

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 358/TT/2020**

**Coram:**

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

**Date of Order: 29.06.2021**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing-up of transmission tariff of 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff for 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for Transmission assets under "Transmission system for development of pooling station in Northern part of West Bengal and transfer of power from Bhutan to NR/WR.

**And in the matter of:**

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

**....Petitioner**

**Vs.**

1. Assam Electricity Grid Corporation Ltd.,  
(Formerly Assam State Electricity Board),  
Bijulee Bhawan, Paltan Bazar,  
Guwahati – 781001, Assam.
2. Meghalaya Energy Corporation Ltd.,  
(Formerly Meghalaya State Electricity Board),  
Short Round Road, "Lumjingshai",  
Shillong – 793001, Meghalaya.
3. Government of Arunachal Pradesh,  
Vidyut Bhawan, Itanagar - 791111,  
Arunachal Pradesh.



4. Power and Electricity Department,  
Government of Mizoram, Aizawl, Mizoram.
5. Manipur State Power Distribution Company Ltd.,  
(Formerly Electricity Department, Govt. of Manipur),  
Electricity Complex, Patta No. 1293 Under 87(2),  
Khwai Bazar, Keishampat,  
District - Imphal West, Manipur – 795001.
6. Department of Power,  
Government of Nagaland, Kohima, Nagaland.
7. Tripura State Electricity Corporation Ltd.,  
Vidyut Bhawan, North Banamalipur,  
Agartala, Tripura (W) – 799001, Tripura.
8. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan, Shimla – 171 004, Himachal Pradesh.
9. Punjab State Power Corporation Ltd.,  
Thermal Shed T-1a, Patiala.
10. Haryana Power Purchase Centre,  
IInd Floor, Shakti Bhawan, Sector-6,  
Panchkula (Haryana) – 134 109.
11. Power Development Department,  
Janipura Grid Station, Jammu (Tawi) - 180 007.
12. Uttar Pradesh Power Corporation Ltd.,  
10th Floor, Shakti Bhawan Extn.,  
14, Ashok Marg, Lucknow – 226001.
13. Delhi Transco Ltd.,  
Shakti Sadan, Kotla Road (Near ITO) New Delhi.
14. Chandigarh Administration,  
Sector -9, Chandigarh.
15. Uttarakhand Power Corporation Ltd.,  
Urja Bhawan, Kanwali Road, Dehradun.
16. Rajasthan Power Procurement Centre,  
Vidyut Bhawan, Janpath, Jaipur.
17. Ajmer Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building,  
Ajmer Road, Heerapura, Jaipur.



18. Jodhpur Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building, Ajmer Road, Heerapura, Jaipur.
19. Jaipur Vidyut Vitran Nigam Ltd.,  
400 kV GSS Building,  
Ajmer Road, Heerapura, Jaipur.
20. Northern Central Railway, Allahabad.
21. BSES Yamuna Power Ltd.,  
Shakti Kiran Building,  
Karkardooma, Delhi – 110092.
22. BSES Rajdhani Power Ltd.,  
BSES Bhawan, Nehru Place, New Delhi.
23. Tata Power Delhi Distribution Ltd.,  
33 kV Sub-station Building Hudson Lane, Kingsway Camp,  
North Delhi – 110009.
24. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg, New Delhi – 110002.
25. Madhya Pradesh Power Management Company Ltd.,  
Shakti Bhawan, Rampur, Jabalpur – 482008.
26. Maharashtra State Electricity Distribution Co. Ltd.,  
Prakashgad, 4th Floor,  
Andheri (East), Mumbai – 400052.
27. Gujarat Urja Vikas Nigam Ltd.,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara – 390007.
28. Electricity Department,  
Govt. of Goa,  
Vidyut Bhawan, Panaji, Near Mandvi Hotel,  
Goa – 403001.
29. Electricity Department,  
Administration of Daman & Diu,  
Daman – 396210.
30. Electricity Department,  
Administration of Dadra Nagar Haveli,  
U.T., Silvassa – 396230.



31. Chhattisgarh State Electricity Board,  
P.O.Sunder Nagar, Dangania, Raipur,  
Chhattisgarh – 492013.
32. Madhya Pradesh Audyogik Kendra,  
Vikas Nigam (Indore) Ltd.,  
3/54, Press Complex, Agra-Bombay Road,  
Indore – 452008.
33. Karnataka Power Transmission Corporation Ltd.,  
Kaveri Bhavan, Bangalore – 560 009.
34. Transmission Corporation of Andhra Pradesh Ltd.,  
Vidyut Soudha, Hyderabad– 500082.
35. Kerala State Electricity Board,  
Vaidyuthi Bhavanam,  
Pattom, Thiruvananthapuram – 695 004.
36. Tamil Nadu Electricity Board,  
Npkrr Maaligai, 800, Anna Salai, Chennai – 600 002.
37. Electricity Department,  
Government of Pondicherry, Pondicherry – 605 001.
38. Eastern Power Distribution Company of Andhra Pradesh Ltd.,  
P&T Colony, Seethmadhara,  
Vishakhapatnam, Andhra Pradesh.
39. Southern Power Distribution Company of Andhra Pradesh Ltd., Srinivasasa  
Kalyana Mandapam Backside,  
Tiruchanoor Road, Kesavayana Gunta,  
Tirupati - 517 501, Chittoor District, Andhra Pradesh.
40. Central Power Distribution Company of Andhra Pradesh Ltd., Corporate Office,  
Mint Compound,  
Hyderabad – 500 063, Andhra Pradesh.
41. Northern Power Distribution Company of Andhra Pradesh Ltd.,  
Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,  
Warangal – 506 004, Andhra Pradesh.
42. Bangalore Electricity Supply Company Ltd.,  
Corporate Office, K.R.Circle,  
Bangalore – 560 001, Karanataka.
43. Gulbarga Electricity Supply Company Ltd.,  
Station Main Road, Gulbarga, Karnataka.



44. Hubli Electricity Supply Company Ltd.,  
Navanagar, Pb Road,  
Hubli, Karnataka.
45. MESCOM Corporate Office,  
Paradigm Plaza, Ab Shetty Circle,  
Mangalore – 575 001, Karnataka.
46. Chamundeswari Electricity Supply Corp.Ltd.,  
927, L J Avenue Ground Floor,  
New Kantharaj Urs Road, Saraswatipuram,  
Mysore – 570 009, Karnataka.
47. Telanagana State Pc Co-Ordination Committee,  
R.No. 547/A Block, Vidyut Soudha,  
Somajiguda, Khairathabad,  
Hyderabad, 500082, Andhra Pradesh.
48. Andhra Pradesh Power Co-Ordination Committee,  
Room No. 547, 5th Floor, Block-A,  
Vidyut Soudha, Somajiguda, Khairathabad,  
Hyderabad- 500 082, Andhra Pradesh.
49. Bihar State Electricity Board,  
Vidyut Bhawan, Bailey Road, Patna - 800 001.
50. West Bengal State Electricity Distribution Company Ltd.,  
Bidyut Bhawan, Bidhan Nagar,  
Block DJ, Sector-II, Salt Lake City, Calcutta – 700 091.
51. Grid Corporation of Orissa Ltd.,  
Shahid Nagar, Bhubaneswar – 751 007.
52. Damodar Valley Corporation,  
DVC Tower, Maniktala,  
Civic Centre, VIP Road, Calcutta – 700 054.
53. Power Department,  
Govt. of Sikkim, Gangtok – 737 101.
54. Jharkhand State Electricity Board,  
In Front of Main Secretariat,  
Doranda, Ranchi – 834 002.
55. North Bihar Power Distribution Company Ltd.,  
Vidyut Bhawan, Bailey Road,  
Patna, Bihar – 800 001.
56. South Bihar Power Distribution Company Ltd.,  
Vidyut Bhawan, Bailey Road,



Patna, Bihar – 800 001.

57. M/S Tata Steel Ltd.,  
Generation Office (W-175), Jamshedpur, Jharkhand.
58. Maithan Power Ltd.,  
Ma-5, Gogna Colony, Maithan Dam Post Office,  
Distt: Dhanbad – 828 207, Jharkhand.
59. Ind-Barath Energy (Utkal) Ltd.,  
Plot No: 30-A, Road No. 1, Film Nagar,  
Jubilee Hills, Hyderabad, 500 033,  
Andhra Pradesh.
60. AD Hydro Power Ltd.,  
Bhilwara Towers, A-12, Sector-1,  
Noida - 201 301, Uttar Pradesh.
61. Lanco Budhil Power Private Ltd.,  
Plot No. 397, Udyog Vihar Phase – III,  
Gurgaon, Haryana.
62. Himachal Sorang Power Private Ltd.,  
D-7, Sector - I, Lane - 1, 2nd Floor,  
New Shimla, Shimla – 171 009, Himachal Pradesh.
63. Mb Power (Madhya Pradesh) Ltd.,  
Mbpmp, 239, Okhla Industrial Area,  
Phase-III, New Delhi – 110 020.
64. Himachal Baspa Power Company Ltd.,  
Karcham Wangtoo Hep, Sholtu Colony,  
Po: Tapri, Distt: Kinnaur, 172 104, Himachal Pradesh.
65. Jindal Power Ltd., 6th Floor, MTNL Building,  
8, Bhikaji Cama Place, New Delhi -110 066.
66. KSK Mahanadi Power Company Ltd.,  
8-2-293/82/A/431/A Road No 22,  
Jubilee Hills, Hyderabad, Andhra Pradesh – 500 033.
67. PTC India Ltd., 2nd Floor, NBCC Tower,  
15, Bhikaji Cama Place, New Delhi – 110 066.
68. IL & FS Tamil Nadu Power Company Ltd.,  
C. Pudhupettai Post, Parangipettai (Via),  
Chidambaram (Tk), Cuddalore- 608 502,  
Tamil Nadu.



69. Adani Power Ltd., 10 B, Sambhav Press Building,  
Judges Bungalow Road, Badakdev,  
Ahmedabad - 380 015.
70. Torrent Power Ltd.,  
Naranpura Zonal Office, Sola Road, Ahmedabad – 380 013.
71. M/S Heavy Water Board, Vikram Sarabhai Bhavan,  
5th Floor, Anushaktinagar, Mumbai – 400 094.
72. ACB India Ltd., 7th Floor, Corporate Tower,  
Ambience Mall, NH-8, Gurgaon - 122 001, Haryana.
73. EMCO Energy Ltd., Plot No. – F-5, Road No. - 28,  
Wagle Industrial Area, Thane, Mumbai – 400 604.
74. Spectrum Coal and Power Ltd.,  
7th Floor, Corporate Tower,  
Ambience Mall, NH 8, Gurgaon – 122 001, Haryana.
75. BARC, TRP, Post-Ghivali, Dist-Palghar,  
BARC Plant Site, Dist-Palghar- 401 505, Maharashtra.
76. Bharat Aluminium Company Ltd.,  
Captive Power Plant-II, Balconagar, Korba - 495684.
77. Dhariwal Infrastructure Ltd.,  
C-6 Tadali Growth Centre, M.I.D.C T,  
District Chandrapur,  
Maharashtra – 442 406.
78. DB Power Ltd.,  
Opposite Dena Bank, C-31, G- Block,  
3rd Floor, Naman Corporate Link,  
Bandar - Kurla Complex, Bandra (East),  
Mumbai - 400 051, Maharashtra.
79. CMD, NEEPCO, 15, NBCC Tower,  
Bhikaji Cama Place, New Delhi.
80. CMD, NHPC Ltd.,  
NHPC Office Complex, Sector-33,  
Faridabad.
81. CMD, NTPC Ltd.,  
Core-7, Scope Complex,  
New Delhi.

**...Respondents**



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

**For Respondents** : Shri R.B. Sharma, Advocate, BRPL  
Shri Sachin Dubey, Advocate, BYPL  
Ms. Megha Bajpeyi, BRPL

### **ORDER**

The instant petition has been filed by Power Grid Corporation of India Limited, a deemed transmission licensee, for truing-up of transmission tariff for 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of tariff of 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 transmission assets under “Transmission System for development of pooling station in Northern part of West Bengal and transfer of power from Bhutan to NR/WR” in Northern and Western Region (hereinafter referred to as “the transmission scheme”):

**Asset-A:**  $\pm 800$  kV 3000 MW HVDC POLE-III and LILO of Bishwanath Chariali – Agra HVDC line for parallel operation of the HVDC station at Alipurduar and Earth electrode station and Earth Electrode line at Alipurduar and Agra end and  $\pm 800$  kV 3000 MW HVDC POLE-IV at Alipurduar and Agra; and

**Asset-B:** LILO of Bongaigaon – Binaguri (Siliguri) 400 kV D/c line (quad), LILO of Birpara-Salakati 220 kV D/c line, 315 MVA 400/220 kV ICT-I & II and 125 MVA 400kV Bus Reactor-I & II alongwith associated bays at Alipurduar HVDC station.

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 10.2 and 11.1 above.*

*2) Admit the capital cost claimed and additional capitalization incurred during 2014-19 and also allow the projected additional capitalization during 2019-24.*

*3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 10.2 and 11.1 above for respective block.*

*4) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*

*5) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*

*6) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.*

*7) Allow the petitioner to 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 11.1 above.*

*8) Allow the Initial spares claimed as project as a whole.*

*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 levied at any rate 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 follows:

(a) The Investment Approval (IA) for implementation of the transmission scheme was accorded by the Board of Directors of the Petitioner in 235<sup>th</sup> meeting held on



15.4.2010 for ₹440457 lakh including IDC (Interest during Construction) of ₹38338 lakh based on 4<sup>th</sup> Quarter, 2009 price level. (Communicated vide Memorandum No. C/CP/Sikkim Generation Projects-Part-C dated 22.4.2010)

(b) The Revised Cost Estimate (RCE) of the transmission scheme was approved by the Board of Directors of the Petitioner in 339<sup>th</sup> meeting held on 29.3.2017 at an estimated cost of ₹513501 lakh including IDC of ₹50601 lakh based on October 2016 price level. (Communicated vide Memorandum No. C/CP/PA1617-03-0AD-RCE018 dated 30.3.2017)

(c) The scope of work covered under the transmission scheme are as follows:

**Transmission Line:**

- (i) LILO of Bishwanath Chariali-Agra HVDC Line at new pooling station in Alipurduar for parallel operation of the HVDC Station.
- (ii) LILO of Bongaigaon-Siliguri 400 kV D/c Line (quad) (under Pvt. Sector) at new pooling station in Alipurduar.
- (iii) LILO of Tala-Siliguri 400 kV D/c Line at new pooling station in Alipurduar. (\*\*)
- (iv) Punatsangchu-1(Generation Project in Bhutan)-Alipurduar 400 kV D/c with quad conductor (Indian Portion).
- (v) LILO of Birpara-Salakati 220 kV D/c Line at new pooling station in Alipurduar.
- (vi) Earth Electrode line at new pooling station in Alipurduar.
- (vii) Earth Electrode Line at Agra end.

**Sub-station:**

New 2x315 MVA, 400/220 kV AC and HVDC Sub-station at new pooling station in Alipurduar.

- 2 Numbers of 315 MVA, 400/220/33 kV ICT along with associated bays.
- 10 Numbers 400 kV bays (4 bays for LILO of Tala-Siliguri 400 kV D/c Line, 4 bays for LILO of Bongaigaon-Siliguri 400 kV D/c (quad) Line, 2 bays for Punatsangchu-1 Alipurduar 400 kV D/c Line.
- ± 800 kV, 3000 MW HVDC converter module.



- 2 Numbers 125 MVAR Bus Reactor at 400 kV bus.
- 4 Numbers 220 kV bays (for LILO of Birpara-Salakati 220 kV D/c line)
- Space for 6 Numbers of 400 kV and 2 Numbers of 220 kV bays for future transmission system and associated bays for one ICT.
- Space for  $\pm$  800 kV, 3000 MW HVDC module for future.  
Extension of  $\pm$  800 kV HVDC station at Agra
- $\pm$ 800 kV, 3000 MW HVDC inverter module at Agra

(\*\*) The element LILO of Tala-Siliguri 400 kV D/c line at new pooling station in Alipurduar along with associated bays at Alipurduar deleted from the scope of work. The same has been discussed and agreed in the 1<sup>st</sup> 2014 meeting of Standing Committee for Power System Planning in Eastern Region held on 2.5.2014 at NRPC, New Delhi.

(d) The complete scope of the work as per IA is not covered in the instant petition. Asset-A and Asset-B were put into commercial operation on 21.9.2017 and tariff for the transmission assets for 2014-19 tariff period was allowed by the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017. The various assets of the transmission scheme covered in different petitions are as follows:

Name of Assets	COD	Remarks
$\pm$ 800 kV 3000 MW HVDC POLE-III and LILO of Bishwanath Chariali – Agra HVDC Line for parallel operation of the HVDC Station at Alipurduar and Earth Electrode Station and Earth Electrode Line at Alipurduar and Agra end and $\pm$ 800 kV 3000 MW HVDC POLE-IV at Alipurduar and Agra ( <b>Asset-A</b> )	21.9.2017	This Petition (earlier covered under Petition No. 198/TT/2017)
LILO of Bongaigaon – Binaguri (Siliguri) 400 kV D/c Line (quad), LILO of Birpara-Salakati 220kV D/c Line, 315 MVA 400/220 kV ICT-I & II and 125 MVA 400 kV Bus Reactor-I & II alongwith associated bays at Alipurduar HVDC Station. ( <b>Asset-B</b> )	21.9.2017	
400 kV D/C Alipurduar- Punatsangchun alongwith associated bays at Alipurduar Pooling Station (Indian Portion)	29.3.2018	Covered under Petition No. 193/TT/2019
02 Numbers of 220 kV bays at Alipurduar Pooling Station	1.3.2018	

(e) The details of COD along with time over-run of the transmission assets covered in the instant petition are as follows:

Asset	SCOD	Actual COD	Time over-run
Asset -A	15.1.2015	21.9.2017	32 months 7 days (980 days) condoned
Asset-B		21.9.2017	



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

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition 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.

6. During the hearing through video conference on 6.4.2021, learned counsel of BSES Rajdhani Power Ltd (BRPL), i.e. the Respondent No. 22, made detailed submissions, raising issues regarding IDC, actual IDC, re-calculation of Initial Spares, details of OPGW and tax on the transmission business. The Commission observed that similar issues have been raised by BRPL in its replies filed in other petitions. The learned counsel of BSES Rajdhani Power Ltd (BRPL) sought leave of the Commission to file a detailed reply.

7. Respondent No. 25, Madhya Pradesh Power Management Company Ltd. (MPPCL) also requested through e-filing portal of the Commission seeking time to file the reply in the matter. We observe that notice to file reply by the respondents including BRPL and MPPCL was served through various means including the Commission's website on 8.6.2020 and advance hearing schedule dated 26.3.2021 was published on the Commission's website. Therefore, the prayer to file reply by BRPL and MPPCL was not acceded to.



8. Learned counsel for BRPL uploaded reply in the e-filing portal of the Commission after the hearing in the matter without the leave of the Commission, even though his request for grant of time to file reply was declined as it was not filed within the specified time. Therefore, the reply filed by BRPL is not considered.

9. However, we have considered the submissions of BRPL made during the hearing on 6.4.2021 and rejoinder of the Petitioner thereon. It has been placed before us that BRPL has been raising the same issues in several petitions despite clear findings of the Commission to the contrary. The contentions of BRPL have been rejected by the Commission in other petitions, including Petition No. 168/TT/2020, Petition No. 114/TT/2020, and Petition No. 2/TT/2020. In terms of the Commission's orders passed in the above petitions, we do not find merit in the pleas raised by BRPL and hence reject the same.

10. After hearing in this matter was held on 6.4.2021 through video conference, the order was reserved.

11. Having heard the representatives of the Petitioner and the Respondents, BRPL and BYPL (who adopted submission made on behalf of BRPL) and having perused the material on record, we proceed to dispose of the petition.

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

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

(₹ in lakh)

Asset-A		
Particulars	2017-18	2018-19
Depreciation	9520.94	18952.34
Interest on Loan	5797.36	11427.72



Return on Equity	11142.93	22289.23
Interest on working capital	629.14	1256.39
O&M Expenses	1195.25	2459.29
<b>Total</b>	<b>28285.62</b>	<b>56384.97</b>

(₹ in lakh)

<b>Asset-B</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>
Depreciation	703.14	1450.19
Interest on Loan	920.79	1812.28
Return on Equity	968.28	2002.14
Interest on working capital	77.89	156.71
O&M Expenses	433.02	850.38
<b>Total</b>	<b>3103.12</b>	<b>6271.70</b>

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

(₹ in lakh)

<b>Asset-A</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>
O&M Expenses	189.35	204.94
Maintenance Spares	340.83	368.89
Receivables	8962.02	9397.49
<b>Total Working Capital</b>	<b>9492.20</b>	<b>9971.32</b>
Rate of Interest (%)	12.60%	12.60%
<b>Interest on working capital</b>	<b>629.14</b>	<b>1256.39</b>

(₹ in lakh)

<b>Asset-B</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>
O&M Expenses	68.59	70.87
Maintenance Spares	123.46	127.56
Receivables	983.18	1045.28
<b>Total Working Capital</b>	<b>1175.23</b>	<b>1243.71</b>
Rate of Interest (%)	12.60%	12.60%
<b>Interest on working capital</b>	<b>77.89</b>	<b>156.71</b>

### **Capital Cost**

14. The capital cost for Asset-A and Asset B as on COD as well as on 31.3.2019 was allowed by the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 as follows:



(₹ in lakh)

Asset	Apportioned Approved Cost as per RCE	Expenditure up to COD	Additional Capital Expenditure (ACE)		Total Capital Cost as on 31.3.2019
			2017-18	2018-19	
Asset-A	415960.56	344499.43	27678.01	13839.95	386017.39
Asset-B	38575.72	29046.73	4179.42	1414.68	34640.83

15. The Petitioner vide Auditor's Certificates submitted the capital cost incurred up to COD and ACE during 2014-19 tariff period in respect of Asset-A and Asset-B. The details of apportioned approved capital cost, capital cost as on COD and ACE incurred up to 31.3.2019 as claimed by the Petitioner for Asset-A and Asset-B are as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost as per RCE	Expenditure up to COD (As per Auditor's Certificate)	ACE		Total Completion Cost as on 31.3.2019
			2017-18	2018-19	
Asset-A	415960.56	346246.96	27157.88	6492.02	379896.86
Asset-B	38575.72	29454.94	4030.72	841.48	34327.14

16. The completion cost including ACE claimed in respect of the transmission assets is within the RCE approved cost.

### **Time Over-run**

17. As per IA, the transmission assets were scheduled to be put into commercial operation within 57 months from the date of IA. IA was accorded on 15.4.2010 and hence, the scheduled date of commercial operation (SCOD) was 15.1.2015. Asset-A and Asset-B have been put under commercial operation on 21.9.2017. Hence, there is a delay of about 32 months and 7 days (980 days) in COD (vis-à-vis SCOD of 15.1.2015) of Asset-A and Asset-B respectively. The Commission vide order dated



15.10.2019 in Petition No. 198/TT/2017 had condoned the time over-run of 32 months and 7 days (980 days) in case of Asset-A and Asset-B.

**Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)**

18. The Petitioner has claimed IDC in respect of the transmission assets and in support of the same, the Petitioner has submitted the Auditor's Certificate. The Petitioner has submitted the statement showing IDC claim, discharge of IDC liability as on COD as follows:

(₹ in lakh)

Asset	IDC as per Auditor Certificate	IDC Discharged up to COD	Un-discharged IDC up to COD	IDC discharged during 2017-18	IDC discharged during 2018-19
Asset-A	32238.51	30491.16	1747.35	520.12	1227.23
Asset-B	3067.09	2660.96	406.12	148.69	257.43

19. The Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 had directed the Petitioner to submit the IDC computation in respect of foreign loans at the time of true-up. The Petitioner was also directed to submit the documentary evidence that the loans raised from SBI is not for the purpose of working capital loan at the time of true-up.

20. The Petitioner in the instant petition has submitted SBI's letter dated 10.5.2019 indicating the details of rate of interest in term loan accounts. Accordingly, the allowable IDC has been worked out considering the information submitted by the Petitioner in respect of the transmission assets on cash basis. The loan details submitted in Form-9C for 2014-19 tariff period and IDC computation sheet have been considered for the purpose of IDC calculation on cash and accrued basis. The un-



discharged IDC as on COD has been considered as ACE during the year in which it has been discharged. Accordingly, IDC allowed is as follows:

(₹ in lakh)

Asset	IDC as per Auditor Certificate	IDC up to COD as worked out	IDC allowed up to COD on cash basis	Un-discharged IDC as on COD	IDC being discharged as ACE	
	A	B	C	D=B-C	2017-18	2018-19
Asset-A	32238.51	32238.51	30491.16	1747.35	520.12	1227.23
Asset-B	3067.09	3067.09	2660.96	406.12	148.69	257.43

21. The Petitioner has claimed IEDC of ₹7302.35 lakh and ₹541.82 lakh in respect of Asset-A and Asset-B respectively and has submitted the Auditor's Certificate in support of the same. The Petitioner has also submitted that the entire IEDC has been discharged as on COD. IEDC claimed is within the estimated expenditure of IEDC as indicated in the Abstract Cost Estimate and hence the same is allowed.

### Initial Spares

22. The Petitioner has claimed initial spares in respect of the transmission assets and prayed to revise the initial spares allowed earlier in light of the judgement of the Appellate Tribunal for Electricity (APTEL) dated 14.9.2019 in Appeal No.74 of 2017 as follows:

Asset	Particulars	Estimated Completion Cost (A) (₹ in lakh)	Initial Spares claimed (B) (₹ in lakh)	Ceiling Limit (%) (C)	Initial Spares worked out (₹ in lakh)
					$D = (A-B) \times C \div (100-C)$
Asset-A	S/s (HVDC)	300138.93	11464.30	4.00	12028.11
Asset-B	S/s (AIS-Green Field)	14135.66	222.35	4.00	579.72
Asset-A	Transmission Line	13927.87	113.00	1.00	133.18
Asset-B		6127.32	65.00	1.00	61.24
<b>Total</b>		<b>333699.78</b>	<b>11864.65</b>		<b>12802.25</b>



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 overall project cost. APTEL vide judgement dated 14.9.2019 in Appeal No. 74 of 2017 held as follows:

*"18.13. .... 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."*

24. We have considered the submissions of the Petitioner. As per the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, initial spares are to be allowed as a percentage of the project cost as a whole. It is observed that the complete transmission scheme as per IA is not covered in the instant petition even though the transmission assets as per IA were put into commercial operation during 2014-19 tariff period and the entire transmission scheme was completed during 2014-19 tariff period, the overall project cost of the transmission assets is arrived only when all the assets under the transmission scheme are combined while claiming the tariff for 2019-24 period. Therefore, initial spares are allowed on the basis of the cost of the individual assets in 2014-19 tariff period. The details of Initial Spares allowed for 2014-19 tariff period is as follows:

**Sub-stations:**

Assets	Capital Cost/P&M cost considered as on cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per 2014 Tariff Regulations (₹ in lakh)	Initial Spares allowed (₹ in lakh)
Asset-A	300138.93	11464.30	4.00	12028.11	11464.30
Asset-B	14135.66	222.35	4.00	579.72	222.35

**Transmission Line:**

Assets	Capital Cost/P&M cost considered as on cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per 2014 Tariff Regulations (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Excess initial spares (₹ in lakh)
Asset-A	13927.87	113.00	1.00	133.18	113.00	-



Assets	Capital Cost/P&M cost considered as on cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per 2014 Tariff Regulations (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Excess initial spares (₹ in lakh)
Asset-B	6127.32	65.00	1.00	61.24	61.24	3.76

### **Capital Cost as on the COD**

25. Accordingly, the capital cost allowed as on COD in respect of the transmission assets is as follows:

Assets	Capital Cost as on COD as per Auditor's Certificate	Less: Undischarged IDC	Less: Excess Initial Spares disallowed	Capital Cost as on 31.3.2014/ COD
Asset-A	346246.96	1747.35	0.00	344499.61
Asset-B	29454.94	406.12	3.76	29045.05

### **Additional Capital Expenditure (ACE)**

26. The Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 had allowed ACE of ₹41519.96 lakh and ₹5594.10 lakh in respect of Asset-A and Asset-B respectively for 2014-19 tariff period.

27. The Petitioner in the instant petition has claimed ACE for Asset-A and Asset-B and has submitted the Auditor's Certificate in support of the same as follows:

Asset	2017-18			2018-19		
	ACE as per Auditors Certificate	Undischarged IDC	Total	ACE as per Auditors Certificate	Undischarged IDC	Total
Asset-A	27157.88	520.12	27678.01	6492.02	1227.23	7719.25
Asset-B	4030.72	148.69	4179.42	841.48	257.43	1098.92

28. The Petitioner has submitted that the cut-off date of Asset-A and Asset-B is 31.3.2020 and ACE of ₹27678.01 lakh, and ₹7719.25 lakh during the 2017-18 period and 2018-19 period respectively is within the cut-off date and is on account of balance and retention payment for Asset-A. ACE of ₹4179.42 lakh and ₹1098.91 lakh



during 2017-18 period and 2018-19 period respectively is on account of balance and retention payment for Asset-B. Further, ACE claimed by the Petitioner has been claimed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations. The Petitioner has also submitted the details of party wise expenditure in respect of the transmission assets before and after the cut-off date.

29. We have considered the submissions made by the Petitioner. It is observed that the actual audited ACE claimed by the Petitioner is on account of balance and retention payment for works executed within the cut-off date, accrued IDC discharged in 2017-19, un-discharged spares and unexecuted/ balance works. The same has been considered for computation of total capital cost as on 31.3.2019. ACE claimed by the Petitioner for the years 2017-18 and 2018-19 is within the cut-off date and the same is allowed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations as follows:

Asset	Additional Capital Expenditure (ACE)	
	2017-18	2018-19
Asset-A	27678.01	7719.25
Asset-B	4179.42	1098.92

(₹ in lakh)

#### **Capital Cost for 2014-19 tariff period**

30. The capital cost considered for true-up of transmission tariff for 2014-19 tariff period is as follows:

Asset	Capital Cost as on COD	Additional Capital Expenditure (ACE)		Total Capital Cost as on 31.3.2019
		2017-18	2018-19	
Asset-A	344499.61	27678.01	7719.25	379896.87
Asset-B	29045.05	4179.42	1098.92	34323.39

(₹ in lakh)

#### **Debt-Equity Ratio**



31. The Petitioner has considered debt-equity ratio as 70:30 as on COD and for ACE during the 2014-19 period. The debt-equity ratio of 70:30 has been considered for capital cost as on COD and ACE during 2014-19 tariff period as provided under Regulation 19 of the 2014 Tariff Regulations. The details of the debt-equity as on the COD and 31.3.2019 considered for the purpose of tariff computation for 2014-19 tariff period are as follows:

Asset-A	Capital Cost as on COD		Capital Cost as on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	241149.73	70.00	265927.84	70.00
Equity	103349.88	30.00	113969.03	30.00
<b>Total</b>	<b>344499.61</b>	<b>100.00</b>	<b>379896.87</b>	<b>100.00</b>
Asset-B	Capital Cost as on COD		Capital Cost as on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	20331.53	70.00	24026.38	70.00
Equity	8713.51	30.00	10297.00	30.00
<b>Total</b>	<b>29045.05</b>	<b>100.00</b>	<b>34323.39</b>	<b>100.00</b>

### Depreciation

32. Depreciation has been computed considering capital expenditure as on COD and ACE approved for 2014-19 tariff period. The Gross Block during 2014-19 tariff period has been depreciated at weighted average rate of depreciation (WAROD). WAROD has been worked out at Annexure-I after taking into account the depreciation rates of assets as specified in the 2014 Tariff Regulations and depreciation allowed during the 2014-19 tariff period is as follows:

(₹ in lakh)		
Asset-A		
Particulars	2017-18 (Pro-rata for 192 days)	2018-19
Opening Gross Block	344499.61	372177.62
ACE	27678.01	7719.25
Closing Gross Block	372177.62	379896.87
Average Gross Block	358338.62	376037.25
Rate of Depreciation (%)	5.051	5.040



Balance useful life (at the beginning of the year) (Years)	25.00	25.00
Aggregate Depreciable Value	320335.41	336185.13
<b>Depreciation during the year</b>	<b>9520.93</b>	<b>18952.35</b>
Remaining Aggregate Depreciable Value	310814.48	307711.85

(₹ in lakh)

Asset-B		
Particulars	2017-18 (Pro-rata for 192 days)	2018-19
Opening Gross Block	29045.05	33224.47
ACE	4179.42	1098.92
Closing Gross Block	33224.47	34323.39
Average Gross Block	31134.76	33773.93
Rate of Depreciation (%)	4.293	4.293
Balance useful life (at the beginning of the year) (Years)	27.00	27.00
Aggregate Depreciable Value	24845.64	27202.19
<b>Depreciation during the year</b>	<b>703.04</b>	<b>1449.99</b>
Remaining Aggregate Depreciable Value	24142.60	25049.16

33. The details of depreciation allowed vide order dated 15.10.2019 in Petition No.198/TT/2017, claimed in the instant petition and true-up depreciation approved is as follows:

(₹ in lakh)

Asset	Particulars	2017-18 (Pro-rata for 192 days)	2018-19
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	9527.85	19109.89
	Claimed by the Petitioner in the instant petition	9520.94	18952.34
	Approved after true-up in this order	9520.93	18952.35
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	716.62	1486.24
	As claimed by the Petitioner	703.14	1450.19
	Approved after true-up in this order	703.04	1449.99

### Interest on Loan (IoL)



34. The Petitioner has claimed IoL based on actual interest rates for each year during 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.

35. We have considered the submissions made by the Petitioner. It is observed that the SBI loan with respect to the transmission assets has been deployed with floating interest rates. Accordingly, factoring 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.

36. The interest on loan has been worked out as follows:

- (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.

37. The details of IoL calculated in respect of Asset-A and Asset-B are as follows:

(₹ in lakh)		
<b>Asset-A</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Gross Normative Loan	241149.73	260524.36
Cumulative Repayments up to Previous Year	0.00	9520.93
Net Loan-Opening	241149.73	251003.43
Additions	19374.63	5403.48
Repayment during the year	9520.93	18952.35
Net Loan-Closing	251003.43	237454.56
Average Loan	246076.58	244228.99
Weighted Average Rate of Interest on Loan (%)	4.479%	4.679%
<b>Interest on Loan</b>	<b>5797.36</b>	<b>11427.80</b>

(₹ in lakh)



<b>Asset-B</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Gross Normative Loan	20331.53	23257.13
Cumulative Repayments up to Previous Year	0.00	703.04
Net Loan-Opening	20331.53	22554.10
Additions	2925.60	769.25
Repayment during the year	703.04	1449.99
Net Loan-Closing	22554.10	21873.36
Average Loan	21442.82	22213.73
Weighted Average Rate of Interest on Loan (%)	8.162	8.158
<b>Interest on Loan</b>	<b>920.68</b>	<b>1812.09</b>

38. The details of IoL allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017, claimed in the instant petition and trued-up IoL approved is as follows:

(₹ in lakh)			
<b>Asset</b>	<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	6199.80	11981.97
	Claimed by the Petitioner in the instant petition	5797.36	11427.72
	Approved after true-up in this order	5797.36	11427.80
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	932.68	1836.14
	Claimed by the Petitioner in the instant petition	920.79	1812.28
	Approved after true-up in this order	920.68	1812.09

### **Return on Equity (RoE)**

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

<b>Year</b>	<b>Claimed effective tax rate (in %)</b>	<b>Grossed-up RoE [(Base Rate)/(1-t)] (in %)</b>
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





40. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 had arrived at the effective tax rate for the Petitioner based on the notified MAT rates and the same is given as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.549

41. The MAT rates considered in order dated 27.4.2020 in Petition No. 274/TT/2019 for the purpose of grossing up of rate of RoE for true-up of the tariff of 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations. Accordingly, the grossed-up RoE is as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	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, the true-up RoE allowed in respect of the transmission assets for 2014-19 tariff period is as follows:

(₹ in lakh)		
Asset-A		
Particulars	2017-18(Pro-rata for 192 days)	2018-19
Net Opening Equity	103349.88	111653.26
Increase in Equity due to addition during the year	8303.38	2315.77
Closing Equity	111653.26	113969.03
Average Equity	107501.57	112811.15
Return on Equity (Base Rate) (%)	15.500	15.500
Tax Rate applicable (%)	21.342	21.549
Applicable RoE Rate (%)	19.705	19.758

Asset-A		
Particulars	2017-18(Pro-rata for 192 days)	2018-19
Return on Equity for the year	11142.94	22289.23

(₹ in lakh)

Asset-B		
Particulars	2017-18(Pro-rata for 192 days)	2018-19
Net Opening Equity	8713.51	9967.33
Increase in Equity due to addition during the year	1253.82	329.67
Closing Equity	9967.33	10297.00
Average Equity	9340.42	10132.17
Return on Equity (Base Rate) (%)	15.500	15.500
Tax Rate applicable (%)	21.342	21.549
Applicable RoE Rate (%)	19.705	19.758
Return on Equity for the year	968.17	2001.91

43. The details of RoE allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017, claimed in the instant petition and true-up RoE approved is as follows:

(₹ in lakh)

Asset	Particulars	2017-18(Pro-rata for 192 days)	2018-19
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	10421.50	21032.95
	Claimed by the Petitioner in the instant petition	11142.93	22289.23
	Approved after true-up in this order	11142.94	22289.23
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	934.23	1940.56
	Claimed by the Petitioner in the instant petition	968.28	2002.14
	Approved after true-up in this order	968.17	2001.91

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

44. The details of the O&M Expenses claimed by the Petitioner in respect of the transmission assets under Regulation 29(4)(a) of the 2014 Tariff Regulations for the purpose of tariff are as follows:

(₹ in lakh)

Asset	2017-18 (Pro-rata for 192 days)	2018-19
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Asset-A	1195.25	2459.29
Asset-B	433.02	850.38

45. The O&M Expenses have been worked out as per the norms of specified in the 2014 Tariff Regulations. The O&M Expenses have been allowed as follows:

(₹ in lakh)

Asset	2017-18 (Pro-rata for 192 days)	2018-19
Asset-A	1195.25	2459.29
Asset-B	432.97	850.38

46. The details of O&M expenses approved vide orders dated 15.10.2019 in Petition No. 198/TT/2017, claimed in the instant petition and trued-up O&M Expenses allowed are as follows:

(₹ in lakh)

Asset	Particulars	2017-18 (Pro-rata for 192 days)	2018-19
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	1195.25	2459.29
	Claimed by the Petitioner in the instant petition	1195.25	2459.29
	Approved after true-up in this order	1195.25	2459.29
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	432.97	850.38
	As claimed by the Petitioner	433.02	850.38
	Approved after true-up in this order	432.97	850.38

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

47. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and trued-up IWC has been approved for the transmission assets as follows:

(₹ in lakh)

Asset-A		
Particulars	2017-18 (Pro-rata for 192 days)	2018-19
O&M Expenses (O&M Expenses for one month)	189.35	204.94
Maintenance Spares	340.83	368.89



<b>Asset-A</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
(15% of O&M Expenses)		
Receivables (Equivalent to two months of annual fixed cost)	8962.03	9397.51
<b>Total Working Capital</b>	<b>9492.21</b>	<b>9971.34</b>
Rate of Interest (%)	12.60%	12.60%
<b>Interest on Working Capital</b>	<b>629.14</b>	<b>1256.39</b>

(₹ in lakh)

<b>Asset-B</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
O&M Expenses (O&M Expenses for one month)	68.59	70.87
Maintenance Spares (15% of O&M Expenses)	123.46	127.56
Receivables (Equivalent to two months of annual fixed cost)	983.07	1045.18
<b>Total Working Capital</b>	<b>1175.13</b>	<b>1243.60</b>
Rate of Interest (%)	12.60	12.60
<b>Interest on Working Capital</b>	<b>77.89</b>	<b>156.69</b>

48. Accordingly, IWC allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017, claimed in the instant petition and true-up IWC approved is as follows:

(₹ in lakh)

<b>Asset</b>	<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	622.44	1244.71
	Claimed by the Petitioner in the instant petition	629.14	1256.39
	Approved after true-up in this order	629.14	1256.39
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	77.71	156.67
	Claimed by the Petitioner in the instant petition	77.89	156.71
	Approved after true-up in this order	77.89	156.69

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

49. Accordingly, the annual fixed charges after true-up for 2014-19 tariff period in respect of the transmission assets are as follows:



(₹ in lakh)

<b>Asset-A</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Depreciation	9520.93	18952.35
Interest on Loan	5797.36	11427.80
Return on Equity	11142.94	22289.23
Interest on working capital	629.14	1256.39
O&M Expenses	1195.25	2459.29
<b>Total</b>	<b>28285.63</b>	<b>56385.05</b>

(₹ in lakh)

<b>Asset-B</b>		
<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Depreciation	703.04	1449.99
Interest on Loan	920.68	1812.09
Return on Equity	968.17	2001.91
Interest on working capital	77.89	156.69
O&M Expenses	432.97	850.38
<b>Total</b>	<b>3102.74</b>	<b>6271.08</b>

50. Accordingly, the annual fixed charges allowed vide orders dated 15.10.2019 in Petition No. 198/TT/2017, annual fixed charges claimed in the instant petition and trued-up annual fixed charges approved is as follows:

(₹ in lakh)

<b>Asset</b>	<b>Particulars</b>	<b>2017-18 (Pro-rata for 192 days)</b>	<b>2018-19</b>
Asset-A	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	27966.84	55828.81
	Claimed by the Petitioner in the instant petition	28285.62	56384.97
	Approved after true-up in this order	28285.63	56385.05
Asset-B	Allowed vide order dated 15.10.2019 in Petition No. 198/TT/2017	3094.21	6270.00
	Claimed by the Petitioner in the instant petition	3103.12	6271.70
	Approved after true-up in this order	3102.74	6271.08

### **Determination of Annual Fixed Charges for 2019-24 Tariff Period**



51. The Petitioner has submitted the tariff forms combining the Asset-A and Asset-B. The Petitioner has claimed the transmission charges in respect of the Combined Asset for 2019-24 tariff period as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1494.02	1510.24	1510.24	1510.24	1510.24
Interest on Loan	1749.27	1646.68	1521.35	1396.03	1270.58
Return on Equity	1958.58	1982.97	1982.97	1982.97	1982.97
Interest on Working Capital	105.94	106.23	105.34	104.50	103.43
O&M Expenses	635.96	658.41	681.34	705.38	729.37
<b>Total</b>	<b>5943.77</b>	<b>5904.53</b>	<b>5801.24</b>	<b>5699.12</b>	<b>5596.59</b>

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	53.00	54.87	56.78	58.78	60.78
Maintenance Spares	95.39	98.76	102.20	105.81	109.41
Receivables	730.79	727.96	715.22	702.63	688.11
<b>Total</b>	<b>879.18</b>	<b>881.59</b>	<b>874.20</b>	<b>867.22</b>	<b>858.30</b>
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
<b>Interest on Working Capital</b>	<b>105.94</b>	<b>106.23</b>	<b>105.34</b>	<b>104.50</b>	<b>103.43</b>

53. The Petitioner has submitted that all the transmission assets as per scope of work under the transmission scheme are not covered in the instant Petition. Asset-A and Asset-B were put into commercial operation on 21.9.2017 and the Petitioner has combined Asset-A and Asset-B and claimed tariff for the Combined Asset for 2019-24 tariff period. The transmission tariff for the remaining two assets covered in the transmission scheme, i.e., 400 kV D/C Alipurduar- Punatsangchun alongwith associated bays at Alipurduar Pooling Station (Indian Portion) and 02 Numbers of 220 kV bays at Alipurduar Pooling Station has been claimed in Petition No. 193/TT/2019.



54. The Commission vide RoP of the hearing dated 6.4.2021 directed the Petitioner to file a single petition combining all the assets covered under the transmission scheme after the Commission's final order in Petition No.193/TT/2019 for the purpose of determination of tariff of 2019-24 tariff period. In view of the above, tariff for 2019-24 period for the Combined Asset (Asset-A and Asset-B) is not considered in the instant petition and the Petitioner is directed to file a fresh petition for 2019-24 tariff period after combining all the assets covered under the scope of work.

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

55. The Petitioner has claimed reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

#### **Licence Fee and RLDC Fees and Charges**

56. The Petitioner has claimed reimbursement of licence fee and RLDC Fees and Charges. The Petitioner is allowed reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner is also allowed for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

#### **Goods and Services Tax**

57. The Petitioner has submitted that transmission charges claimed herein are exclusive of GST and in case GST levied in future, the same shall be additionally paid by the Respondents and the same shall be charged and billed separately by the Petitioner. It also prayed that additional taxes, if any, are paid by the Petitioner on

account of demand from government/ statutory authorities, the Commission may allow the same to be recovered from the beneficiaries.

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

### **Security Expenses**

59. 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 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 a similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 shall be filed on 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 yearly basis.

60. We have considered the submissions of the Petitioner. 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 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**

61. The Petitioner has prayed for 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**

62. The Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 w.r.t. sharing of transmission charges held as follows:

*“72. The asset covered in the instant petition is related to the assets covered in Petition No. 67/TT/2015. We reiterate our decisions in order dated 8.1.2016 and 31.8.2017 in Petition No. 67/TT/2015 and hold that the subject transmission assets are of strategic and national importance and the transmission charges shall be borne by all DICs.*

*73. The Petitioner shall be entitled to recover the annual fixed charges as approved above from the DICs of all regions as per the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.”*

63. In view of the above, the asset being of national importance, the transmission charges shall be borne by all DICs. With effect from 1.11.2020, sharing of transmission charges is governed by provisions of the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, “the 2020 Sharing Regulations”). Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be recovered from the concerned DICs through Bill 2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. For the subsequent period, billing, collection and disbursement of transmission charges shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.



64. **To summarise:**

(a) The trued-up Annual Fixed Charges approved in respect of the transmission assets for 2014-19 tariff period is as follows:

Particulars	Asset	(₹ in lakh)	
		2017-18 (Pro-rata for 192 days)	2018-19
Annual Fixed Charges	Asset-A	28285.63	56385.05
	Asset-B	3102.74	6271.08

65. Annexure to this order given hereinafter forms part of the order.

66. This order disposes of Petition No. 358/TT/2020 in terms of the above discussion and findings.

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

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

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

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



## Annexure

Asset -I													
2014-19	Capital Expenditure as on 31.3.2014 (₹ in lakh)	Additional Capitalization (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
<b>Land</b>	2353.66	0.00	0.00	0.00	113.44	62.23	2529.33	0.00	0.00	0.00	0.00	0.00	0.00
<b>Building</b>	33027.38	0.00	0.00	0.00	6653.70	1307.51	40988.59	3.34	0.00	0.00	0.00	1214.23	212.66
<b>Transmission Line</b>	13209.71	0.00	0.00	0.00	452.81	733.35	14395.87	5.28	0.00	0.00	0.00	709.43	310.05
<b>Sub Station</b>	294771.40	0.00	0.00	0.00	20456.33	5612.08	320839.81	5.28	0.00	0.00	0.00	16103.98	799.27
<b>PLCC</b>	1137.46	0.00	0.00	0.00	1.73	4.08	1143.27	6.33	0.00	0.00	0.00	72.06	14.52
<b>Total</b>	<b>344499.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>27678.01</b>	<b>7719.25</b>	<b>379896.87</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18099.69</b>	<b>18952.35</b>
								Average Gross Block (₹ in lakh)	0.00	0.00	0.00	358338.62	376037.25
								<b>Weighted Average Rate of Depreciation (%)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.05</b>	<b>5.04</b>



Asset -B													
2014-19	Capital Expenditure as on 31.3.2014 (₹ in lakh)	Additional Capitalization (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
Land	3509.56	0.00	0.00	0.00	37.87	3.68	3551.11	0.00	0.00	0.00	0.00	0.00	0.00
Building	5153.75	0.00	0.00	0.00	2426.56	136.32	7716.63	3.34	0.00	0.00	0.00	212.66	255.46
Transmission Line	5855.06	0.00	0.00	0.00	34.11	764.36	6653.53	5.28	0.00	0.00	0.00	310.05	331.13
Sub Station	14305.48	0.00	0.00	0.00	1664.45	191.68	16161.61	5.28	0.00	0.00	0.00	799.27	848.27
PLCC	221.19	0.00	0.00	0.00	16.43	2.88	240.50	6.33	0.00	0.00	0.00	14.52	15.13
<b>Total</b>	<b>29045.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4179.42</b>	<b>1098.92</b>	<b>34323.39</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1336.50</b>	<b>1449.99</b>
							Average Gross Block (₹ in lakh)		0.00	0.00	0.00	31134.76	33773.93
							<b>Weighted Average Rate of Depreciation (%)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.29</b>	<b>4.29</b>

