

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 148/TT/2019

Coram:

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

Date of Order: 4.3.2021

In the matter of:

Approval under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from COD to 31.3.2019 of the 230 kV D/C Kalpakkam PFBR-Kanchipuram transmission line and 2 numbers of 230 kV Bays at Kanchipuram Sub-station of TNEB upon determination of final transmission tariff from proposed COD of 1.4.2014 to 31.3.2019 in pursuance of Appellate Tribunal vide order dated 20.9.2018 in Appeal No. 168 of 2015 and the Commission vide order dated 27.12.2018 in Petition No. 105/TT/2012 under "Transmission system associated with Kalpakkam PFBR (500 MW) project" in Southern Region.

And in the matter of:

Power Grid Corporation of India Limited
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Versus

1. Karnataka Power Transmission Corporation Ltd. (KPTCL),
Kaveri Bhavan,
Bangalore - 560 009.
2. Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO),
Vidyut Soudha,
Hyderabad - 500082.



3. Kerala State Electricity Board (KSEB)
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram - 695 004.
4. Tamil Nadu Generation and Distribution Corporation Ltd, (TANGEDCO),
(Formerly Tamil Nadu Electricity Board -TNEB)
NPKRR Maaligai, 800, Anna Salai,
Chennai - 600 002.
5. Electricity Department, Government of Goa
Vidyuti Bhawan, Panaji,
Goa – 403 001.
6. Electricity Department,
Govt of Pondicherry,
Pondicherry – 6050 01.
7. Eastern Power Distribution Company of Andhra Pradesh Ltd. (APEPDCL),
P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.
8. Southern Power Distribution Company of Andhra Pradesh Ltd. (APSPDCL),
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta, Tirupati – 517 501.
9. Central Power Distribution Company of Andhra Pradesh Ltd. (APCPDCL),
Corporate Office, Mint Compound,
Hyderabad - 500 063.
10. Northern Power Distribution Company of Andhra Pradesh Ltd.,
Opp. NIT Petrol Pump, Chaitanyapuri,
Kazipet, Warangal - 506 004, Andhra Pradesh.
11. Bangalore Electricity Supply Company Ltd., (BESCOM),
Corporate Office, K.R.Circle,
Bangalore - 560 001, Karnataka.
12. Gulbarga Electricity Supply Company Ltd., (GESCOM),
Station Main Road,
Gulbarga, Karnataka.
13. Hubli Electricity Supply Company Ltd., (HESCOM),
Navanagar, PB Road,
Hubli, Karnataka
14. Mangalore Electricity Supply Company Ltd. (MESCOM),
Corporate Office, Paradigm Plaza,
AB Shetty Circle, Mangalore - 575001, Karnataka.



15. Chamundeswari Electricity Supply Corporation Ltd.,
(CESC), 927, L J Avenue Ground Floor,
New Kantharaj Urs Road, Saraswatipuram,
Mysore - 570 009, Karnataka.
16. Transmission Corporation of Telangana Ltd.,
Vidhyut Soudha, Khairatabad,
Hyderabad – 500082.
17. Bharatiya Nabhikiya Vidyut Nigam Ltd. (BHAVINI),
Kalpakkam - 600 102.
18. Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO),
NPKRR Maaligai, 800,
Anna Salai, Chennai - 600 002.

...Respondent

For Petitioner: Shri M. G. Ramachandran, Advocate, PGCIL
Ms. Ranjitha Ramachandran, Advocate, PGCIL
Shri B. Dash, PGCIL
Shri S.S. Raju, PGCIL
Shri Ved Rastogi, PGCIL
Shri A K.Verma, PGCIL

For Respondent: Shri B Vinodh Kanna, Advocate, TANGEDCO
Dr. R. Alamelu, TANGEDCO
Ms R. Ramalakshmi, TANGEDCO

ORDER

The present petition has been filed by the Petitioner, Power Grid Corporation of India Ltd. (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for determination of tariff of the 230 kV D/C Kalpakkam PFBR-Kanchipuram transmission line and 2 Nos. 230 kV Bays at Kanchipuram Sub-station of TNEB (hereinafter referred to as “asset”) under “Transmission system associated with Kalpakkam PFBR (500 MW) project” (hereinafter referred to as “transmission project”) in Southern Region for 2014-19 tariff period under the Central Electricity



Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Petitioner has made the following prayers:

“1) Invoke the provision of Regulation 4(3)(ii) of CERC (Terms and Conditions of Tariff) Regulations 2014 and Regulation 24 of CERC (Conduct of Business) Regulations’ 1999 for approval of DOCO of Asset-1 as 01.04.2014.

2) Approve the Transmission Tariff for the tariff block 2014-19 for the assets covered under this Petition, as per para 20 (c) above.

3) Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.

4) Allow the Petitioner to approach Hon’ble Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.

5) Allow tariff up to 90% of the Annual Fixed Charges as tariff in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for the purpose of inclusion in the POC charges.

6) 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 under clause 25 of the Tariff Regulations 2014.

7) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure (if any) in relation to the filing of petition.

8) Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

9) Allow the Petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from the exempted (negative) list at any time in future. Further any taxes and duties including cess, etc. imposed by any Statutory/ Govt./ Municipal Authorities shall be allowed to be recovered from the beneficiaries.

10) 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 2014-19 period, if any, from the respondents.

11) Allow the Petitioner to bill and recover Service tax on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from the exempted (negative) list at any time in future. Further any taxes and duties



including cess, etc. imposed by any Statutory/ Govt./ Municipal Authorities shall be allowed to be recovered from the beneficiaries.

12) Allow the petitioner to bill Tariff from DOCO and also the petitioner may be allowed to submit revised Certificate and tariff Forms (as per the Relevant Regulation) based on actual DOCO, if any.

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

Background

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

(a) The Investment Approval (IA) for implementation of transmission project under “Transmission system associated with Kalpakkam PFBR (500 MW) project” in Southern Region was accorded by the Board of Directors of the Petitioner in 234th meeting held on 16.3.2010 (communicated vide Memorandum No. C/CP/KPFBR dated 17.3.2010) at an estimated cost of ₹13858.00 lakh including IDC of ₹799.00 lakh based on 3rd quarter, 2009 price level. The transmission project was scheduled to be commissioned within 24 months from the date of investment approval i.e. 1.4.2012 (first day of the month after 16.3.2012).

(b) The approval of Revised Cost Estimate (RCE) was accorded by the Board of Directors of the Petitioner with an estimated cost of ₹13622.00 lakh including IDC of ₹1315.00 lakh based on March 2019 price level (communicated vide Ref. No. C/CP/PA 1920-06-0N-RCE003 dated 27.9.2019).

4. The scope of the scheme was discussed and agreed in 21st meeting of Standing Committee on Power System Planning in Southern Region held on 22.9.2005.

5. The scope of work covered under the "Transmission System associated with Kalpakkam PFBR (500 MW)" in Southern Region is as under:



Transmission Lines

- (i) Kalpakkam PFBR-Kanchipuram 230 kV D/C Line
- (ii) Kalpakkam PFBR-Arni 230 kV D/C Line
- (iii) Kalpakkam PFBR-Sirucheri 230 kV D/C Line

Sub-Stations

- (i) Extension of existing 230 kV TNEB Sub-stations at Kanchipuram, Arani and Sirucheri Sub-stations

6. The status of various assets of the subject transmission project is as under:

Srl. No.	Assets	COD (Actual)	Remarks
1	Kalpakkam PFBR–Sirucheri, 230 kV D/C Line	1.12.2011	Covered under order dated 29.4.2015 in Petition No. 105/TT/2012 (tariff of 2009-14 period) and order dated 29.1.2019 in Petition No. 99/TT/2018 (true up for 2009-14 period and tariff for 2014-19 period).
2	Kalpakkam PFBR–Arani 230 kV D/C Line	1.4.2012	
3	Kalpakkam PFBR–Kanchipuram 230 kV D/C Line	1.4.2014	Covered under instant petition (Earlier filed in Petition No. 105/TT/2012)

7. The details of the Annual Transmission Charges claimed by the Petitioner are as under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	291.29	297.36	297.36	297.36	297.36
Interest on Loan	345.48	326.00	298.27	270.52	242.75
Return on Equity	323.26	329.99	329.99	329.99	329.99
Interest on Working Capital	29.90	30.01	29.64	29.27	28.92
O & M Expenses	141.23	145.96	150.78	155.77	160.96
Total	1131.16	1129.32	1106.04	1082.91	1059.98

8. The details of the Interest on Working Capital (IWC) claimed by the Petitioner are as follows:



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	21.18	21.89	22.62	23.37	24.14
O&M expenses	11.77	12.16	12.57	12.98	13.41
Receivables	188.53	188.22	184.34	180.48	176.66
Total	221.48	222.28	219.52	216.83	214.22
Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
Interest on working capital	29.90	30.01	29.64	29.27	28.92

9. The Respondents are generating companies and transmission utilities, who are availing transmission services of the Petitioner, mainly in the Southern Region.

10. The Petitioner has served a copy of the petition upon the respondents and notice of this tariff application has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments/ objections have been received from the general public in response to the notices published by the Petitioner. Reply to the petition has been filed by TANGEDCO (Respondent No. 4), vide affidavit dated 18.10.2019 and 20.3.2020. The Petitioner vide affidavit dated 29.5.2020 filed its rejoinder to the reply of TANGEDCO. The issues raised by TANGEDCO and the clarifications given by the Petitioner are considered in the relevant portions of this order.

11. This order has been issued after considering the main Petition dated 25.1.2019, Petitioner's affidavits dated 16.3.2020 and 29.5.2020 and reply of TANGEDCO dated 18.10.2019 and 20.3.2020.

12. The hearing in this matter was held on 28.8.2020 through video conference and the order was reserved.



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

Date of Commercial Operation (COD)

14. The Petitioner has submitted that it has completed all the activities for the establishment of the instant asset and the delay in declaration of COD of the instant asset is not for any reason attributable to the Petitioner. The Petitioner has submitted that as per proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations, if the transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or contractor but for reasons in the delay of COD of the concerned generating station/ upstream or downstream transmission system, the Petitioner can approach the Commission for approval of the COD on such transmission system or element thereof. Accordingly, the Petitioner has sought approval of COD of the instant asset under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

15. The Petitioner initially filed Petition No. 105/TT/2012 claiming tariff for the instant asset along with two other assets and claimed COD of the instant asset as 1.9.2012 under Regulation 3(12)(c) of the 2009 Tariff Regulations as the associated transmission system under the scope of the TANTRANSCO was not ready and the generating station (BHAVINI) was also not commissioned. The Commission disallowed the Petitioner's prayer vide order dated 29.4.2015 in Petition No. 105/TT/2012. The relevant portion of the order is as under:

"18. As regards Asset-III, i.e. Kalpakkam-Kanchipuram line, the Kanchipuram Sub-station of TANGEDCO has not yet been commissioned. The petitioner has submitted



that the line was declared commercial in consultation with the beneficiaries in 20th SRPC meeting. However, as per Regulation 3(12)(c) of the 2009 Tariff Regulations, as above, in case an element of the transmission system is ready for regular service but is prevented from providing such service for reasons not attributable to the transmission licensee, the Commission may approve the date of commercial operation prior to the element coming into regular service. Even though the petitioner has not approached the Commission for approval of date of commercial operation as provided under Regulation 3(12)(c) of the 2009 Tariff Regulations prior to putting Asset-III into regular service, the Commission has to consider whether the requirements of the regulations have been complied with for declaration of commercial operation of the transmission line. Hon'ble Appellate Tribunal for Electricity in its judgement dated 2.7.2012 in Appeal No. 123 of 2011 has observed as follows:-

"..... merely charging of the line from one end without the switchgear, protection and metering arrangement being ready at the other end, even if not in the scope of work of the transmission licensee, would not entitle the line for declaration of commercial operation"

In the light of the above observation of Appellate Tribunal, it needs to be considered whether the line is capable of regular use. It is seen that the charging certificate dated 31.8.2012 issued by CEA is for the purpose of only testing Asset-III. Further, it is an admitted fact that the sub-station to which the line is to be connected at the other end is yet to be developed by TANGEDCO. Therefore, Asset-III cannot be put to any regular service even if declared under commercial operation. Considering all these factors we are not inclined to approve declaration of the commercial operation of Asset-III with effect from 1.9.2012 as claimed by the petitioner."

16. Aggrieved by the Commission's order dated 29.4.2015 in Petition No. 105/TT/2012, the Petitioner filed an Appeal No. 168 of 2015 before APTEL that vide judgment dated 20.9.2018 in Appeal No. 168 of 2015 held as under:

"8.8 We have gone through the contentions of the learned counsel for the Appellant and the Respondents and also perused the judgments of this Tribunal as well as the Apex Court. While we considered the genuine reason in the contentions of the Appellant counsel which has completed the transmission line (Asset-3) in all respects and declared its COD from 01.09.2012 but the same has not been accepted by the Central Commission due to the fact that line is not in regular service due to non-readiness of downstream sub-station of TANGEDCO.

8.9 The learned counsel for the Appellant has vehemently contended to apply the proviso to Regulation 3(12)(c) which deals with such circumstances as in the present case. Admittedly, the Appellant alleges for getting penalised for the fault / inaction of the others due to which it is not able to put the reference asset to its regular use. On the other hand, the learned counsel for the Respondents quick to point out that the findings of the Central Commission are just and right, taking into consideration of the judgments of this Tribunal and the Apex Court which are for the cases of identical nature. In view of the above submissions and the decisions contained in the judgments of this Tribunal and the Hon'ble Supreme Court, we are of the considered opinion that though the transmission line between Kalpakkam PFBR and Kanchipuram, i.e. Asset-3,



has been made ready by the Appellant but the same could not be put to regular service because of non-readiness of sub-station at Kanchipuram end. We, further opine that there is not much interpretation left in the proviso of the Regulations 3(12)(c) as far as the entitlement of the Appellant to tariff under the Tariff Regulation 2009-2014 is concerned. It is, however, pertinent to note that the provisions of Regulation 3(12)(c) of the Tariff Regulation, 2009 has now been modified by the Central Commission for the control period commencing from 01.04.2014 which deals with such eventualities as in the present case in an elucidated manner.

8.10 Keeping all these aspects in view, we are of the considered opinion that the findings of the Central Commission in the impugned order pertaining to the COD of Asset-3 as 01.09.2012 are consistent with various judgments and its Tariff Regulations, 2009. As the Appellant has completed all the works under its scope of work and a considerable time of more than six years has elapsed, the Appellant deserves a liberty to file an application before the Central Commission seeking grant of approval in terms of the Tariff Regulations, 2014 to enable the tariff determination for Asset-3 with capital cost being considered as on 31.03.2014 including admissible IDC /IEDC.”

17. In pursuance of APTEL’s judgment dated 20.9.2018 in Appeal No. 168 of 2015, the Petition No.105/TT/2012 was heard on 20.12.2018 and the Commission vide order dated 27.12.2018 directed to file a fresh petition. The relevant portion of the order dated 27.12.2018 is as under:

“2. Pursuant to the remand, the matter was listed for hearing on 20.12.2018. Learned Counsel for PGCIL submitted that in terms of the liberty granted by the Appellate Tribunal of Electricity, the Petitioner intends to file a separate petition seeking approval of the date of commercial operation of Kalpakkam PFBR Kanchipuram 230 kV D/C line in terms of the Regulations 4(3)(ii) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

3. Considering the submission of the learned counsel for the Petition, we grant liberty to the Petitioner to file a fresh petition within one month from the date of issue of this order.”

18. As per the directions of the Commission in order dated 27.12.2018, the Petitioner has filed the instant Petition No.148/TT/2019 and has claimed COD of the 230 kV D/C Kalpakkam PFBR-Kanchipuram transmission line and 2 Nos. of 230 kV Bays at Kanchipuram Sub-station w.e.f. 1.4.2014 under proviso (ii) to Regulation 4(3) of 2014 Tariff Regulations. Further, the Petitioner has claimed the tariff from 1.4.2014 and has also capitalised IDC and IEDC for the period from 1.9.2012 to 1.4.2014.



19. TANGEDCO in its reply has submitted that the instant transmission system is an evacuation system connecting the generating station (BHAVINI) with the sub-station of TANTRANSCO. The generator has not matched the commissioning of the generating units with the scheduled COD of the instant asset to bring the transmission assets into intended beneficial use and hence BHAVINI is liable to compensate the Petitioner.

20. We have considered the submissions of the Petitioner and TANGEDCO and also perused the APTEL's judgment dated 20.9.2018 in Appeal No. 168 of 2015. It is observed that neither TANTRANSCO has completed the associated transmission bays under its scope nor BHAVINI has commissioned the generation project up to 1.4.2014.

21. Regulation 4(3) of the 2014 Tariff Regulations, provides as under:

"(3) date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end: Provided that:

i) Where the transmission line or sub-station is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations:

ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof."

22. Regulation 6.3A (4)(iv) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 provides as follows:



“6.3A Commercial operation of Central generating stations and inter-State Generating Stations

4. Date of commercial operation in relation to an inter-State Transmission System or an element thereof shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from the sending end to the receiving end:

(iv) In case a transmission system or an element thereof is prevented from regular service on or before the Scheduled COD for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system of other transmission licensee, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof.”

23. In support of COD of the instant asset, the Petitioner has submitted self-declaration COD certificate dated 24.9.2012, CEA energisation certificate dated 31.8.2012 and email dated 9.1.2019 in support of charging of the instant asset on 31.8.2012 vide SRLDC Code 883 dated 31.8.2012. However, the Petitioner did not submit the RLDC charging certificate and has stated that though the COD is claimed as 1.4.2014, the instant asset was ready on 1.9.2012 itself, i.e. during the 2009-14 tariff period and no charging certificate is required as per the 2009 Tariff Regulations. Taking into consideration the observations of APTEL in judgment dated 20.9.2018 in Appeal No. 168 of 2015 and the facts mentioned above, we approve COD of the instant asset as 1.4.2014 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

24. As BHAVINI and TANTRANSCO were not ready on 1.4.2014, we are of the view that the transmission charges of the instant asset should be shared by BHAVINI and TANTRANSCO. Therefore, the transmission charges from COD of the instant asset i.e. 1.4.2014 shall be shared by TANTRANSCO and BHAVINI in equal proportion. After the commissioning of generation by BHAVINI or transmission



system by TANTRANSCO, when the instant asset is put to regular use, the transmission charges of the instant asset shall be included in the POC computation.

Capital Cost

25. The Petitioner has claimed the capital cost as per Regulations 9(1) and (2) of the 2014 Tariff Regulations which provide as follows:-

“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of 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) Increase in cost in contract packages as approved by the Commission;

(d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;

(e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;

(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;

(g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and

(h) Adjustment of any revenue earned by the transmission licensee by using the assets before COD.”

26. The Petitioner has claimed capital cost incurred as on COD and projected ACE, in respect of the instant asset and submitted Auditor's Certificate dated 2.1.2019 in support of the same. Further, the Petitioner has submitted approved apportioned cost as per RCE and other details relating to IEDC and initial spares etc. vide affidavit



dated 16.3.2020. The capital cost consists of actual expenditure incurred, including IDC and IEDC up to 1.9.2012, ACE from 1.9.2012 to 31.3.2014 and IDC and IEDC incurred from 1.9.2012 to 31.3.2014 in line with APTEL's judgment dated 20.9.2018 in Appeal No 168 of 2015, as per following details:

(₹ in lakh)

Apportioned Approved Capital Cost (FR)	Apportioned Approved Capital Cost (RCE)	Expenditure up to 1.9.2012	Additional Capital Expenditure		IDC and IEDC from 1.9.2012 to 31.03.2014 (Due to revision of COD)	Additional Capital Expenditure 2014-15	Completion Cost
			1.9.2012 to 31.3.2013	2013-14			
4507.00	5623.74	4515.08	142.62	239.38	678.49	33.71	5609.28

27. The Petitioner has submitted that against the total approved apportioned cost of ₹ 4507.00 lakh, the estimated completion cost of instant asset is ₹5609.28 lakh. However, there is no cost over-run w.r.t. to RCE approved apportioned cost of ₹5623.74 lakh.

28. The Petitioner has submitted item-wise cost variation between FR and estimated cost in detail in Form-5. The Petitioner has further submitted justification for major item-wise variation as under:

(₹ in lakh)

Srl. No.	Particulars	FR Apportioned cost	Estimated Completion Cost	Variation (Increase/ Decrease +/-)	Reason
1	Crop & Tree Compensation	131.00	95.42	(-) 35.58	Based on actual assessment of crops/trees & huts in the area encountered in line corridor by concerned Govt. officials
2	Tower Steel	1128.44	1437.85	309.41	Increase of line length from 67.74 km to 80.35 km due to shifting of Sub-station location of TANTRANSCO. Rerouting of
3	Conductor	931.27	1230.22	289.95	



4	Insulator	217.37	299.08	81.71	line as per new sub-station location leading to Palal river crossing twice, to avoid ROW.
5	Hardware Fittings	46.59	78.32	31.73	
6	Civil Works for Transmission Line	656.83	841.02	184.19	Heavier block foundations and additional pile foundations constructed due to longer span and river crossing at two locations.
7	Works for S/S	377.45	335.52	(-) 41.93	Due to the actual site condition, change in type of soil w.r.t considered in FR etc. This work is being carried out at Kanchipuram TNEB Substation by TNEB in consultancy work.
8	Site Supervision & Site administration	347.00	0.00	(-) 347.00	
9	IEDC	151.00	260.82	109.82	Increase due to revision of COD form 1.9.2012 to 1.4.2014 and inclusion of IDC/IEDC till 31.3.2014.
10	IDC	262.00	852.63	590.63	
11	Others	258.05	178.40	(-) 79.65	-
	TOTAL	4507.00	5609.28	1102.28	

29. TANGEDCO has submitted that the Petitioner has furnished a consolidated amount of ₹678.49 lakh towards IDC and IEDC from 1.9.2012 to 31.3.2014 instead of calculating from 16.3.2012. The Petitioner may include admissible IDC and IEDC in the capital cost up to the SCOD i.e. 16.3.2012. The applicable IDC and IEDC from 16.3.2012 to 31.3.2014 are to be recovered from the generator i.e. BHAVINI as the delay is attributable to them. TANGEDCO has further submitted that the Commission vide order dated 31.7.2017 in the Review Petition No. 51/RP/2016 against the order in Petition No. 201/TT/2015 has held that the Petitioner shall have to recover the IDC and IEDC from 16.3.2012 to 31.3.2014 directly from the generator.

30. In response, the Petitioner vide affidavit dated 29.5.2020 has reiterated its submission made in the petition as well as affidavit dated 16.3.2020 in response to RoP of hearing dated 11.2.2020.



31. We have considered the submissions of the Petitioner. The Petitioner has submitted that there is variation in capital cost on account of increase in the length of transmission by about 12.61 km, due to shifting of the location of New 230 kV Kanchipuram Sub-station being implemented by TANGEDCO. The variation in cost of sub-station is due to the actual site condition, change in type of soil and cost increased towards civil works in Transmission Line due to river crossing etc. Further, there is an increase in IDC and IEDC due to revision of COD from 1.9.2012 to 1.4.2014. This has resulted in the cost increase of ₹1102.28 lakh in the estimated completion cost of ₹5609.28 against the FR apportioned approved cost of ₹4507 lakh. However, the estimated completion cost is within the RCE approved apportioned cost of ₹5623.74 lakh. Therefore, the cost variation is allowed.

Time over-run

32. As per IA dated 16.3.2010, the scheduled COD of the instant asset was 1.4.2012 against which COD of the instant asset is approved as 1.4.2014 under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations. Therefore, there is a time over-run of 745 days in case of the instant asset.

33. The Petitioner has claimed COD of instant asset as 1.4.2014 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Petitioner has submitted that the instant asset was ready on 1.9.2012 as the same was test charged on 31.8.2012. However, the Petitioner has not submitted the reasons for time over-run from the scheduled COD of 1.4.2012 to 1.9.2012. As the Petitioner has not submitted the reasons for time over-run, we are not in a position to assess whether the time over-run is attributable to the Petitioner or not. Therefore, the time over-run from 1.4.2012



to 31.8.2012 is not condoned. Accordingly, IDC and IEDC for this period have not been capitalised.

34. Further, as the Petitioner has prayed for COD of 1.4.2014 by invoking proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations as already mentioned above, COD of the subject asset has been approved as 1.4.2014 under proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations as both the generation project of BHAVINI and the sub-station of TANTRANSCO were not ready on 31.3.2014. Therefore, as the Petitioner itself has claimed the COD of 1.4.2014, we are not inclined to allow IDC and IEDC from 1.9.2012 to 31.3.2014. Accordingly, IDC and IEDC from 1.9.2012 to 31.3.2014 have not been capitalized. However, the Petitioner is at liberty to claim compensation in terms of LDs, IDC or IEDC from BHAVINI and TANTRANSCO as per the arrangement/ agreement entered into with them, if any.

Interest During Construction (IDC)

35. The Petitioner has claimed IDC and submitted Auditor's Certificate dated 2.1.2019 in support of the same on the basis of cash outflow. The Petitioner has submitted the statement showing IDC discharged up to COD as under:

(₹ in lakh)	
Claimed as per Auditor's Certificate dated 2.1.2019	IDC
Up to 31.3.2012	186.55
From 1.4.2012 to 31.8.2012	121.35
From 1.9.2012 to 31.3.2014	544.73
Total IDC claimed as on 31.3.2014/COD	852.63



36. The Petitioner has submitted IDC computation statement which consists of the name of the loan, drawl date, loan amount, interest rate and Interest claimed. IDC is worked out based on the details given in the IDC statement. Further, the loan amount as on COD has been mentioned in Form 6 and Form 9C. While going through the documents, discrepancies have been observed such as mismatch in loan amount between IDC statement and that in Form 9C. Further, Form-6 depicts a higher quantum of debt vis-à-vis actual loan. The difference between the actual loan and the normative loan is assumed to have been funded through equity, on which no ROE is admissible. The allowable IDC has been worked out based on the available information and relying on loan amount as per IDC discharge statement. However, the Petitioner is directed to submit the detailed IDC statement by rectifying the above-mentioned deviation and proper reconciliation duly certified, at the time of true-up of tariff for 2014-19 period.

37. Details of IDC considered for tariff computation, subject to revision at the true-up is as under:

Particulars	(₹ in lakh)		
	Claimed	Disallowed	Allowed
Up to 31.3.2012	186.55	-	186.55
From 1.4.2012 to 31.8.2012 (As claimed in Auditor's Certificate)	121.35	121.35	0.00
From 1.9.2012 to 31.3.2014 (As claimed in Auditor's Certificate)	544.73	544.73	0.00
Total IDC as on 31.3.2014/COD	852.63	666.08	186.55

Incidental Expenditure During Construction (IEDC)

38. The Petitioner has claimed IEDC and submitted Auditor's Certificate dated 2.1.2019 in support of the same. The Petitioner, vide RoP for hearing dated



11.2.2020, was directed to submit the details of IEDC incurred during the period of delay, which the Petitioner has submitted. Auditor's Certificate dated 2.1.2019 shows IEDC incurred as under:

(₹ in lakh)	
Claimed as per Auditor's Certificate dated 2.1.2019	IEDC
Up to 31.3.2012	81.70
From 1.4.2012 to 31.8.2012	45.36
From 1.9.2012 to 31.3.2014	133.76
Total IEDC claimed as on 31.3.2014/ COD	260.82

39. IEDC claimed is within the percentage of hard cost indicated in the Abstract Cost Estimate. Hence, IEDC claimed by the Petitioner for the instant asset is allowed. Further, the Petitioner has submitted that IEDC was fully discharged as on respective dates and no liquidated damages has been recovered for the instant asset.

40. Details of IEDC considered for tariff computation, subject to revision at the time of true-up is as under:

Particulars	(₹ in lakh)		
	Claimed	Disallowed	Allowed
Up to 31.3.2012	81.70	-	81.70
From 1.4.2012 to 31.8.2012 (As claimed in Auditor's Certificate)	45.36	45.36	0.00
From 1.9.2012 to 31.3.2014 (As claimed in Auditor's Certificate)	133.76	133.76	0.00
Total IEDC as on 31.3.2014/COD	260.82	179.12	81.70

41. IEDC allowed for the subject asset will be reconsidered in the light of the directions of APTEL's judgment dated 2.12.2019 in Appeal Nos. 95 of 2018 and 140 of 2018 as implemented vide the Commission's order dated 4.2.2020 in Petition No. 1/TT/2019, at the time of true-up. The Petitioner is directed to furnish IEDC details of all the assets of the instant transmission project at the time of true-up of capital cost.



Initial Spares

42. The Petitioner has not claimed any initial spares for the instant asset.

Capital cost as on COD

43. Accordingly, the capital cost allowed as on COD under Regulation 9(2) of the 2014 Tariff Regulations is summarized as under:

(₹ in lakh)

Capital Cost as on COD as per Auditor's Certificate	Less: IDC disallowed	Less: IEDC disallowed	Capital Cost as on COD considered for tariff calculation
1	2	3	4=1-2-3
5575.57	666.08	179.12	4730.37

Additional Capital Expenditure (ACE)

44. As per Regulation 3(13) of the 2014 Tariff Regulations, the cut-off date for instant asset is 31.3.2017. The Petitioner has submitted Auditor Certificate dated 2.1.2019 in support of ACE of ₹33.71 lakh in 2014-15.

45. The Petitioner has claimed ACE under Regulation 14(1)(i) of 2014 Tariff Regulations against balance and retention payments as mentioned in Form-7 of instant asset. We have considered the submissions of the Petitioner and accordingly allow the ACE of ₹33.71 lakh during 2014-15 subject to true-up.

Capital cost for the tariff period 2014-19

46. Accordingly, the capital cost considered for the tariff period 2014-19, subject to true-up, is as under:

(₹ in lakh)

Capital Cost as on COD/1.4.2014 considered for tariff calculation	ACE allowed during 2014-15	Total Estimated Completion Cost up to 31.3.2019
4730.37	33.71	4764.08



Debt-Equity Ratio

47. Debt-Equity Ratio of 70:30 has been considered as per Regulation 19 of the 2014 tariff Regulations. The financial package up to COD as submitted in Form 6 has been considered to determine the Debt-Equity Ratio. The capital cost allowed as on COD and ACE allowed have been considered in the Debt-Equity ratio of 70:30. The Debt-Equity as on dates of COD/ 1.4.2014 and 31.3.2019 considered on normative basis are as under:

Particulars	(₹ in lakh)			
	As on COD/1.4.2014		As on 31.3.2019	
Debt	3311.26	70%	3334.86	70%
Equity	1419.11	30%	1429.22	30%
Total	4730.37	100%	4764.08	100%

Interest on Loan (IoL)

48. The Petitioner has claimed the Weighted Average Rate of IoL (WAROI) based on actual interest rates for each year during the 2014-19 period. The Petitioner has submitted that IoL has been claimed on the basis of rate prevailing as on COD and the change in interest due to floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff block 2014-19.

49. We have considered the submission of the Petitioner. We have calculated IOL on the basis of rate prevailing as on 1st April of each financial year for the tariff period 2014-19. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of truing-up. IoL is allowed considering all the loans submitted in Form-9C. The Petitioner is directed to reconcile the total Gross



Loan for the calculation of WAROI and for the calculation of IDC, which would be reviewed at the time of truing-up.

50. The details of IoL calculated are as under:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	3311.26	3334.86	3334.86	3334.86	3334.86
Cumulative Repayment up to previous Year	0.00	251.66	504.21	756.76	1009.31
Net Loan-Opening	3311.26	3083.20	2830.65	2578.10	2325.55
Addition due to Additional Capitalization	23.60	0.00	0.00	0.00	0.00
Repayment during the year	251.66	252.55	252.55	252.55	252.55
Net Loan-Closing	3083.20	2830.65	2578.10	2325.55	2073.00
Average Loan	3197.23	2956.92	2704.37	2451.82	2199.27
Weighted Average Rate of Interest on Loan	9.3355%	9.3504%	9.3527%	9.3548%	9.3566%
Interest on Loan	298.48	276.48	252.93	229.36	205.78

Return on Equity (RoE)

51. The Petitioner has claimed RoE for the instant asset in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that RoE has been calculated at the rate of 19.61% after grossing up the RoE with MAT rate of 20.960% as per the 2014 Tariff Regulations. The Petitioner has further submitted that the grossed-up RoE is subject to truing-up based on the effective tax rate of respective financial year applicable to the Petitioner Company.

52. We have considered the submissions made by the Petitioner. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate based on the notified MAT rates for the Petitioner. The relevant portion of the order 27.4.2020 is as under:



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

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

Year	Notified MAT rates (inclusive of surcharge & cess)	Effective tax (in %)
14-15	20.9605	20.9605
15-16	21.3416	21.3416
16-17	21.3416	21.3416
17-18	21.3416	21.3416
18-19	21.5488	21.5488

”

53. The same MAT rates as considered in order dated 27.4.2020 in Petition No. 274/TT/2019 are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations and the same are as under:

Year	Notified MAT rates (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed up RoE (Base Rate/1-t) (in %)
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	(in %)		
2014-15	20.9605	15.50	19.610
2015-16	21.3416	15.50	19.705
2016-17	21.3416	15.50	19.705
2017-18	21.3416	15.50	19.705
2018-19	21.5488	15.50	19.758

54. Accordingly, RoE allowed is as follows:

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	1419.11	1429.22	1429.22	1429.22	1429.22
Addition due to Additional Capitalization	10.11	0.00	0.00	0.00	0.00
Closing Equity	1429.22	1429.22	1429.22	1429.22	1429.22
Average Equity	1424.17	1429.22	1429.22	1429.22	1429.22
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate during the year	20.9605%	21.3416%	21.3416%	21.3416%	21.5488%
Rate of Return on Equity (Pre-tax)	19.610%	19.705%	19.705%	19.705%	19.758%
Return on Equity (Pre-tax)	279.28	281.63	281.63	281.63	282.39

Depreciation

55. Depreciation has been dealt with in line of Regulation 27 of 2014 Tariff Regulations. The instant asset was put under commercial operation during 2014-15. Accordingly, it will complete 12 years beyond the tariff period 2014-19. The Gross Block during 2014-19 has been depreciated at Weighted Average Rate of Depreciation (WAROD) (as placed in Annexure-1). WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed is as under:

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	4730.37	4764.08	4764.08	4764.08	4764.08



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Additional Capitalisation	33.71	0.00	0.00	0.00	0.00
Closing Gross Block	4764.08	4764.08	4764.08	4764.08	4764.08
Average Gross Block	4747.23	4764.08	4764.08	4764.08	4764.08
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Depreciation (WAROD)	5.3012%	5.3011%	5.3011%	5.3011%	5.3011%
Balance useful life of the asset at the beginning of the year	35	34	33	32	31
Elapsed life of the asset at the beginning of the year	0	1	2	3	4
Aggregated Depreciable Value	4272.50	4287.67	4287.67	4287.67	4287.67
Combined Depreciation during the Year	251.66	252.55	252.55	252.55	252.55
Aggregate Cumulative Depreciation	251.66	504.21	756.76	1009.31	1261.86
Remaining Aggregate Depreciable Value	4272.50	4036.01	3783.46	3530.91	3278.36

Operation and Maintenance Expenses (O&M Expenses)

56. The Petitioner has claimed the following O&M Expenses for the instant asset:

(₹ in lakh)

O&M Expenses claimed				
2014-15	2015-16	2016-17	2017-18	2018-19
141.23	145.96	150.78	155.77	160.96

57. The Petitioner has submitted that the wage revision of the employees of the Petitioner company has been implemented during 2014-19 and actual impact of wage hike which will be effective from a future date has also not been factored in fixation of the normative O&M rates prescribed for the tariff block 2014-19. The scheme of wage revision applicable to CPSUs being binding on the Petitioner, the Petitioner would approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike during 2014-19 onwards. Accordingly, prayer has been made for suitable revision in the norms for O&M Expenses for claiming the impact of wage hike, if any, during period 2014-19.



TANGEDCO has submitted that the claim of the petitioner for revision in norms of O&M expenditure due to impact of wage hike at a later stage should not be considered.

58. We have considered the submissions of the Petitioner and TANGEDCO. The O&M Expenses have been worked out as per the norms specified in the 2014 Tariff Regulations. As regards the impact of wage revision, any application filed by the Petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations. The Petitioner has computed normative O&M Expenses as per Regulation 29(4)(a) of the 2014 tariff regulations. The O&M norms specified under Regulation 29(4)(a) of the 2014 Tariff Regulations for the instant assets are as under:

Element	2014-15	2015-16	2016-17	2017-18	2018-19
Sub-station: 220 kV bay (₹ in lakh per bay)	42.21	43.61	45.06	46.55	48.10
Double circuit (Twin & Triple conductor) (₹ in lakh per km)	0.707	0.731	0.755	0.780	0.806

59. Accordingly, the allowed O&M Expenses is provided as under:

Element	2014-15	2015-16	2016-17	2017-18	2018-19
220 kV Kalpakam-Kanchipuram D/C line (length 80.35 km)	56.81	58.74	60.66	62.67	64.76
2 Nos. 220 kV bays (Kalpakam Bay –I &II)	84.42	87.22	90.12	93.10	96.20
Total O&M Expenses allowed	141.23	145.96	150.78	155.77	160.96

Interest on Working Capital (IWC)



60. The Petitioner has claimed IWC as per Regulation 28(1)(c) of the 2014 Tariff Regulations. The components of the working capital and the petitioner's entitlement to interest thereon are discussed hereunder:-

(i) Receivables

Receivables as a component of working capital will be equivalent to two months fixed cost. The petitioner has claimed the receivables on the basis of 2 months annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges.

(ii) Maintenance spares

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M expenses. The value of maintenance spares has accordingly been worked out.

(iii) O & M expenses

Operation and maintenance expenses have been considered for one month as a component of working capital. The petitioner has claimed O&M expenses for 1 month of the respective year as claimed in the petition. This has been considered in the working capital.

(iv) Rate of interest on working capital:

As per Clause 28 (3) of the 2014 Tariff Regulations, SBI Base Rate as on 1.4.2014 (10.00%) plus 350 Bps i.e. 13.50% has been considered as the rate of IWC.

61. Accordingly, IWC allowed for the instant asset is as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	21.18	21.89	22.62	23.37	24.14
O&M expenses	11.77	12.16	12.57	12.98	13.41
Receivables	166.26	163.89	160.72	157.58	154.60
Total	199.21	197.95	195.90	193.93	192.16
Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
Interest on working capital	26.89	26.72	26.45	26.18	25.94



Annual Fixed Charges (AFC)

62. The annual transmission charges allowed for the instant asset is as under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	251.66	252.55	252.55	252.55	252.55
Interest on Loan	298.48	276.48	252.93	229.36	205.78
Return on Equity	279.28	281.63	281.63	281.63	282.39
Interest on Working Capital	26.89	26.72	26.45	26.18	25.94
O & M Expenses	141.23	145.96	150.78	155.77	160.96
Total	997.54	983.34	964.34	945.49	927.61

Filing fee and the publication expenses

63. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses in terms of Regulation 52 of the 2014 Tariff Regulations. 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 52(1) of the 2014 Tariff Regulations.

License fee and RLDC Fees and Charges

64. The Petitioner has prayed to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the Petitioner shall be entitled for reimbursement of license fee and RLDC fees and charges in accordance with Regulation 52(2)(a) and 52(2)(b) of the 2014 Tariff Regulations.

Goods and Services Tax

65. The Petitioner has sought to recover GST on transmission charges separately from the Respondents. We have considered the submissions of the Petitioner and are of the opinion that GST is not levied on transmission service at present and the Petitioner's prayer is premature.



Sharing of Transmission Charges

66. The Petitioner has submitted that the transmission charges for 2014-19 may be recovered in line with the Commission's order dated 29.4.2015 in Petition No. 105/TT/2012 and APTEL's order dated 4.10.2018 in Appeal No.151 of 2015 and thereafter the transmission charges may be recovered on monthly basis in accordance with Regulation 43 of 2014 Tariff Regulations and shared by the beneficiaries and long term transmission customers in accordance with 2010 Sharing Regulations.

67. Sharing of transmission charges shall be in accordance with paragraph 24 of this order. Once BHAVINI or sub-station of TANTRANSCO are commissioned, the transmission charges approved in the instant petition shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations. The billing, collection and disbursement of Transmission Charges approved shall be governed by the provision of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

68. This order disposes of Petition No.148/TT/2019.

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member

Sd/-
(P. K. Pujari)
Chairperson



DETAILS OF WEIGHTED AVERAGE RATE OF DEPRECIATION (WARoD) FOR THE 2014-19 TARIFF PERIOD

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014	Projected Additional Capitalisation during tariff period 2014-19	Admitted Capital Cost as on 31.3.2019	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
					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
Land-Lease hold	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Building, Civil Works & Colony	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmission Line	4279.33	33.71	4313.04	5.28%	226.84	227.73	227.73	227.73	227.73
Substation	355.18	0.00	355.18	5.28%	18.75	18.75	18.75	18.75	18.75
PLCC	95.86	0.00	95.86	6.33%	6.07	6.07	6.07	6.07	6.07
IT Equipment (Incl. Software)	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	4730.37	33.71	4764.08	Total	251.66	252.55	252.55	252.55	252.55
Average Gross Block (₹ in lakh)					4747.23	4764.08	4764.08	4764.08	4764.08
Weighted Average Rate of Depreciation (WAROD)					5.3012%	5.3011%	5.3011%	5.3011%	5.3011%