax Authorities for the purpose of grossing up of RoE rate. Further, the effective rate of tax considered for 2016-17 and 2017-18 are based on the Income Tax returns filed, for the purpose of grossing up of RoE rate of respective years.

39. The Petitioner has further submitted that so far it has been granted trued-up tariff of 2014-19 by the Commission in various matters including orders dated 18.4.2020, 27.4.2020, 23.4.2020 and 16.4.2020 in Petition No. 247/TT/2019, Petition No.274/TT/2019, Petition No.245/TT/2019 and Petition No.307/TT/2019 respectively for transmission asset(s) wherein effective tax rate for 2014-19 tariff period based on notified MAT rates has been considered for grossing-up of rate of RoE.

40. In view of the above, the Petitioner has submitted that grossed-up RoE (in %) and effective tax rate for 2014-19 tariff period has already been allowed by the Commission. Further, the Petitioner has requested to allow its claim of the differential tariff on account of the trued-up RoE based on effective tax rate calculated as above and Income-tax assessment/ re-assessment for 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 on receipt of the respective assessment orders.

41. We have considered the submissions of the Petitioner and UPPCL. The Commission vide order dated 24.1.2021 in Petition No. 136/TT/2020 has already dealt with the issue raised by UPPCL. In terms of our findings in Petition No. 136/TT/2020,



we do not find merit in the submissions by UPPCL and the same are accordingly rejected.

42. 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 and the same are as follows:

Year	Notified MAT rates (in %) (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	21.549

43. The MAT rates considered in order dated 27.4.2020 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 is considered in the instant case which is as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2014-15	20.961	15.50	19.610
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

44. The Petitioner has claimed RoE for the 2014-19 period after grossing up RoE of 15.50% with Effective Tax rates (based on MAT rates) each year as per Regulation 25(3) of the 2014 Tariff Regulations. RoE is trued-up on the basis of MAT rate applicable in the respective years and is allowed for the Combined Asset as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	10223.48	10223.48	10223.48	10223.48	10223.48
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	10223.48	10223.48	10223.48	10223.48	10223.48
Average Equity	10223.48	10223.48	10223.48	10223.48	10223.48



Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	19.610	19.705	19.705	19.705	19.758
<b>Return on Equity</b>	<b>2004.82</b>	<b>2014.54</b>	<b>2014.54</b>	<b>2014.54</b>	<b>2019.96</b>

45. The details of RoE allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:-

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	2005.26	2005.64	2005.64	2005.64	2005.64
Claimed by the Petitioner in the instant petition	2006.36	2015.56	2014.54	2014.54	2019.96
Approved after true-up in this order	2004.82	2014.54	2014.54	2014.54	2019.96

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

46. The total O&M Expenses claimed by the Petitioner for the Combined Asset are as follows:

Sub-station	
400 kV	Number of bays
Lucknow: Bay of Bus Reactor at Lucknow	1
Lucknow: Bay of Lucknow (UPPCL) and Sultanpur (UPPCL)	2
Bareilly: Bay of LILO of Mandola Bareilly at Bareilly	4
Bareilly: Switchable Reactor Bay For Mandola-I & II	2
Bareilly: 80 MVAr Bus Reactor Bay	1
Bareilly: Bay of LILO of Lucknow-Moradabad	2
Kanpur-I & II at Auriya	2
Kanpur:Auriya-I & II at Kanpur	2
Bay of Bareilly Moradabad-II at Barielly and Moradabad	2
Transmission Line	
D/C Twin/Triple Conductor	Length (km)
Kanpur-Auriya Transmission Line D/C Portion	66.871
LILO of 400 kV D/C Mandola Bareilly Line At Bareilly	18.400
LILO of 400 kV Lucknow Moradabad Line At Bareilly	21.730
LILO of 400 kV Lucknow-Sultanpur At Lucknow	41.162



S/C (Twin/Triple Conductor)	Length (km)
400 kV Bareilly Moradabad-II	91.732
400 kV Kanpur-Auriya Transmission Line S/C Portion	6.308

(₹ in lakh)

Details	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total O&amp;M Expenses claimed</b>	<b>1229.76</b>	<b>1270.68</b>	<b>1312.89</b>	<b>1356.47</b>	<b>1401.40</b>

47. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The norms specified in respect of the elements covered in the Combined Asset are as follows:

Element	Norms for 2014-15	Norms for 2015-16	Norms for 2016-17	Norms for 2017-18	Norms for 2018-19
S/C (Twin/Triple Conductor)	₹0.404 lakh/km	₹0.418 lakh/km	₹0.432 lakh/km	₹0.446 lakh/km	₹0.461 lakh/km
D/C (Twin/Triple Conductor)	₹0.707 lakh/km	₹0.731 lakh/km	₹0.755 lakh/km	₹0.780 lakh/km	₹0.806 lakh/km
400 kV Sub-station	₹60.30 lakh/ bay	₹ 62.30 lakh/ bay	₹64.37 lakh/ bay	₹66.51 lakh/ bay	₹68.71 lakh/ bay

48. The O&M Expenses are allowed for the Combined Asset as per the norms specified in Regulation 29(3) of the 2014 Tariff Regulations and are as follows:

(₹ in lakh)

Details	2014-15	2015-16	2016-17	2017-18	2018-19
18 numbers of 400 kV Sub-station Bays	1085.40	1121.40	1158.66	1197.18	1236.78
98.040 km S/C (Twin/Triple Conductor)	39.61	40.98	42.35	43.73	45.20
148.163 km D/C (Twin/Triple Conductor)	104.75	108.31	111.86	115.57	119.42
<b>Total</b>	<b>1229.76</b>	<b>1270.69</b>	<b>1312.88</b>	<b>1356.47</b>	<b>1401.40</b>

49. The details of O&M Expenses allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	1229.76	1270.69	1312.88	1356.47	1401.40



Claimed by the Petitioner in the instant petition	1229.76	1270.68	1312.89	1356.47	1401.40
Approved after true-up in this order	1229.76	1270.69	1312.88	1356.47	1401.40

### **Interest on Working Capital**

50. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and the trued-up IWC allowed for the Combined Asset for the 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
WC for O&M Expenses (O&M Expenses for 1 month)	102.48	105.89	109.41	113.04	116.78
WC for Maintenance Spares (15% of O&M Expenses)	184.46	190.60	196.93	203.47	210.21
WC for Receivables (Equivalent to 2 months of annual fixed costs/annual transmission charges)	1058.52	1040.34	1020.72	1001.35	983.11
<b>Total Working Capital</b>	<b>1345.46</b>	<b>1336.83</b>	<b>1327.06</b>	<b>1317.86</b>	<b>1310.10</b>
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>181.64</b>	<b>180.47</b>	<b>179.15</b>	<b>177.91</b>	<b>176.86</b>

51. The details of IWC allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	181.66	180.30	178.98	177.74	176.56
Claimed by the Petitioner in the instant petition	184.70	183.53	182.20	180.97	179.95
Approved after true-up in this order	181.64	180.47	179.15	177.91	176.86

### **Approved Annual Fixed Charges for the 2014-19 Tariff Period**

52. The trued-up AFC approved for the Combined Asset for the 2014-19 tariff period are follows:





(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1785.89	1785.89	1785.89	1785.89	1785.89
Interest on Loan	1148.99	990.45	831.89	673.27	514.56
Return on Equity	2004.82	2014.54	2014.54	2014.54	2019.96
O&M Expenses	1229.76	1270.69	1312.88	1356.47	1401.40
Interest on Working Capital	181.64	180.47	179.15	177.91	176.86
<b>Total</b>	<b>6351.10</b>	<b>6242.04</b>	<b>6124.34</b>	<b>6008.08</b>	<b>5898.67</b>

53. Accordingly, the Annual Transmission Charges allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014, claimed by the Petitioner in the instant petition and approved after truing up in the instant order are as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.1.2016 in Petition No. 361/TT/2014	6352.30	6234.43	6116.67	6000.35	5885.33
Claimed by the Petitioner in the instant petition	6487.41	6378.11	6259.82	6144.15	6035.72
Approved after true-up in this order	6351.10	6242.04	6124.34	6008.08	5898.67

### **DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD**

54. The Petitioner has claimed the transmission charges for the 2019-24 tariff period in respect of the Combined Asset as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1785.89	1785.89	398.30	398.30	398.30
Interest on Loan	487.60	323.15	222.53	184.93	146.02
Return on Equity	1920.17	1920.17	1920.17	1920.17	1920.17
O&M Expenses	768.61	795.33	822.89	851.43	880.92
Interest on Working Capital	96.56	95.45	74.21	74.89	75.45
<b>Total</b>	<b>5058.83</b>	<b>4919.99</b>	<b>3438.10</b>	<b>3429.72</b>	<b>3420.86</b>

55. The details of IWC claimed by the Petitioner for the 2019-24 tariff period in respect of the Combined Asset are as follows:

(₹ in lakh)

Particular	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses	64.05	66.28	68.57	70.95	73.41



WC for Maintenance Spares	115.29	119.30	123.43	127.71	132.14
WC for Receivables	621.99	606.57	423.88	422.84	420.60
Total Working Capital	801.33	792.15	615.88	621.50	626.15
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
<b>Interest on Working Capital</b>	<b>96.56</b>	<b>95.45</b>	<b>74.21</b>	<b>74.89</b>	<b>75.45</b>

### **Capital Cost**

56. Regulation 19 of the 2019 Tariff Regulations provides as follows:

**“19 Capital Cost:** (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence 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 trued 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 Vidyutikaran 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.”

57. The Petitioner has claimed capital cost as on 31.3.2019 of ₹34125.32 lakh for the Combined Asset. The same has been worked out by the Commission as on 31.3.2019 and considered as the opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.

58. The Petitioner has not claimed any ACE for the 2019-24 tariff period in respect of the Combined Asset. Accordingly, the capital cost considered for the 2019-24 tariff period is as follows:

(₹ in lakh)		
Total Capital Cost (as on 1.4.2019)	ACE (2019-24)	Total Capital Cost (as on 31.3.2024)
34125.32	0.00	34125.32

### **Debt-Equity Ratio**

59. Regulation 18 of the 2019 Tariff Regulations provides as follows:

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

*Provided that:*

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

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

60. The debt-equity considered for the purpose of computation of tariff for the 2019-24 tariff period is as follows:

Funding	Capital Cost (as on 1.4.2019) (₹ in lakh)	(in %)	Capital Cost (as on 31.3.2024) (₹ in lakh)	(in %)
Debt	23901.84	70.04	23901.84	70.04
Equity	10223.48	29.96	10223.48	29.96
<b>Total</b>	<b>34125.32</b>	<b>100.00</b>	<b>34125.32</b>	<b>100.00</b>

### **Depreciation**

61. Regulations 33(1), 33(2) and 33(5) of the 2019 Tariff Regulations provide as follows:

**"33. Depreciation:** (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission



*system or element there of 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.”*

62. UPPCL has submitted that the cumulative depreciation in the beginning of the 2019-20 is inconsistent with the figures as computed by the Respondent. UPPCL has requested for revision of figures of depreciation as submitted by the Petitioner. In response, the Petitioner has submitted that depreciation has been computed as per the 2019 Tariff Regulations.

63. We have considered the submissions of the Petitioner and UPPCL. 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 Combined Asset has completed 12 years of life as on 31.3.2021, the remaining depreciable value as on 31.3.2021 has been spread across the balance useful life in accordance with Regulation 33(5) of the 2019 Tariff Regulations. WAROD at Annexure-II has been



worked out after taking into account the depreciation rates of assets as prescribed in the 2019 Tariff Regulations. The depreciation allowed for the Combined Asset for the 2019-24 period is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
Average Gross Block	34125.32	34125.32	34125.32	34125.32	34125.32
Weighted average rate of Depreciation (WAROD) (in %)	5.23	5.23	1.17	1.17	1.17
Balance useful life at the beginning of the year (year)	22	21	20	19	18
Lapsed life of the asset (year)	10	11	12	13	14
Depreciable Value	30712.79	30712.79	30712.79	30712.79	30712.79
<b>Depreciation during the year</b>	<b>1785.89</b>	<b>1785.89</b>	<b>398.30</b>	<b>398.30</b>	<b>398.30</b>
Cumulative Depreciation at the end of the year	20960.89	22746.78	23145.08	23543.38	23941.68
Remaining Depreciable Value at the end of the year	9751.90	7966.01	7567.71	7169.41	6771.11

### Interest on Loan

64. Regulation 32 of the 2019 Tariff Regulations provides as follows:

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

65. UPPCL has submitted that the figures of cumulative depreciation as considered by the Petitioner are inconsistent with the figures as computed by UPPCL. UPPCL has submitted that the Petitioner has already negotiated loan portfolios bearing fixed year RoI therefore the apprehension of the Petitioner regarding imposition of floating RoI is premature.

66. In response, the Petitioner has submitted IoL has been calculated as per the 2019 tariff Regulations.

67. We have considered the submissions of the Petitioner and UPPCL. WAROI on loan 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, IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed for the Combined Asset for the 2019-24 tariff period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	23901.84	23901.84	23901.84	23901.84	23901.84
Cumulative Repayments up to Previous Year	19175.01	20960.89	22746.78	23145.08	23543.38





Net Loan-Opening	4726.83	2940.95	1155.06	756.76	358.46
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	1785.89	1785.89	398.30	398.30	358.46
Net Loan-Closing	2940.95	1155.06	756.76	358.46	0.00
Average Loan	3833.89	2048.01	955.91	557.61	179.23
Weighted Average Rate of Interest on Loan (in %)	9.2054	9.2040	9.1995	9.1523	9.0010
<b>Interest on Loan</b>	<b>352.93</b>	<b>188.50</b>	<b>87.94</b>	<b>51.03</b>	<b>16.13</b>

### **Return on Equity**

68. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provides as follows:

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

(2) *Return on equity 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:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

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.”*

69. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company.

70. UPPCL has submitted that the discrepancy in RoE is due to the grossed-up RoI on equity is on presumptive value of MAT rates and therefore the values of RoE for the 2019-24 tariff period have to be revised. In response, the Petitioner has submitted that at the time of filing the instant petition, the then applicable rate of MAT has been used. However, thereafter, there has been a change in the applicable rate of MAT. Therefore, it is submitted that in the absence of IT assessment order pertaining to the 2019-24 tariff period, the RoE should be calculated @ 18.782% after grossing up the ROE with MAT rate of 17.472% (Base Rate 15% + Surcharge 12% + Cess 4%) based on the rate prescribed by the Hon'ble Commission as per illustration under Regulation 31(2)(ii) of the 2019 Tariff Regulations. The Petitioner further submitted that as per Regulations 31(3) of the 2019 Tariff Regulations, the grossed-up rate of RoE at the end of every financial year shall be trued up 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 IT authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year.

71. We have considered the submissions of the Petitioner and UPPCL. 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. RoE allowed for the Combined Asset for the 2019-24 tariff period is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	10223.48	10223.48	10223.48	10223.48	10223.48
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	10223.48	10223.48	10223.48	10223.48	10223.48
Average Equity	10223.48	10223.48	10223.48	10223.48	10223.48
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
<b>Return on Equity</b>	<b>1920.17</b>	<b>1920.17</b>	<b>1920.17</b>	<b>1920.17</b>	<b>1920.17</b>

### Operation & Maintenance Expenses

72. The O&M expenses claimed by the Petitioner for the various elements included in the Combined Asset for the 2019-24 tariff period are as follows:

<b>Sub-station</b>	
<b>400 kV</b>	<b>Number of bays</b>
Lucknow: Bay of Bus Reactor At Lucknow	1
Lucknow: Bay of Lucknow (UPPCL) and Sultanpur (UPPCL)	2
Bareilly: Bay of LILO of Mandola Bareilly at Bareilly	4
Bareilly: Switchable Reactor Bay For Mandola-I & II	2
Bareilly: 80 MVAr Bus Reactor Bay	1
Bareilly: Bay of LILO of Lucknow-Moradabad	2
Kanpur-I & II at Auriya	2
Kanpur: Auriya-I & II at Kanpur	2
Bay of Bareilly Moradabad-II at Barielly and Moradabad	2
<b>Transmission Line</b>	
<b>D/C Twin/Triple Conductor</b>	<b>Length (km)</b>
Kanpur-Auriya Transmission Line D/C Portion	66.871
LILO of 400 kV D/C Mandola Bareilly Line At Bareilly	18.400
LILO of 400 kV Lucknow Moradabad Line At Bareilly	21.730
LILO of 400 kV Lucknow-Sultanpur At Lucknow	41.162
<b>S/C (Twin/Triple Conductor)</b>	<b>Length (km)</b>
400 kV Bareilly Moradabad-II	91.732
400 kV Kanpur-Auriya Transmission Line S/C Portion	6.308
<b>PLCC</b>	
(2% of ₹503.80 lakh)	



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Total O&amp;M Expenses claimed</b>	<b>768.61</b>	<b>795.33</b>	<b>822.89</b>	<b>851.43</b>	<b>880.92</b>

73. Regulations 35(3)(a) and 35(4) of the 2019 Tariff Regulations provide as follows:

**“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
<b>Norms for sub-station Bays (₹ Lakh per bay)</b>					
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
<b>Norms for Transformers (₹ Lakh per MVA)</b>					
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
<b>Norms for AC and HVDC lines (₹ Lakh per km)</b>					
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
<b>Norms for HVDC stations</b>					
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
500 kV Rihand-Dadri HVDC bipole scheme	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme	2,468	2,555	2,645	2,738	2,834



<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<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.”

74. We have considered the submission of the Petitioner. The Petitioner has claimed O&M Expenses separately for PLCC under Regulation 35(4) of the 2019 Tariff Regulations @2% of its original project cost in the instant petition. The Petitioner has made similar claim in other petitions as well. Though PLCC is a communication system, it has been considered as part of the sub-station in the 2014 Tariff Regulations and the 2019 Tariff Regulations and the norms for sub-station have been specified accordingly. Accordingly, the Commission vide order dated 24.1.2021 in Petition No. 126/TT/2020 has already concluded that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though PLCC is a communication system. Therefore, the Petitioner’s claim for separate O&M Expenses for PLCC @2% is not allowed.

75. The O&M Expenses for the Combined Asset are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
18 numbers of 400 kV Sub-station Bays	578.70	599.04	620.10	641.88	664.38
98.040 km S/C (Twin/Triple Conductor)	49.31	51.08	52.84	54.71	56.67
148.163 km D/C (Twin/Triple Conductor)	130.53	135.12	139.87	144.76	149.79
<b>Total</b>	<b>758.55</b>	<b>785.24</b>	<b>812.81</b>	<b>841.34</b>	<b>870.84</b>

**Interest on Working Capital**

76. Regulations 34(1)(c), 34(3), 34(4) and 3(7) of the 2019 Tariff Regulations specify as follows:

**“34. Interest on Working Capital**

(1) The working capital shall cover:



.....

**(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;”*

77. The Petitioner has submitted that it has computed IWC for the 2019-24 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%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. RoI considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, for 2020-21 has been considered as 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) whereas 2021-22 onwards has been considered as 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points). The components of the working capital and interest allowed thereon are as follows:





(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses (O&M Expenses for 1 month)	63.21	65.44	67.73	70.11	72.57
WC for Maintenance Spares (15% of O&M Expenses)	113.78	117.79	121.92	126.20	130.63
WC for Receivables (Equivalent to 45 days of annual fixed costs/annual transmission charges)	603.89	587.65	404.58	403.62	401.92
<b>Total Working Capital</b>	<b>780.88</b>	<b>770.88</b>	<b>594.24</b>	<b>599.94</b>	<b>605.12</b>
Rate of Interest (in %)	12.05	11.25	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>94.10</b>	<b>86.72</b>	<b>62.40</b>	<b>62.99</b>	<b>63.54</b>

### **Annual Fixed Charges of the 2019-24 Tariff Period**

78. The transmission charges allowed for the Combined Asset for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1785.89	1785.89	398.30	398.30	398.30
Interest on Loan	352.93	188.50	87.94	51.03	16.13
Return on Equity	1920.17	1920.17	1920.17	1920.17	1920.17
O&M Expenses	758.55	785.24	812.81	841.34	870.84
Interest on Working Capital	94.10	86.72	62.40	62.99	63.54
<b>Total</b>	<b>4911.63</b>	<b>4766.52</b>	<b>3281.62</b>	<b>3273.84</b>	<b>3268.98</b>

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

79. 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**

80. UPPCL has submitted that onus of licence fee is on the Petitioner. In response, the Petitioner has submitted that license fee may be allowed to be recovered separately from the Respondents in terms of Regulation 70 of the 2019 Tariff



Regulations. The Petitioner has further submitted that the fees and charges to be paid by the Petitioner as ISTS licensee (deemed ISTS licensee) under Central Electricity Regulatory Commission (Fees and Charges of RLDC and other matters) Regulations as amended from time to time shall also be recoverable from the DICs as provided under Regulation 70(3) of the 2019 Tariff Regulations.

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

### **Goods and Services Tax**

82. 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

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

### **Security Expenses**

84. The Petitioner has submitted that security expenses for the Combined Asset are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC.



85. We have considered the submissions of the Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission vide order dated 3.8.2021 in Petition No. 260/MP/2020 approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the order dated 3.8.2021 in Petition No. 260/MP/2020. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

### **Capital Spares**

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

### **Sharing of Transmission Charges**

87. During the tariff periods 2004-09 and 2009-14 (upto to 30.6.2011), the transmission charges for inter-State transmission systems were being shared in accordance with the tariff regulations for the respective tariff periods. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. With effect from 1.11.2020, sharing of transmission charges is governed by the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, "the 2020 Sharing Regulations"). Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the



2020 Sharing Regulations. Billing, collection and disbursement of the transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

88. To summarise:

a) The revised AFC approved in respect of the transmission assets during 2004-09 tariff period in terms of the APTEL's judgments are as follows:

(₹ in lakh)			
Asset	2006-07 (Pro-rata)	2007-08	2008-09
Asset-a	541.84	1148.00	1177.26

(₹ in lakh)		
Asset	2007-08 (Pro-rata)	2008-09
Asset-b	139.17	171.31
Asset-c	700.47	1099.40
Asset-d	328.84	590.58
Asset-e	202.99	827.77

(₹ in lakh)	
Asset	2008-09 (Pro-rata)
Asset-f	111.90
Asset-g	873.54

b) The consequential revision of AFC approved in respect of the Combined Asset for the 2009-14 tariff period are as follows:

(₹ in lakh)				
2009-10	2010-11	2012-13	2013-14	2014-15
6674.55	6696.89	6657.08	6620.15	6589.82

c) The trued-up AFC approved in respect of the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
6351.10	6242.04	6124.34	6008.08	5898.67

d) AFC allowed in respect of the Combined Asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
4911.63	4766.52	3281.62	3273.84	3268.98



89. Annexure-I and Annexure-II given hereinafter shall form part of the order.

90. This order disposes of Petition No. 116/TT/2020 in terms of the above discussions and findings.

**sd/-**  
**(P.K. Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

**sd/-**  
**(I. S. Jha)**  
**Member**

**sd/-**  
**(P. K. Pujari)**  
**Chairperson**



**ANNEXURE-I**

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014/COD (₹ in lakh)	ACE (₹ 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)					
		2014-15	2015-16	2016-17	2017-18	2018-19	Total			2014-15	2015-16	2016-17	2017-18	2018-19	
Land – Freehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	
Land – Leasehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00	
Building Civil Works & Colony	1093.89	0.00	0.00	0.00	0.00	0.00	0.00	1093.89	3.34%	36.54	36.54	36.54	36.54	36.54	
Transmission Line	22342.11	0.00	0.00	0.00	0.00	0.00	0.00	22342.11	5.28%	1179.66	1179.66	1179.66	1179.66	1179.66	
Sub Station	10185.52	0.00	0.00	0.00	0.00	0.00	0.00	10185.52	5.28%	537.80	537.80	537.80	537.80	537.80	
PLCC	503.80	0.00	0.00	0.00	0.00	0.00	0.00	503.80	6.33%	31.89	31.89	31.89	31.89	31.89	
IT Equipment (Incl. Software)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>34125.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>34125.32</b>		<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>	<b>1785.89</b>	
										<b>Average Gross Block (₹ in lakh)</b>	<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>
										<b>Weighted Average Rate of Depreciation</b>	<b>5.23%</b>	<b>5.23%</b>	<b>5.23%</b>	<b>5.23%</b>	<b>5.23%</b>



**ANNEXURE-II**

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE (₹ 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)				
		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Land – Freehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00			
Land – Leasehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00			
Building Civil Works & Colony	1093.89	0.00	0.00	0.00	0.00	0.00	0.00	1093.89	3.34%	36.54	36.54			
Transmission Line	22342.11	0.00	0.00	0.00	0.00	0.00	0.00	22342.11	5.28%	1179.66	1179.66			
Sub Station	10185.52	0.00	0.00	0.00	0.00	0.00	0.00	10185.52	5.28%	537.80	537.80			
PLCC	503.80	0.00	0.00	0.00	0.00	0.00	0.00	503.80	6.33%	31.89	31.89			
IT Equipment (Incl. Software)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00			
<b>Total</b>	<b>34125.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>34125.32</b>		<b>1785.89</b>	<b>1785.89</b>	<b>398.30</b>	<b>398.30</b>	<b>398.30</b>
<b>Average Gross Block (₹ in lakh)</b>										<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>	<b>34125.32</b>
<b>Weighted Average Rate of Depreciation</b>										<b>5.23%</b>	<b>5.23%</b>	<b>1.17%</b>	<b>1.17%</b>	<b>1.17%</b>

