

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 168/TT/2020

Coram:

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

Date of Order: 03.02.2021

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 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 of **Asset-I:**400 kV D/C Chamera Pooling Station-Jalandhar Transmission Line along with bays and Line Reactor at Jalandhar, **Asset-II:** 220 kV D/C Transmission Line from GIS Pooling Station Chamba-Chamera-III HEP under "Transmission System associated with Chamera-III HEP" in Northern Region.

And in the matter of:

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

....Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
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 - 134 109 (Haryana)
8. Power Development Department,
Government of Jammu & Kashmir,
Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Ltd.,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226 001 (Uttar Pradesh).
10. Delhi Transco Ltd.,
Shakti Sadan, Kotla Road,
New Delhi - 110002.
11. BSES Yamuna Power Ltd.,
B-Block, Shakti Kiran, Bldg. (Near Karkadooma Court),
Karkadooma 2nd Floor,
New Delhi - 110092.
12. BSES Rajdhani Power Ltd,
BSES Bhawan, Nehru Place,
New Delhi - 110019.
13. Tata Power Delhi Distribution Limited (TPDDL),
NDPL House, Hudson Lines Kingsway Camp
Delhi - 110009.
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 J. Mazumdar, PGCIL
Shri S.S. Raju, PGCIL
Shri Akshay Kumar Verma, PGCIL
Smt. Manju Gupta, PGCIL
Shri V. Srinivas, PGCIL
Shri Amit Bhargava, PGCIL

For Respondents : None

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 the transmission tariff for the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and determination of tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of the following assets (hereinafter referred to as ‘the transmission assets/ Combined Asset’) under “Transmission System associated with Chamera-III HEP” in Northern Region (hereinafter referred to as “the transmission project”):

Asset-I: 400 kV D/C Chamera Pooling Station-Jalandhar Transmission Line along with bays and Line Reactor at Jalandhar; and

Asset-II: 220 kV D/C Transmission Line from GIS Pooling Station Chamba-Chamera-III HEP.

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



- “1) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 5 and 6 above.*
- 2) 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 as per para 5 and 6 above for respective block.*
- 3) 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.*
- 4) 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.*
- 5) 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.*
- 6) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 6.6 above.*
- 7) Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 8) 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 Investment Approval (IA) for the transmission project was accorded by the Board of Directors of the Petitioner vide Memorandum No. C/CP/Chamera-III HEP T.S. dated 28.4.2008 with an estimated cost of ₹29737 lakh including IDC of ₹2323 lakh, based on 1st quarter, 2008 price level. The Petitioner, vide its Memorandum dated 6.6.2012, has submitted the Revised Cost Estimates (RCE) of the project at an



estimated cost of ₹38632 lakh including IDC of ₹6221 lakh. The scope of the transmission project under “Transmission System associated with Chamera-III HEP” in Northern Region” is as under:

I. Transmission Lines:

i) Chamera-III HEP-Pooling Station near Chamera-II HEP 220 kV D/C line (Line would be with twin moose conductor adopting tower design of 400 kV D/C Line),

ii) Pooling Station near Chamera-II HEP-Jallandhar 400 kV D/C line.

II. Sub-Station: Extension of Jallandhar Sub-station.

4. The transmission project was scheduled to be put into commercial operation on or before 1.8.2011 as per the Investment Approval. The Asset-I and Asset-II were put into commercial operation on 1.4.2013 and 1.11.2011 respectively.

5. The transmission tariff in respect of Asset-I from COD to 31.3.2014 was determined vide order dated 7.7.2015 in Petition No. 290/TT/2013 under Regulation 5(4) of the 2009 Tariff Regulations. The tariff allowed vide order dated 7.7.2015 in Petition No. 290/TT/2013 of Asset-I for 2009-14 tariff period was trued-up and tariff for the 2014-19 tariff period was determined vide order dated 23.8.2016 in Petition No. 24/TT/2016.

6. The transmission tariff in respect of Asset-II from COD to 31.3.2014 was determined vide order dated 16.11.2012 in Petition No. 92/TT/2011 under Regulation 5(4) of the 2009 Tariff Regulations. The tariff allowed vide order dated 16.11.2012 in Petition No. 92/TT/2011 for Asset-II for 2009-14 tariff period was trued-up and tariff for the 2014-19 period was determined vide order dated 23.2.2016 in Petition No. 18/TT/2015.



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

8. The Petitioner has served the petition on the Respondents and notice has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers 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. BSES Rajdhani Power Ltd. (BRPL), Respondent No. 12 has filed its reply dated 5.6.2020 and has raised the issues of re-calculation of initial spares, adoption of Indian Accounting Standard, effective rate considered for the calculation of RoE and effect of GST. Hard copy of the reply alongwith affidavit dated 24.9.2020 was filed by BRPL after lifting of the lock down due to Covid-19.

9. During the hearing on 9.6.2020, the Petitioner sought time to file rejoinder to the reply of BRPL but no rejoinder was filed by the Petitioner. The issues raised by BRPL have been dealt in the respective paragraphs of this order.

10. Having heard the representatives of the Petitioner and learned counsel for the BRPL and perused the material on record, we proceed to dispose of the petition.

11. Before proceeding further, we consider it appropriate to deal with a primary objection of BRPL related to Indian Accounting Standard (Ind-AS). BRPL has submitted that the Petitioner has adopted the Indian Accounting Standard due to



which tariff for the transmission assets has increased. BRPL has submitted that Indian Accounting Standard is for the purposes of the Companies Act, 2013 and it is not for the purposes of tariff determination. The present case is governed by the 2014 Tariff Regulations and 2019 Tariff Regulations. BRPL has submitted that tariff in respect of Asset-II has increased in the truing up stage without any change in the capital cost of the asset or in the additional capitalization. BRPL has contended that submissions of the Petitioner are against the established practice of the 2014 Tariff Regulations and are liable to be rejected.

12. We have considered the submissions of BRPL and have also gone through the record. The principal contention of BRPL is that on account of adoption of Indian Accounting Standards by the Petitioner, the tariff of the transmission assets has increased. For determination of tariff, the Commission invariably follows the Tariff Regulations notified by it and allows the claims on the basis of the Tariff Regulations and not on the basis of the Indian Accounting Standards. Therefore, there is no merit in the contention of BRPL that introduction of Indian Accounting Standards by the Petitioner would lead to increase in tariff. Accordingly, we reject the submissions of BRPL on this count.

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

13. The details of the trued up transmission charges claimed by the Petitioner for the transmission assets for the 2014-19 tariff period are as under:

(₹ in lakh)					
Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1796.19	1800.99	1800.99	1800.99	1800.99
Interest on Loan	1893.77	1739.75	1579.50	1419.07	1258.59



Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	2009.85	2024.45	2023.42	2023.42	2028.86
Interest on Working Capital	150.85	148.41	145.37	142.37	139.52
O & M Expenses	355.73	367.61	379.78	392.39	405.40
Total	6206.39	6081.21	5929.06	5778.24	5633.36

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	204.71	204.71	204.71	204.71	204.71
Interest on Loan	195.59	177.35	159.08	140.74	122.36
Return on Equity	223.26	224.29	224.17	224.17	224.78
Interest on Working Capital	14.94	14.56	14.16	13.76	13.37
O & M Expenses	10.59	10.95	11.31	11.68	12.07
Total	649.09	631.86	613.43	595.06	577.29

14. The details of the trued up Interest on Working Capital (IWC) claimed by the Petitioner for the transmission assets for the 2014-19 tariff period are as under:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	29.64	30.63	31.65	32.70	33.78
Maintenance Spares	53.36	55.14	56.97	58.86	60.81
Receivables	1034.40	1013.54	988.18	963.04	938.89
Total Working Capital	1117.40	1099.31	1076.80	1054.60	1033.48
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	150.85	148.41	145.37	142.37	139.52

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	0.88	0.91	0.94	0.97	1.01
Maintenance Spares	1.59	1.64	1.70	1.75	1.81
Receivables	108.18	105.31	102.24	99.18	96.22
Total Working Capital	110.65	107.86	104.88	101.90	99.04
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	14.94	14.56	14.16	13.76	13.37



Capital Cost

15. The details of the apportioned approved capital cost, capital cost as on 31.3.2014, and Additional Capital Expenditure (ACE) incurred upto 31.3.2019 as claimed by the Petitioner for Assets-I and II are as under:

(₹ in lakh)

Asset	Approved Capital Cost as per FR	Capital cost as on 31.3.2014	Additional Capital Expenditure					Total completion capital cost as on 31.3.2019
			2014-15	2015-16	2016-17	2017-18	2018-19	
Asset-I	34754.88	34046.65	181.89	0.00	0.00	0.00	0.00	34228.54
Asset – II	3877.12	3877.12	NIL					3877.12

16. The Commission vide order dated 23.8.2016 in Petition No. 24/TT/2016 allowed the capital cost of ₹34023.95 lakh for Asset-I as opening capital cost as on 1.4.2014 and vide order dated 23.2.2016 in Petition No. 18/TT/2015 allowed capital cost of ₹3877.12 lakh for Asset-II as opening capital cost as on 1.4.2014.

17. The Petitioner vide Auditor's Certificate dated 30.7.2019 has submitted the capital cost incurred upto 31.3.2014 and ACE incurred upto 31.3.2019. The Petitioner has claimed capital cost of ₹34046.65 lakh for Asset-I as on 31.3.2014 after adding the amount of initial spares of ₹22.70 lakh to the capital cost of ₹34023.95 lakh as on 31.3.2014, as allowed by the Commission vide order dated 23.8.2016 in Petition No. 24/TT/2016. The Initial Spares have now been claimed as a percentage of the total project cost as per the judgment of the Appellate Tribunal for Electricity (APTEL) dated 14.9.2019 in Appeal No. 74 of 2017. The Petitioner has claimed the capital cost of ₹3877.12 lakh for Asset-II as on 31.3.2014 as approved by the Commission vide order dated 23.2.2016 in Petition No. 18/TT/2015.

Initial spares

18. The Petitioner has submitted that Asset-I consists of transmission line and sub-station. Initial Spares in case of transmission portion of Asset-I was restricted by ₹57.21 lakh in order dated 23.8.2016 in Petition No. 24/TT/2016 as the claim made was more than the norms specified. However, initial spares claimed under sub-station head was within the permissible limit and hence it was allowed in order dated 23.8.2016. The Petitioner has submitted that in case of Asset-II which is a transmission line, the initial spares claimed is lower than the norms specified and requested to revise the Initial Spares allowed earlier considering the total cost of the transmission line portion of Assets-I and II as per the judgement of Appellate Tribunal for Electricity (APTEL) dated 14.9.2019 in Appeal No.74 of 2017. The revised Initial Spares claimed by the Petitioner based on the total project cost are as under:

Particulars	Asset-I		Asset-II
	T/L	S/S+PLCC	T/L
Total Project cost (A)	31470.42	2792.63	3933.89
Proportionate disallowed IDC & IEDC (B)	0.00	0.00	56.77
Total capital after IDC/IEDC deduction (C) = A – B	31470.42	2792.63	3877.12
Spares claimed (D)	291.42	56.80	8.05
Proportionate Spares claimed (E) = D*C/A	291.42	56.80	7.93
Ceiling Limits as per clause 8 the 2009 Tariff Regulations (F)	0.75%	2.50%	0.75%
Spares worked out (G) = $\frac{\{(C)-(E)\}*(F)}{\{(100\%)-(F)\}}$	235.61	70.15	29.24
Excess claimed (H) = E-G	55.81	-13.35	-21.30
Excess spare deducted from capital cost	34.51	0.00	0.00

19. BRPL has submitted that the Petitioner has claimed re-calculation of the 'Initial Spares' of the instant assets for the 2009-14 tariff period in accordance with the judgment of APTEL dated 14.9.2019 in Appeal No. 74 of 2017. However, the instant

petition is for true up of the tariff of the 2014-19 tariff period and Regulation 8(1) of the 2014 Tariff Regulations does not allow the re-calculation of the 'Initial Spares' based on the capital cost of the 2009-14 tariff period. BRPL has further submitted that the judgement dated 14.9.2019 in Appeal No. 74 of 2017 in Petition No. 53/TT/2015 is for truing of transmission tariff of the 2009-14 tariff period and determination of transmission tariff for 2014-19 tariff period for Transmission System associated with Kudankulam Atomic Power Project in Southern Region. The said judgement is for truing up of the tariff of the 2009-14 tariff period and is clearly distinguishable from the instant case as APTEL had not rendered any finding on the issue of true up for the 2014-19. BRPL has also submitted that on a question of law if a decision of a court is reversed or modified by a superior court in any other case, shall not be a ground for review of such judgment.

20. We have considered the submissions of the Petitioner and BRPL. The basic contention of BRPL is that the judgement of APTEL dated 14.9.2019 is not applicable to the instant case. We note that this judgement was passed against the Commission's order dated 21.4.2016 in Petition No.53/TT/2015 wherein the Commission trued up the tariff of the 2009-14 tariff period as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations") and determined the tariff for the 2014-19 tariff period as per the 2014 Tariff Regulations for the assets, which were put into commercial operation during the 2004-09 and 2009-14 tariff periods, under the Transmission System associated with Kudankulam Atomic Power Project in Southern Region. In the instant case, the assets were put into commercial operation during the 2009-14 period and the instant petition is for truing up the tariff of the 2014-



19 period and determination of tariff for the 2019-24 period. The Commission observes that the principles involving initial spares in the instant case are similar to that of Petition No.53/TT/2015 and are applicable in the instant case.

21. The Commission vide order dated 21.4.2016 in Petition No.53/TT/2015 (against which appeal was filed in APTEL), restricted the Initial Spares to the capital cost of the individual assets, which were put into commercial operation during the 2004-09 and 2009-14 tariff periods, at the time of truing up of tariff of the 2009-14 tariff period. Against this order, the Petitioner filed Appeal No. 74 of 2017 wherein the Tribunal vide judgement dated 14.9.2019 has held as under:

“8.12 In view of these facts, it is relevant to note that the transmission projects due to their inherent nature are segregated into different assets or elements which are executed and commissioned progressively in stages. Keeping this in view, developer / licensee while planning estimates finalises, the requirement of spares on the basis of complete project which requires flexibility in deciding quantum of spares for different type of elements of a project along with commissioning of the particular asset so as to have better performance with high degree of reliability. The requirement of spares as such, may not be exactly in proportion to the cost of individual assets. In other words, a licensee might require large number of spares with a particular asset or assets Commissioned first based on technical requirement and lesser number of spares or nil spares in subsequent assets/ elements of similar nature. Admittedly, the break-up of initial spares for various assets may be percentage wise different subject to the overall initial spares requirement of the project within the overall limits / percentage provided in the Regulations.

8.13.....We do not agree with this methodology of restricting initial spares asset/element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true-up.”

22. APTEL was conscious of the fact that some of the assets in Transmission System associated with Kudankulam Atomic Power Project were put into commercial operation in the 2004-09 and 2009-14 tariff periods and still allowed revision of Initial Spares for the assets put into commercial operation in the 2004-09 and 2009-14 at the time of truing up of the tariff of the 2009-14 tariff period. Moreover, we are of the

view that the generic principle laid down by the APTEL in judgement dated 14.9.2019 is that the Commission for the purpose of prudence check may initially restrict the Initial Spares based on individual ceiling limits, but subsequently allow Initial Spares as per the ceiling limits on the overall project cost basis at the time of truing up and it cannot be restricted to any particular tariff period. Therefore, we are not able to agree with the BRPL's contention that the Initial Spares allowed for the instant assets for the 2009-14 tariff period cannot be revised at the stage of truing up of the tariff of the 2014-19 tariff period.

23. As per APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares are to be allowed as per the ceiling on the overall project cost. The instant assets were put into commercial operation during the 2009-14 tariff period. Therefore, the 2009 Tariff Regulations are applicable in the instant case wherein Regulation 3(29) of the 2009 Tariff Regulations defines "project cost" as under:

"(29) 'original project cost' means the capital expenditure incurred by the generating company or the transmission licensee, as the case may be, within the original scope of the project up to the cut-off date as admitted by the Commission;"

24. However, in the present case, though the instant assets were put into commercial operation during the 2009-14 tariff period, the overall project cost of the assets is arrived at only when all the instant assets are combined while claiming the tariff for the 2019-24 tariff period. Therefore, the initial spares are allowed on the basis of the overall project cost in the 2019-24 period when the instant assets are combined and the overall project cost is arrived at.

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

25. The time over-run of 20 months in case of Asset-I was condoned by the Commission vide order dated 7.7.2014 in Petition No. 290/TT/2013. Accordingly, IDC and IEDC with respect to Asset-I were considered in orders dated 7.7.2014 and 23.8.2016 in Petition No. 290/TT/2013 and 24/TT/2016 respectively. The time over-run of 3 months in case of Asset-II was not condoned by the Commission in order dated 16.11.2012 in Petition No. 92/TT/2011. Thus, the allowable IDC and IEDC has already been determined by the Commission in orders dated 16.11.2012 and 23.2.2016 in Petition Nos. 92/TT/2011 and 18/TT/2015 respectively.

Additional Capital Expenditure (ACE)

26. The Petitioner has not claimed any ACE for the transmission Asset-II. The Petitioner has claimed the following ACE for Asset-I and has submitted the Auditor's Certificate in support of the same:

(₹ in lakh)

Asset	Additional Capital Expenditure				
	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	181.89	0.00	0.00	0.00	0.00

27. The Petitioner vide affidavit dated 6.1.2020 has submitted that ACE in case of Asset-I is on account of balance and retention payment and works deferred for execution pertaining to the works executed within the cut-off date. The additional capitalization for the year 2014-15 in respect of Asset-I has been claimed under Regulation 14(1)(i) and Regulation 14(1)(ii) of the 2014 Tariff Regulations. The Petitioner has also submitted that ACE upto 31.3.2019 has been considered in the

Auditor's certificate as per actuals. The contract-wise details of balance and retention payments are as detailed below:

(₹ in lakh)

Asset	Party	Package	Financial Year
			2014-15
Asset-I	KEC	Transmission Line Work	122.55
	BHEL	Sub-station Work	0.06
Total			122.61

28. Further, the contract-wise details of unexecuted works deferred for execution related to works executed prior to the cut-off date are as under:

(₹ in lakh)

Asset	Party	Package	Financial Year
			2014-15
Asset-I	KEC	Transmission Line Work	59.28
Total			59.28

29. The cut-off dates in case of Asset-I and Asset-II are 31.3.2016 and 31.3.2014 respectively.

30. We have considered the submissions of the Petitioner. It is observed that the actual audited ACE claimed by the Petitioner for Asset-I is on account of balance and retention payment and works deferred for execution pertaining to works executed within the cut-off date. ACE claimed by the Petitioner for 2014-15 period for Asset-I is within the cut-off date and the same has been considered for computation of capital cost as on 31.3.2019. The additional capitalization claimed for the period 2014-15 to 2018-19 is allowed under Regulation 14(1)(i) and Regulation 14(1)(ii) of the 2014 Tariff Regulations.



31. The details of ACE allowed are as follows:

(₹ in lakh)

Asset-I	Capital cost as on 31.3.2014	Additional Capital Expenditure		Total capital cost including ACE as on 31.3.2019
		2014-15	2015-16	
Approved vide order dated 23.8.2016 in Petition No. 24/TT/2016	34023.95	100.00	93.36	34217.31
Claimed by the Petitioner in the instant petition	34046.65	181.89	0.00	34228.54
Allowed after true-up in this order	34023.95	181.89	0.00	34205.84

(₹ in lakh)

Asset-II	Capital cost as on 31.3.2014	Additional Capital Expenditure	Total capital cost including ACE as on 31.3.2019
		2014-19	
Approved earlier vide order dated 23.2.2016 in Petition No. 18/TT/2015	3877.12	0.00	3877.12
Claimed by the Petitioner in the instant petition	3877.12	0.00	3877.12
Allowed after true-up in this order	3877.12	0.00	3877.12

Debt-Equity Ratio

32. The Petitioner has considered debt-equity ratio as 70:30 as on 31.3.2014 and for ACE during 2014-19 period for Asset-I. The debt-equity ratio of 70:30 has been considered for the capital cost as on 31.3.2014 and ACE during 2014-19 tariff period as provided under Regulation 19 of the 2014 Tariff Regulations. The Petitioner has considered the debt-equity ratio of 70.66:29.34 as on 31.3.2014 for Asset-II as determined by the Commission vide order dated 23.2.2016 in Petition No. 18/TT/2015. The debt-equity ratio of 70.66:29.34 has been considered for capital cost

as on 31.3.2014 as provided under Regulation 19 of the 2014 Tariff Regulations. The same has been summarised as under:

Asset-I	As on 31.3.2014		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	23816.77	70.00	23944.09	70.00
Equity	10207.18	30.00	10261.75	30.00
Total	34023.95	100.00	34205.84	100.00

Asset-II	As on 31.3.2014		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	2739.47	70.66	2739.47	70.66
Equity	1137.65	29.34	1137.65	29.34
Total	3877.12	100.00	3877.12	100.00

Interest on Loan (IoL)

33. IoL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The Petitioner has claimed IoL based on actual interest rates for each year during the 2014-19 period. The Petitioner has considered the weighted average rate of IoL on the basis of prevailing rates as on 1.4.2014 for respective loans. The Petitioner has submitted that the weighted average rate of IoL has been considered on the basis of rates prevailing as on 1.4.2014 and has prayed to consider floating rate of interest applicable during 2014-19 period, if any, during the truing-up of tariff.

34. We have considered the submissions made by the Petitioner. It is observed that the SBI loan with respect to transmission assets in the instant petition have been deployed with floating rates of interest. Accordingly, factoring in the impact of floating rate of interest, IoL has been worked out based on actual interest rate, in accordance with Regulation 26 of the 2014 Tariff Regulations.



35. IoL has been worked out as detailed below:

(i) Gross amount of loan, repayment of instalments and weighted average rate of interest on actual average loan have been considered as per the petition.

(ii) The repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that period.

36. The details of IoL allowed for the transmission asset are as follows:

(₹ in lakh)

Asset-I					
Particular	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	23816.77	23944.09	23944.09	23944.09	23944.09
Cumulative Repayments upto Previous Year	1752.11	3547.10	5346.89	7146.68	8946.47
Net Loan-Opening	22064.66	20396.99	18597.20	16797.41	14997.62
Additions due to Additional Capitalization	127.32	0.00	0.00	0.00	0.00
Repayment during the year	1794.99	1799.79	1799.79	1799.79	1799.79
Net Loan-Closing	20396.99	18597.20	16797.41	14997.62	13197.83
Average Loan	21230.83	19497.10	17697.31	15897.52	14097.73
Weighted Average Rate of Interest on Loan (%)	8.91	8.92	8.92	8.92	8.92
Interest on Loan	1892.40	1738.49	1578.35	1418.03	1257.66

(₹ in lakh)

Asset-II					
Particular	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	2739.47	2739.47	2739.47	2739.47	2739.47
Cumulative Repayments upto Previous Year	457.49	662.20	866.91	1071.63	1276.34
Net Loan-Opening	2281.98	2077.27	1872.56	1667.84	1463.13
Additions due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Repayment during the year	204.71	204.71	204.71	204.71	204.71
Net Loan-Closing	2077.27	1872.56	1667.84	1463.13	1258.42
Average Loan	2179.62	1974.91	1770.20	1565.49	1360.78
Weighted Average Rate of Interest on Loan (%)	8.97	8.98	8.99	8.99	8.99
Interest on Loan	195.59	177.35	159.08	140.73	122.36

37. Accordingly, IoL approved in the earlier orders (order dated 23.8.2016 in Petition No. 24/TT/2016 for Asset-I and order dated 23.2.2016 in Petition No. 18/TT/2015 for

Asset-II), claimed by the Petitioner in the instant petition and trued-up IoL allowed vide this order is shown in the table below:

(₹ in lakh)

Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.8.2016 in Petition No. 24/TT/2016	1888.69	1736.08	1578.92	1418.59	1258.18
Claimed by the Petitioner in the instant petition	1893.77	1739.75	1579.50	1419.07	1258.59
Allowed after truing-up in the instant petition	1892.40	1738.49	1578.35	1418.03	1257.66

(₹ in lakh)

Asset-II	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.2.2016 in Petition No. 18/TT/2015	195.59	177.35	159.08	140.73	122.36
As claimed by the Petitioner in the instant petition	195.59	177.35	159.08	140.74	122.36
Allowed after truing-up in the instant petition	195.59	177.35	159.08	140.73	122.36

Return on Equity (RoE)

38. The Petitioner has claimed RoE for the transmission assets in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is are liable to pay income tax at MAT rates and has claimed following effective tax rates for the 2014-19 tariff 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

39. BRPL has submitted that the Petitioner has claimed effective tax rate based on the consolidated income of the Company. However, the income from other business

activities of the Petitioner like consulting, communication, planning and design of projects etc. need to be excluded from the computation of effective rate. BRPL has further submitted that the deferred tax liability (DTL) relevant to the aforesaid other business shall also not be considered in the computation of effective tax rate.

40. We have considered the above submissions of the Petitioner and BRPL. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate based on the notified MAT rates for the Petitioner. The relevant portion of the order 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

41. The MAT rates considered in order dated 27.4.2020 in Petition No. 274/TT/2019 is considered for the purpose of grossing up of rate of RoE for truing-up of the tariff of



the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations. the same are 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

42. Accordingly, RoE allowed for the transmission assets is as follows:

(₹ in lakh)

Particulars	Asset-I				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	10207.18	10261.75	10261.75	10261.75	10261.75
Addition due to Additional Capitalization	54.57	0.00	0.00	0.00	0.00
Closing Equity	10261.75	10261.75	10261.75	10261.75	10261.75
Average Equity	10234.46	10261.75	10261.75	10261.75	10261.75
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax) (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity (Pre- tax)	2006.98	2022.08	2022.08	2022.08	2027.52

(₹ in lakh)

Particulars	Asset-II				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Average Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax) (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity (Pre- tax)	223.09	224.17	224.17	224.17	224.78



43. Accordingly, the details of the RoE approved in the earlier orders (order dated 23.8.2016 in Petition No. 24/TT/2016 for Asset-I and order dated 23.2.2016 in Petition No. 18/TT/2015 for Asset-II), claimed by the Petitioner in the instant petition and trued-up RoE allowed in this order is shown in the table below:

(₹ in lakh)					
Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.8.2016 in Petition No. 24/TT/2016	2004.57	2010.26	2013.00	2013.00	2013.00
Claimed by the Petitioner in the instant petition	2009.85	2024.45	2023.42	2023.42	2028.86
Allowed after truing-up in the instant petition	2006.98	2022.08	2022.08	2022.08	2027.52

(₹ in lakh)					
Asset-II	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.2.2016 in Petition No. 18/TT/2015	223.10	223.10	223.10	223.10	223.10
As claimed by the Petitioner in the instant petition	223.26	224.29	224.17	224.17	224.78
Allowed after truing-up in the instant petition	223.09	224.17	224.17	224.17	224.78

Depreciation

44. The Petitioner has claimed depreciation considering gross block of ₹34046.65 lakh as on 31.3.2014 and additional capitalization of ₹181.89 lakh for Asset-I during 2014-19 tariff period. Further, the Petitioner has claimed depreciation considering gross block of ₹3877.12 lakh as on 31.3.2014 and no additional capitalization for Asset-II during 2014-19 period.

45. We have considered the submissions of the Petitioner. Depreciation has been computed considering capital expenditure as on 31.3.2014 and ACE approved for 2014-19 tariff period. The weighted average useful life of the assets has been



considered as 34 years for Asset-I and 35 years for Asset-II in accordance with the Regulation 27 of the 2014 Tariff Regulations. The gross block during the tariff period 2014-19 has been depreciated at weighted average rate of depreciation (WAROD) and working of WAROD is at Annexure-I. WAROD has been worked out after taking into account the depreciation rates of the assets as provided in the 2014 Tariff Regulations and depreciation allowed during 2014-19 tariff period is as under:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	34023.95	34205.84	34205.84	34205.84	34205.84
Additional Capitalisation	181.89	0.00	0.00	0.00	0.00
Closing Gross Block	34205.84	34205.84	34205.84	34205.84	34205.84
Average Gross Block	34114.90	34205.84	34205.84	34205.84	34205.84
Weighted Average Rate of Depreciation (WAROD) (%)	5.26	5.26	5.26	5.26	5.26
Balance useful life of the asset at the beginning of the year	33	32	31	30	29
Aggregated Depreciable Value	30703.41	30785.26	30785.26	30785.26	30785.26
Remaining Aggregate Depreciable Value at the end of the year	27156.31	25438.37	23638.58	21838.78	20038.99
Combined Depreciation during the year	1794.99	1799.79	1799.79	1799.79	1799.79

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Average Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of the year	33.00	32.00	31.00	30.00	29.00
Aggregated Depreciable Value	3489.41	3489.41	3489.41	3489.41	3489.41
Remaining Aggregated Depreciable Value at the end of the year	2827.21	2622.49	2417.78	2213.07	2008.36
Combined Depreciation during the year	204.71	204.71	204.71	204.71	204.71



46. The details of the depreciation approved vide order dated 23.8.2016 in Petition No. 24/TT/2016 for Asset-I and order dated 23.2.2016 in Petition No. 18/TT/2015 for Asset-II, claimed by the Petitioner in the instant petition and trued-up depreciation allowed in this order is shown in the table below:

(₹ in lakh)					
Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.8.2016 in Petition No. 24/TT/2016	1792.83	1797.93	1800.40	1800.40	1800.40
Claimed by the Petitioner in the instant petition	1796.19	1800.99	1800.99	1800.99	1800.99
Allowed after truing-up in the instant petition	1794.99	1799.79	1799.79	1799.79	1799.79

(₹ in lakh)					
Asset-II	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.2.2016 in Petition No. 18/TT/2015	204.71	204.71	204.71	204.71	204.71
Claimed by the Petitioner in the instant petition	204.71	204.71	204.71	204.71	204.71
Allowed after truing-up in the instant petition	204.71	204.71	204.71	204.71	204.71

Operation & Maintenance Expenses (“O&M Expenses”)

47. The Petitioner has claimed O&M Expense as per Regulation 29(4)(a) of the 2014 Tariff Regulations for Assets-I and II.

48. The O&M Expenses claimed by the Petitioner for Asset-I are as follows:

(₹ in lakh)					
Sub-Station Bays	2014-15	2015-16	2016-17	2017-18	2018-19
Particulars					
O&M for Sub-station bays (as per norms)					
4 No. of 400 kV bays at Chamera-III Sub-station	241.20	249.20	257.48	266.04	274.84
Total O&M Expenses	241.20	249.20	257.48	266.04	274.84

(₹ in lakh)					
HV and DC Lines	2014-15	2015-16	2016-17	2017-18	2018-19
Particulars					
O&M for HV and DC Lines					



(as per norms)					
400 kV D/C Twin Conductor Chamera Pooling Station (Chamba)-Jalandhar Transmission Line – 161.99 km.	114.53	118.41	122.30	126.35	130.56
Total O&M Expenses	114.53	118.41	122.30	126.35	130.56

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total O&M Expenses Claimed	355.73	367.61	379.78	392.39	405.40

49. It is observed that the claim of the Petitioner is within the norms specified under Regulation 29(4)(a) of the 2014 Tariff Regulations and the same is allowed for the 2014-19 period. The norms specified under Regulation 29(4)(a) of the 2014 Tariff Regulations with respect to Asset-I and the O&M Expenses allowed are as under:

Sub-Station Bays (₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Norm (₹ lakh/bay)					
400 kV Bay	60.30	62.30	64.37	66.51	68.71
Number of bays					
400 kV Bay at Chamera-III Sub-station	4	4	4	4	4
O&M Expenses for 400 kV Bay at Chamera-III Sub-station	241.20	249.20	257.48	266.04	274.84
Total O&M Expenses	241.20	249.20	257.48	266.04	274.84

AC and HVDC Lines (₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Norm (₹ lakh/km)					
D/C Twin/Triple Conductor	0.707	0.731	0.755	0.780	0.806
Line Length in km.					
D/C Twin/Triple Conductor	161.99	161.99	161.99	161.99	161.99
O&M Expenses for 400 kV D/C Twin Conductor Chamera Pooling Station	114.53	118.41	122.30	126.35	130.56



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
(Chamba) - Jalandhar Transmission Line					
Total O&M Expenses	114.53	118.41	122.30	126.35	130.56

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total O&M Expenses Allowed	355.73	367.61	379.78	392.39	405.40

50. For Asset-I, there is no variation in the O&M Expenses allowed in order dated 23.8.2016 in Petition No. 24/TT/2016, claim made by the Petitioner in the instant petition and that trued-up in the instant order.

51. The O&M Expenses claimed by the Petitioner for Asset-II are as follows:

HV and DC Lines (₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M for HV and DC Lines (as per norms)					
220 kV D/C Twin Conductor GIS Pooling Station Chamba-Chamera-III HEP Transmission Line – 14.98 km.	10.59	10.95	11.31	11.68	12.07
Total O&M Expenses	10.59	10.95	11.31	11.68	12.07

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total O&M Expenses Claimed	10.59	10.95	11.31	11.68	12.07

52. The norms specified under Regulation 29(4)(a) of the 2014 Tariff Regulations with respect to the Asset-II and the O&M Expenses allowed are as under:

AC and HVDC Lines (₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Norm (₹ lakh/km)					
D/C Twin/Triple Conductor	0.707	0.731	0.755	0.780	0.806
Line Length in km.					
D/C Twin/Triple Conductor	14.98	14.98	14.98	14.98	14.98



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses for 220 kV D/C Twin Conductor GIS Pooling Station Chamba-Chamera-III HEP Transmission Line	10.59	10.95	11.31	11.68	12.07
Total O&M Expenses	10.59	10.95	11.31	11.68	12.07

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total O&M Expenses Allowed	10.59	10.95	11.31	11.68	12.07

53. For Asset-II, there is no variation in the O&M Expenses approved in the order dated 23.2.2016 in Petition No. 18/TT/2015, claim made by the Petitioner in the instant petition and that trued-up in the instant order.

Interest on Working Capital (“IWC”)

54. The Petitioner is entitled to claim IWC as per Regulation 28(1)(c) of the 2014 Tariff Regulations. The components of the working capital and the Petitioner’s entitlement to interest thereon are discussed as follows:

(i) Maintenance Spares:

Maintenance spares have been worked out based on 15% of Operation and Maintenance Expenses specified in Regulation 28.

(ii) O & M Expenses:

O&M Expenses have been considered for one month of the allowed O&M Expenses.

(iii) Receivables:

The receivables have been worked out on the basis of 2 months of annual transmission charges as worked out above.



(iv) Rate of interest on working capital

Rate of interest on working capital is considered on normative basis in accordance with Clause (3) of Regulation 28 of the 2014 Tariff Regulations.

55. IWC allowed for Asset-I is as under:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	29.64	30.63	31.65	32.70	33.78
Maintenance Spares	53.36	55.14	56.97	58.86	60.81
Receivables	1033.47	1012.71	987.55	962.43	938.30
Total	1116.47	1098.49	1076.16	1053.99	1032.90
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	150.72	148.30	145.28	142.29	139.44

56. IWC allowed for Asset-II is as under:

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	0.88	0.91	0.94	0.97	1.01
Maintenance Spares	1.59	1.64	1.70	1.75	1.81
Receivables	108.15	105.29	102.24	99.18	96.21
Total	110.62	107.85	104.88	101.90	99.03
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	14.93	14.56	14.16	13.76	13.37

57. The details of the IWC approved in earlier orders (order dated 23.8.2016 in Petition No. 24/TT/2016 for Asset-I and order dated 23.2.2016 in Petition No. 18/TT/2015 for Asset-II), as claimed by the Petitioner in the instant petition and trued-up IWC allowed is shown in the table below:

(₹ in lakh)

Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.8.2016 in Petition No.24/TT/2016	150.56	147.93	145.10	142.11	139.13
Claimed by the Petitioner in the instant petition	150.85	148.41	145.37	142.37	139.52

(₹ in lakh)					
Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed after truing-up in this order	150.72	148.30	145.28	142.29	139.44

(₹ in lakh)					
Asset-II	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.2.2016 in Petition No. 18/TT/2015	14.93	14.53	14.13	13.73	13.33
Claimed by the Petitioner in the instant petition	14.94	14.56	14.16	13.76	13.37
Allowed after truing-up in this order	14.93	14.56	14.16	13.76	13.37

Approved Annual Fixed Charges for the 2014-19 Tariff Period

58. Accordingly, the trued up annual fixed charges allowed for the transmission assets for the 2014-19 tariff period are as under:

(₹ in lakh)					
Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1794.99	1799.79	1799.79	1799.79	1799.79
Interest on Loan	1892.40	1738.49	1578.35	1418.03	1257.66
Return on Equity	2006.98	2022.08	2022.08	2022.08	2027.52
Int. on Working Capital	150.72	148.30	145.28	142.29	139.44
Op. and Maintenance	355.73	367.61	379.78	392.39	405.40
Total	6200.82	6076.27	5925.28	5774.58	5629.81

(₹ in lakh)					
Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	204.71	204.71	204.71	204.71	204.71
Interest on Loan	195.59	177.35	159.08	140.73	122.36
Return on Equity	223.09	224.17	224.17	224.17	224.78
Int. on Working Capital	14.93	14.56	14.16	13.76	13.37
Op. and Maintenance	10.59	10.95	11.31	11.68	12.07
Total	648.92	631.75	613.43	595.06	577.29

59. Accordingly, the Annual Fixed Charges approved in earlier orders (order dated 23.8.2016 in Petition No. 24/TT/2016 for Asset-I and order dated 23.2.2016 in Petition No. 18/TT/2015 for Asset-II), claimed by the Petitioner in the instant petition and approved in this order after truing-up is shown in the table below:

(₹ in lakh)

Asset-I	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.8.2016 in Petition No. 24/TT/2016	6192.38	6059.81	5917.20	5766.49	5616.11
Claimed by the Petitioner in the instant petition	6206.39	6081.21	5929.06	5778.24	5633.36
Allowed after true-up in this order	6200.82	6076.27	5925.28	5774.58	5629.81

(₹ in lakh)

Asset-II	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 23.2.2016 in Petition No. 18/TT/2015	648.92	630.64	612.33	593.95	575.57
Claimed by the Petitioner in the instant petition	649.09	631.86	613.43	595.06	577.29
Allowed after true-up in this order	648.92	631.75	613.43	595.06	577.29

Determination of Annual Fixed Charges for the 2019-24 tariff period

60. The Petitioner has combined Assets-I and II into Combined Asset and the transmission tariff claimed by the Petitioner for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2005.70	2005.70	2005.70	2005.70	2005.70
Interest on Loan	1202.12	1023.20	844.34	666.64	489.35
Return on Equity	2142.31	2142.31	2142.31	2142.31	2142.31
Interest on Working Capital	92.87	90.84	88.60	86.38	83.98
Operation and Maintenance	284.78	294.78	305.13	315.81	326.82
Total	5727.78	5556.83	5386.08	5216.84	5048.16

61. The Petitioner has claimed the following 'Interest on Working Capital' for the Combined Asset for the 2019-24 tariff period:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	23.73	24.57	25.43	26.32	27.24
Maintenance Spares	42.72	44.22	45.77	47.37	49.02
Receivables	704.24	685.09	664.04	643.17	620.68
Total	770.69	753.88	735.24	716.86	696.94

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	23.73	24.57	25.43	26.32	27.24
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	92.87	90.84	88.60	86.38	83.98

Effective Date of Commercial Operation (E-COD)

62. The Petitioner has claimed E-COD of the Combined Asset as 7.2.2013. Based on the trued-up admitted capital cost and actual COD of all the assets, the E-COD has been worked out as follows:

Computation of Effective COD						
Asset	Actual COD	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Weight of the cost (%)	No. of Days from last COD	Weighted Days	Effective COD (Latest COD – Total weighted Days)
Asset-I	1.4.2013	34205.84	89.82	0.00	0.00	7.2.2013
Asset-II	1.11.2011	3877.12	10.18	517.00	52.63	
Total		38082.96	100.00		52.63	

63. E-COD is used to determine the lapsed life of the Project as a whole, which works out as 6 (six) years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from E-COD).

Weighted Average Life (WAL)

64. The life as defined under Regulation 33 of the 2019 Tariff Regulations has been considered for determination of Weighted Average Life (WAL).

65. The Combined Asset consists of elements such as building, transmission line, sub-station equipment and each element has different span of life. Therefore, the concept of WAL has been used as the useful life of the Project as a whole.



66. WAL has been determined based on the admitted capital cost of individual elements as on 31.3.2019 and their respective life as stipulated in the 2019 Tariff Regulations. The element-wise life as provided in the 2014 Tariff Regulations prevailing at the time of actual COD of individual assets has been ignored for this purpose. The life as provided in the 2019 Tariff Regulations has been considered for determination of WAL. Accordingly, WAL of the Combined Asset has been worked out as 34 years as shown below:

Particulars	Life as per 2019 Tariff Regulation (Years) (a)	Combined Capital Cost (₹ in lakh) (b)	Weighted capital cost (₹ in lakh) (c)=(a) x (b)	Weighted Avg. Life of Asset (in years) (d)=(c)/(b)
Building & Other Civil Works	25	330.80	8270.00	
Transmission Line	35	35290.33	1235161.55	
Sub-Station Equipment	25	2448.49	61212.25	
PLCC	15	13.34	200.10	
Total		38082.96	1304843.90	34.26 years (rounded off to 34 years)

67. WAL as on 1.4.2019 as determined above is applicable prospectively (i.e. 2019-24 tariff period onwards) and no retrospective adjustment of depreciation in previous tariff period is required to be done. As discussed above, the Effective COD of the instant assets is 7.2.2013 and the lapsed life of the Project as a whole, works out as 6 (six) years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from Effective COD). Accordingly, WAL has been used to determine the remaining useful life of the Combined Asset as on 1.4.2019 is 28 years.

Capital Cost

68. Regulation 19 of the 2019 Tariff Regulations provides 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 up to 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 up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and

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

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

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

(b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

(a) The assets forming part of the project, but not in use, as declared in the tariff petition;

(b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be 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."

69. The Petitioner has claimed the capital cost of Combined Asset as ₹38105.66 lakh as on 31.3.2019.

70. The admitted trued-up capital cost of ₹34205.84 lakh for Asset-I and ₹3877.12 lakh for Asset-II as on 31.3.2019 has been considered as the opening capital cost as



on 1.4.2019 for determination of tariff of the 2019-24 tariff period in accordance with Regulation 19 of the 2019 Tariff Regulations. The element-wise capital cost (i.e. land, building, transmission line, sub-station and PLCC) as admitted by the Commission as on 31.3.2019 for the transmission assets are clubbed together and the combined capital cost has been considered as capital cost for Combined Asset as per following details:

(₹ in lakh)

Element	Asset-I (A)	Asset-II (B)	Capital Cost for Combined Asset as on 31.3.2019 C = (A+B)
Freehold Land	0.00	0.00	0.00
Building & Other Civil Works	330.80	0.00	330.80
Transmission Line	31413.21	3877.12	35290.33
Sub-Station Equipment	2448.49	0.00	2448.49
PLCC	13.34	0.00	13.34
Leasehold Land	0.00	0.00	0.00
IT Equipment & Software	0.00	0.00	0.00
Total	34205.84	3877.12	38082.96

Initial Spares

71. As stated in paragraphs 22 and 23 above of this order, since the assets covered in the transmission project were put into commercial operation during the 2009-14 tariff period and are combined and the overall project cost is arrived at in the 2019-24 tariff period. Therefore, the 2009 Tariff Regulations are applicable in the instant case and the revised initial spares are allowed during the 2019-24 tariff period on the basis of the overall project cost as per the APTEL's judgement dated 14.9.2019 in Appeal No.74 of 2017.

72. Taking into consideration the observations of APTEL in judgement dated 14.9.2019, the project cost as on the cut-off date as defined in the 2009 Tariff Regulations is considered for computation of the Initial Spares. Based on the



submissions of the Petitioner regarding the cost details of Assets-I and II for computation of allowable Initial Spares, the Commission has reworked the allowable initial spares as follows:

Asset	Element	Total project cost upto cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2009 Tariff Regulations (in %)	Initial Spares allowable as per norms and APTEL judgement dated 14.9.2019 (₹ in lakh)	Admissible and allowed in instant petition	Initial Spares already allowed (₹ in lakh)	Additional spares now allowed
Asset-I	Sub-station	2792.63	56.80	2.50	70.15	56.80	56.80	0
Asset-I		31470.42	291.42					
Asset-II	Transmission Line	3877.12	7.93	0.75	264.85	264.85	242.15	22.70
Total		35347.54	299.35					
Grand Total			356.15		335.00	321.65	298.95	22.70

73. Accordingly, additional Initial Spares of ₹22.70 for Transmission Line element of combined asset are being allowed as part of the combined capital cost as on 1.4.2019 in line with APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017.

74. Capital cost as on 1.4.2019 is worked out as under:

Capital Cost for Combined Asset as on 31.3.2019	Additional Initial Spares allowed as per APTEL judgement dated 14.9.2019	Capital Cost for Combined Asset as on 1.4.2019
38082.96	22.70	38105.66

75. Accordingly, additional Initial Spares of ₹22.70 lakh are being allowed as part of the combined capital cost as on 1.4.2019 in line with APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017.

76. Capital cost as on 1.4.2019 is worked out as under:

Capital Cost for Combined Asset as on 31.3.2019	Additional Initial Spares allowed as per APTEL judgement dated 14.9.2019	Capital Cost for Combined Asset as on 1.4.2019
38082.96	22.70	38105.66

77. The trued-up capital cost of ₹38105.66 lakh for Combined Asset has been considered as admitted capital cost as on 1.4.2019 for working out tariff of the 2019-24 tariff period.

Additional Capital Expenditure (ACE)

78. The Petitioner has not claimed any Additional Capital Expenditure during the 2019-24 tariff period for the instant Combined Asset.

Debt-Equity Ratio

79. Regulation 18 of the 2019 Tariff Regulations provide 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 ACE 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.”

80. The details of the debt-equity considered in respect of the Combined Asset for the purpose of computation of tariff of the 2019-24 tariff period is as follows:

Combined Asset	Capital Cost as on 1.4.2019 (in ₹ lakh)	(%)	Total Cost as on 31.3.2024 (in ₹ lakh)	(%)
Debt	26699.45	70.07	26699.45	70.07
Equity	11406.21	29.93	11406.21	29.93
Total	38105.66	100.00	38105.66	100.00

Return on Equity (RoE)

81. Regulation 30 of the 2019 Tariff Regulations provides as under:-

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

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

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



Provided further that:

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

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

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

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

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

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

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

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

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

Illustration-

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



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

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

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

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

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

(₹ in lakh)

Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	11406.21	11406.21	11406.21	11406.21	11406.21
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Equity	11406.21	11406.21	11406.21	11406.21	11406.21
Average Equity	11406.21	11406.21	11406.21	11406.21	11406.21
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (Pre-tax) (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity (Pre-tax)	2142.31	2142.31	2142.31	2142.31	2142.31

Interest on Loan (IoL)



83. 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”.

84. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up or next revision of tariff. In view of the above, IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. The details of the IoL allowed are as follows:



Combined Asset					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	26699.45	26699.45	26699.45	26699.45	26699.45
Cumulative Repayments upto Previous Year	12227.31	14233.01	16238.72	18244.42	20250.12
Net Loan-Opening	14472.14	12466.44	10460.74	8455.04	6449.34
Additions due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Repayment during the year	2005.70	2005.70	2005.70	2005.70	2005.70
Net Loan-Closing	12466.44	10460.74	8455.04	6449.34	4443.63
Average Loan	13469.29	11463.59	9457.89	7452.19	5446.48
Weighted Average Rate of Interest on Loan (%)	8.929	8.930	8.933	8.953	8.995
Interest on Loan	1202.66	1023.74	844.87	667.17	489.89

Depreciation

85. C Regulation 33 of the 2019 Tariff Regulations provide as under:

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

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

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

(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 up to 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 decapitalized asset during its useful services.”

86. Depreciation for the Combined Asset has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The weighted average of rate of depreciation (WAROD) has been worked out (Annexure-II) after taking into account the depreciation rates of assets as prescribed in the 2019 Tariff Regulations. The depreciation allowed for the Combined Asset is as follows:

(₹ in lakh)



Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	38105.66	38105.66	38105.66	38105.66	38105.66
Addition during the year 2019-24 due to projected Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	38105.66	38105.66	38105.66	38105.66	38105.66
Average Gross Block	38105.66	38105.66	38105.66	38105.66	38105.66
Weighted average rate of Depreciation (WAROD) (%)	5.26	5.26	5.26	5.26	5.26
Balance useful life at the beginning	28.00	27.00	26.00	25.00	24.00
Aggregated Depreciable Value	34295.09	34295.09	34295.09	34295.09	34295.09
Remaining Aggregate Depreciable Value	20062.08	18056.38	16050.68	14044.98	12039.27
Combined Depreciation during the year	2005.70	2005.70	2005.70	2005.70	2005.70
Aggregate Cumulative Depreciation	14233.01	16238.72	18244.42	20250.12	22255.82

Operation & Maintenance Expenses (O&M Expenses)

87. Regulation 35(3) and (4) of the 2019 Tariff Regulations provides as under:

*“35 (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
<i>Norms for Transformers (₹ Lakh per MVA)</i>					
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
<i>Norms for AC and HVDC lines (₹ Lakh per km)</i>					
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



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
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.”

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

Sub-Station Bays		(₹ in lakh)			
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M for Sub-station bays (as per norms)					
4 No. of 400 kV bays at Chamera-III Sub-station	128.60	133.12	137.80	142.64	147.64
Total O&M Expenses	128.60	133.12	137.80	142.64	147.64

HV and DC Lines		(₹ in lakh)			
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M for HV and DC Lines (as per norms)					
i. 400 kV D/C Twin Conductor Chamera Pooling Station (Chamba) - Jalandhar Transmission Line – 161.99 km.	155.91	161.40	167.06	172.90	178.92
ii. 220 kV D/C Twin Conductor GIS Pooling Station Chamba-Chamera-III HEP Transmission Line – 14.98 km.					
Total O&M Expenses	155.91	161.40	167.06	172.90	178.92

PLCC		(₹ in lakh)			
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24

O&M for PLCC (as per norms)					
PLCC	0.27	0.27	0.27	0.27	0.27
Total O&M Expenses	0.27	0.27	0.27	0.27	0.27

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total O&M Expenses Claimed	284.78	294.78	305.13	315.81	326.82

89. The Petitioner has claimed O&M Expenses separately for the PLCC under Regulation 35(4) of the 2019 Tariff Regulations @2% of its original project cost in the instant petition and 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 has 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.

90. It is observed that the claim made by the Petitioner is within the norms specified under Regulation 35(3) and (4) of the 2019 Tariff Regulations and the same is allowed for the 2019-24 tariff period. The norms specified under Regulation 35(3) and (4) of the 2019 Tariff Regulations with respect to the Combined Asset and the O&M Expenses allowed are given hereunder:

Sub-Station Bays (₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norm (₹ lakh/bay)					
400 kV Bay	32.15	33.28	34.45	35.66	36.91
Number of bays					
400 kV Bay	4	4	4	4	4
O&M Expense for 400 kV bays at Chamera-III Sub-station	128.60	133.12	137.80	142.64	147.64
Total O&M Expenses	128.60	133.12	137.80	142.64	147.64

AC and HVDC Lines (₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norm (₹ lakh/km)					
D/C Twin/Triple Conductor	0.881	0.912	0.944	0.977	1.011
Line length in km.					



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV D/C Twin Conductor Chamera Pooling Station (Chamba) - Jalandhar Transmission Line	161.99	161.99	161.99	161.99	161.99
220 kV D/C Twin Conductor GIS Pooling Station Chamba-Chamera-III HEP Transmission Line	14.98	14.98	14.98	14.98	14.98
Total line length in km.	176.97	176.97	176.97	176.97	176.97
O&M Expenses for TL	155.91	161.40	167.06	172.90	178.92
Total O&M Expenses	155.91	161.40	167.06	172.90	178.92

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total O&M Expenses Allowed	284.51	294.52	304.86	315.54	326.56

Interest on Working Capital (“IWC”)

91. Clauses (1)(c), (3) and (4) of Regulation 34 and Clause (7) of Regulation 3 of the 2019 Tariff Regulations provide as follows:

“34. **Interest on Working Capital:** (1) The working capital shall cover:

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

(i) Receivables equivalent to 45 days of 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. **Definition** - 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;”

92. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the bank rate as on 1.4.2019. The rate of IWC considered is 12.05%.

93. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) on working capital considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, whereas, ROI for 2020-21 onwards has been considered as 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points). The components of the working capital and interest allowed thereon for the Combined Asset is as under:

(₹ in lakh)

Combined Asset					
Particulars	2019-20	2020-21	201-22	2022-23	2023-24
O & M Expenses	23.71	24.54	25.40	26.29	27.21
Maintenance Spares	42.68	44.18	45.73	47.33	48.98
Receivables	704.27	684.37	663.33	642.49	620.01
Total	770.65	753.09	734.47	716.11	696.21
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	92.86	84.72	82.63	80.56	78.32

Annual Fixed Charges for the 2019-24 Tariff Period

94. The transmission charges allowed for the Combined Asset for the 2019-24 tariff period are summarised below:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2005.70	2005.70	2005.70	2005.70	2005.70
Interest on Loan	1202.66	1023.74	844.87	667.17	489.89
Return on Equity	2142.31	2142.31	2142.31	2142.31	2142.31
Interest on Working Capital	92.86	84.72	82.63	80.56	78.32
Operation and Maintenance	284.51	294.52	304.86	315.54	326.56
Total	5728.05	5550.99	5380.37	5211.29	5042.78

Filing Fee and Publication Expenses

95. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Clause (1) of Regulation 70 of the 2019 Tariff Regulations.

96. BRPL in its reply 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 given by the Petitioner. BRPL has placed reliance to the Commission's order dated 11.9.2008 in Petition No. 129 of 2005 wherein it declined the claim of Central Power Sector undertakings for allowing the reimbursement of the application filing fee.

97. We have considered the submissions of the Petitioner and BRPL. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

98. The Petitioner has requested to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the Respondents. The Petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (4) and (3) respectively of Regulation 70 of the 2019 Tariff Regulations.

Goods and Services Tax

99. The Petitioner has sought to recover GST on transmission charges separately from the Respondents, if at any time GST on transmission is withdrawn from negative list in future. BRPL in its reply has raised the issue of GST recovery and submitted that the demand of the Petitioner is premature and need not be considered at this juncture. We have considered the submissions of the Petitioner and BRPL. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

Security Expenses

100. The Petitioner has submitted that security expenses for the instant assets are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential Interest on Working Capital. 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. BRPL has submitted that the approach adopted by the Petitioner towards claim of security expenses does not warrant the need for Interest on Working Capital as the same is claimed in advance.

101. We have considered the Petitioner's prayer and submissions of BRPL. We are of the view that the Petitioner should claim security expenses for all the transmission assets in one petition. It is observed that the Petitioner has already filed 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

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

Sharing of Transmission Charges

103. The billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of 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 2014 Tariff Regulations for the 2014-19 tariff period and Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.

104. To summarise, the trued-up Annual Fixed Charges allowed for the transmission asset for the 2014-19 tariff period are as under:

(₹ in lakh)						
Particulars	Asset	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Fixed Charges	Asset-I	6200.82	6076.27	5925.28	5774.58	5629.81
	Asset-II	648.92	631.75	613.43	595.06	577.29

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	5728.05	5550.99	5380.37	5211.29	5042.78

105. This order disposes of Petition No. 168/TT/2020.

**Sd/
(Arun Goyal)
Member**

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

**Sd/
(P. K. Pujari)
Chairperson**



Annexure-I

Asset-I	2014-19	Admitted Capital Cost as on 1.4.2014 (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
	Capital Expenditure as on 1.4.2014		2014-15			2014-15 (₹ in lakh)	2015-16 (₹ in lakh)	2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
	Building	330.80	0.00	330.80	3.34%	11.05	11.05	11.05	11.05	11.05
	Transmission Line	31231.38	181.83	31413.21	5.28%	1653.82	1658.62	1658.62	1658.62	1658.62
	Sub Station	2448.43	0.06	2448.49	5.28%	129.28	129.28	129.28	129.28	129.28
	PLCC	13.34	0.00	13.34	6.33%	0.84	0.84	0.84	0.84	0.84
	TOTAL	34023.95	181.89	34205.84		1794.99	1799.79	1799.79	1799.79	1799.79
				Average Gross Block (₹ in lakh)		34114.90	34205.84	34205.84	34205.84	34205.84
				Weighted Average Rate of Depreciation (₹ in lakh)		5.26%	5.26%	5.26%	5.26%	5.26%



Annexure-I

Asset-II	2014-19	Admitted Capital Cost as on 1.4.2014 (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
	Capital Expenditure as on 1.4.2014		2014-19			2014-15 (₹ in lakh)	2015-16 (₹ in lakh)	2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Building		0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmission Line		3877.12	0.00	3877.12	5.28%	204.71	204.71	204.71	204.71	204.71
Sub Station		0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
PLCC		0.00	0.00	0.00	6.33%	0.00	0.00	0.00	0.00	0.00
TOTAL		3877.12	0.00	3877.12		204.71	204.71	204.71	204.71	204.71
				Average Gross Block (₹ in lakh)		3877.12	3877.12	3877.12	3877.12	3877.12
				Weighted Average Rate of Depreciation (₹ in lakh)		5.28%	5.28%	5.28%	5.28%	5.28%



Annexure-II

Combined Asset	2019-24	Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
	Capital Expenditure as on 1.4.2019				2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building		330.80	330.80	3.34%	11.05	11.05	11.05	11.05	11.05
Transmission Line		35313.03	35313.03	5.28%	1864.53	1864.53	1864.53	1864.53	1864.53
Sub Station		2448.49	2448.49	5.28%	129.28	129.28	129.28	129.28	129.28
PLCC		13.34	13.34	6.33%	0.84	0.84	0.84	0.84	0.84
TOTAL		38105.66	38105.66		2005.70	2005.70	2005.70	2005.70	2005.70
			Average Gross Block (₹ in lakh)		38105.66	38105.66	38105.66	38105.66	38105.66
			Weighted Average Rate of Depreciation (₹ in lakh)		5.26%	5.26%	5.26%	5.26%	5.26%

