

# CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 210/TT/2020

Coram:

**Shri P. K. Pujari, Chairperson**  
**Shri I. S. Jha, Member**  
**Shri Arun Goyal, Member**  
**Shri Pravas Kumar Singh, Member**  
**Shri P.S. Mhaske, Member, Ex-officio**

Date of order : 30.04.2021

**In the matter of:**

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and revision of transmission tariff for the 2001-04 tariff period, 2004-09 tariff period, 2009-14 tariff period and truing up of transmission tariff of the 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2019 for 315 MVA, 440/220 kV ICT-IV at Ballabgarh Sub-station with associated bay equipments in the Northern Region.

**And in the matter of:**

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

.....Petitioner

**Versus**

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,  
Vidyut Bhawan, Vidyut Marg, Jaipur-302005.
2. Ajmer Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur-302005.
3. Jaipur Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur-302005.
4. Jodhpur Vidyut Vitran Nigam Ltd.,



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400 kV GSS Building ( Ground Floor), Ajmer Road,  
Heerapura, Jaipur-302005.

5. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan, Kumar House Complex Building II,  
Shimla-171004.
6. Punjab State Power Corporation Ltd.,  
Thermal Shed Tia, Near 22 Phatak,  
Patiala-147001.
7. Haryana Power Purchase Centre,  
Shakti Bhawan, Sector-6,  
Panchkula (Haryana)-134109.
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-226001.
10. Delhi Transco Ltd.,  
Shakti Sadan,  
Kotla Road, New Delhi-110002.
11. BSES Yamuna Power Ltd,  
BSES Bhawan, Nehru Plakhe,  
New Delhi.
12. BSES Rajdhani Power Ltd.,  
BSES Bhawan, Nehru Plakhe,  
New Delhi.
13. Tata Power Delhi Distribution Ltd.  
33 kV Sub-station, Building  
Hudson Lane  
Kingsway Camp  
North Delhi-110009.
14. Chandigarh Administration,  
Sector-9, Chandigarh.



15. Uttarakhand Power Corporation Ltd.,  
Urja Bhawan, Kanwali Road,  
Dehradun.
16. North Central Railway,  
Allahabad.
17. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg,  
New Delhi-110002.

...Respondent(s)

**For Petitioner:** Shri A. K. Verma, PGCIL  
Shri S. S. Raju, PGCIL  
Shri B. Dash, PGCIL  
Shri Ved Rastogi, PGCIL

**For Respondent:** Shri R. B. Sharma, Advocate, BRPL  
Shri Mohit Mudgal, Advocate, BYPL  
Ms. Megha Bajpeyi, BRPL

### **ORDER**

The instant petition has been filed by Power Grid Corporation of India Limited (hereinafter referred to as “the Petitioner”) for revision of transmission tariff o the 2001-04, 2004-09and 2009-14 tariff periods and truing up of transmission tariff of the period from 1.4.2014 to 31.3.2019 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of tariff under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) of the period from 1.4.2019 to 31.3.2024 in respect of 315 MVA, 440/220 kV ICT-IV at Ballabgarh Sub-station with associated bay equipments (hereinafter referred to as “the transmission asset”) in the Northern Region.

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



- “1) Approve the revised Transmission Tariff for 2001-04 block, 2004-09 block and transmission tariff for 2009-14 block for the assets covered under this petition, as per para 8 above.
- 2) Approve the 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 9 and 10 above.
- 3) Allow the de-capitalization of 315 MVA ICT from the present project and re-capitalization under Augmentation of Transformation capacity at Fatehabad (PG) 400/220kV substation by 1X315MVA capacity along with associated bays and also allow the carrying cost between the date of de-capitalization and date of re-capitalization as the same has been done due to system requirement taking due concurrence of the beneficiaries and not suo-moto. Further it is prayed to Hon'ble commission to consider the outcome of Review petition 38/RP/2018 while passing the order of present petition.
- 4) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 9 and 10 above for respective block.

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

- 5) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure ( if any) in relation to the filing of petition.
- 6) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.
- 7) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.
- 8) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 10.5 above.
- 9) Allow the petitioner to claim the capital spares at the end of tariff block as per actual.



10) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is withdrawn from negative list at any time in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.

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

### **Background**

3. The brief facts of the case are as under:
- a. The investment approval for the transmission asset was accorded by the Board of Directors of the Petitioner's company vide Memorandum dated 15.12.1999 at an estimated cost of ₹1068.00 lakh, which included IDC of ₹86.00 lakh. The transmission asset comprises the 315 MVA, 400/220 kV ICT-IV at Ballabgarh along with two no of ICT bays and was put under commercial operation on 1.7.2002. The estimated completion cost of this asset was stated to be ₹590.00 lakh.
  - b. The entire scope of the transmission project as per Investment Approval is covered in the instant petition.
  - c. The tariff from COD to 31.3.2004 period was approved vide order dated 13.4.2005 in Petition No. 110/2002. The tariff from 1.4.2004 to 31.3.2009 was approved by the Commission vide order dated 28.4.2006 in Petition No. 70/2005.
  - d. The tariff for the 2009-14 tariff period was allowed vide order dated 15.11.2010 in Petition No. 96/2010 based on admitted capital cost of ₹585.52 lakh for the transmission asset as on 31.3.2009 in accordance with the 2009 Tariff Regulations.
  - e. The tariff for the 2009-14 period was trued up and tariff for the period from 1.4.2014 to 31.3.2019 was determined vide order dated 15.2.2016 in Petition No. 189/TT/2014.
  - f. The Petitioner has sought revision of transmission tariff approved for the 2001-04 and 2004-09 tariff periods on account of change in Interest on Loan (IoL) and Interest on Working Capital (IOWC) to the extent of revision in IoL and in Maintenance Spares in terms of the Appellate Tribunal for Electricity (hereinafter referred to as "APTEL") judgment dated 22.1.2007 and



13.6.2007 in Appeal No. 81/2005 and 139/2006 respectively. The Petitioner has sought consequential revision of tariff allowed for the 2009-14 tariff period and truing up of tariff of the 2014-19 tariff period and determination of tariff for the 2019-24 tariff period of the transmission asset.

g. The APTEL, vide judgements dated 22.1.2007 in Appeal No.81/2005 and other Others and judgement dated 13.6.2007 in Appeal No. 139/2006 pertaining to generating stations of NTPC decided on, mainly, the following issues:

- (a) Computation of interest on loan
- (b) Consequences of refinancing of loan
- (c) Depreciation as deemed repayment
- (d) Admissibility of depreciation up to 90% of the value of the assets
- (e) Consideration of maintenance of spares for working capital
- (f) Depreciation of assets.

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

i. PGCIL based on the APTEL's judgments dated 22.1.2007 and 13.6.2007, sought re-determination of tariff of its transmission assets for the tariff periods 2001-04 and 2004-09 in Petition No. 121/2007. The Commission after taking into consideration the pending Appeals before the Hon'ble Supreme Court adjourned sine die and directed to revive the same after the disposal of the Civil Appeals by the Hon'ble Supreme Court.

j. The Hon'ble Supreme Court dismissed the said Civil Appeals filed against the APTEL's said judgments vide its judgment dated 10.4.2018.

k. Consequent to the Hon'ble Supreme Court's judgment dated 10.4.2018 in NTPC matters, the Petition No. 121/2007 was listed for hearing on 8.1.2019. The Commission, vide order dated 18.1.2019 in Petition No. 121/2007, directed the petitioner to submit its claim separately for the assets at the time of filing of truing up of the petitions for the 2014-19 tariff period in respect of concerned transmission assets.



- i. The instant petition was heard on 10.3.2021 and in view of APTEL's judgments dated 22.1.2007 and 13.6.2007 and the judgement of Hon'ble Supreme Court dated 10.4.2018, tariff is being revised. Although, period wise tariff is being re-worked based on the Tariff Regulations applicable for the respective tariff periods, suitable assumptions at certain places, if any, are being applied which are being indicated.
- m. The capital cost of ₹543.77 lakh as on COD for the transmission asset was approved by the Commission vide order dated 13.4.2005 in Petition No. 110/2002. The tariff is being revised for the 2001-04, 2004-09 and 2009-14 tariff periods in terms of the APTEL's judgement dated 22.1.2007 and 13.6.2007.

4. The Petitioner has sought revision of the computation of the interest on loan, maintenance spares for working capital and IOWC allowed for the 2001-04 and 2004-09 tariff periods on the basis of the judgements of the APTEL dated 22.1.2007 in Appeal No.81 of 2005 and 13.6.2007 in Appeal No.139/2006. The APTEL while dealing with the issue of computation of interest on loan, in judgement dated 22.1.2007, observed that interest on loan for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgement dated 14.11.2006 in Appeal Nos.94 and 96 of 2005. APTEL in its judgement dated 14.11.2006 set aside the Commission's methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher. The relevant portions of the judgement of 14.11.2006 is as under:

- “12. We have heard the arguments of the Senior Counsel(s) of appellant and respondents. We notice that the appellant has not challenged the formula for computing the annual repayment amount as provided in Appeal No. 96 of 2005 & IA No.117 of 2006 in Appeal No. 94 of 2005 para-22 of the impugned order and has only challenged the provisions at para 23 specifying that the amount of annual repayment for calculation of interest on loan is chosen higher of the normative debt and actual debt.*
- 13. As mentioned earlier the servicing of the capital (equity or debt) is financed by the recovery of interest on debt capital and through earning of return on equity capital. The actual loan repayment has been normalized to 50% of the total capital by the formula in para 22 of the impugned order given in para 11 above. Once it has*



*been decided and agreed that the financing plan would be based on normative debt–equity ratio of 50:50 and not the actual debt-equity ratio, the same normative basis should be adopted for recovery of cost of servicing the capital.*

14. *In the instant case since the normative debt-equity ratio of 50:50 has been adopted in the financing plan, the loan repayment should be computed based on normative debt. This is to ensure that whatever normative debt has been considered, tariff should ensure the recovery of the same normative debt and interest thereon.*
18. *In its Tariff Regulation of 2004 the Central Commission perhaps recognizing the aforesaid anomaly has dispensed with the practice of adopting higher of actual or normative repayment and has corrected the method of determination of quantum of debt repayment only on the basis of the normative debt with effect from 01.04.2004*
19. *In view of the above, the Central Commission is required to adopt normative debt repayment methodology for working out the interest on loan liability for the period 01.04.1998 to 31.03.2001.”*

In view of the above, the interest allowed for the 2001-04 and 2004-09 period is revised on the basis of the normative debt repayment methodology.

5. The APTEL in judgement dated 13.6.2007 in Appeal No.139 of 2006 and others held that additional capitalisation after the date of commercial operation should also be considered for computation of maintenance spares as under:

***“Analysis and Decision***

*We are not inclined to agree with the contention of the respondents that escalation of 6% will take care of the additional capitalization. Escalation is meant to factor inflation and is allowed as per CERC Regulations whether or not additional capitalization takes place. Question before us is that: can the historical cost be frozen with the Commissioning of the station. It is quite normal and prudent to ensure earliest operation of the plant without necessarily 100% completion of plants and works, of course not at the cost of safety of the plant. Adding some of the plants and works after the commercial operation will reduce interest during construction. If technically it is possible to delay some of the plants or works, it is only prudent to do so. For example it is common to build redundancies in the plant at a little later stage. CERC’s own regulations rightly recognized additional capitalization. It is pertinent to set out excerpts pertaining to additional capitalization from CERC (Terms & Conditions of Tariff) Regulation, 2004 Clause 18 as below:-*

*“Additional capitalization (1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and up to the cut off date may be admitted by the Commission, subject to prudence check:*

- (i) Deferred liabilities*
- (ii) Works deferred for execution*
- (iii) Procurement of initial capital spares in the original scope of work, subject to ceiling specified in regulation 17.*





- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and  
(v) On account of change in law.

*Provided that original scope of work along with estimates of expenditure shall be submitted along with the application for provisional tariff.*

*Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating station.”*

*It is clear from the abovementioned Clause 18 of the CERC Regulations that additional capitalization after the date of commercial operation is recognized as part of the capital expenditure. Historical cost does not literally mean that the cost on the date of the commercial operation. The term historical cost is used so as to distinguish it from ‘book value’ or ‘the replacement cost’. The cost of maintenance spares limited to 1% of the historical cost corresponds to the plant and equipment and installations which are required to be maintained. If the cost of additional equipment is not included in the historical cost, how spares for the additional equipment be procured for maintenance of the additional equipment. In this view of the matter, the CERC needs to examine afresh in the light of the aforesaid observations.”*

6. In view of the above, the maintenance spares to be considered for computation of working capital for the 2001-04 and 2004-09 period are also required to be revised taking into consideration the additional capitalisation after the date of commercial operation.

7. As regard to depreciation, APTEL in its judgement dated 13.6.2007 in Appeal No.139 of 2006 observed that depreciation is an expense and it cannot be deployed for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. The relevant portion of the judgement is as under:

**“Analysis and Decision**

*In the orders of this Tribunal dated November 14, 2006 and January 24, 2007 it has been laid down that the computation of outstanding loan will be on normative basis only (instead of normative or actual whichever is higher). In view of this there is no question of any adjustment of the depreciation amount as deemed repayment of loan.*

*It is to be understood that the depreciation is an expense and not an item allowed for repayment of loan. If a corporation does not borrow, it would not mean that the corporation will not be allowed any depreciation. Depreciation is an expense it represents a decline in the value of asset because of use, wear or obsolescence. The Accounting Principles Board of USA defines depreciation as under:-*



*“The cost of a productive facility is one of the costs of the service it renders during its useful economic life. Generally accepted accounting principles require that this cost be spread over the expected useful life of the facility in such a way as to allocate it as equitably as possible to the periods during which services are obtained from the use of the facility. This procedure is known as depreciation accounting, a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation”*

*It is well established that the depreciation is an expense and therefore, it cannot be deployed for deemed repayment of loan. In this view of the matter the CERC shall need to make a fresh computation of outstanding loan in the light of the aforesaid observations.”*

8. Accordingly, in view of the above directions of APTEL, the normative loan repayment for the transmission asset for the 2001-04 and 2004-09 period is revised in the instant order.

9. The revision of tariff allowed for the 2001-04 and 2004-09 tariff periods necessitates the revision of tariff allowed for the 2009-14 period, which is also allowed in the instant order. The implementation of the directions of the APTEL in case of the Petitioner has been kept pending waiting for the outcome of the Civil Appeals filed before the Hon'ble Supreme Court. Taking into consideration the facts of the case and keeping in view the interest of the consumers, we are of the view that the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed in the instant order for the 2001-04, 2004-09 and 2009-14 tariff periods. Therefore, the Petitioner will neither claim nor pay any carrying cost from the beneficiaries for the difference, if any, in the tariff allowed earlier and that allowed in the instant order. Further, the said difference in tariff shall be recovered/ paid over a period of six months from the date of issue of this order.

10. The respondents are distribution licensees and power departments, which are procuring transmission service from the Petitioner, mainly beneficiaries of the Northern Region.



11. The Petitioner has served the petition on the Respondents and notice of this petition has been published in the newspaper in accordance with Section 64 of the Electricity Act, 2003. No comments/ objections have been received from the general public in response to the aforesaid notice published in the newspaper by the Petitioner. BSES Rajdhani Power Limited (BRPL), Respondent No.12, has filed its reply *vide* affidavit dated 9.3.2021 in which it has preliminarily objected to reopening of the tariff of 2001-04, 2004-09 and 2009-14 periods based on the APTEL's judgements stating that the Commission has become "functus officio". Further, BRPL has raised issues of de-capitalisation of ICT-IV at Ballabgarh, Tax Audit Report, Return on Equity (RoE), Deferred Tax Liability, recovery of tax on true-up exercise of RoE, adoption of Indian Accounting Standard 101, applicability and recovery of GST recovery of security expenses, IOWC and recovery of application filing fee and the expenses. The Petitioner *vide* affidavit dated 16.3.2021 has filed a rejoinder to the reply of BRPL.

12. BRPL has submitted that reopening of the tariff of the 2001-04, 2004-09 and 2009-14 periods based on the APTEL's judgements contending that the Commission had only referred to a portion of the Hon'ble Supreme Court of India in the matter of U.P. Power Corporation Limited Vs. National Thermal Power Corporation Limited reported in (2009) 6 SCC 235 and not the entire Judgement. The Commission may re-examine the whole issue after considering the entirety of the Judgment of the Hon'ble Supreme Court of India and decide if the same is applicable to the facts of this case. BRPL contended that the claim to increase the tariff is permissible only when the tariff is in force and not afterwards. Further, BRPL has submitted that the Commission may revisit its order dated 6.11.2019 in Petition Nos. 288/TT/2019, 300/TT/2019, 301/TT/2019 and 305/TT/2019 in view of the facts and legal position and the Judgment of the Hon'ble Supreme Court.



13. In response, the Petitioner has submitted that the objection was raised by the respondent in previous order dated 31.7.2020 in Petition No, 288/TT/2019 and order dated 5.3.2021 in Petition No. 290/TT/2020 and the Commission allowed the revision of tariff for 2001-04, 2004-09 and 2009-14 tariff periods.

14. We have considered the submissions of the Petitioner and BRPL. As regards the submission of BRPL contending that for revision of tariff for the earlier periods on account of judgement of APTEL and that of the Hon'ble Supreme Court, the Commission has become functus officio, the same was considered and rejected by the Commission by a combined order dated 6.11.2019 in Petition No. 288/TT/2019, Petition No. 300/TT/2019, Petition No. 301/TT/2019 and Petition No. 305/TT/2019.

Relevant extract of the order dated 6.11.2019 is as under:

*"11. We have examined the above contentions of the parties. It is apparent from the record that the Central Commission and other beneficiaries filed Civil Appeal No. 5622 of 2007 and batch before the Hon'ble Supreme Court against the judgment dated 22.1.2007 in Appeal No. 81 of 2005 and other related appeals and judgment dated 13.6.2007 in Appeal No. 139 of 2006 of Appellate Tribunal for Electricity. In the meantime, the Petitioner filed a Petition No. 121 of 2007 in the year 2007 for extending the benefit of judgements dated 22.1.2007 and 13.6.2007 of the Appellate Tribunal in the case of appeals filed by NTPC, on the issue of (a) Computation of Interest on Loan, (b) Consequence of Refinancing of Loan, (c) Depreciation as Deemed Repayment, (d) Admissibility of Depreciation with specific reference to the interpretation of Tariff Regulations as propounded in Appellate Tribunal's Judgments. As the said appeals against the Appellate Tribunal's Judgments were then pending adjudication before Hon'ble Supreme Court, the Commission adjourned the proceedings sine die in Petition No. 121 of 2007 vide RoP dated 12.8.2008. The relevant portion of the ROP dated 12.8.2008 is extracted hereunder:-*

*"4. Request made by the learned counsel was allowed by the Commission. The application was adjourned sine die. The applicant may get the application revived after decision of the Hon'ble Supreme Court in the appeals pending"*  
*This was done for the reason that the regulations as interpreted by Appellate Tribunal were under challenge before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide order dated 10.4.2018 dismissed Civil Appeal No. 5622 of 2007 and batch filed by the Commission and other beneficiaries. Thus, the Appellate Tribunal's Judgments attained finality. As the spirit of the regulations in question has authoritatively been interpreted in the Appellate Tribunal's Judgments, the Commission is duty bound to apply the regulations uniformly to all without any discrimination. Accordingly, on dismissal of the said appeals by the Hon'ble Supreme Court, the Commission disposed of Petition No. 121 of 2007 vide order dated 18.1.2019 permitting the Petitioner to submit their*



claims, wherever applicable, alongwith truing up petitions for the 2014-19 period.

*“6.Considering the submissions of the learned counsel for the petitioner, we dispose of the present petition with the direction that the petitioner shall separately submit its claim in the light of the APTEL’s judgments dated 22.1.2007 and 13.6.2007 alongwith the truing up petitions wherever applicable to be filed for the period 2014-19 in respect of concerned transmission assets.” It is well settled law that an order or judgment from which review and/or appeal is allowed but not preferred by the aggrieved party attains finality. The said principle cannot be applied to the instant petitions as during the pendency of Petition No.121 of 2007, the Petitioner was not in a position to take up other legal remedies available to it under the law. Thus, we do not agree with the contentions of learned counsel for BRPL and BSPHCL that the present petitions cannot be entertained as the final orders passed therein have attained finality. In our opinion, the present matter significantly differs with the settled law wherein uniform treatment based regulations as interpreted by higher Courts is required to be given effect to without any discrimination to meet the ends of justice. For these reasons, we reject the said contentions of BRPL and BSPHCL and hold that in the facts and circumstances of this case, the general law that an order or judgment from which review and/or appeal is allowed but not preferred by the aggrieved party attains finality is not applicable here.”*

15. In view of the above, the preliminary objection of BRPL is rejected. This order is issued considering the submissions made by the Petitioner dated 3.1.2020, 23.9.2020, 9.3.2021 and 16.3.2021.

16. The other issues raised by BRPL and the clarifications given by the Petitioner are considered in the relevant portions of this order.

17. The hearing in this matter was held on 10.3.2021 and the Commission reserved the order in the matter.

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

### **Revision of Transmission Charges Allowed for the 2001-04, 2004-09 and 2009-14 Tariff Periods**

#### **2001-04 Period**

19. The transmission charges approved by the Commission vide order dated 13.4.2005 in Petition No. 110/2002 for the transmission asset is as under:



(₹ in lakh)

Particulars	2002-03 (Pro-rata 9 months)	2003-04
Depreciation	14.69	19.58
Interest on Loan	27.15	36.17
Return on Equity	21.08	28.10
Advance against Depreciation	0.00	0.00
Interest on Working Capital	1.86	2.53
O&M Expenses	20.70	29.26
<b>Total</b>	<b>85.47</b>	<b>115.64</b>

20. The Petitioner has claimed the following revised transmission charges for the instant transmission assets for the 2001-04 period:

(₹ in lakh)

Particulars	2002-03 (Pro-rata 9 months)	2003-04
Depreciation	14.69	19.58
Interest on Loan	27.13	38.48
Return on Equity	21.08	28.10
Advance against Depreciation	0.00	0.00
Interest on Working Capital	2.15	2.97
O&M Expenses	20.70	29.26
<b>Total</b>	<b>85.75</b>	<b>118.39</b>

21. We have considered the Petitioner's claim. The tariff is allowed for the transmission assets on the basis of the following:

- a. The admitted capital cost as on COD is ₹543.77 lakh.
- b. Weighted Average Rate of Interest on actual loan, as applied in tariff, have been adopted from the order dated 13.4.2005 in Petition No. 110/2002.
- c. Weighted Average Rate of Depreciation, Rate of Interest for Working Capital and O&M Expenses as per order dated 13.4.2005 in Petition No. 110/2002.



d. Further, the Commission vide its order dated 28.4.2006 in Petition No. 70/2005 had approved the impact of additional capitalisation on Interest on Loan and Return on Equity as follows, which was allowed to be recovered by the Petitioner from the Respondents along with the tariff for the respective period dealt in order dated 28.4.2006 in Petition No. 70/2005:

(₹ in lakh)			
Particulars	2002-03	2003-04	Total
Additional Capitalisation	23.52	18.23	41.75
Notional Loan	23.52	18.23	41.75
Notional Equity	0.00	0.00	0.00
Total	23.52	18.23	41.75
Interest on Loan (IoL)	0.00	2.31	2.31
Return on Equity (RoE)	0.00	0.00	0.00
Total (IoL + RoE)	0.00	2.31	2.31

22. In view of the above, the revised transmission charges allowed for the transmission assets for the 2001-04 period is as under:

(₹ in lakh)		
Particulars	2002-03 (Pro-rata 9 months)	2003-04
Depreciation	14.68	19.58
Interest on Loan	27.15	36.17
Return on Equity	21.08	28.10
Advance against Depreciation	0.00	0.00
Interest on Working Capital	1.87	2.56
O&M Expenses	20.70	29.26
<b>Total</b>	<b>85.47</b>	<b>115.67</b>

23. The AFC allowed earlier for the 2001-04 period, the revised AFC claimed in the instant petition and AFC allowed in the instant order is as under:

(₹ in lakh)		
Particulars	2002-03 (Pro-rata 9 months)	2003-04
AFC approved vide order dated 13.4.2005 in Petition No. 110/2002	85.48	115.64
AFC claimed by the Petitioner in the instant petition	85.75	118.39
AFC allowed in the instant order	85.47	115.67



### **2004-09 Period**

24. The Commission in order dated 28.4.2006 in Petition No. 70/2005 had approved the following transmission charges for transmission asset for the 2004-09 period:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	21.08	21.08	21.08	21.08	21.08
Interest on Loan	38.83	36.18	32.92	29.67	26.41
Return on Equity	24.59	24.59	24.59	24.59	24.59
Advance against Depreciation	0.00	0.00	0.00	2.97	12.41
Interest on Working Capital	3.56	3.61	3.66	3.76	3.98
O&M Expenses	56.24	58.50	60.84	63.26	65.80
<b>Total</b>	<b>144.30</b>	<b>143.96</b>	<b>143.09</b>	<b>145.33</b>	<b>154.27</b>

25. The Petitioner has claimed the following revised transmission charges for the transmission asset for the 2004-09 period in the instant petition:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	21.08	21.08	21.08	21.08	21.08
Interest on Loan	39.21	36.90	33.58	30.26	26.94
Return on Equity	24.59	24.59	24.59	24.59	24.59
Advance against Depreciation	0.00	0.00	0.00	0.00	10.32
Interest on Working Capital	3.63	3.69	3.73	3.78	4.02
O&M Expenses	56.24	58.50	60.84	63.26	65.80
<b>Total</b>	<b>144.75</b>	<b>144.76</b>	<b>143.82</b>	<b>142.97</b>	<b>152.74</b>

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

- a) Admitted capital cost of ₹585.52 lakh as on 1.4.2004 and as on 31.3.2009 for the transmission asset.
- b) Weighted Average Rate of Interest on actual loan adopted from order dated 28.4.2006 in Petition No. 70/2005.





c) Weighted Average Rate of Depreciation, Rate of Interest for Working Capital and O&M Expenses as per order dated 28.4.2006 in Petition No. 70/2005.

27. In view of the above, the revised transmission charges allowed for the transmission asset for the 2004-09 tariff period is as under:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	21.08	21.08	21.08	21.08	21.08
Interest on Loan	39.21	36.90	33.57	30.26	26.93
Return on Equity	24.59	24.59	24.59	24.59	24.59
Advance against Depreciation	0.00	0.00	0.00	0.00	10.34
Interest on Working Capital	3.62	3.68	3.72	3.77	4.01
O&M Expenses	56.24	58.50	60.84	63.26	65.80
<b>Total</b>	<b>144.73</b>	<b>144.74</b>	<b>143.80</b>	<b>142.96</b>	<b>152.75</b>

28. The AFC allowed earlier for 2004-09 period vide order dated 28.4.2006 in Petition No. 70/2005, the revised AFC claimed in the instant petition and AFC allowed in the instant order is given below:-

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
AFC approved vide order dated 28.4.2006 in Petition No. 70/2005	144.30	143.96	143.09	145.33	154.27
AFC claimed by the Petitioner in the instant petition	144.75	144.76	143.82	142.97	152.74
AFC allowed in the instant order	144.73	144.74	143.80	142.96	152.75

### **2009-14 Tariff Period**

29. The Commission vide order dated 15.11.2010 in Petition No. 96/2010 had approved the tariff for the transmission assets for the 2009-14 tariff period and in order dated 15.2.2016 in Petition No. 189/TT/2014 had trued up the tariff for the 2009-14 tariff period and the same is as under:



(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	30.92	30.92	30.92	30.92	30.92
Interest on Loan	23.55	20.77	18.35	15.14	11.88
Return on Equity	32.80	34.00	34.03	34.03	34.44
Interest on Working Capital	6.27	6.50	6.72	6.93	7.18
O&M Expenses	89.08	94.18	99.57	105.26	111.28
<b>Total</b>	<b>182.62</b>	<b>186.36</b>	<b>189.59</b>	<b>192.28</b>	<b>195.70</b>

30. The Petitioner has claimed the following revised transmission charges for the transmission asset for the 2009-14 period in this petition:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	30.92	30.92	30.92	30.92	30.92
Interest on Loan	24.05	21.27	18.87	15.66	12.40
Return on Equity	32.80	34.00	34.03	34.03	34.44
Interest on Working Capital	6.29	6.51	6.73	6.95	7.19
O&M Expenses	89.08	94.18	99.57	105.26	111.28
<b>Total</b>	<b>183.14</b>	<b>186.88</b>	<b>190.12</b>	<b>192.82</b>	<b>196.23</b>

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

- Admitted capital cost of ₹585.52 lakh as on 1.4.2009.
- Weighted Average Rate of Interest on actual loan derived/ adopted from order dated 15.2.2016 in Petition No. 189/TT/2014.
- Weighted Average Rate of Depreciation as per order dated 15.2.2016 in Petition No. 189/TT/2014.

32. In view of the above, the revised transmission charges allowed for the transmission assets for the 2009-14 tariff period is as under:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	30.92	30.92	30.92	30.92	30.92
Interest on Loan	24.05	21.27	18.87	15.66	12.40
Return on Equity	32.80	34.00	34.03	34.03	34.44
Interest on Working Capital	6.29	6.51	6.73	6.95	7.19
O&M Expenses	89.08	94.18	99.57	105.26	111.28
<b>Total</b>	<b>183.12</b>	<b>186.87</b>	<b>190.12</b>	<b>192.81</b>	<b>196.22</b>



33. The AFC allowed earlier for 2009-14 period vide order dated 15.2.2016 in Petition No. 189/TT/2014, the revised AFC claimed in the instant petition and AFC allowed in the instant order is given below:-

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	182.62	186.36	189.59	192.28	195.70
AFC claimed by the Petitioner in the instant petition	183.14	186.88	190.12	192.82	196.23
AFC allowed in the instant order	183.12	186.87	190.12	192.81	196.22

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

34. The details of the transmission charges claimed by the Petitioner in respect of the transmission asset is as under:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	30.92	14.73	14.73	21.45	2.15
Interest on Loan	9.17	6.72	5.09	2.32	0.00
Return on Equity	34.47	34.63	34.61	21.93	9.28
Interest on Working Capital	7.38	7.14	7.30	7.30	6.71
O&M Expenses	102.51	105.91	109.43	113.06	116.81
<b>Total</b>	<b>184.45</b>	<b>169.13</b>	<b>171.16</b>	<b>166.06</b>	<b>134.95</b>

35. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission asset are as under:

Particular	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	8.54	8.83	9.12	9.42	9.73
Maintenance Spares	15.38	15.89	16.41	16.96	17.52
Receivables	30.74	28.19	28.53	27.68	22.49
Total Working Capital	54.66	52.91	54.06	54.06	49.74
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>7.38</b>	<b>7.14</b>	<b>7.30</b>	<b>7.30</b>	<b>6.71</b>



### **Capital Cost**

36. The capital cost of the project has been calculated in accordance with Regulation 9(3) and Regulation 9(6) of the 2014 Tariff Regulations.

The commission vide order dated 30.12.2015 in Petition No. 443/TT/2014 has allowed the capital cost of ₹585.52 lakh.

37. The Petitioner has not claimed any ACE during 2014-19. Therefore, the Commission did not allow any ACE for the transmission asset in the 2014-19 tariff period vide order dated 15.2.2016 in Petition No. 189/TT/2014.

38. The Petitioner in the instant petition has claimed capital cost of ₹585.52 lakh as on 31.3.2014 and no ACE was claimed during 2014-19 and no add-cap projected for 2019-24.

### **Decapitalisation/shifting of 315 MVA ICT at Ballabgarh Sub-station**

39. The Petitioner has submitted that 315 MVA ICT-IV at Ballabgarh covered under instant project was replaced with 500 MVA ICT on 3.7.2017 and is covered under NRSS-XXXII and the tariff for the 500 MVA ICT was claimed in Petition No.116/TT/2017. The Commission vide order dated 20.7.2018 in Petition No. 116/TT/2017 allowed the tariff of new 500 MVA ICT-IV at Ballabgarh after decapitalization the original gross block of replaced 315 MVA ICT (₹428.91 lakh) of the instant project from the capital cost of new 500 MVA ICT and also approved tariff of new 500 MVA ICT subject to discontinuation of tariff of replaced 315 MVA ICT. The Petitioner has submitted that it has filed Review Petition No.38/RP/2018 against the order dated 20.7.2018 in Petition No. 116/TT/2017. The Petitioner has submitted that the replaced 315 MVA ICT was shifted as agreed in the relevant SCM & RPC of Northern Region and put into commercial operation at Fatehabad Sub-station on 31.12.2018 under Augmentation of Transformation capacity at Fatehabad (PG)



400/220 kV sub-station by 1X315MVA capacity along with associated bays and has given the following details of the replaced 315 MVA ICT:

(₹ in lakh)

<b>COD</b>	<b>Year of de-capitalization</b>	<b>Original gross block</b>	<b>Accumulated depreciation as on date of de-cap</b>	<b>Year of re-capitalization</b>
1.7.2002	2017-18 (2.7.2017)	428.91	266.98	2018-19 (31.12.2018)

40. The Petitioner has submitted that the gross block of replaced 315 MVA ICT under present project is being de-capitalized on 2.7.2017 in the present petition and will be capitalized under Augmentation of Transformation capacity at Fatehabad (PG) 400/220 kV Sub-station by 1X315 MVA capacity along with associated bays. The Petitioner has prayed to allow the de-capitalization of 315 MVA ICT from the present project and re-capitalization under Augmentation of Transformation Capacity at Fatehabad (PG) 400/220 kV Sub-station by 1X315 MVA capacity along with associated bays and also allow the carrying cost between the date of de-capitalization and date of re-capitalization as the same has been done due to system requirement taking due concurrence of the beneficiaries and not suo-moto. Further, the Petitioner has requested to consider the outcome of Review Petition No. 38/RP/2018 while passing the order in the present petition.

41. The Petitioner has further submitted that O&M Expenses of ICT bays is only claimed in the present petition and O&M Expenses of the ICT which is being shifted to Fatehabad will be claimed under Augmentation of Transformation Capacity at Fatehabad (PG). The capital cost claimed by the Petitioner for tariff purpose as per the Auditor certificate dated 5.11.2019 is shown below:



(₹ in lakh)		
Expenditure up to 1.4.2014	De- Capitalisation on account of replacement	Estimated Completion Cost
	2017-18	
585.52	428.91	156.61

42. The Petitioner was directed, vide Technical Validation letter to provide duly Audited cost related to decommissioning, transportation, shifting of the decommissioned elements/equipment related to the transmission asset. In response, the Petitioner has submitted that the cost related to decommissioning, shifting and storage of the de-commissioned ICT is ₹12.07 lakh and the same is not claimed in the instant petition and is claimed in the project under which the 500 MVA ICT have been installed i.e under NRSS-XXXII in Petition No.116/TT/2017. Further, on re-utilization of de-commissioned 315 MVA ICT of the instant petition, the cost related to transportation and re-erection is ₹42.30 lakh and the same is not claimed in the instant petition and is claimed in the project under which the ICT is re-utilized i.e under Augmentation of Transformation Capacity at Fatehabad (PG) in Northern Region covered under Petition No 485/TT/2019. Further, transportation cost and re-erection cost is combined and not available separately.

43. BRPL has submitted that the capital cost of the 315 MVA, 400/220 kV de-capitalized from the original value of the asset and not the depreciable value as contended by the Petitioner in accordance with Regulation 14(4) of the Tariff Regulations, 2014 from the date it stopped giving service. In response, the Petitioner has submitted that the decapitalisation has been done in accordance with the provisions of the 2014 Tariff Regulations.

44. The petitioner vide affidavit dated 9.3.2021 has submitted that the augmentation of 500 MVA ICT by replacing existing 315 MVA ICT was discussed in



31<sup>st</sup> Standing Committee Meeting dated 2.1.2013 and in 28<sup>th</sup> meeting of NRPC held on 26.4.2013. In the said meetings the 315 MVA ICT getting released from Ballabgarh Sub-station was to be used as regional spare. The new 500 MVA ICT is covered under Petition No.116/TT/2017 and tariff was allowed vide order dated 20.7.2018. However, subsequently it was decided to use the replaced 315 MVA ICT at Fatehabad which was discussed and agreed in 36<sup>th</sup> Standing Committee meeting dated 13.7.2015 and 36<sup>th</sup> NRPC meeting dated 24<sup>th</sup> December, 2015, and 315 MVA ICT at Fatehabad is covered under Petition No.485/TT/2019. The actual date of removal of 315 MVA ICT-IV from Ballabgarh is 12.6.2017. However, the same is de-capitalized w.e.f 2.7.2017 i.e one day prior to augmentation to 500 MVA ICT (COD of 500 MVA ICT: 3.7.2017). The cost claimed after de-cap of 315 MVA ICT is ₹156.61 lakh and is toward bay cost not claimed in Petition No.116/TT/2017 being used with 500 MVA ICT.

45. We have considered the submissions of the Petitioner and BRPL. The 315 MVA ICT-IV at Ballabgarh is replaced with 500 MVA ICT. The 500 MVA ICT was installed at Ballabgarh on 3.7.2017 and tariff from 3.7.2017 to 31.3.2019 was approved by the Commission vide order dated 20.7.2018 in Petition No. 116/TT/2017. The Commission in order dated 20.7.2018 approved the tariff for the 500 MVA ICT at Ballabgarh subject to the discontinuation of the tariff allowed for the 315 MVA ICT in Petition No.189/TT/2014. The relevant portion of the order dated 20.7.2018 in Petition No 116/TT/2017 is as follows:

*“46. We have examined the matter. With regard to Asset-II and Asset-III, the 315 MVA ICT for which the tariff was granted in Petition No. 133/TT/2015 and Petition No. 189/TT/2014 respectively, it would be ineffective from the date of de-capitalization, therefore, the same should be made effective in recovery of annual transmission charges. In view of the above, the tariff of Asset-II and Asset-III in the instant petition is allowed subjected to discontinuation of tariff for 315 MVA ICT for which the tariff was determined in Petition No. 133/TT/2015 and Petition No. 189/TT/2014 which shall not be later than COD of the assets in the instant petition.”*



*De-capitalization as on COD*

47. The petitioner, vide affidavit dated 9.2.2018, has submitted the Statement of de-capitalization for Asset-II and Asset-III and is allowed as under:-

<i>Assets</i>	<i>Year of Capitalization</i>	<i>Year of De-Capitalization</i>	<i>Original Book value of asset being de-capitalized</i>	<i>Justification</i>
<i>Asset-III</i>	<i>2002-03</i>	<i>2017-18</i>	<i>428.91</i>	<i>Diverted to Fatehabad</i>

46. The Petitioner filed Review Petition No.38/RP/2018 against the order dated 20.7.2018 in Petition No 116/TT/2017 and one of the issues raised by the Petitioner was decapitalization of the 315 MVA ICT which was given tariff for the earlier periods in Petition No. 133/TT/2015 and 189/TT/2014. The Petitioner raised the issue of discontinuation of tariff of the 315 MVA ICT allowed in in Petition No. 133/TT/2015 and 189/TT/2014 and decapitalisation of the gross value of 315 MVA ICT from the cost of the new 500 MVA ICT. The Commission partly allowed the Petitioner's claim. The Commission held that the discontinuation of tariff allowed for the 315 MVA ICT was an inadvertent error and there is no error in decapitalisation of the gorss value of the 315 MVA ICT from the cost of the new 500 MVA ICT. The relevant portion of the order dated is extracted hereunder:

*"11. We have considered the contentions of the parties. It is observed that the direction to discontinue tariff of 315 MVA ICT from the previous orders in Petition Nos. 133/TT/2015 and 189/TT/2014 besides de-capitalization of the gross value of 315 MVA ICT from the capital cost of the 500 MVA ICTs is an inadvertent error. Accordingly, we set aside the impugned order to the extent of withdrawing the direction for discontinuation of tariff allowed for the 315 MVA ICTs in orders in Petition Nos. 133/TT/2015 and 189/TT/2014.*

*12. The Commission's decision to decapitalise the gross value of 315 MVA ICTs from the cost of the new 500 MVA ICTs is in line with Regulation 9(6) of the 2014 Tariff Regulations which provides for excluding the capital cost of the assets forming part of the project but not in use. The methodology adopted by the Commission in order dated 20.7.2018 was adopted by the Commission in orders dated 20.7.2015 and 27.11.2015 in Petition Nos.163/TT/2013 and 26/TT/2014 respectively. The relevant portions of the said orders are extracted hereunder.*

*Order dated 20.7.2015 in Petition No.163/TT/2013*



Order in Petition No.210/TT/2020



*“19. As per the 2009 Tariff Regulations, once the asset is replaced, it is taken out of service. Therefore, the asset has to be decapitalised and taken out of the gross block. Accordingly, the existing ICT at Moga Sub-station after being decapitalised shall be considered at its gross block less cumulative depreciation in another project.....”*

Order dated 27.11.2015 in Petition No.26/TT/2014

*“17. We have considered the submissions of the petitioner. The instant asset replaces the old assets under the augmentation of transformation capacity in Northern Region Part A. The proviso to Regulation 7(1) of 2009 Tariff Regulations provides as follows:- “Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.” As per proviso to Regulation 7(1) of 2009 Tariff Regulations, the assets forming part of the project, but not in use should be taken out of the capital cost. Therefore, the cost of the existing 250 MVA ICTs at Moga Sub-station which is being replaced has to be de-capitalized by reducing the net value of replaced asset from the capital cost of new asset.” Accordingly, there is no error in the Commission’s direction to decapitalise the gross value of 315 MVA ICTs from the cost of the new 500 MVA ICTs.”*

47. Regulation 14(4) of the 2014 Tariff Regulations provides as follows:

*“14(4) In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.”*

48. Accordingly, the Petitioner should have de-capitalised the entire capital cost of ₹585.52 lakh as on 3.7.2017 but did not de-capitalise the complete cost of the 315 MVA ICT at Ballabgarh Sub-station in Petition No. 116/TT/2017. Out of the total admitted capital cost of ₹585.52 lakh, only ₹428.91 lakh has been de-capitalised as on 3.7.2017 and the cost of bays of ₹156.61 lakh has not been de-capitalised. The Petitioner has sought truing up of the unrecovered capital cost of ₹156.61 lakh towards bays at Ballabgarh Sub-station beyond 3.7.2017 in Petition No. 210/TT/2020. After de-capitalisation, the remaining unrecovered capital cost if any towards bays at Ballabgarh Sub-station shall be dealt in the relevant true up petition of 500 MVA ICT at Ballabgarh Sub-station. The Petitioner should have de-capitalised the entire capital cost of ₹585.52 lakh as on 12.6.2017 and claimed the written down value of the



asset where it is capitalised. Accordingly, the Petitioner should have claimed the cost of the bays at Ballabgarh Sub-station alongwith the capital cost of the 500 MVA ICT in Petition No.116/TT/2017. If the Petitioner has not claimed the unrecovered cost of the 315 MVA ICT, if any, in Petition No.116/TT/2017, it may claim the same at the time of trueing up alongwith the cost of the 500 MVA ICT at Ballabgarh Sub-station from 3.7.2017 and the same will be dealt as per applicable Regulations.

49. The Petitioner vide affidavit dated 9.3.2021 has submitted that the actual date of removal of 315 MVA ICT-IV at Ballabgarh is 12.6.2017, however, the same is de-capitalised w.e.f. 2.7.2017 i.e. one day prior to augmentation to 500 MVA ICT. As the 315 MVA ICT has been actually removed on 12.6.2017, it was not in use for the period from 12.6.2017 till it was installed in Fatehabad. Therefore, we consider 12.6.2017 as the date of de-capitalisation. Accordingly, we true-up the capital cost of the transmission asset from 1.4.2014 to the date of actual de-capitalisation date i.e. 12.6.2017 in this order.

50. As regards issue of shifting cost, transportation cost etc., the Commission made the following observations in RoP of hearing dated 10.3.2021 in Petition No.210/TT/2020:

*“(a) The Commission may allow trueed up tariff till the date of de-capitalization which was 12.6.2017. The cost related to decommissioning, shifting and storage of the decommissioned ICT was claimed under NRSS-XXXII in Petition No. 116/TT/2017 and cost related to transportation and re-erection was claimed under Augmentation of Transformation Capacity at Fatehabad in Petition No. 485/TT/2019.*

*(b)In response to a query, the representative of the Petitioner submitted that only ₹428.91 lakh out of total capital cost of ₹585.52 lakh is capitalised and the remaining cost pertains to the existing bays which are being utilized under the NRSS-XXXII. In response to another query whether the information pertaining to the utilization of existing bays was submitted in Petition No. 116/TT/2017, the Petitioner submitted that only de-capitalization details was filed in Petition No. 116/TT/2017 and no specific information pertaining to utilization of existing bays was filed.*

*(c)After hearing the representatives of the Petitioner at length on the issue of de-capitalization and recapitalisation involved in numerous petitions, the Commission observed that whenever an asset or element is moved from one place to another with*



*the consent of the beneficiaries in the RPC, it should be completely de-capitalised from the place it is removed and capitalised in the place where it is placed as per the applicable tariff regulations. The Commission also observed that the cost of shifting and the carrying cost, if any, will be considered in petition where recapitalisation is claimed, on the basis of the applicable tariff regulations as per the prevailing practice after prudence check. The Commission directed the Petitioner to make claims accordingly in all future cases. In the instant case, the Commission directed the Petitioner to claim the tariff for the recapitalized asset as stated above under Fatehabad Sub-station along with the true-up petition for NRSS-XXXII.”*

51. The costs related to decommissioning, shifting and storage of the de-commissioned ICT is ₹12.07 lakh and the same has been claimed in Petition No. 116/TT/2017. Further, on re-utilization of de-commissioned 315 MVA ICT, the cost related to transportation and re-erection is ₹42.30 lakh and the same is claimed in the project under which the ICT is re-utilized i.e. under Augmentation of Transformation capacity at Fatehabad (PG) in the Northern Region covered under Petition No. 485/TT/2019. So the same will be dealt in Petition No. 485/TT/2019.

52. The details of the approved capital cost as on 12.6.2017 is as under:

(₹ in lakh)	
Capital Cost as on 31.3.2014	Decapitalisation as on 12.6.2017
585.52	-585.52

### **Debt-Equity ratio**

53. The debt-equity ratio has been allowed in accordance with Regulation 19(3) of the 2014 Tariff Regulations. As per Regulation 19(3) of the 2014 Tariff Regulations, the debt:equity ratio allowed by the Commission for determination of tariff for the period ending on 31.3.2014 shall be considered. Accordingly, the debt-equity ratio of 70:30 for the period ending on 31.3.2014, considered for the purpose of determination of tariff of the 2014-19 tariff period has been considered for the purpose of trueing up of the tariff of the transmission asset for the 2014-19 tariff period. The details of the debt-equity ratio as on 1.4.2014 and 12.6.2017 for the transmission asset is as under:



Particulars	Capital Cost as on 1.4.2014 (₹ in lakh)	(%)	Total Capital Cost as on 12.6.2017 (₹ in lakh)	(%)
Debt	409.89	70.00	409.89	70.00
Equity	175.63	30.00	175.63	30.00
<b>Total</b>	<b>585.52</b>	<b>100.00</b>	<b>585.52</b>	<b>100.00</b>

### Depreciation

54. The Gross Block during the tariff period 2014-19 has been depreciated at weighted average of depreciation (WAROD) during the year 2014-15. The transmission asset has completed 12 years of life as on 31.3.2015, the remaining depreciable value of ₹191.49 lakh as on 31.3.2015 is to spread across the balance useful life of 13 years in accordance with Regulation 27(5) of the 2014 Tariff Regulations. The WAROD (placed at Annexure-1) has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed is as under:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
<b>Depreciation</b>				
Opening Gross Block	585.52	585.52	585.52	585.52
Additional Capitalisation	0.00	0.00	0.00	0.00
De-Capitalisation	0.00	0.00	0.00	0.00
Closing Gross Block	585.52	585.52	585.52	585.52
Average Gross Block	585.52	585.52	585.52	585.52
Weighted Average Rate of Depreciation (%)	5.28	Spreading		
Balance useful life of the asset (Year)	14	13	12	11
Elapsed life (Year)	11	12	13	14
Aggregate Depreciable Value	526.97	526.97	526.97	526.97
<b>Depreciation during the year</b>	<b>30.92</b>	<b>14.73</b>	<b>14.73</b>	<b>2.95</b>
Cumulative depreciation	335.48	350.21	364.94	367.89
Remaining Depreciable Value	191.49	176.76	162.03	159.08



55. The details of depreciation approved order dated 15.2.2016 in Petition No. 189/TT/2014, depreciation claimed by the Petitioner and trued up in the instant order is shown in the table below:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	30.92	14.34	14.34	14.34
Claimed by the Petitioner in the instant petition	30.92	14.73	14.73	21.45
Allowed after true-up in this order	30.92	14.73	14.73	2.95

**Interest on Loan (IoL)**

56. The Petitioner has claimed the weighted average rate of IoL, based on its actual loan portfolio and rate of interest.

57. The submission of the Petitioner has been considered. Accordingly, IoL has been calculated based on actual interest rate submitted by the Petitioner, in accordance with Regulation 26 of the 2014 Tariff Regulations. IoL allowed in respect of the transmission asset is as under:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
<b>Interest on Loan</b>				
Gross Normative Loan	409.89	409.89	409.89	409.89
Cumulative Repayments up to Previous Year	304.56	335.48	350.21	364.94
Net Loan-Opening	105.33	74.41	59.68	44.95
Additions	0.00	0.00	0.00	0.00
Repayment during the year	30.92	14.73	14.73	2.95
Net Loan-Closing	74.41	59.68	44.95	42.00
Average Loan	89.87	67.05	52.32	43.48
Weighted Average Rate of Interest on Loan (%)	10.2069	10.0338	9.7327	10.3346
<b>Interest on Loan</b>	<b>9.17</b>	<b>6.73</b>	<b>5.09</b>	<b>0.90</b>



58. The details of IoL approved vide order dated 15.2.2016 in Petition No. 189/TT/2014, IoL claimed by the Petitioner and as trued up in the instant order is shown in the table below:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	8.66	6.24	4.66	3.26
Claimed by the Petitioner in the instant petition	9.17	6.72	5.09	2.32
Allowed after true-up in this order	9.17	6.73	5.09	0.90

### **Return on Equity (ROE)**

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

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

60. BRPL has submitted that the information regarding Income Tax Assessment submitted by the Petitioner is in respect of the entire PGCIL and not in respect of the tax on the transmission business in respect of the Northern Region. Accordingly, the said information is not the relevant information for the purposes of effective tax rate. BRPL has submitted that infrastructure transmission companies have been allowed huge tax benefits under the Income Tax Act, 1961 (hereinafter referred to as “1961 Act”) in the form of Tax Holiday for enterprises engaged in infrastructure development etc. as per Section 80IA of the 1961 Act and other benefits like the higher depreciation



allowed in initial years. BRPL has submitted that the Petitioner has already stated on affidavit that the effective tax rate is zero and accordingly the effective tax rate for the earlier tariff period (2009-14) would also be zero since the benefits of the tax holiday under Section 80IA of the 1961 Act and other benefits like the higher depreciation etc. were also applicable during earlier tariff period. Regulation 49 of the 2014 Tariff Regulations restricts the claim of tax amount only to deferred tax liabilities up to 31.3.2009 whenever it will materialize. BRPL has also submitted that the claims of deferred tax are required to be adjusted for the tariff period 2004-09. Further, BRPL has submitted that the Petitioner should clarify whether it is grossing up deferred tax amount while billing to beneficiaries and, if so, the same is required to be refunded to beneficiaries.

61. In response to BRPL's query, the Petitioner has submitted that similar queries are being raised by respondents in almost all the petitions and a detailed reply has already been submitted in Petition No. 24/TT/2020 vide affidavit dated 10.8.2020 and in Petition No. 8/TT/2020 vide affidavit dated 25.3.2021. Accordingly, the Petitioner has requested the Commission to consider the replies filed in Petition No. 24/TT/2020 and Petition No. 8/TT/2020 for the instant petition. Further, the submissions made by the Learned Counsel of the Petitioner during the hearing of Petition No. 8/TT/2020 on 31.3.2021 on the similar issues may be adopted in the instant petition.

62. We have considered the submissions of the Petitioner and BRPL. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate for the Petitioner based on the notified MAT rates and the same is given in the table below. 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:

<b>Year</b>	<b>Notified MAT rates (inclusive of surcharge &amp; cess)</b>	<b>Effective tax (in %)</b>
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

”

63. The same MAT rates as above are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations which is as under:

<b>Year</b>	<b>Notified MAT rates (inclusive of surcharge &amp; cess) (in %)</b>	<b>Base rate of RoE (in %)</b>	<b>Grossed up ROE [Base Rate/(1-t)] (in %)</b>
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

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





Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Opening Equity	175.63	175.63	175.63	175.63
Additions	0.00	0.00	0.00	0.00
Closing Equity	175.63	175.63	175.63	175.63
Average Equity	175.63	175.63	175.63	175.63
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	20.961	21.342	21.342	21.342
Rate of Return on Equity (%)	19.610	19.705	19.705	19.705
<b>Return on Equity</b>	<b>34.44</b>	<b>34.61</b>	<b>34.61</b>	<b>6.92</b>

65. The details of RoE approved vide order dated 15.2.2016 in Petition No. 189/TT/2014, RoE claimed by the Petitioner and as trued up in the instant order is shown in the table below:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	34.44	34.44	34.44	34.44
Claimed by the Petitioner in the instant petition	34.47	34.63	34.61	21.93
Allowed after true-up in this order	34.44	34.61	34.61	6.92

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

66. The total O&M Expenses claimed by the Petitioner for the transmission asset are as under:

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Sub-station Bays 400 kV</b>					
Ballabgarh:ICT-IV BAY	1 No				
Norms (₹ lakh/bays)	60.30	62.30	64.37	66.51	68.71
<b>Sub-station Bays 220 kV</b>					
Ballabgarh:ICT-IV BAY	1 No.				
Norms (₹ lakh/bays)	42.21	43.61	45.06	46.55	48.1
<b>Total O&amp;M expenses (₹ in lakh)</b>	<b>102.51</b>	<b>105.91</b>	<b>109.43</b>	<b>113.06</b>	<b>116.81</b>



67. We have considered the submissions of the Petitioner. The O&M Expenses approved under Regulation 29(3) of the 2014 Tariff Regulations for the transmission asset are as under:

Particulars	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
<b>Sub-station Bays 400 kV</b>				
Ballabgarh:ICT-IV BAY	1 No			
Norms (₹ lakh/bays)	60.30	62.30	64.37	66.51
<b>Sub-station Bays 220 kV</b>				
Ballabgarh:ICT-IV BAY	1 No.			
Norms (₹ lakh/bays)	42.21	43.61	45.06	46.55
<b>Total O&amp;M expenses (₹ in lakh)</b>	<b>102.51</b>	<b>105.91</b>	<b>109.43</b>	<b>22.61</b>

68. The details of the O&M Expenses approved vide order dated 15.2.2016 in Petition No. 189/TT/2014, claimed by the Petitioner and as trued up in the instant order is shown in the table as under:

Particulars	2014-15	2015-16	2016-17	(₹ in lakh)
				2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	102.51	105.91	109.43	113.06
Claimed by the Petitioner in the instant petition	102.51	105.91	109.43	113.06
Allowed after true-up in this order	102.51	105.91	109.43	22.61

### **Interest on Working Capital (IWC)**

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

Particulars	2014-15	2015-16	2016-17	(₹ in lakh)
				2017-18 (Pro-rata 73 days)
O&M Expenses (O&M Expenses for 1 month)	8.54	8.83	9.12	9.42
Maintenance Spares (15% of O&M Expenses)	15.38	15.89	16.41	16.96
Receivables (Equivalent to 2 months of annual fixed cost)	30.74	28.19	28.53	29.06
<b>Total Working Capital</b>	<b>54.66</b>	<b>52.90</b>	<b>54.06</b>	<b>55.44</b>



Rate of Interest (%)	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>7.38</b>	<b>7.14</b>	<b>7.30</b>	<b>1.50</b>

70. The details of IWC approved vide order dated 15.2.2016 in Petition No. 189/TT/2014, IWC claimed by the Petitioner and as trued up in the instant order is shown in the table below:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	7.37	7.12	7.28	7.44
Claimed by the Petitioner in the instant petition	7.38	7.14	7.30	7.30
Allowed after true-up in this order	7.38	7.14	7.30	1.50

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

71. The trued up annual fixed charges for the instant transmission assets for the tariff period 2014-19 are summarised as under:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Depreciation	30.92	14.73	14.73	2.95
Interest on Loan	9.17	6.73	5.09	0.90
Return on Equity	34.44	34.61	34.61	6.92
Interest on Working Capital	7.38	7.14	7.30	1.50
O&M Expenses	102.51	105.91	109.43	22.61
<b>Total</b>	<b>184.42</b>	<b>169.12</b>	<b>171.16</b>	<b>34.88</b>

72. Accordingly, the the Annual Transmission Charges approved vide order dated 15.2.2016 in Petition No. 189/TT/2014, claimed by the Petitioner and approved after truing up in the instant order is as under:

Particulars	(₹ in lakh)			
	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Approved vide order dated 15.2.2016 in Petition No. 189/TT/2014	183.89	168.05	170.14	172.55
Claimed by the Petitioner in the	184.45	169.13	171.16	166.06



instant petition				
Allowed after true-up in this order	184.42	169.12	171.16	34.88

### **Tariff for 2019-24 period**

73. The Petitioner has also claimed tariff for the 2019-24 tariff period for the unrecovered capital cost of bays at Ballabgarh Sub-station in the instant petition. The Petitioner is utilising these bays for commissioning of 500 MVA ICT. The Commission vide order dated 20.7.2018 in Petition No.116/TT/2017 has already granted tariff for 500 MVA ICT alongwith bays at Ballabgarh. In the instant order, the actual date of de-capitalisation is approved as 12.6.2017. Therefore, the unrecovered capital cost towards bays at Ballabgarh is not dealt in the instant true up petition and the same will be dealt at the time of trueing up of the tariff of the 500 MVA ICT at Ballabgarh Sub-station. Accordingly, no tariff as claimed by the Petitioner is allowed for the 2019-24 tariff period in the instant order.

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

74. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. BRPL has submitted that though the Commission can allow filing fee and publication expenses at its discretion under Regulation 70(1) of the 2019 Tariff Regulations, but the exercise of such discretion is a judicial discretion in the adjudication of tariff for which no justification has been filed by the Petitioner. BRPL also referred to the Commission's order dated 11.9.2008 in Petition No. 129 of 2005 where it declined the claim of Central Power Sector undertakings for allowing the reimbursement of the application filing fee. In response, the Petitioner vide affidavit dated 16.3.2021 has submitted that it has requested for reimbursement of expenditure by the beneficiaries towards petition filing fee and publication expense, in terms of Regulation 70(1) of the 2019 Tariff Regulations. Further, the Petitioner also placed



reliance on the Commission's order dated 28.3.2016 in Petition No. 137/TT/2015 where it allowed the recovery of petition filing fee and expenditure for publication of notices from beneficiaries on pro-rata basis.

75. 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 & RLDC Fees and Charges**

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

### **Goods and Services Tax**

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

78. BRPL has submitted that the demand of the Petitioner is premature and need not be considered at this juncture. In response, the Petitioner vide affidavit dated 16.3.2021 submitted that currently transmission of electricity by an electric transmission utility is exempt from GST. Hence, the transmission charges currently charged are exclusive of GST. Further, if GST is levied at any rate and at any point of



time in future, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately.

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

### **Security Expenses**

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

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

82. We have considered the submissions of the Petitioner and 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 the Petition No. 260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19. Therefore, security expenses will be dealt with in Petition No. 260/MP/2020 in accordance with the applicable provisions of the 2019 Tariff Regulations.

### **Capital Spares**

83. 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**

84. The tariff for the 2001-04 tariff period shall be recovered as per order dated 13.4.2005 in Petition No. 110/2002, tariff for for 2004-09 tariff period shall be recovered as per order dated 28.4.2006 in Petition No. 70/2005 and the tariff for the 2009-14 tariff period shall be recovered as per order dated 15.2.2016 in Petition No. 189/TT/2014.

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

86. To summarise,

- (a) The revised Annual Fixed Charges allowed for the transmission asset as per the APTEL's judgements for the 2001-04 and 2004-09 tariff period are as follows:



(₹ in lakh)		
Particulars	2002-03 (Pro-rata 9 months)	2003-04
Annual Fixed Charges	85.47	115.67

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Annual Fixed Charges	144.73	144.74	143.80	142.96	152.75

(b) The consequential revision of Annual Fixed Charges allowed for the transmission asset for the 2009-14 tariff period are as under:

(₹ in lakh)					
Particulars	2009-10	2010-11	2012-13	2013-14	2014-15
Annual Fixed Charges	183.12	186.87	190.12	192.81	196.22

(c) The trued-up Annual Fixed Charges allowed for the transmission asset for the 2014-19 tariff period are as under:

(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18 (Pro-rata 73 days)
Annual Fixed Charges	184.42	169.12	171.16	34.88

87. The Annexure given hereinafter forms part of the instant order.

88. This order disposes of Petition No. 210/TT/2020.

**sd/-**  
**(Prakash S. Mhaske)**  
**Member Ex-officio**

**sd/-**  
**(Pravas Kumar Singh)**  
**Member**

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

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

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





## Annexure-I

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014 (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh) 2014-15
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	3.34%	-
Building Civil Works & Colony	-	-	3.34%	-
Transmission Line	-	-	5.28%	-
Sub Station	585.52	156.61	5.28%	30.92
PLCC	-	-	6.33%	-
IT Equipment (Incl. Software)	-	-	5.28%	-
<b>Total</b>	<b>585.52</b>	<b>156.61</b>		<b>30.92</b>
			<b>Average Gross Block (₹ in lakh)</b>	<b>585.52</b>
			<b>Weighted Average Rate of Depreciation</b>	<b>5.28%</b>

The instant asset has completed 12 years of life as on 31.3.2015, the remaining depreciable value of ₹191.49 lakh as on 31.3.2015 has been spread across the balance useful life of 13 years in accordance with Regulation 27(5) of the 2014 Tariff Regulations. The annual depreciation from 2015-16 is ₹14.73 lakh.

