

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 43/TT/2020

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 15.09.2021

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 the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for Combined Asset consisting of **Asset-I**: 400 kV D/C Mauda-Wardha line (Ckt.-I) along with bays at Wardha and **Asset-II**: 400 kV D/C Mauda-Wardha line (Ckt.-II) along with bays at Wardha under Mauda Transmission system in Western Region.

And in the matter of:

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

.....Petitioner

Versus

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur, Jabalpur-482008.
2. Madhya Pradesh Power Transmission Company Limited,
Shakti Bhawan, Rampur,
Jabalpur-482008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road, Indore-452008.
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank building, 3rd Floor,
M.G. Road, Fort, Mumbai-400001.
5. Maharashtra State Electricity Transmission Co. Limited,
Prakashganga, 6th Floor, Plot No. C-19, E-block,



Bandra Kurla Complex, Bandra (East),
Mumbai-400051.

6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390007.
7. Electricity Department,
Govt. of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001.
8. Electricity Department,
Administration of Daman & Diu,
Daman-396210.
9. DNH Power Distribution Corporation Limited,
Vidyut Bhawan, 66 kV Road, Near Secretariat Amli,
Silvassa-396230.
10. Chhattisgarh State Power Transmission Co. Limited,
State Load Despatch Building,
Dangania, Raipur-492103.
11. Chhattisgarh State Power Distribution Co. Limited,
P.O. Sunder Nagar, Dangania, Raipur,
Chhhatishgarh-492013.

.....Respondent(s)

- For Petitioner** : Shri S.S. Raju, PGCIL
Shri D. K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri Amit Yadav, PGCIL
- For Respondent** : Shri Anindya Kumar Khare, MPPMCL

ORDER

The instant petition has been filed by Power Grid Corporation of India Limited, a deemed transmission licensee for truing up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and determination of transmission tariff for the period from 1.4.2019 to 31.3.2024 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 Combined Asset consisting of following transmission assets under Mauda Transmission System in the Western Region (hereinafter referred as “the transmission project”):

Asset-I: 400 kV D/C Mauda-Wardha line (Ckt.-I) along with bay at Wardha; and

Asset-II: 400 kV D/C Mauda-Wardha line (Ckt.-II) along with bays at Wardha.

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 8 and 9 above.*
- 2) Allow the addcap for 2014-19 tariff block as claimed as per Para 5.5 above.*
- 3) Allow the initial spares as claimed by the petitioner.*
- 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 8 and 9 above for respective block.*
- 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 additional RoE of 0.5 % during 2014-19 period as per para 5.8 above.*
- 8) 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.*
- 9) 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 9.6 above.*
- 10) Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 11) 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”

3. **Backdrop of the case**

a) The administrative approval and expenditure sanction to the transmission project was accorded by the Board of Directors of the Petitioner's company vide letter C/CP/Mauda dated 6.2.2010 for ₹46938.00 lakh, including an IDC of ₹3553.00 lakh (based on 3rd quarter price level). Subsequently, Mauda-Khaperkheda transmission line and sub-station extension was dropped from the scope of work as decided in 14th WRPC meeting. Therefore, the scope of work and the cost estimate was revised to ₹25893.00 lakh including an IDC of ₹1343.00 lakh (based on April, 2012 price level).

b) The transmission assets covered under the instant petition after modification of scope of work are as follows:

Transmission Line:

Name (End Point Location)	Voltage Class (kV)	Length (km)	Type (S/C or D/C)
Mauda-Wardha	400 kV	124.705	D/C

Sub-station:

Name of Sub-station	Voltage Class (kV)	Number of Bays
Wardha	400 kV	2

c) The transmission asset, i.e. 400 kV D/C (QUAD) Mauda-Wardha transmission line with associated bays at Wardha Sub-station was commissioned in two parts i.e. Mauda-Wardha Circuit-I on 1.4.2012 and Mauda-Wardha Circuit-II on 1.6.2012. The notional COD for the Combined Asset was 1.6.2012.

d) The tariff from 1.4.2012 to 31.5.2012 for Asset-I and tariff from 1.6.2012 to 31.3.2014 for the Combined Asset (on combining Assets-I and II) was allowed vide order dated 4.11.2013 in Petition No. 103/TT/2012 in accordance with the 2009 Tariff Regulations.



e) The transmission tariff of the transmission assets for the 2009-14 period was trued up and transmission tariff for the 2014-19 period was allowed by the Commission vide order dated 29.2.2016 in Petition No. 502/TT/2014.

4. The Respondents are distribution licensees and power departments, which are procuring transmission service from the Petitioner, mainly beneficiaries of Western Region.

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been said to be received from the general public in response to the aforesaid notice published in the newspapers. Madhya Pradesh Power Management Company Limited (MPPMCL), Respondent No.1, has filed its reply vide affidavit dated 16.1.2020 and has raised the issues of grossing up of RoE and effect of GST. Maharashtra State Electricity Distribution Company Limited (MSEDCL), Respondent No. 4, has filed its reply vide affidavit dated 7.2.2020 and has raised the issues of grossing up of Return on Equity (RoE), calculation of IoL and the effect of GST and additional taxes. The Petitioner has submitted its rejoinders vide separate affidavits dated 3.9.2020 to the replies of MPPMCL and MSEDCL. The issues raised by MPPMCL, MSEDCL and the clarifications given by the Petitioner are dealt with in the relevant paragraphs of this order.

6. This order is being issued considering the submissions made by the Petitioner in the petition vide affidavit dated 30.11.2019, MPPMCL's and MSEDCL's reply filed vide affidavit dated 16.1.2020 and 7.2.2020 respectively, Petitioner's affidavit dated



4.5.2020 filed in response to Technical Validation letter and Petitioner's rejoinders filed vide separate affidavits dated 3.9.2020.

7. The hearing in this matter was held on 6.7.2021 through video conference and the order was reserved. Having heard the representatives of the Petitioner, MPPMCL and after perusal of the materials on record, we proceed to dispose of the petition.

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

8. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Asset for the 2014-19 tariff period is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1340.43	1341.94	1342.30	1342.47	1342.47
Interest on Loan	1351.06	1229.50	1105.40	981.09	856.59
Return on Equity	1522.38	1531.12	1530.79	1530.98	1535.04
Interest on Working Capital	110.97	108.87	106.49	104.14	101.88
O&M Expenses	253.04	261.40	270.03	279.05	288.31
Total	4577.88	4472.83	4355.01	4237.73	4124.29

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the Combined Asset for the 2014-19 tariff period is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	21.09	21.78	22.50	23.25	24.03
Maintenance Spares	37.96	39.21	40.50	41.86	43.25
Receivables	762.98	745.47	725.84	706.29	687.38
Total Working Capital	822.03	806.46	788.84	771.40	754.66
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	110.97	108.87	106.49	104.14	101.88

Capital Cost

10. The Commission vide order dated 29.2.2016 in Petition No. 502/TT/2014 had approved capital cost as on 1.4.2014 of ₹25288.95 lakh and capital cost as on 31.3.2019 of ₹25300.51 lakh including projected Additional Capital Expenditure (ACE) of ₹11.56 lakh for determination of transmission tariff of the 2014-19 tariff period. The



capital cost of the transmission assets had been calculated in accordance with Regulation 9(3) of the 2014 Tariff Regulations and it is as follows:

Capital Cost as on 1.4.2014	ACE		Capital Cost as on 31.3.2019
	2014-19		
25288.95	11.56		25300.51

11. The details of capital cost and ACE incurred upto 31.3.2019, as claimed by the Petitioner in respect of the Combined Asset are as follows:

Capital Cost (as on 31.3.2014)	ACE			Capital Cost (as on 31.3.2019)
	2014-15	2015-16	2016-17	
25288.95	49.46	7.56	6.30	25352.27

Initial Spares

12. The Petitioner has claimed the following Initial Spares in respect of Asset-I and has requested to revise the Initial Spares allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014 in light of the APTEL's judgment dated 14.9.2019 in Appeal 74 of 2017:

Particulars	Capital Cost (as on cut-off date i.e. 31.3.2015) (₹ in lakh)	Initial Spares Claimed (₹ in lakh)	Ceiling (in %)	Actual claimed (in%)
Transmission Line	17343.40	31.38	0.75	0.13
Sub-station	1060.56	25.22	2.50	2.43

13. We have considered the submissions of the Petitioner. As per the APTEL's judgment 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. The Petitioner has claimed the same amount towards Initial Spares which was allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014. Thus, no additional spares are required to be allowed in the instant petition.



14. The Petitioner in the instant petition has claimed the same capital cost of ₹25288.95 lakh as on 1.4.2014 which was allowed by the Commission vide order dated 29.2.2016. Accordingly, the admitted capital cost of ₹25288.95 lakh has been considered for working out the trued-up tariff for the 2014-19 tariff period.

Additional Capital Expenditure

15. The Commission vide order dated 29.2.2016 in Petition No. 502/TT/2014 had allowed ACE of ₹11.56 lakh for the Combined Asset in the 2014-19 period towards balance and retention payments in accordance with Regulation 14(1)(i) of the 2014 Tariff Regulations. The Petitioner has claimed ACE of ₹63.32 lakh based on actual expenditure. The Petitioner has submitted that ACE of ₹49.46 lakh for 2014-15 is on account of balance and retention payments due to un-discharged liability for works executed within the cut-off date and has been claimed under Regulation 14(1)(i) of the 2014 Tariff Regulations and ACE of ₹7.56 lakh for 2015-16 and of ₹6.30 lakh for 2016-17 is beyond the cut-off date and is on account of balance and retention payments due to un-discharged liability for works executed within the cut-off date and has been claimed under Regulation 14(3)(v) of the 2014 Tariff Regulations. The Petitioner was directed to submit the reason for higher ACE claimed in the instant petition than that allowed vide order dated 29.2.2016. In response, the Petitioner vide affidavit dated 4.5.2020 has submitted that the actual ACE of ₹63.32 lakh has been claimed on the basis of actual payments made to the contractor after receipt of final invoices from the contractor and incorporating the amendments/ reconciliation and has submitted the details as follows:



(₹ in lakh)

Head-wise/ Part-wise	Particulars	Year of Actual Capitalisation	Year		Reasons for payments beyond cutoff
			2015-16	2016-17	
M/s JSL	Bay extension work at 400/220 kV Wardha SS (Supply Potion)	2012-13	7.56	6.30	Few payments of M/s JSL have been withheld even after the cutoff date as few subcontractors who have worked under JSL requested POWERGRID to settle their dues with JSL, as JSL had gone into NCLT
	Bay extension work at 400/220 kV Wardha SS (Erection Potion)				Few minor Civil works at Wardha Sub-station were executed by local sub-contractors through M/s JSL. M/s JSL has gone into NCLT and haven't paid their dues/ pending liabilities. PGCIL after getting necessary consent from JSL and after verifying paid the balance amount to JSL & subcontractors. Hence, there was a delay in release of payments to JSL and its sub-contractors

16. The Petitioner has submitted that ACE allowed by the Commission was based on projections. While projecting the estimated ACE, contracts are not closed and the liabilities do not get finalized. However, in the instant true up petition, ACE is claimed on the basis of actual payments made to the contractor after receipt of final invoices from the contractor and incorporating the amendments. The Petitioner has further submitted that the actual ACE incurred after closing of contract may happen to be higher or lower than the estimated ACE prepared and submitted and the payments were made after submission of invoice and after reconciliation in accordance with contractual clause as per provisions of contract.

17. We have considered the submissions made by the Petitioner. ACE of ₹49.46 lakh for 2014-15 is on account of balance and retention payments due to undischarged liability for works executed within the cut-off date and has been allowed under Regulation 14(1)(i) of the 2014 Tariff Regulations. ACE of ₹7.56 lakh for 2015-



16 and of ₹6.30 lakh for 2016-17 is beyond the cut-off date and is on account of balance and retention payments due to un-discharged liability for works executed within the cut-off date and has been allowed under Regulation 14(3)(v) of the 2014 Tariff Regulations. In view of the above, ACE claimed by the Petitioner is allowed. The capital cost trued-up upto 31.3.2019 is as follows:

Capital Cost (as on 31.3.2014)	ACE			Capital Cost (as on 31.3.2019)
	2014-15	2015-16	2016-17	
25288.95	49.46	7.56	6.30	25352.27

(₹ in lakh)

Debt-Equity Ratio

18. The debt-equity ratio has been allowed in accordance with Regulations 19(1), 19(3) and 19(5) of the 2014 Tariff Regulations Accordingly, the details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 for the Combined Asset is as follows:

Funding	Capital Cost as on 1.4.2014 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)
Debt	17781.39	70.31	17825.71	70.31
Equity	7507.56	29.69	7526.56	29.69
Total	25288.95	100.00	25352.27	100.00

Depreciation

19. The depreciation claimed by the Petitioner for the Combined Asset is found to be higher than that allowed for the transmission assets vide order dated 29.2.2016 in Petition No. 502/TT/2014. The Petitioner has not explained any reason for claiming higher depreciation nor made any specific prayer in this regard. It is observed that the transmission assets were put into commercial operation during the 2009-14 period and the tariff from the respective dates of commercial operation to 31.3.2014 was allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014. It is noted that the higher depreciation claimed is in respect of IT equipment of sub-station though while claiming depreciation in Petition No. 502/TT/2014, depreciation for IT equipment was



not claimed separately. It was brought to our notice that a similar issue had come up in Petition No. 19/TT/2020 which was dealt by the Commission vide order dated 9.5.2020.

20. In terms of order dated 9.5.2020 in Petition No. 19/TT/2020, depreciation has been considered for IT Equipment @5.28% as part of the sub-station up to 31.3.2019 while truing up the capital expenditure for 2014-19 period. However, for the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 of the 2019 Tariff Regulations. The Gross Block during the 2014-19 tariff period has been depreciated at WAROD and working of WAROD is given at Annexure-I. WAROD has been worked out after taking into account the depreciation rates of transmission assets as prescribed in the 2014 Tariff Regulations and depreciation allowed during 2014-19 tariff period is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation					
Opening Gross Block	25288.95	25338.41	25345.97	25352.27	25352.27
ACE	49.46	7.56	6.30	0.00	0.00
Closing Gross Block	25338.41	25345.97	25352.27	25352.27	25352.27
Average Gross Block	25313.68	25342.19	25349.12	25352.27	25352.27
Weighted average rate of Depreciation (WAROD) (in %)	5.2668	5.2668	5.2668	5.2668	5.2668
Balance useful life of the asset (Year)	34	33	32	31	30
Lapsed Life (Year)	1	2	3	4	5
Aggregate Depreciable Value	22782.31	22807.97	22814.21	22817.04	22817.04
Combined Depreciation during the year	1333.22	1334.72	1335.09	1335.26	1335.26
Aggregate Cumulative Depreciation at the end of the year	3880.88	5215.60	6550.69	7885.95	9221.20
Remaining Aggregate Depreciable Value at the end of the year	18901.43	17592.37	16263.52	14931.10	13595.84



21. The details of depreciation allowed in respect of the Combined Asset vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner in the instant petition and trued-up in the instant order is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	1332.22	1332.52	1332.52	1332.52	1332.52
Claimed by the Petitioner in the instant petition	1340.43	1341.94	1342.30	1342.47	1342.47
Approved after true-up in this order	1333.22	1334.72	1335.09	1335.26	1335.26

Interest on Loan (IoL)

22. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual loan portfolio and rate of interest. MSEDCL has submitted that while calculating IoL, Weighted Average Rate of Interest (WAROI) should be considered but the Petitioner has considered the rate of interest on loan on annual basis for the period under consideration. In response, the Petitioner has submitted that for computing IoL in Form 9E, WAROI on loan as computed in Form 9C has been considered. In Form 9C, the WAROI on loan is computed considering the sum total of interest on all the loans deployed during the particular year divided by the sum total of average loans deployed during that year.

23. We have considered the submissions of the Petitioner and MSEDCL. Accordingly, IoL is calculated based on actual interest rate, in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of IoL allowed are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Loan					
Gross Normative Loan	17781.39	17816.01	17821.30	17825.71	17825.71
Cumulative Repayments up to Previous Year	2547.66	3880.88	5215.60	6550.69	7885.95
Net Loan-Opening	15233.73	13935.13	12605.70	11275.02	9939.77



Additions	34.62	5.29	4.41	0.00	0.00
Repayment during the year	1333.22	1334.72	1335.09	1335.26	1335.26
Net Loan-Closing	13935.13	12605.70	11275.02	9939.77	8604.51
Average Loan	14584.43	13270.42	11940.36	10607.40	9272.14
Weighted Average Rate of Interest on Loan (in %)	9.2661	9.2725	9.2717	9.2712	9.2708
Interest on Loan	1351.41	1230.50	1107.08	983.43	859.60

24. The details of IoL allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner in the instant petition and trued-up in the instant order is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	1350.18	1227.94	1104.33	980.77	857.19
Claimed by the Petitioner in the instant petition	1351.06	1229.50	1105.40	981.09	856.59
Approved after true-up in this order	1351.41	1230.50	1107.08	983.43	859.60

Return on Equity

25. The Petitioner has claimed RoE in respect of the Combined Asset in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that the Commission vide order dated 29.2.2016 in Petition No. 502/TT/2014 had allowed additional RoE of 0.5% for the transmission assets covered in the instant petition and has claimed additional RoE of 0.5% for the Combined Asset in the instant petition. The effective tax rate claimed by the Petitioner and grossed-up RoE claimed by the Petitioner considering base rate of RoE @16% is as follows:

Year	Claimed effective tax rate (in %)	Grossed-up RoE (in %) [(Base Rate/(1-t))]
2014-15	21.018	20.258
2015-16	21.382	20.351
2016-17	21.338	20.341
2017-18	21.337	20.341
2018-19	21.549	20.395



26. MPPMCL and MSEDCL have submitted that the Petitioner has grossed-up RoE on the basis of actual taxes paid during 2016-17 and 2017-18 and has not placed on record the assessment orders for 2016-17 and 2017-18. For 2018-19, the Petitioner has claimed grossed-up RoE and has not claimed the effective tax rate based on actual taxes paid for 2018-19 period. MPPMCL has further submitted that the Petitioner's Income Tax Assessment Orders for Financial Years 2016-17, 2017-18 and 2018-19 have not been finalized. MPPMCL has submitted that the Petitioner has neither submitted copy of assessment orders for 2014-15 and 2015-16 periods nor audited accounts in respect of actual taxes paid for 2016-17 and 2017-18 periods and in the absence of these essential documents, it is not possible to scrutinize the claim of the Petitioner in a proper way.

27. In response, the Petitioner has submitted that the Assessment Orders for years 2014-15, 2015-16 and 2016-17 have been issued by the Income Tax Department and Income Tax returns for years 2017-18 and 2018-19 have been filed. The Petitioner has further submitted that Assessment Orders for the years 2014-15 and 2015-16 have been submitted in response technical validation letter in Petition No. 20/TT/2020 and a copy of the Assessment Order for the year 2016-17 has been filed in the instant petition along with the rejoinder.

28. The Petitioner has submitted that grossed-up RoE (in %) and effective tax rate for the 2014-19 tariff period has already been allowed by the Commission. Further, the Petitioner requested to allow its claim of differential tariff on account of the trued-up RoE based on effective tax rate calculated as above and Income Tax assessment/ re-assessment for 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 on receipt of the respective assessment orders.



29. We have considered the submissions of the Petitioner, MPPMCL and MSEDCL. The Commission vide order dated 2.2.2021 Petition No. 312/TT/2020 had dealt with the issue raised by the Respondents. In terms of our findings in Petition No. 312/TT/2020, we do not find merit in the submissions made by MPPMCL and MSEDCL and the same are accordingly rejected.

30. The Commission vide 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 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

31. The same MAT rates as allowed vide order dated 27.4.2020 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. The Petitioner has claimed RoE for the 2014-19 period after grossing up RoE of 16.00% (15.50%+0.50%) with Effective Tax rates (based on MAT rates) each year. RoE is trued-up on the basis of MAT rate applicable in the respective years and is allowed for the Combined Asset as follows:

Year	Notified MAT rates (inclusive of surcharge & cess) (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate/(1-t))] (in %)	Base rate of RoE including additional RoE (in %)	Grossed-up RoE [(Base Rate including additional RoE/(1-t))] (in %)
2014-15	20.961	15.50	19.610	16.00	20.243
2015-16	21.342	15.50	19.705	16.00	20.341



2016-17	21.342	15.50	19.705	16.00	20.341
2017-18	21.342	15.50	19.705	16.00	20.341
2018-19	21.549	15.50	19.758	16.00	20.395

32. Accordingly, on the basis of Return on Equity (Base rate) allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, RoE as trued-up is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity					
Opening Equity	7507.56	7522.40	7524.67	7526.56	7526.56
Additions	14.84	2.27	1.89	0.00	0.00
Closing Equity	7522.40	7524.67	7526.56	7526.56	7526.56
Average Equity	7514.98	7523.53	7525.61	7526.56	7526.56
Return on Equity (Base Rate) (in %)	16.000	16.000	16.000	16.000	16.000
MAT Rate for respective year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	20.243	20.341	20.341	20.341	20.395
Return on Equity	1521.26	1530.36	1530.78	1530.98	1535.04

33. The details of RoE allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner in the instant petition and as trued-up in the instant order are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	1520.11	1520.46	1520.46	1520.46	1520.46
Claimed by Petitioner in the instant petition	1522.38	1531.12	1530.79	1530.98	1535.04
Approved after true-up in this Order	1521.26	1530.36	1530.78	1530.98	1535.04

Operation & Maintenance Expenses (O&M Expenses)

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

(₹ in lakh)					
O&M Expenses					
	2014-15	2015-16	2016-17	2017-18	2018-19
2 Numbers 400 kV Bays at Mauda (Ckt. I and Ckt. II)					
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Transmission line (400 kV D/C (Quad) Mauda-Wardha line)					
D/C Twin/Triple Conductor (km)	124.705	124.705	124.705	124.705	124.705



Norms (₹ lakh/km)	1.062	1.097	1.133	1.171	1.21
Total O&M Expenses (₹ in lakh)	253.04	261.40	270.03	279.05	288.31

35. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The norms specified in respect of the elements covered in the Combined Asset are as follows:

O&M Expenses					
	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Bay (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Transmission line					
D/C Bundled (4 or more conductor) (₹ lakh/km)	1.062	1.097	1.133	1.171	1.21

36. The O&M Expenses are allowed for the Combined Asset as per the norms specified in the 2014 Tariff Regulations and are as follows:

O&M Expenses					
	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV					
Number of bays	2	2	2	2	2
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Transmission line					
D/C Twin/Triple Conductor (km)	124.705	124.705	124.705	124.705	124.705
Norms (₹ lakh/km)	1.062	1.097	1.133	1.171	1.21
Total O&M Expenses (₹ in lakh)	253.04	261.40	270.03	279.05	288.31

37. The details of O&M Expenses allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner in the instant petition and as trued-up in the instant order is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	253.04	261.40	270.03	279.05	288.31
Claimed by the Petitioner in the instant petition	253.04	261.40	270.03	279.05	288.31
Approved after true-up in this order	253.04	261.40	270.03	279.05	288.31



Interest on Working Capital

38. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and the trued-up IWC approved for the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Working capital for O&M Expenses (O&M Expenses for 1 month)	21.09	21.78	22.50	23.25	24.03
Working capital for Maintenance Spares (15% of O&M Expenses)	37.96	39.21	40.50	41.86	43.25
Working capital for Receivables (Equivalent to 2 months of annual fixed cost)	761.62	744.28	724.89	705.46	686.66
Total Working Capital	820.66	805.28	787.90	770.57	753.94
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	110.79	108.71	106.37	104.03	101.78

39. The details of IWC allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner in the instant petition and as trued-up in the instant order are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	110.71	108.37	106.01	103.66	101.33
Claimed by the Petitioner in the instant petition	110.97	108.87	106.49	104.14	101.88
Approved after true-up in this order	110.79	108.71	106.37	104.03	101.78

Approved Annual Fixed Charges for the 2014-19 Tariff Period

40. The trued-up Annual Fixed Charges (AFC) approved for the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1333.22	1334.72	1335.09	1335.26	1335.26
Interest on Loan	1351.41	1230.50	1107.08	983.43	859.60
Return on Equity	1521.26	1530.36	1530.78	1530.98	1535.04
O&M Expenses	253.04	261.40	270.03	279.05	288.31



Interest on Working Capital	110.79	108.71	106.37	104.03	101.78
Total	4569.71	4465.70	4349.35	4232.74	4119.99

41. Accordingly, the Annual Transmission Charges allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014, as claimed by the Petitioner instant petition and as approved after truing up in the instant order is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 29.2.2016 in Petition No. 502/TT/2014	4566.25	4450.69	4333.35	4216.46	4099.81
Claimed by the Petitioner in the instant petition	4577.88	4472.83	4355.01	4237.73	4124.29
Approved after true-up in this order	4569.71	4465.70	4349.35	4232.74	4119.99

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

42. The Petitioner has claimed the following transmissions charges for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1342.05	1331.32	1331.32	1331.32	1331.32
Interest on Loan	732.11	608.15	484.69	362.16	239.48
Return on Equity	1413.64	1413.64	1413.64	1413.64	1413.64
Interest on Working Capital	62.55	61.02	59.52	58.05	56.45
O&M Expenses	231.65	239.65	247.97	256.63	265.49
Total	3782.00	3653.78	3537.14	3421.80	3306.38

43. The details of IWC claimed by the Petitioner for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	19.30	19.97	20.66	21.39	22.12
Maintenance Spares	34.75	35.95	37.20	38.49	39.82
Receivables	465.00	450.47	436.09	421.87	406.52
Total Working Capital	519.05	506.39	493.95	481.75	468.46
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	62.55	61.02	59.52	58.05	56.45

Capital Cost

44. Regulation 19 of 2019 Tariff Regulations provide as follows:-

“19. Capital Cost: (1) The Capital cost of the generating station or the transmission



system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.

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

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

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

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



- handling and transportation facility;*
- (e) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and*
- (f) *Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*
- (4) *The capital cost in case of existing or new hydro generating station shall also include:*
- (a) *cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and*
- (b) *cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.*
- (5) *The following shall be excluded from the capital cost of the existing and new projects:*
- (a) *The assets forming part of the project, but not in use, as declared in the tariff petition;*
- (b) *De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:*
- Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be de-capitalised only after its redeployment;*
- Provided further that unless shifting of an asset from one project to another is of permanent nature, there shall be no de-capitalization of the concerned assets.*
- (c) *In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;*
- (d) *Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and*
- (e) *Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment."*

45. The Petitioner has claimed the opening capital cost of ₹25352.27 lakh as on 1.4.2019. The same has been worked out by the Commission and considered as opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.



Additional Capital Expenditure

46. The Petitioner has not projected any ACE during the 2019-24 tariff period for the Combined Asset. Accordingly, the capital cost considered for the 2019-24 tariff period is as follows:

(₹ in lakh)		
Total Capital Cost (as on 1.4.2019)	ACE (2019-24)	Total Capital Cost (as on 31.3.2024)
25352.27	0.00	25352.27

Debt-Equity Ratio

47. Regulation 18 of the 2019 Tariff Regulations provides as follows:-

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

Provided that:

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

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

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

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

Provided that in case of a generating station or a transmission system including



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

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

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

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

48. The debt-equity considered for the purpose of computation of tariff for the 2019-24 tariff period is as follows:

Funding	(₹ in lakh)			
	Capital Cost (as on 1.4.2019)	(in %)	Capital Cost (as on 31.3.2024)	(in %)
Debt	17825.71	70.31	17825.71	70.31
Equity	7526.56	29.69	7526.56	29.69
Total	25352.27	100.00	25352.27	100.00

Depreciation

49. Regulation 33 of the 2019 Tariff Regulations provides as follows:

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

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

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



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

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

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

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

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

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

*(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-I** to these regulations for the assets of the generating station and transmission system:*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

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

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

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

50. The Petitioner has claimed depreciation in terms of Regulation 33(5) of the 2019 Tariff Regulations. We have considered the submissions of the Petitioner. The IT equipment has been considered as a part of the Gross Block and depreciated using



WAROD. WAROD has been worked out and placed at Annexure-II after taking into account the depreciation rates of IT and non-IT assets as specified in the 2019 Tariff Regulations. The salvage value of IT equipment has been considered nil, i.e. IT asset has been considered as 100% depreciable. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The depreciation allowed in respect of the Combined Asset is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation					
Opening Gross Block	25352.27	25352.27	25352.27	25352.27	25352.27
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	25352.27	25352.27	25352.27	25352.27	25352.27
Average Gross Block	25352.27	25352.27	25352.27	25352.27	25352.27
Weighted Average Rate of Depreciation (WAROD) (in %)	5.2953	5.2953	5.2953	5.2953	5.2953
Balance useful life of the asset at the beginning of year (Year)	29	28	27	26	25
Lapsed life at the beginning of the year (Year)	6	7	8	9	10
Aggregate Depreciable value	22824.48	22824.48	22824.48	22824.48	22824.48
Depreciation during the year	1342.48	1342.48	1342.48	1342.48	1342.48
Aggregate Cumulative Depreciation at the end of the year	10563.68	11906.16	13248.64	14591.12	15933.60
Remaining Depreciable Value Total at the end of the year	12260.79	10918.31	9575.83	8233.35	6890.87

Interest on Loan

51. Regulation 32 of the 2019 Tariff Regulations provides that:-

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

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

(3) *The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.*



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

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

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

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

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

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

52. MSEDCL has submitted that while calculating the interest on loan, WAROI should be considered but the Petitioner has considered the rate of interest on loan on annual basis for the period under consideration. In response, the Petitioner has submitted that for computing interest on loan in Form 9E, WAROI on loan as computed in Form 9C has been considered. In Form 9C, the weighted average interest on loan is computed considering the sum total of interest on all the loans deployed during a particular year divided by the sum total of average loans deployed during that year.

53. We have considered the submissions of the Petitioner and MSEDCL. The Weighted Average Rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up. In view of the above, IoL has been worked out in accordance with Regulation 32 of



the 2019 Tariff Regulations. IoL allowed in respect of the Combined Asset is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	17825.71	17825.71	17825.71	17825.71	17825.71
Cumulative Repayments up to Previous Year	9221.20	10563.68	11906.16	13248.64	14591.12
Net Loan-Opening	8604.51	7262.03	5919.55	4577.07	3234.59
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	1342.48	1342.48	1342.48	1342.48	1342.48
Net Loan-Closing	7262.03	5919.55	4577.07	3234.59	1892.11
Average Loan	7933.27	6590.79	5248.31	3905.83	2563.35
Weighted Average Rate of Interest on Loan (in %)	9.2702	9.2695	9.2686	9.2906	9.3299
Interest on Loan	735.43	610.93	486.44	362.88	239.16

Return on Equity

54. Regulations 30 and 31 of the 2019 Tariff Regulations specify as follows:

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

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

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

Provided further that:

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



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

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

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

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

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

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

Illustration-

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

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

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

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

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



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

55. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. MSEDCL has submitted that the Petitioner while calculating RoE has considered MAT rate at 18.5% for the entire period but it has been already declared that MAT rate for 2019-20 is @15%. Thus, it would change the Effective Tax Rate. This would in turn affect the grossed-up RoE rate and thereby the entire truing-up for the period under consideration. In response, the Petitioner has submitted that in Form 8 submitted along with the instant petition for the 2019-24 tariff period, RoE has been correctly calculated @18.782% after grossing up the RoE with MAT rate of 17.472% (i.e. using the reduced Base MAT Rate of 15% + Surcharge 12% + Cess 4%) based on the formula given in Regulation 31(2) of the 2019 Tariff Regulations.

56. We have considered the submission of the Petitioner and MSEDCL. Accordingly, MAT rate applicable in 2019-20 has been considered for the purpose of RoE, which shall be trued-up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed for the Combined Asset for the 2019-24 tariff period is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	7526.56	7526.56	7526.56	7526.56	7526.56
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	7526.56	7526.56	7526.56	7526.56	7526.56
Average Equity	7526.56	7526.56	7526.56	7526.56	7526.56
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
Return on Equity	1413.64	1413.64	1413.64	1413.64	1413.64



Operation & Maintenance Expenses

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

(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
2 Numbers 400 kV Bays at Mauda (Ckt. I & Ckt. II)					
Claimed	64.30	66.56	68.90	71.32	73.82
Transmission line (400 kV D/C (Quad) Maudha-Wardha line)					
Claimed	164.86	170.60	176.58	182.82	189.18
PLCC claimed (2% of ₹ 124.71 lakh)	2.49	2.49	2.49	2.49	2.49
Total O&M Expenses (₹ in lakh)	231.65	239.65	247.97	256.63	265.49

58. Regulation 35(3)(a) and 33(4) of the 2019 Tariff Regulations provide as follows:

“35 Operation and Maintenance Expenses (3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the transmission system:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more)	1.322	1.368	1.416	1.466	1.517



sub-conductors)					
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole heme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);



iv. the O&M expenses of ± 800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ± 800 kV, Bishwanath-Agra HVDC bi-pole scheme;

v. the O&M expenses of ± 800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ± 800 kV, Bishwanath-Agra HVDC bi-pole scheme; and

vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three year

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification."

"(4) Communication system: *The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up."*

59. We have considered the submissions of the Petitioner. The Petitioner has claimed O&M Expenses separately for PLCC under Regulation 35(4) of the 2019 Tariff Regulations @2% of its original project cost in the instant petition. The Petitioner has made similar claim in other petitions as well. Though PLCC is a communication system, it has been considered as part of the sub-station in the 2014 Tariff Regulations and the 2019 Tariff Regulations and the norms for sub-station have been specified accordingly. Accordingly, the Commission vide order dated 24.1.2021 in Petition No. 126/TT/2020 had concluded that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though



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

60. The O&M Expenses allowed for the Combined Asset are as follows:

O&M Expenses					
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV					
Number of bays	2	2	2	2	2
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line					
D/C Twin/Triple Conductor (km)	124.705	124.705	124.705	124.705	124.705
Norms (₹ lakh/km)	1.322	1.368	1.416	1.466	1.517
Total O&M Expense (₹ in lakh)	229.16	237.16	245.48	254.14	263.00

Interest on Working Capital

61. Regulations 34(1)(c), 34(3), 34(4) and Regulation 3(7) of the 2019 Tariff Regulations deals with

“34. Interest on Working Capital:

(1) ...

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

- (i) Receivables equivalent to 45 days of annual fixed cost;*
- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and*
- (iii) Operation and maintenance expenses, including security expenses for one month.”*

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.”

“(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.”



“3. Definitions ...

(7) ‘**Bank Rate**’ means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

62. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, ROI for 2020-21 has been considered as 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) whereas, ROI for 2021-22 onwards has been considered as 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points). The components of the working capital and interest allowed thereon is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Working capital for O&M Expenses (O&M Expenses for 1 month)	19.10	19.76	20.46	21.18	21.92
Working capital for Maintenance Spares (15% of O&M Expenses)	34.37	35.57	36.82	38.12	39.45
Working capital for Receivables (Equivalent to 45 days of annual transmission charges)	465.15	451.38	436.42	422.10	406.65
Total Working Capital	518.62	506.72	493.70	481.40	468.02
Rate of Interest (in %)	12.05	11.25	10.50	10.50	10.50
Interest on Working Capital	62.49	57.01	51.84	50.55	49.14

Annual Fixed Charges for the 2019-24 Tariff Period

63. The transmission charges allowed for the Combined Asset for the 2019-24 tariff period are as follows:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1342.48	1342.48	1342.48	1342.48	1342.48
Interest on Loan	735.43	610.93	486.44	362.88	239.16
Return on Equity	1413.64	1413.64	1413.64	1413.64	1413.64
O&M Expenses	229.16	237.16	245.48	254.14	263.00
Interest on Working Capital	62.49	57.01	51.84	50.55	49.14
Total	3783.20	3661.21	3539.88	3423.68	3307.42

Filing Fee and the Publication Expenses

64. The Petitioner has sought 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 & RLDC Fees and Charges

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

Goods and Services Tax

66. 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 claim from Government/ Statutory authorities, the same may be allowed to be recovered from the beneficiaries.



67. MSEDCL have submitted that the Petitioner has prayed to bill and recover GST on transmission charges separately from the Respondents, if GST on transmission is levied at any rate in future. Further, has also demanded that 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. MSEDCL has submitted that the demand of the Petitioner at this stage is pre-mature. Further, if GST is levied at any rate and at any point of time in future, the same may be claimed in the next truing-up petition. MSEDCL has further submitted that the Petitioner raised such claim in Petition No. 40/TT/2018 and the Commission vide order dated 15.11.2018 had rejected the said prayer as the same was premature.

68. MPPMCL has submitted that the claim of the Petitioner is premature and need not be considered at this juncture. In response to contentions of MSEDCL and MPPMCL, the Petitioner has submitted that under CGST Act, 2017 has been implemented w.e.f. 1.7.2017. The Govt. of India has exempted the charges of transmission of electricity vide Notification No. 12/2017-Central Tax (Rate) dated 28.6.2017 at Sl. No. 25 under the heading 9969 "Transmission or distribution of electricity by an electric transmission or distribution utility" by giving applicable GST rate NIL. Hence, the transmission charges as indicated in the instant petition are exclusive of GST. Further, if GST is levied at any rate and at any point of time in future on charge of transmission of electricity, the same shall be borne and additional 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.



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

Security Expenses

70. The Petitioner has submitted that security expenses in respect of the transmission assets/ Combined Asset are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC.

71. We have considered the above submissions of Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission vide order dated 3.8.2021 in Petition No. 260/MP/2020 approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the order dated 3.8.2021 in Petition No. 260/MP/2020. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares

72. 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

73. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission system was governed by the Central Electricity Regulatory Commission



(Sharing of Transmission Charges and Losses) Regulations, 2010. With effect from 1.11.2020, sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through Bill-2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. Billing, collection and disbursement of transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

74. To summarise:

- a) The trued-up AFC approved in respect of the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
4569.71	4465.70	4349.35	4232.74	4119.99

- b) AFC allowed in respect of the Combined Asset for the 2019-24 tariff period in the instant order are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
3783.20	3661.21	3539.88	3423.68	3307.42

75. Annexure-I and Annexure-II given hereinafter shall form part of the order.

76. This order disposes of Petition No. 43/TT/2020 in terms of the above discussions and findings.

sd/-
(Pravas Kumar Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member



ANNEXURE-I

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014/COD (₹ in lakh)	Additional Capitalisation (₹ 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)					
		2015-16	2016-17	Total			2014-15	2015-16	2016-17	2017-18	2018-19	
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	-	3.34%	-	-	-	-	-	-
Building Civil Works & Colony	239.89	-	-	-	239.89	3.34%	8.01	8.01	8.01	8.01	8.01	8.01
Transmission Line	23972.98	-	-	-	23972.98	5.28%	1265.77	1265.77	1265.77	1265.77	1265.77	1265.77
Sub Station	877.04	7.56	6.30	63.32	940.36	5.28%	47.61	49.12	49.48	49.65	49.65	49.65
PLCC	124.71	-	-	-	124.71	6.33%	7.89	7.89	7.89	7.89	7.89	7.89
IT Equipment (Incl. Software)	74.33	-	-	-	74.33	5.28%	3.92	3.92	3.92	3.92	3.92	3.92
Total	25288.95	7.56	6.30	63.32	25352.27		1333.22	1334.72	1335.09	1335.26	1335.26	1335.26
Average Gross Block (₹ in lakh)							25313.68	25342.19	25349.12	25352.27	25352.27	25352.27
Weighted Average Rate of Depreciation							5.27%	5.27%	5.27%	5.27%	5.27%	5.27%

ANNEXURE-II

2019-24 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)		Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)					
		2019-20	Total			2019-20	2020-21	2021-22	2022-23	2023-24	
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	3.34%	-	-	-	-	-	-
Building Civil Works & Colony	239.89	-	-	239.89	3.34%	8.01	8.01	8.01	8.01	8.01	8.01
Transmission Line	23972.98	-	-	23972.98	5.28%	1265.77	1265.77	1265.77	1265.77	1265.77	1265.77
Sub Station	940.36	-	-	940.36	5.28%	49.65	49.65	49.65	49.65	49.65	49.65
PLCC	124.71	-	-	124.71	6.33%	7.89	7.89	7.89	7.89	7.89	7.89
IT Equipment (Incl. Software)	74.33	-	-	74.33	15.00%	11.15	11.15	11.15	11.15	11.15	11.15
Total	25352.27	-	-	25352.27		1342.48	1342.48	1342.48	1342.48	1342.48	1342.48
Average Gross Block (₹ in lakh)						25352.27	25352.27	25352.27	25352.27	25352.27	25352.27
Weighted Average Rate of Depreciation						5.30%	5.30%	5.30%	5.30%	5.30%	5.30%

