

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 152/TT/2020

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member**

Date of Order:15.02.2021

In the Matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing-up of transmission tariff of the 2009-14 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and truing-up of transmission tariff of the 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff for the 2019-24 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for Combined Asset consisting of **Asset-I:** 400 kV D/C Twin Conductor Kanpur-Ballabgarh Transmission Line along with its Associated Bays; and **Asset-II:** 40% FSC at Ballabgarh on 400 kV D/C Kanpur-Ballabgarh Transmission Line covered under the Northern Region System Strengthening Scheme-IX in the Northern Region.

And in the Matter of:

Power Grid Corporation of India Ltd.,
SAUDAMINI, Plot No-2,
Sector-29, Gurgaon-122001 (Haryana).

...Petitioner

Vs

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



4. Jodhpur Vidyut Vitran Nigam Ltd.,
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 (Himachal Pradesh).
6. Punjab State Electricity Board,
Thermal Shed Tia,
Near 22 Phatak,
Patiala-147001 (Punjab).
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula -134109 (Haryana).
8. Power Development Department,
Government of Jammu and Kashmir,
Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Ltd.,
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001 (Uttar Pradesh).
10. Delhi Transco Ltd.,
Shakti Sadan, Kotla Road,
New Delhi-110002.
11. BSES Yamuna Power Ltd.,
B-Block, Shakti Kiran, Bldg., (Near Karkardooma Court),
Karkardooma 2nd Floor,
Delhi-110092.
12. BSES Rajdhani Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi-110019.
13. North Delhi Power Ltd.,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11 kV Pitampura-3,
Grid Building, Near PP Jewellers,
Pitampura, New Delhi-110034.
14. Chandigarh Administration,
Sector-9, Chandigarh.



15. Uttarakhand Power Corporation Ltd.,
Urja Bhawan, Kanwali Road, Dehradun (Uttarakhand).

16. North Central Railway,
Allahabad (Uttar Pradesh).

17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

...Respondents

For Petitioner: Shri A. K. Verma, PGCIL
Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri Abhay Choudhary, PGCIL

For Respondent: Er. R.B. Sharma, Advocate, BRPL

ORDER

The instant petition has been filed by Power Grid Corporation of India Ltd. (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for truing-up of transmission tariff from COD to 31.3.2014 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, for truing-up of tariff of the 1.4.2014 to 31.3.2019 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of tariff for the period from 1.4.2019 to 31.3.2024 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of following assets associated with “Northern Region System Strengthening Scheme-IX” in the Northern Region (hereinafter referred to as “the transmission project”):

Asset-I: 400 kV D/C Twin Conductor Kanpur-Ballabgarh Transmission Line along with its Associated Bays; and



Asset-II: 40% FSC at Ballabgarh on 400 kV D/C Kanpur-Ballabgarh Transmission Line for Transmission System (hereinafter referred to as the “transmission asset/ Combined Asset”).

2. The Petitioner has made the following prayers:

“1) Allow the petitioner to revise the apportioned approved FR Cost of the Assets mentioned in the Petition and remove the restriction on the capital cost of Asset II due to cost over run.

2) Approve the trued up Transmission Tariff for 2009-14 and 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 14, 15 and 16 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 Hon’ble Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019.

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 beneficiaries 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 beneficiaries.

7) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall security expenses and consequential Interest On Working Capital on that security expenses as mentioned at para 18(h) above.

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

9) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the beneficiaries, 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”



Background

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

a) The administrative approval and expenditure sanction for the transmission project was accorded by the Board of Directors of the Petitioner Company *vide* C/CP/NRSS-IX dated 7.7.2008 for ₹52514 lakh including IDC of ₹3855 lakh based on 1st Quarter, 2008 price level. The scope of work falling under the transmission project is as under:

Transmission Line

- i. Kanpur-Ballabgarh 400 kV D/C line.

Sub-station

- i. Extension of existing Kanpur Sub-station
- ii. Extension of existing Ballabgarh Sub-station
- iii. 40% Series Compensation on proposed Kanpur-Ballabgarh 400 kV D/C line

Reactive Compensation:

- i. 80 MVAR line reactors on each circuit at both ends on proposed Kanpur-Ballabgarh 400 kV D/C line

b) Asset-I and Asset-II were put into commercial operation (COD) on 1.11.2010 and 1.7.2011 respectively. The tariff from COD to 31.3.2014 for Asset-I and Asset-II was allowed by the Commission *vide* order dated 1.8.2011 in Petition No. 329/2010 and order dated 23.5.2012 in Petition No. 17/2011 respectively.

c) The Commission *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, trued up the tariff of the 2009-14 tariff period and allowed tariff for the 2014-19 tariff period wherein the capital cost of Asset-II was restricted to the FR apportioned approved capital cost.

d) The Petitioner thereafter filed a Review Petition No. 34/RP/2017 along with 61/IA/2017 stating that an inadvertent arithmetical error was observed while apportioning the cost of individual elements at the FR stage. In the Review Petition, the Petitioner prayed for revision of the tariff allowed for Asset-II for the 2009-14 period and 2014-19 tariff period based on the corrected apportioned



approved cost of ₹4210 lakh and also submitted that there was delay in filing of the review petition by 396 days and had accordingly filed an Interlocutory Application No. 61 of 2017 for condonation of the delay along with reasons. The Commission *vide* order dated 19.3.2018 disallowed the Review Petition No. 34/RP/2017 on the ground that it was filed after the statutory time limit and observed that the reasons given for the delay in filing the review petition were not satisfactory.

e) The transmission tariff was trued up for the Combined Asset from COD to 31.3.2014 *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 and the revised trued up transmission tariff claimed by the Petitioner for the period from COD to 31.3.2014 is as under:

Particulars	Combined Asset		
	2011-12 (<i>pro-rata</i>)	2012-13	2013-14
Annual Fixed Charges (AFC) approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	5276.02	7023.83	6995.18
Claimed based on instant true-up petition	5278.93	7053.09	7049.08

f) Transmission tariff allowed for the Combined Asset for the 2014-19 tariff period *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 and the trued-up transmission tariff claimed by the Petitioner for the 2014-19 tariff period in the instant petition is as under:

Particulars	Combined Asset				
	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Fixed Charges (AFC) approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	6848.10	6716.60	6550.02	6384.24	6219.25
Claimed based on instant true-up petition	6874.49	6754.60	6620.00	6453.25	6293.09

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



5. The Petitioner has served the petition on the Respondents and notices regarding filing of this petition have been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No suggestions/ objections have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. General Notice dated 12.3.2020, directing the beneficiaries/ Respondents to file reply in the matter was also posted on the Commission's website. Uttar Pradesh Power Corporation Ltd. (UPPCL), Respondent No. 9, has filed its reply *vide* affidavit dated 14.7.2020. UPPCL has raised issues of capital cost, cumulative depreciation, calculation of rate of interest for loan, calculation of Return on Equity (RoE) and Operation and Maintenance Expenses. BSES Rajdhani Power Ltd. (BRPL), Respondent No. 12, has filed soft copy of its reply dated 24.7.2020 and common additional reply dated 24.7.2020. BRPL filed hard copy of its reply dated 24.7.2020 *vide* affidavit dated 14.9.2020 after lifting of the lockdown due to Covid-19 pandemic. BRPL has raised issues of representation of the consumer interest, COD of Asset-II, adoption of Indian Accounting Standard (IND AS) 101, computation of income tax, Return on Equity (RoE), Deferred Tax Liability, recovery of tax on truing up exercise of RoE, applicability and recovery of GST, Interest on Working Capital (IWC), recovery of security expenses, passing of tax benefits to consumers and recovery of application filing fee and the expenses. The Petitioner *vide* affidavit dated 27.7.2020, has filed rejoinder to the reply submitted by UPPCL. The Petitioner *vide* affidavits dated 13.8.2020 and 20.8.2020, has filed rejoinders to the replies submitted by BRPL. The issues raised by UPPCL and BRPL and the clarifications given by the Petitioner are considered in the relevant portions of this order.



6. This order is issued considering the submissions made by the Petitioner in the Petition dated 16.1.2020 and the Petitioner's affidavits dated 4.5.2020 and 24.7.2020, replies of BRPL and UPPCL and the Petitioner's rejoinders to the replies of BRPL and UPPCL.

7. The hearing in this matter was held on 28.7.2020 through video conference and the order was reserved. Having heard the representatives of the Petitioner and BRPL and perused the material on record, we proceed to dispose of the petition.

8. BRPL has submitted that representation of consumer's interest and their participation in tariff determination proceedings is an integral part of the hearing. Referring to Regulation 18 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, BRPL has submitted that some Association, Forum or body Corporate recognized by the Commission may be asked to represent the interest of consumers during hearings of the instant petition. BRPL has further submitted that one of the said agencies may be instructed to represent the consumer's interest in the instant case and that the same is also provided for in Section 94(3) of the Electricity Act, 2003.

9. We have considered the submissions of BRPL. In terms of Regulations 3(6) and (8) of Central Electricity Regulatory Commission (Procedure for Making of Application for Determination of Tariff, Publication of Application and Other Related Matters) Regulations, 2004. Accordingly, the Petitioner has published Notice in the newspapers and vide affidavit dated 5.3.2020 has submitted that it has carried out the publication of the present tariff application in the newspapers dated 24.1.2020 in various languages. Further, the instant petition has been uploaded on the Petitioner's website. The Notice published in newspaper contained a statement that the application made



for determination of tariff is posted on the website of the applicant and the address of the website has also been given. The said Notice contained a statement that “suggestions or objections, if any, on the tariff proposals for determination of tariff may be filed by any person including the beneficiary in the Office of the Secretary, Central Electricity Regulatory Commission with a copy to the applicant at its Corporate Office within 30 days of publication of the notice. No suggestions/ objections with regard to the present tariff petitions were received by the Commission before listing of the present petition for hearing. In view of the above, we are of the view that there is no need to engage any agency to represent the interest of consumers.

10. The Petitioner has also requested to true up annual fixed charges for the 2009-14 tariff period stating that it had inadvertently submitted wrong capital cost in the main petition and that the same needs to be corrected. The Petitioner has submitted the revised apportioned capital cost of the transmission assets and has prayed for revising the tariff from COD to 31.3.2014 period under Regulation 44 of the 2009 Tariff Regulations. The revised apportioned approved cost of the instant transmission assets as under:

(₹ in lakh)

Asset	Apportioned Approved FR Cost (as mentioned in order dated 18.3.2016 in Petition No. 15/TT/2015)	Revised Apportioned Approved Capital Cost (claimed by the Petitioner)
Asset-I	49473.46	48304.00
Asset-II	3040.55	4210.00
Total	52514.01	52514.00

11. BRPL has submitted that COD of Asset-II is erroneous and hence it should be removed from the computation of Point of Connection (PoC) charges from 1.7.2011 and the tariff recovered should be adjusted. The Petitioner has submitted that COD of Asset-II is a resolved issue and that the Petitioner has not changed the admitted capital cost as on COD. The Petitioner has further submitted that the inadvertent error



in apportionment was noticed during preparation of RCE and, hence, the revised apportionment along with the extract of DPR has been submitted.

12. We have considered the submissions made by the Petitioner and BRPL. It is observed that during true-up of tariff of the period from COD to 31.3.2014, the Commission had restricted the capital cost of Asset-II to the apportioned approved cost of ₹3040.55 lakh vide order dated 18.3.2016 in Petition No. 15/TT/2015. The capital cost of Asset-I was within the apportioned approved capital cost and was accordingly approved. The Petitioner had filed a review Petition No. 34/RP/2017 and the same was rejected by the Commission vide order dated 19.3.2018 since the Petitioner had failed to file the review petition within the stipulated time. The relevant portion of the order dated 19.3.2018 is extracted hereunder:

“3. The Review Petitioner has submitted that there is delay in filing of the review petition by 396 days and has accordingly filed an Interlocutory Application No. 61 of 2017 for condonation of the said delay. The Review Petitioner has given the following reasons for delay in filing the review petition:-

“It is humbly submitted that the Applicant had bona fide intentions to file the review petition by 02.07.2016. However, there was an unintended delay in filing the review petition. It is submitted that pursuant to this Hon’ble Commission’s order in NTPC limited v Uttar Pradesh Power Corporation Limited & Ors., 53/RP/2016, on 21.02.2017 and order of the Hon’ble Appellate Tribunal for Electricity in Power Grid Corporation of India Limited v Central Electricity Regulatory Commission, Appeal No. 127 of 2015, on 15.03.2017, the Applicant had internal meetings to discuss the possibility of filing a review petition against the Impugned Order. The final approval from the management was granted only on 14.07.2017, and thereafter, the Applicant engaged the advocates and gave them instructions to prepare and file the review petition.”

4. We have considered the submission of the Review Petitioner. The Review Petitioner has submitted that the delay of 396 days is on account of the time taken for decision by the Management to file the review petition. The impugned order was issued on 18.3.2016 and was posted on the Commission’s website on 21.3.2016. As per Regulation 103(1) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 (CBR), a petition for review has to be filed within 45 days of making the Commission’s decision, directions and orders. Accordingly, the period of 45 days would start from the date it was posted on the website, which was 21.3.2016. The review petition was filed on 3.8.2017. Thus, there is delay of 455 days in filing of the instant review petition and not 396 as contended by the Review Petitioner. As regards the reasons for delay, the Review Petitioner has submitted that it was decided by the Review Petitioner to file the instant review petition after the issue of Commission’s order dated 17.2.2017 in the Review Petition No. 53/RP/2016 filed by NTPC and judgment



dated 15.3.2017 of the Hon'ble Appellate Tribunal for Electricity in Appeal No.127 of 2015. Without going into the details, it is observed that the Commission's order and the APTEL's judgement were issued after the issue of the impugned order dated 18.3.2016. Developments subsequent to the issue of the impugned order cannot be a ground for filing of the review petition. In any case, despite the knowledge about the statutory bar of 45 days for filing the review petition, the Review Petitioner did not file the review petition. We are of the view that the reasons given by the Review Petitioner for the delay in filing the instant review are not satisfactory. Hence, we are not inclined to condone the delay of 455 days in filing the Review Petition. IA No. 61 of 2017 is disallowed and consequently, the Review Petition is rejected for not being filed within the statutory period of 45 days from the date of issue of the order."

13. The Petitioner in the instant petition has again submitted the revised apportioned capital cost of the transmission assets and has prayed for revising the tariff from COD to 31.3.2014 period, considering the revised apportioned capital cost, under Regulation 44 of the 2009 Tariff Regulations. Regulation 44 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (2009 Tariff Regulations) provides as follows:

"44. Power to Relax.

The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person."

14. The Petitioner has prayed for considering the revised apportioned capital cost under Regulation 44 of the 2009 Tariff Regulations, which has already been rejected by the Commission vide order dated 19.3.2018 in Petition No.34/RP/2017. The said regulation provides for relaxing any of the provisions of the 2009 Tariff Regulations for reasons to be recorded in writing on its own or on an application by a party. In the instant case, the Petitioner has not mentioned the provision of the 2009 Tariff Regulations which the Petitioner seeks to relax. Further, there is no provision in the 2009 Tariff Regulations which provides for consideration of the revised apportioned approved cost which has already been considered by the Commission in a review petition. Therefore, the Petitioner's prayer for considering the revised apportioned capital cost under Regulation 44 of the 2009 Tariff Regulations is rejected.



15. Further, the Petitioner has placed its reliance on the Commission's order dated 4.4.2019 in Review Petition No. 15/RP/2018, wherein the Petitioner was given an opportunity to submit the complete facts and supporting documents pertaining to the capital cost of LILO of Bangalore-Salem 400 kV S/C line at Hosur under System Strengthening XVIII in Southern Regional Grid. Even otherwise, the facts in the instant case are different from the facts of the matter relied upon by the Petitioner. The tariff for the LILO of Bangalore-Salem 400 kV S/C line at Hosur under System Strengthening XVIII in Southern Regional Grid for the 2009-14 period was allowed vide order dated 29.1.2015 in Petition No. 165/TT/2013 in accordance with the 2009 Tariff Regulations, wherein its capital cost was restricted to the approved apportioned cost and the additional capital expenditure was not allowed and the Petitioner was directed to submit RCE at the time of true up along with justification for cost over-run. During true up of the 2009-14 period, the Petitioner had failed to produce RCE. Therefore, the Commission vide order dated 24.2.2016 in Petition No. 147/TT/2015 restricted the total capital cost to approved apportioned cost. The Petitioner later filed Petition No. 98/TT/2016 for revision of true up of 2009-14 period on the basis of RCE. But the Commission vide order dated 30.8.2016 rejected the petition observing that the RCE was approved after disposal of the true up petition and that the same cannot be re-opened on the basis of the developments subsequent to the disposal of the true up petition. The Petitioner filed Appeal No. 147 of 2017 against order dated 30.8.2016 in Petition No. 98/TT/2016 before Appellate Tribunal for Electricity (APTEL) and subsequently withdrew the said Appeal with permission to file a review petition against the Commission's order dated 30.8.2016 in Petition No. 98/TT/2016. APTEL in the judgment dated 15.3.2017 in Appeal No. 127 of 2015 in the matter of *Power Grid Corporation of India Ltd. vs. Central Electricity Regulatory Commission & Ors.*



observed that in case the review petitioner has failed to place on record any documents before the Commission, then it must be given a chance to put up its case with complete facts and supporting documents. Therefore, the Commission *vide* order dated 4.4.2019 in Review Petition No. 15/RP/2018 in Petition No. 98/TT/2016 was in agreement with the Petitioner's contention and took the RCE on record and specified that the same will be considered at the time of truing up of the 2014-19 tariff period. However, in the instant case the matter does not relate to RCE but an arithmetical error in apportionment post true up of the tariff for the period from COD to 31.3.2014 approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015. In this regard, the Petitioner had filed a Review Petition No. 34/RP/2017, which has already been rejected by the Commission *vide* order dated 19.3.2018.

16. The Petitioner had legal recourse under Section 111 of the Electricity Act, 2003 to file an appeal against the order dated 19.3.2018 in Review Petition No.34/RP/2017. However, the Petitioner choose not to do so. Not having preferred to file an appeal against order dated 19.3.2018 in Review Petition No.34/RP/2017, the Petitioner is re-agitating the issue which has attained finality. Accordingly, the Petitioner's prayer for revising the capital cost of Asset-II on the basis of the revised apportioned capital cost and revision of the trued-up tariff of Asset-II from its COD to 31.3.2014 is disallowed.

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

17. The Petitioner has claimed the following trued up transmission charges for the Combined Asset for the 2014-19 tariff period:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	2043.96	2054.61	2064.88	2065.66	2065.89
Interest on Loan	1752.04	1580.27	1406.11	1218.64	1031.81
Return on Equity	2280.22	2302.60	2312.93	2313.81	2320.29
Interest on Working Capital	174.33	172.29	169.93	166.88	164.00



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	623.94	644.83	666.15	688.26	711.10
Total	6874.49	6754.60	6620.00	6453.25	6293.09

18. The Petitioner has claimed the following Interest on Working Capital (IWC) for the Combined Asset for the 2014-19 tariff period:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	52.00	53.74	55.51	57.36	59.26
Maintenance Spares	93.59	96.72	99.92	103.24	106.67
Receivables	1145.75	1125.77	1103.33	1075.54	1048.85
Total Working Capital	1291.34	1276.23	1258.76	1236.14	1214.78
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	174.33	172.29	169.93	166.88	164.00

Capital Cost

19. The details of the FR apportioned approved capital cost, revised apportioned approved capital cost, the capital cost as on 31.3.2014 and ACE in the 2014-19 tariff period claimed by the Petitioner are as under:

(₹ in lakh)					
Asset	Apportioned Approved Capital Cost	Revised Apportioned Approved Capital Cost	Capital Cost as claimed as on 31.3.2014	Actual ACE in 2014-19	Total Capital Cost as on 31.3.2019
Asset-I	49473.46	48304.00	35330.81	300.97	35631.78
Asset-II	3040.55	4210.00	3381.89	131.93	3513.82
Combined Asset	52514.01	52514.00	38712.70	432.90	39145.60

20. UPPCL has submitted that the capital cost as on 1.4.2014 as per Auditor Certificate i.e. ₹38832.64 lakh does not tally with the capital cost considered by the Petitioner i.e. ₹38712.70 lakh. In response, the Petitioner *vide* affidavit dated 27.7.2020 has submitted that the difference in capital cost is due to the disallowance of ₹119.94 lakh of excess initial spares and the capital cost admitted by the Commission *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 is considered.



21. We have considered the submissions of the Petitioner. It is observed that the capital cost in case of Asset-II as on 31.3.2014 considered by the Petitioner is higher than the FR apportioned approved capital cost. The Commission *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 had restricted the capital cost of Asset-II to the FR approved apportioned capital cost of ₹3040.55 lakh.

22. The capital cost of the Combined Asset has been calculated in accordance with Regulation 9(1) of the 2014 Tariff Regulations. The Commission *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 has allowed capital cost of ₹38371.36 lakh as on 31.3.2014 and the projected ACE of ₹390.71 lakh for determination of tariff for the 2014-19 tariff period for the Combined Asset as shown under:

(₹ in lakh)			
Apportioned Approved Capital Cost	Capital Cost as on 1.4.2014	Projected ACE 2014-15	Capital Cost as on 31.3.2019
52514.01	38371.36	390.71	38762.07

23. Accordingly, the capital cost of the Combined Asset considered for truing up of tariff of the 2014-19 tariff period is as under:

(₹ in lakh)		
Asset	Apportioned Approved Capital Cost	Capital Cost approved as on 1.4.2014
Asset-I	49473.46	35330.81
Asset-II	3040.55	3040.55
Combined Asset	52514.01	38371.36

24. BRPL has submitted that the Petitioner has opted for deemed cost exemption as per para D7 AA of IND AS 101 'First time Adoption' which is resulting in mere increase of tariff. The adoption of IND AS is for the purposes of the Companies Act, 2013 and not for the purposes of the Tariff Regulations which provides its own procedure for computation of tariff. In response, the Petitioner *vide* affidavit dated 20.8.2020 has submitted that IND AS were mandatorily to be adopted as per Ministry



of Corporate Affairs (MCA) notification. As the Petitioner adopted IND AS from 2014-15 onwards, the Gross Block less Accumulated Depreciation as on 1.4.2015 is considered as deemed cost as on the date of transition i.e. 1.4.2015 in the books of accounts. As such, in case of assets commissioned before 1.4.2015, the gross block of the assets reflects gross block less accumulated depreciation as on 31.3.2015 in the books of accounts. There has been no change in the capital cost or additional capitalization considered for claiming transmission tariff on account of adoption of IND AS. For the purpose of computation of tariff, the actual capital cost and ACE has been claimed/ considered. Thus, there is no impact in tariff at all on account of adoption of IND AS at any point of time.

25. We have considered the submissions of the Petitioner and BRPL. BRPL has contended that the new accounting standards adopted would result in higher tariffs. The Petitioner in response has clarified that the new standards adopted by it would not have any impact on the tariff to be determined by the Commission. The new accounting standards have been adopted by the Petitioner as per the requirement under the Companies Act, 2013. BRPL has merely stated adoption of new accounting standards would lead to higher tariff and has not stated how it would lead to higher tariff. The tariff is determined for the transmission assets owned by the Petitioner on the basis of the applicable tariff regulations, in the instant case the 2014 Tariff Regulations and 2019 Tariff Regulations. As the tariff is determined on the basis of the tariff regulations, we are of the view that the adoption of the new accounting standards by the Petitioner would not have any impact on the tariff that is determined purely on the basis of the applicable tariff regulations.



Additional Capital Expenditure (ACE)

26. The Commission *vide* order dated 18.3.2016 in Petition No. 15/TT/2015 had approved the transmission tariff for the Combined Asset for the 2014-19 period based on the admitted capital cost as on 31.3.2014 and had allowed ACE of ₹390.71 lakh for the Asset-I during the 2014-19 period towards balance and retention payments for works executed before the cut-off date. However, the capital cost of Asset-II was restricted to ₹3040.55 lakh and no ACE was allowed for the 2014-19 period.

27. The Petitioner has claimed following ACE based on actual expenditure:

Asset	ACE			
	2014-15	2015-16	2016-17	2017-18
Asset-I	38.43	236.51	20.69	8.94
Asset-II	-	131.93	-	-
Combined Asset	38.43	368.44	20.69	8.94

28. The Petitioner has submitted that the cut-off date of Asset-I was 31.3.2013 and that for Asset-II was 31.3.2014. ACE for 2014-15 to 2017-18 period is beyond the cut-off date and it is on account of un-discharged liability towards final payment/ withheld payment due to contractual exigencies for works executed within the cut-off date and payment made after the cut-off date and is claimed under Regulation 14(3)(v) of 2014 Tariff Regulation.

29. The Petitioner has submitted asset-wise details of ACE incurred during the 2014-19 tariff period as under:

Srl. No.	Year	Particulars	Amount (₹ in lakh)
Asset-I			
1	2014-15	Kalpataru power	10.37
2	2014-15	Apar Industries Ltd.	24.46
3	2015-16	BHEL	236.51
4	2016-17	Apar Industries Ltd.	14.58



	2016-17	Gupta Power	6.11
5	2017-18	CAMPA Fund/Compulsory Afforestation Charges	8.94
Total			300.97
Asset-II			
1	2014-15	Siemens	131.93
Total			131.93

30. We have considered the submissions made by the Petitioner. ACE claimed is towards balance and retention payments for works executed before the cut-off date and are claimed on actual discharge of liabilities after cut-off date as per provisions of contract. However, since we have already restricted the capital cost of Asset-II to apportioned approved capital cost in order dated 18.3.2016 in Petition No. 15/TT/2015, the Petitioner's claim of ACE in case of Asset-II is not allowed. The total cost of Asset-I as on 31.3.2019 is within the apportioned approved cost. Thus, the same is allowed for the purpose of computation of tariff in accordance with Regulation 14(3)(v) of the 2014 Tariff Regulations. ACE allowed for the 2014-19 tariff period in respect of the Combined Asset covered in the instant petition is as under:

(₹ in lakh)					
Asset	2014-15	2015-16	2016-17	2017-18	Total ACE
Asset-I	38.43	236.51	20.69	8.94	300.97
Asset-II	-	-	-	-	-
Combined Asset	38.43	236.51	20.69	8.94	300.97

31. Accordingly, the capital cost considered for tariff computation of the 2014-19 period is as under:

(₹ in lakh)		
Admitted Capital Cost as on 1.4.2014	ACE (2014-19)	Total Capital Cost as on 31.3.2019
38371.36	300.97	38672.33

Debt-Equity Ratio

32. The Petitioner has claimed Debt-Equity ratio of 70:30 as on 31.3.2014. The Debt-Equity ratio has been considered in accordance with Regulation 19(1), (3) and (5) of the 2014 Tariff Regulations. The Debt-Equity ratio of 70:30 has been considered



for ACE allowed during the 2014-19 period in accordance with Regulation 19(3) of the 2014 Tariff Regulations. The details of the Debt-Equity in respect of the Combined Asset as on 1.4.2014 and as on 31.3.2019 are as under:

(₹ in lakh)

Funding	Capital Cost as on 1.4.2014 (₹ in lakh)	(%)	ACE 2014-19 (₹ in lakh)	(%)	Capital Cost as on 31.3.2019 (₹ in lakh)	(%)
Debt	26859.95	70.00	210.68	70.00	27070.63	70.00
Equity	11511.41	30.00	90.29	30.00	11601.70	30.00
Total	38371.36	100.00	300.97	100.00	38672.33	100.00

Interest on Loan (IoL)

33. The Petitioner has claimed the Weighted Average Rate of IoL (WAROI), based on its actual loan portfolio and rate of interest. UPPCL has requested to examine the validity of derivation of WAROI on loan.

34. IoL has been calculated based on actual loan portfolio details submitted by the Petitioner in accordance with Regulation 26 of the 2014 Tariff Regulations. IoL allowed in respect of the Combined Asset is as under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	26859.95	26884.33	27049.89	27064.37	27070.63
Cumulative Repayments upto Previous Year	6658.12	8684.05	10717.15	12757.03	14797.70
Net Loan-Opening	20201.83	18200.28	16332.74	14307.34	12272.93
Additions	24.38	165.56	14.48	6.26	0.00
Repayment during the year	2025.93	2033.10	2039.89	2040.67	2040.90
Net Loan-Closing	18200.28	16332.74	14307.34	12272.93	10232.03
Average Loan	19201.06	17266.51	15320.04	13290.14	11252.48
Weighted Average Rate of Interest on Loan (%)	9.0295	9.0324	9.0297	9.0155	9.0079
Interest on Loan	1733.75	1559.57	1383.36	1198.17	1013.61

35. Accordingly, IoL approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, claimed by the Petitioner in the instant petition and trued up for the 2014-19 period is shown in the table under:



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	1743.06	1571.15	1386.33	1201.48	1016.63
Claimed by the Petitioner in the instant petition	1752.04	1580.27	1406.11	1218.64	1031.81
Allowed after true-up in this order	1733.75	1559.57	1383.36	1198.17	1013.61

Return on Equity (RoE)

36. The Petitioner is entitled to 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 following effective tax rates for the 2014-19 period:

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

37. BRPL has submitted that the information regarding Income Tax Assessment submitted by the Petitioner is in respect of all the activities of the Petitioner and not in respect of the tax on the transmission business in respect of the Northern Region. Accordingly, the said information is not relevant for the purposes of effective tax rate. BRPL has submitted that on the basis of the financial statements of the Petitioner in public domain, BRPL has worked out the effective tax rate of the Petitioner which stands at 8.70% for 2014-15 and 'NIL' in 2015-16, 2016-17, 2017-18, and 2018-19. BRPL has submitted that the actual tax rate applicable to the transmission licensee was to be trued up along with truing up of tariff to be determined in accordance with Regulation 6 of the 2009 Tariff Regulations and based on the truing up of tariff if the recovered tariff exceeded the tariff approved, the Petitioner should have refunded to



beneficiaries along with simple interest. BRPL has submitted that infrastructure transmission companies have been allowed huge tax benefits under the Income Tax Act, 1961 (hereinafter referred to as “the 1961 Act”) in the form of Tax Holiday for enterprises engaged in infrastructure development etc. as per Section 80IA of the 1961 Act and other benefits like the higher depreciation allowed in initial years. BRPL has submitted that the Petitioner has already stated on affidavit that the effective tax rate is zero and accordingly the effective tax rate for the earlier tariff period (2009-14) would also be zero since the benefits of the tax holiday under Section 80IA of the 1961 Act and other benefits like the higher depreciation etc. were also be applicable during in earlier tariff period. Regulation 49 of the 2014 Tariff Regulations restricts the claim of tax amount only to deferred tax liabilities up to 31.3.2009 whenever it will materialize. BRPL has also submitted that the claims of deferred tax are required to be adjusted for the tariff period 2004-09.

38. In response, the Petitioner has submitted that that the Petitioner does not file income tax return on transmission business in respect of particular region as the company is having a single PAN and there is no provision in the 1961 Act to file separate returns on the basis of nature of business being undertaken by any entity. All the documents in support of Income tax (either returns or assessment orders) are for the Petitioner’s company as a whole. The Auditor Certificate clearly showing income from transmission income and income from other segments along with copy of assessment order/ income return which are relevant to derive the effective tax rate has already been submitted in Petition No. 24/TT/2020. The Petitioner has submitted that it has computed effective tax rate based on actual tax paid pursuant to assessment orders for years 2014-15, 2015-16 and 2016-17. The income tax due for 2017-18 and 2018-19 has been deposited and tax returns have already been filled,



however assessment orders are yet to be received. The Petitioner has further submitted that after deducting depreciation and tax holiday benefit under normal provision, the income tax for the respective year has been calculated along with surcharge and cess, which works out to be in the range of 33.99% to 34.944% during financial years 2014-15 to 2018-19. In case the tax computed under normal provision is less than the tax calculated on book profit at the percentage prescribed u/s 115JB (MAT), the Company has to pay tax computed as per the provisions of section 115JB of the 1961 Act which works out between 20.96% to 21.5488% (including surcharge and cess). Hence, the Petitioner Company is paying MAT. The Petitioner has further submitted that Regulation 15(3) of the 2009 Tariff Regulations provide that RoE shall be grossed up with MAT/ Corporate Income tax rate of the transmission licensee and not the tax rate of the assets or region. The Petitioner has submitted that Form-3 is a system generated form and due to a system error/ constraint the header in Form-3 displays 0.00 instead of blank as the effective tax rate is mentioned in the following rows. The aforementioned error has now been rectified. The Petitioner has submitted that it is eligible for claiming deferred tax liabilities for the period up to 31.3.2009 on materialization on subsequent period i.e. financial year 2009-10 onwards. The Petitioner is only claiming the reimbursement of Income tax liability, discharged as per the provisions of Income Tax Act, 1961.

39. UPPCL has submitted that the grossed up rate of RoE for the period 2016-17 to 2018-19 is not based on the MAT rates approved by the Income Tax Authorities. In response, the Petitioner has submitted that the effective rate of tax considered for 2014-15, 2015-16 and 2016-17 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 2017-18 and 2018-19 are based on the Income Tax returns filed



for the purpose of grossing up the RoE rate of respective years. The Petitioner has submitted that the authenticated tax rates have been considered for calculation of RoE.

40. We have considered the submissions of the Petitioner, UPPCL and BRPL. The Commission *vide* order dated 24.1.2021 in Petition No. 136/TT/2020 has already dealt with the concerns of the Respondents. The relevant portion of the order dated 24.1.2021 is extracted as under:

“52. We have considered the contentions of BRPL and UPPCL and the clarifications given by the Petitioner. BRPL has contended that details of the income tax submitted by the Petitioner are in respect of the Petitioner’s company as a whole and it does not pertain to the transmission business in Northern Region. The Petitioner has clarified that every registered company has only one single PAN and it has to file one single return and the Petitioner cannot file income tax separately for each region. BRPL has contended that as per the information available in public domain, the Petitioner has to pay the effective tax rate for 2014-15 @8.70% and for the period 2015-19, it is zero and that the excess recovery made by the Petitioner should be returned to the beneficiaries along with simple interest as provided in Regulation 6 of the 2009 Tariff Regulations. The Petitioner has clarified that the effective tax rate was shown as zero for the period 2015-19 inadvertently due to technical reasons and the Petitioner has paid income tax for the said period. The Petitioner has also clarified that as per the provisions of the 1961 Act, tax has to be computed under normal provisions of Income Tax Rules, 1962 and as per MAT provisions under the section 115JB of the 1961 Act and the assessee will have to pay tax higher of the two. As per the submission, during the tariff period 2014-19, the Petitioner calculated the income tax under regular provisions of the 1961 Act (with tax rates of 33.99% to 34.944%) and the tax was worked out to be lower than the tax payable under MAT rates due to deductions under section 80IA and availability of accelerated depreciation under Income Tax. Thus, the Petitioner has been assessed and paid tax under MAT. We are satisfied with the clarifications given by the Petitioner and convinced that the Petitioner has acted prudently and has complied with the provisions of the 1961 Act and the provisions of the tariff regulations.

53. As regards UPPCL’s contention that the grossed up rate of RoE for the period 2016-17 to 2018-19 is not based on the MAT rates approved by the Income Tax Authorities, it is observed that the effective rate of tax considered by the Petitioner for 2014-15, 2015-16 and 2016-17 are based on Assessment Orders issued by Income Tax authorities and the effective rate of tax considered for 2017-18 and 2018-19 are based on the Income Tax returns filed for the purpose of grossing up the RoE rate of respective years. In view of the clarification given by the Petitioner, we are of the view that there is no merit in the contention of UPPCL. ”



41. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has already arrived at the effective tax rate based on the notified MAT rates for the Petitioner. The relevant portion of the order dated 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 %)
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

”

42. The MAT rates 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 period in terms of the provisions of the 2014 Tariff Regulations as under:

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



43. RoE is trued up on the basis of the MAT rate applicable for the respective years and is allowed as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	11511.41	11521.86	11592.81	11599.02	11601.70
Additions	10.45	70.95	6.21	2.68	0.00
Closing Equity	11521.86	11592.81	11599.02	11601.70	11601.70
Average Equity	11516.63	11557.33	11595.91	11600.36	11601.70
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity	2258.46	2277.43	2285.03	2285.90	2292.21

44. RoE approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, claimed by the Petitioner in the instant petition and trued up RoE for the 2014-19 period is as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	2272.05	2283.54	2283.54	2283.54	2283.54
Claimed by the Petitioner in the instant petition	2280.22	2302.60	2312.93	2313.81	2320.29
Allowed after true-up in this order	2258.46	2277.43	2285.03	2285.90	2292.21

Depreciation

45. UPPCL has submitted that the cumulative depreciation as on 1.4.2014 as admitted by Commission i.e. ₹6658.12 lakh does not tally with the figure of cumulative depreciation considered by the Petitioner i.e. ₹6685.51 lakh. In response, the Petitioner *vide* affidavit dated 27.7.2020 has submitted that the difference in cumulative depreciation is due to change in ACE.

46. We have considered the submissions of UPPCL and the Petitioner. The Gross Block during the tariff period 2014-19 has been depreciated at weighted average of depreciation (WAROD) as placed in Annexure-I to this order. WAROD has been



worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed during the 2014-19 period is as under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	38371.36	38406.19	38642.70	38663.39	38672.33
Additional Capitalisation	34.83	236.51	20.69	8.94	0.00
Closing Gross Block	38406.19	38642.70	38663.39	38672.33	38672.33
Average Gross Block	38388.78	38524.45	38653.05	38667.86	38672.33
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset	31	30	29	28	27
Elapsed life at the beginning of the year	2	3	4	5	6
Aggregate Depreciable Value	34549.90	34672.00	34787.74	34801.07	34805.10
Depreciation during the year	2025.93	2033.10	2039.89	2040.67	2040.90
Aggregate Cumulative Depreciation	8684.05	10717.15	12757.03	14797.70	16838.60
Remaining Aggregate Depreciable Value	25865.85	23954.85	22030.71	20003.37	17966.49

47. Depreciation approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, claimed by the Petitioner in the instant petition and trued up in the instant order for the 2014-19 period is shown in the table under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	2035.33	2045.64	2045.64	2045.64	2045.64
Claimed by the Petitioner in the instant petition	2043.96	2054.61	2064.88	2065.66	2065.89
Allowed after true-up in this order	2025.93	2033.10	2039.89	2040.67	2040.90

Operation & Maintenance Expenses (O&M Expenses)

48. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2019-24 tariff period are as under:

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses					



400 kV bays at Kanpur-Ballabgarh Sub-station					
No. of bays	6	6	6	6	6
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Transmission line for Kanpur-Ballabgarh 400 kV D/C line					
Double Circuit (Twin & Triple Conductor)					
km of line	370.772	370.772	370.772	370.772	370.772
Norms (₹ lakh per km)	0.707	0.731	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	623.94	644.83	666.15	688.26	711.10

49. UPPCL has submitted the O&M Expenses claimed by the Petitioner are higher and it may be allowed as per the provisions of the 2014 Tariff Regulations. In response, the Petitioner has submitted that the O&M Expenses are claimed based on norms as per the regulations.

50. We have considered the submission of the Petitioner and UPPCL. The O&M Expenses are allowed for the Combined Asset as per the norms specified in the 2014 Tariff Regulations and are as under:

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses					
400 kV bays at Kanpur-Ballabgarh Sub-station					
No. of bays	6	6	6	6	6
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Transmission line for Kanpur-Ballabgarh 400 kV D/C line					
Double Circuit (Twin & Triple Conductor)					
km of line	370.772	370.772	370.772	370.772	370.772
Norms (₹ lakh per km)	0.707	0.731	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	623.94	644.83	666.15	688.26	711.10

51. The details of the O&M Expenses approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, claimed by the Petitioner in the instant petition and trued up in the instant order is shown in the table as under:

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	623.94	644.83	666.15	688.26	711.10
Claimed by the Petitioner in the instant petition	623.94	644.83	666.15	688.26	711.10



Allowed after true-up in this order	623.94	644.83	666.15	688.26	711.10
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Interest on Working Capital (IWC)

52. IWC for the 2014-19 period has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and is allowed as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	51.99	53.74	55.51	57.36	59.26
Maintenance Spares	93.59	96.73	99.92	103.24	106.67
Receivables	1135.85	1114.28	1090.44	1063.03	1036.70
Total Working Capital	1281.43	1264.74	1245.87	1223.63	1202.62
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	172.99	170.74	168.19	165.19	162.35

53. The details of IWC approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, IWC claimed by the Petitioner and trued up in the instant order is shown in the table as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	173.73	173.73	173.73	173.73	173.73
Claimed by the Petitioner in the instant petition	174.33	172.29	169.93	166.88	164.00
Allowed after true-up in this order	172.99	170.74	168.19	165.19	162.35

Approved Annual Fixed Charges for the 2014-19 Tariff Period

54. The trued up Annual Fixed Charges approved for the Combined Asset for the 2014-19 period are as under:

(₹ in lakh)					
Particulars/ Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	2025.93	2033.10	2039.89	2040.67	2040.90
Interest on Loan	1733.75	1559.57	1383.36	1198.17	1013.61
Return on Equity	2258.46	2277.43	2285.03	2285.90	2292.21
Interest on Working Capital	172.99	170.74	168.19	165.19	162.35
O&M Expenses	623.94	644.83	666.15	688.26	711.10
Total	6815.07	6685.67	6542.62	6378.19	6220.17



55. The Annual Fixed Charges approved *vide* order dated 18.3.2016 in Petition No. 15/TT/2015, claimed by the Petitioner in the instant petition and approved after trueing up in the instant order is as under:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 18.3.2016 in Petition No. 15/TT/2015	6848.10	6716.60	6550.02	6384.24	6219.25
Claimed by the Petitioner in the instant petition	6874.49	6754.60	6620.00	6453.25	6293.09
Allowed after true-up in this order	6815.07	6685.67	6542.62	6378.19	6220.17

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

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

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2065.89	2065.89	2065.89	2065.89	2065.89
Interest on Loan	845.59	659.17	472.80	286.54	100.65
Return on Equity	2205.68	2205.68	2205.68	2205.68	2205.68
Interest on Working Capital	99.70	97.92	95.93	93.98	91.84
O&M Expenses	521.93	540.20	559.09	578.58	598.69
Total	5738.79	5568.86	5399.39	5230.67	5062.75

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

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	43.49	45.02	46.59	48.22	49.89
Maintenance Spares	78.29	81.03	83.86	86.79	89.80
Receivables	705.59	696.57	665.68	644.68	622.47
Total Working Capital	827.37	822.62	796.13	779.89	762.16
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	99.70	99.13	95.93	93.98	91.84

Capital Cost

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

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



accordance with these regulations shall form the basis for determination of tariff for existing and new projects.

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

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

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

- (a) *Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;*
- (b) *Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;*
- (c) *Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;*
- (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 upto 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 de-capitalised 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."*

59. The Petitioner has claimed capital cost of ₹39145.60 lakh as on 31.3.2019 for the Combined Asset. However, the capital cost of ₹38672.33 lakh as on 31.3.2019 has been worked out for the Combined Asset and the same has been 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.



60. The Petitioner has not claimed any ACE during the 2019-24 tariff period. Accordingly, the capital cost considered for the 2019-24 tariff period is ₹38672.33 lakh.

Debt-Equity ratio

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

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

Provided that:

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

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

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

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

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

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

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but



where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

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

62. The details of debt-equity considered for the purpose of computation of tariff for the 2019-24 tariff period for the Combined Asset is as under:

Particulars	Capital Cost as on 1.4.2019 (₹ in lakh)	%	Capital Cost as on 31.3.2024 (₹ in lakh)	%
Debt	27070.63	70.00	27070.63	70.00
Equity	11601.70	30.00	11601.70	30.00
Total	38672.33	100.00	38672.33	100.00

Return on Equity (RoE)

63. Regulation 30 and 31 of the 2019 Tariff Regulations provide as under:

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

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

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

Provided further that:

- i. *In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;*
- ii. *in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;*
- iii. *in case of a thermal generating station, with effect from 1.4.2020:*
 - a) *rate of return on equity shall be reduced by 0.25% in case of*



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

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

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

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

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

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

Illustration-

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

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

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

- (a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;*
(b) Estimated Advance Tax for the year on above is Rs 240 crore;
(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;
(d) Rate of return on equity = 15.50 / (1 - 0.24) = 20.395%.

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income



tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after true up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

64. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. BRPL has submitted that as per Regulation 31(3) of the 2019 Tariff Regulations, the Petitioner has a statutory duty to undertake the true up of the grossed-up rate of RoE at the end of every financial year based on actual tax paid. The above statutory function delegated to the transmission licensee cannot be exercised unilaterally but required to be conducted in most impartial manner by summoning all the Respondent-beneficiaries.

65. In response, the Petitioner *vide* affidavit dated 13.8.2020 has submitted that the Petitioner pays income tax and files income tax returns in a timely manner. The final tax demand including additional tax, interest, penalty and adjustment for refunds if any is decided by the Income Tax Authority through its assessment orders, which are beyond the Petitioner's control. The Petitioner has further submitted that for the 2014-19 tariff period, the Commission *vide* order dated 27.4.2020 in Petition No. 274/TT/2019 has approved effective tax rate as notified MAT rates and for 2019-24 tariff period tariff has been admitted with grossing of rate of RoE 18.782% considering MAT rate of 17.472%. Further, any under-recovery or over-recovery of grossed up rate on RoE is taken up at the time of true up for the 2019-24 period.

66. UPPCL has submitted that the gross rate of RoE for the 2019-24 period is same as that of the rate ending in 2019-20 which is not based on MAT rates approved by the Income Tax authorities. In response, the Petitioner *vide* affidavit dated 27.7.2020 has submitted that RoE has been calculated at the rate of 18.782% after



grossing up RoE with MAT rate of 17.472% (Base Rate 15% + Surcharge 12% + Cess 4%) based on the formula as per Regulation 31(2) of the 2019 Tariff Regulations. The Petitioner has further submitted that as per Regulation 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.

67. We have considered the submissions of the Petitioner, BRPL and UPPCL. The MAT rate applicable for 2019-20 has been considered for the purpose of calculating 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 under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	11601.70	11601.70	11601.70	11601.70	11601.70
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	11601.70	11601.70	11601.70	11601.70	11601.70
Average Equity	11601.70	11601.70	11601.70	11601.70	11601.70
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity	2178.97	2178.97	2178.97	2178.97	2178.97

Interest on Loan (IoL)

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

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

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

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be



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

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

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

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

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

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

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

69. UPPCL has requested the Commission to examine the validity of derivation of Weighted Average Rate of Interest (WAROI) on loan. It is further submitted that the Petitioner has already negotiated the loan portfolios bearing fixed year rate of interest and hence the apprehension of the Petitioner regarding imposition of floating rate of interest is premature.

70. In response, the Petitioner vide affidavit dated 27.7.2020 has submitted that in the instant petition the loans deployed are of fixed interest rate (Bonds). Therefore, the impact of interest on loan due to change in interest rate on account of floating rate of interest is not applicable in the instant petition.

71. We have considered the submissions of the Petitioner and UPPCL. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. Change in rate of interest, if any, shall be considered at the time of true



up. IoL is allowed in accordance with Regulation 32 of the 2019 Tariff Regulations and it is as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	27070.63	27070.63	27070.63	27070.63	27070.63
Cumulative Repayments upto Previous Year	16838.60	18879.51	20920.41	22961.31	25002.22
Net Loan-Opening	10232.03	8191.12	6150.22	4109.32	2068.41
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	2040.90	2040.90	2040.90	2040.90	2040.90
Net Loan-Closing	8191.12	6150.22	4109.32	2068.41	27.51
Average Loan	9211.58	7170.67	5129.77	3088.86	1047.96
Weighted Average Rate of Interest on Loan (%)	9.0066	9.0017	8.9940	8.9800	8.9469
Interest on Loan	829.65	645.48	461.37	277.38	93.76

Depreciation

72. Regulation 33 of the 2019 Tariff Regulations provides as under:

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

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

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

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:



Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(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.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.”

73. The Gross Block during the tariff period 2019-24 has been depreciated using WAROD as placed in Annexure-II to this order. WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2019 Tariff Regulations. The depreciation has been worked out considering the ACE as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The depreciation allowed for the Combined Asset is as under:

Particular	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	38672.33	38672.33	38672.33	38672.33	38672.33
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	38672.33	38672.33	38672.33	38672.33	38672.33



Average Gross Block	38672.33	38672.33	38672.33	38672.33	38672.33
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	
Balance useful life of the asset	26	25	24	23	22
Elapsed life at the beginning of the year	7	8	9	10	11
Aggregate Depreciable Value	34805.10	34805.10	34805.10	34805.10	34805.10
Combined Depreciation during the year	2040.90	2040.90	2040.90	2040.90	2040.90
Aggregate Cumulative Depreciation	18879.51	20920.41	22961.31	25002.22	27043.12
Remaining Aggregate Depreciable Value	15925.59	13884.69	11843.78	9802.88	7761.98

Operation & Maintenance Expenses (O&M Expenses)

74. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2019-24 period are as under:

	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses					
400 kV bays at Kanpur-Ballabgarh Sub-station					
No. of bays	6	6	6	6	6
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line for Kanpur-Ballabgarh 400 kV D/C line					
Double Circuit (Twin & Triple Conductor)					
Km of line	370.772	370.772	370.772	370.772	370.772
Norms (₹ lakh per km)	0.881	0.912	0.944	0.977	1.011
PLCC					
Original Capital Cost	118.97	118.97	118.97	118.97	118.97
Norms (₹ lakh)	2% on Original Capital Cost				
Total O&M expenses (₹ in lakh)	521.93	540.20	559.09	578.58	598.69

75. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as under:

“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
<i>Norms for sub-station Bays (₹ Lakh per bay)</i>					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91



220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	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 years.*

(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.”

76. We have considered the submissions of the Petitioner. The Petitioner has claimed O&M Expenses separately for the Power Line Carrier Communication (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. The relevant portions of the order dated 24.1.2021 in Petition No.126/TT/2020 are extracted hereunder:

"103. Thus, although PLCC equipment is a communication system, it has been considered as a part of sub-station, as it is used both for protection and communication. Therefore, we are of the considered view that rightly, it was not considered for separate O&M Expenses while framing norms of O&M for 2019-24 tariff period. While specifying norms for bays and transformers, O&M Expenses for PLCC have been included within norms for O&M Expenses for sub-station. Norms of O&M Expenses @2% of the capital cost in terms of Regulation 35(4) of the 2019 Tariff Regulations have been specified for communication system such as PMU, RMU, OPGW etc. and not for PLCC equipment."

"105. In our view, granting of O&M Expenses for PLCC equipment @2% of its capital cost under Regulation 35(4) of the 2014 Tariff Regulations under the communication system head would tantamount to granting O&M Expenses twice for PLCC equipment as PLCC equipment has already been considered as part of the sub-station. Therefore, the Petitioner's prayer for grant of O&M Expenses for the PLCC equipment @2% of its capital cost under Regulation 35(4) of the 2014 Tariff Regulations is rejected.

106. The principle adopted in this petition that PLCC is part of sub-station and accordingly no separate O&M Expenses is admissible for PLCC equipment in the 2019-24 tariff period under Regulation 35(4) of the 2019 Tariff Regulations shall be applicable in case of all petitions where similar claim is made by the Petitioner. As already mentioned, the Commission, however, on the basis of the claim made by the Petitioner has inadvertently allowed O&M Expenses for PLCC equipment @2% of its original project cost, which is applicable for other "communication system", for 2019-24 period in 31 petitions given in Annexure-3 of this order. Therefore, the decision in this order shall also be applicable to all the petitions given in Annexure-3. Therefore, PGCIL is directed to bring this decision to the notice of all the stakeholders in the 31 petitions given in Annexure-3 and also make revised claim of O&M Expenses for PLCC as part of the sub-station at the time of truing up of the tariff allowed for 2019-24 period in respective petitions."

Therefore, the Petitioner's claim for separate O&M Expenses for PLCC @2% is not allowed.

77. The O&M Expenses are allowed as per the norms specified in the 2019 Tariff Regulations and they are as under:



	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses					
400 kV bays at Kanpur-Ballabgarh Sub-station					
No. of bays	6	6	6	6	6
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line for Kanpur-Ballabgarh 400 kV D/C line					
Double Circuit (Twin & Triple Conductor)					
Km of line	370.772	370.772	370.772	370.772	370.772
Norms (₹ lakh per km)	0.881	0.912	0.944	0.977	1.011
Total O&M Expenses (₹ in lakh)	519.55	537.82	556.71	576.20	596.31

Interest on Working Capital (IWC)

78. Regulation 34(1)(c), 34(3), 34(4) and Regulation 3(7) of the 2019 Tariff

Regulations provide as under :

“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 annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.”

“(3) Rate of interest on working capital shall be on 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. - In these regulations, unless the context otherwise requires:-

(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;”



79. 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%.

80. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20 and 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the 2020-24 period. The components of the working capital and interest thereon allowed for the Combined Asset for the 2019-24 tariff period are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	43.30	44.82	46.39	48.02	49.69
Maintenance Spares	77.93	80.67	83.51	86.43	89.45
Receivables	696.84	677.28	656.69	636.18	614.10
Total Working Capital	818.07	802.77	786.58	770.63	753.24
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	98.58	90.31	88.49	86.70	84.74

Annual Fixed Charges of the 2019-24 Tariff Period

81. The Annual Fixed 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	2040.90	2040.90	2040.90	2040.90	2040.90
Interest on Loan	829.65	645.48	461.37	277.38	93.76
Return on Equity	2178.97	2178.97	2178.97	2178.97	2178.97
Interest on Working Capital	98.58	90.31	88.49	86.70	84.74
O&M Expenses	519.55	537.82	556.71	576.20	596.31
Total	5667.66	5493.49	5326.45	5160.16	4994.69

Filing Fee and the Publication Expenses

82. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. BRPL has submitted that though the Commission can allow



filing fee and publication expenses at its discretion under Regulation 70(1) of the 2019 Tariff Regulations, but the exercise of such discretion is a judicial discretion in the adjudication of tariff for which no justification has been filed by the Petitioner. BRPL also referred to the Commission's order dated 11.9.2008 in Petition No. 129 of 2005 where it declined the claim of Central Power Sector undertakings for allowing the reimbursement of the application filing fee. In response, the Petitioner *vide* affidavit dated 13.8.2020 has submitted that it has requested for reimbursement of expenditure by the beneficiaries towards petition filing fee and publication expense, in terms of Regulation 70(1) of the 2019 Tariff Regulations. Further, the Petitioner also placed reliance on the Commission's order dated 28.3.2016 in Petition No. 137/TT/2015 where it allowed the recovery of petition filing fee and expenditure for publication of notices from beneficiaries on *pro-rata* basis.

83. We have considered the submissions of the Petitioner and BRPL. Regulation 70(1) of the 2019 Tariff Regulations provides for reimbursement of filing fees and publication paid by the Petitioner. Accordingly, the Petitioner is 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

84. The Petitioner has prayed to allow it to bill and recover license fee and RLDC fees and charges, separately from the Respondents. UPPCL has submitted that the licence fee is on the onus of the Petitioner. In response, the Petitioner has submitted that the Regulation 70(3) and (4) of the 2019 Tariff Regulations authorize the Petitioner to bill and recover licensee fee from the beneficiaries. License fee is to be reimbursed directly by beneficiaries as per manner specified in Tariff Regulations.



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

Goods and Services Tax

86. The Petitioner has submitted that, if GST is levied 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) 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.

87. BRPL has submitted that the demand of the Petitioner is premature and need not be considered at this juncture. In response, the Petitioner vide affidavit dated 13.8.2020 submitted that currently transmission of electricity by an electric transmission utility is exempt from GST. Hence, the transmission charges currently charged are exclusive of GST. Further, if GST is levied at any rate and at any point of time in future, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately.

88. We have considered the submissions of the Petitioner and BRPL. GST is not levied on transmission service at present and therefore we are of the view that Petitioner's prayer is premature.



Security Expenses

89. The Petitioner has submitted that security expenses for the transmission assets are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC. The Petitioner has requested to consider the actual security expenses incurred during 2018-19 for claiming estimated security expenses for 2019-20 which shall be subject to true up at the end of the year based on the actuals. The Petitioner has submitted that similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 shall be filed on a yearly basis on the basis of the actual expenses of previous year subject to true up at the end of the year on actual expenses. The Petitioner has submitted that the difference, if any, between the estimated security expenses and actual security expenses as per the audited accounts may be allowed to be recovered from the beneficiaries on a yearly basis.

90. BRPL has submitted that the approach adopted by the Petitioner towards claim of security expenses does not warrant the need for IWC as the same is claimed in advance. The Petitioner, in response has submitted that the expenses are not claimed in the instant petition and shall be claimed separately in a separate petition along with other assets.

91. We have considered the submissions of the Petitioner and BRPL. We are of the view that the Petitioner should claim security expenses for the entire transmission asset in one petition. It is observed that the Petitioner has already filed the Petition No. 260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19.



Therefore, security expenses will be dealt with in Petition No. 260/MP/2020 in accordance with the applicable provisions of the 2019 Tariff Regulations.

Capital Spares

92. The Petitioner has sought reimbursement of capital spares at the end of tariff block. UPPCL has submitted that the claim of capital spares at the end of the tariff block is permissible only to the extent of the provision of the concerned tariff regulation which is the ceiling value. Therefore, if the value actual capital spares is more than what is provided in the regulation may not be allowed. In response, the Petitioner has submitted that the capital spares shall be claimed at the end of tariff block as per actual. Accordingly, the Petitioner has not claimed capital spares the instant petition and has informed that the same shall be claimed in a separate petition along with all other assets in accordance with the 2019 Tariff Regulations.

93. We have considered the submissions of the Petitioner and UPPCL. The Petitioner's claim towards capital spares, if any, will be dealt in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

94. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 or the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, as applicable, as provided in Regulation 43 of the 2014 Tariff Regulations for the 2014-19 tariff period and Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.



95. To summarise, the trued up Annual Fixed Charges allowed for the Combined Asset for the 2014-19 tariff period are as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
AFC	6815.07	6685.67	6542.62	6378.19	6220.17

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC	5667.66	5493.49	5326.45	5160.16	4994.69

96. This order disposes of Petition No. 152/TT/2020.

**Sd/
(Arun Goyal)
Member**

**Sd/
(I. S. Jha)
Member**



2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014/COD (₹ in lakh)	Claimed Additional Capitalisation					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	Total Claimed			2014-15	2015-16	2016-17	2017-18	2018-19	
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	-	-	3.34%	-	-	-	-	-	-	-
Building Civil Works & Colony	115.70	-	-	-	-	-	3.34%	3.86	3.86	3.86	3.86	3.86	3.86	3.86
Transmission Line	30978.13	34.83	-	20.69	8.94	64.46	5.28%	1636.57	1637.48	1638.03	1638.81	1638.81	1639.05	1639.05
Sub Station	7158.56	-	368.44	-	-	368.44	5.28%	377.97	384.22	390.46	390.46	390.46	390.46	390.46
PLCC	118.97	-	-	-	-	-	6.33%	7.53	7.53	7.53	7.53	7.53	7.53	7.53
IT Equipment (Incl. Software)	-	-	-	-	-	-	5.28%	-	-	-	-	-	-	-
Total	38371.36	34.83	368.44	20.69	8.94	432.90		2025.93	2033.10	2039.89	2040.67	2040.67	2040.90	2040.90
							Average Gross Block (₹ in lakh)	38388.78	38524.45	38653.05	38667.86	38667.86	38672.33	38672.33
							Weighted Average Rate of Depreciation	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%



Annexure-II

2019-24 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh) Total	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
Land - Freehold	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	3.34%	-	-	-	-	-
Building Civil Works & Colony	115.70	-	115.70	3.34%	3.86	3.86	3.86	3.86	3.86
Transmission Line	31042.59	-	31042.59	5.28%	1639.05	1639.05	1639.05	1639.05	1639.05
Sub Station	7395.07	-	7395.07	5.28%	390.46	390.46	390.46	390.46	390.46
PLCC	118.97	-	118.97	6.33%	7.53	7.53	7.53	7.53	7.53
IT Equipment (Incl. Software)	-	-	-	15.00%	-	-	-	-	-
Total	38672.33	-	38672.33		2040.90	2040.90	2040.90	2040.90	2040.90
Average Gross Block (₹ in lakh)					38672.33	38672.33	38672.33	38672.33	38672.33
Weighted Average Rate of Depreciation					5.28%	5.28%	5.28%	5.28%	5.28%

