

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 581/TT/2020

Coram:

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

Date of Order : 28.09.2021

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 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for **Combined Asset-A** comprising of **Asset-I:** 01 Number of 12 Ω Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Sub-station along with associated bays and **Asset-II:** 01 Number of 12 Ω Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Sub-station along with associated bays, 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-I and 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-II under the scheme Provision of Series Reactors in Northern Region.

And in the matter of:

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

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302005 (Rajasthan).
2. Ajmer Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub- station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
3. Jaipur Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
4. Jodhpur Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub-station Building,



Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).

5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171004 (Himachal Pradesh).
6. Punjab State Electricity Board,
Thermal Shed Tia, Near 22 Phatak,
Patiala-147001 (Punjab).
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula-134109 (Haryana).
8. Power Development Department,
Government of Jammu & Kashmir,
Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001 (Uttar Pradesh).
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002.
11. BSES Yamuna Power Limited,
B-Block, Shakti Kiran Bldg. (Near Karkadooma Courts),
Karkadooma 2nd Floor,
New Delhi-110092.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi-110019.
13. Tata Power Delhi Distribution Limited,
NDPL house, Hudson Lines Kingsway Camp
Delhi-110009.
14. Chandigarh Administration,
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun (Uttarakhand).
16. North Central Railway,
Allahabad (Uttar Pradesh).



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

.....Respondent(s)

For Petitioner : Shri S. S. Raju, PGCIL
Shri D. K. Biswal, PGCIL
Shri V. P. Rastogi, PGCIL
Shri Amit Yadav, PGCIL

For Respondents : None

ORDER

The Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, has filed the instant petition for truing up of the transmission tariff for the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of the 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 following transmission assets forming part of the **Combined Asset-A** under the scheme Provision of Series Reactors in Northern Region (hereinafter referred to as “the transmission scheme”):

Asset-I: 01 Number of 12 Ω Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Sub-station along with associated bays; and

Asset-II: 01 Number of 12 Ω Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Sub-station along with associated bays, 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-I and 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-II.

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

- “1) Approve the actual Additional Capitalisation expenditure incurred during 2014-19 tariff block and projected add cap during 2019-24 block, as claimed at para 9.5 and para 11.4 above.
- 2) Approve the trued-up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition as per para 10.1 & 11.5 respectively.



- 3) *Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before Hon'ble Commission as provided in Tariff Regulations, 2014 and Tariff Regulations, 2019.*
- 4) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*
- 5) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the beneficiaries in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 6) *Allow the Petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the beneficiaries.*
- 7) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses.*
- 8) *Allow the Petitioner to claim the capital spares at the end of tariff block as per actual.*
- 9) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the beneficiaries, if GST on transmission is withdrawn from negative list at any time in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

3. **Backdrop of the case:**

- a) The scope of the transmission scheme was discussed and agreed in the 32nd Standing Committee Meeting on Transmission System Planning of Northern Region held on 31.8.2013 at NRPC, Delhi. Subsequently, the transmission scheme was discussed and agreed for implementation in the 27th TCC meeting and 30th NRPC meeting held on 27th and 28th February 2014 respectively at Agra;
- b) The Investment Approval (I.A.) for implementation of the transmission scheme was accorded by the Board of Directors of the Petitioner company in 332nd meeting held on 19.8.2016 for ₹17752.00 lakh, including IDC of ₹1067.00



lakh (based on April 2016 price level) (communicated vide Memorandum No. C/CP/series reactors in NR dated 29.8.2016);

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

Sub-station:

- i. 01 Number of 12 Ω Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Sub-station along with associated bays; and
- ii. 01 Number of 12 Ω Series Bus Reactor at Ballabhgarh 400/220 kV (POWERGRID) Sub-station along with associated bays.

Transmission Line:

- i. 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-I; and
- ii. 01 Number Series Line Reactor of 12 Ω in Dadri-Mandola 400 kV, Ckt.-II.

d) The entire scope of work is complete and is covered in this petition. The Petitioner has given the nomenclature of the transmission asset as Combined Asset-A in the instant petition, whereas it was called Combined Asset in the previous Petition No. 312/TT/2018.

e) As per the I.A. dated 29.8.2016, the transmission scheme was scheduled to be put into commercial operation on 28.2.2019. The Petitioner had filed Petition No. 312/TT/2018 seeking approval of the transmission tariff for the Combined Asset.

f) In Petition No. 312/TT/2018, the Petitioner vide affidavit dated 8.3.2019 had bifurcated the Combined Asset into Asset-I and Asset-II with their actual COD being claimed as 4.11.2018 and 7.12.2018 respectively.

g) The transmission tariff of the Combined Asset comprising of Asset-I and Asset-II for the 2014-19 tariff period was allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018.

4. The Respondents are distribution licensees, power departments, power utilities and transmission licensees, which are procuring transmission services from the Petitioner, mainly beneficiaries of Northern 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 received from the general public in response to the aforesaid notices published in the newspapers. None of the Respondents have filed reply in the matter.

6. The hearing in this matter was held on 6.7.2021 through video conference and the order was reserved.

7. This order is issued considering the submissions of the Petitioner in the petition vide affidavit dated 13.12.2019, Petitioner's affidavits dated 12.2.2021 and 29.7.2021 filed in response to technical validation letter dated 28.1.2021 and Record of Proceedings dated 6.7.2021 respectively.

8. Having heard the representatives of the Petitioner and after perusal of the materials the materials on record, we proceed to dispose of the petition.

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

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

Particulars	(₹ in lakh)	
	Asset-I 2018-19 (Pro-rata 148 days)	Asset-II 2018-19 (Pro-rata 115 days)
Depreciation	66.90	109.68
Interest on Loan	66.79	110.51
Return on Equity	75.11	123.14
Interest on Working Capital	5.72	10.36
O&M Expenses	27.86	64.95
Total	242.38	418.64

10. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission assets are as follows:



(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
O&M Expenses	5.73	17.18
Maintenance Spares	10.31	30.92
Receivables	99.63	221.45
Total Working Capital	115.67	269.55
Rate of Interest (in %)	12.20	12.20
Interest on Working Capital	5.72	10.36

Capital Cost

11. The Commission vide order dated 4.9.2019 in Petition No. 312/TT/2018 had allowed capital cost of ₹2818.08 lakh for Asset-I and ₹5983.40 lakh for Asset-II as on COD and projected Additional Capital Expenditure (ACE) of ₹907.99 lakh for Asset-I and ₹1755.12 lakh for Asset-II for determination of transmission tariff of the 2014-19 tariff period. The capital cost of the transmission assets has been calculated in accordance with Regulation 9(3) of the 2014 Tariff Regulations and it is as follows:

(₹ in lakh)

Asset	Apportioned approved Capital Cost (as per FR)	Admitted Capital Cost (as on COD)	Admitted ACE (2018-19)	Admitted Capital Cost (as on 31.3.2019)
Asset-I	4957.83	2818.01	907.99	3726.00
Asset-II	12794.18	5983.40	1755.12	7738.52

12. The details of the apportioned approved cost, capital cost as on COD and estimated ACE incurred or projected to be incurred during the 2014-19 and 2019-24 tariff periods along with estimated completion cost as claimed by the Petitioner in the Auditor's Certificate for the transmission assets are as follows:

(₹ in lakh)

Asset	Apportioned Approved Capital Cost (as per FR)	Actual Capital Cost as on COD	ACE for 2018-19	ACE for 2019-2020	ACE for 2020-2021	Total Capital Cost as on 31.3.2019
Asset-I	4957.83	2943.79	461.10	100.00	400.00	3904.89
Asset-II	12794.18	6372.92	681.20	400.00	900.00	8354.12
Total	17752.01	9316.71	1142.30	500.00	1300.00	12259.01



Cost Over-run

13. We have observed that the estimated completion cost of the transmission assets as on 31.3.2019 including ACE is within the FR apportioned approved capital cost. Therefore, there is no cost over-run.

Time Over-run

14. As per the I.A. dated 29.8.2016, the transmission scheme was scheduled to be put into commercial operation on 28.2.2019 against which Asset-I and Asset-II forming part of the Combined Asset were put into commercial operation on 4.11.2018 and 7.12.2018 respectively. Hence, there is no time over-run.

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

15. The Petitioner has claimed IDC for the transmission assets and has submitted the statement showing IDC claimed, discharge of IDC liability as COD and thereafter as follows:

Asset	IDC (as per Auditor's Certificate)	IDC (discharged up to COD)	IDC (discharged)	
			2018-19	2019-20
			Asset-I	124.07
Asset-II	283.45	57.14	212.35	13.96
Total	407.52	86.77	303.13	17.62

16. The Petitioner has submitted IDC computation statement which contains name of the loan, drawl date, loan amount, interest rate and interest claimed. IDC is worked out based on the details given in the IDC statement. Further, the loan amount as on COD has been mentioned in Form-6 and Form-9C. On scrutiny of the documents, certain discrepancies have been noticed such as mismatch in loan amount between IDC statement and in Form-6 and Form-9C. The allowable IDC is worked out based on the information available on record and relying on loan amount as per tariff Form-9C.



17. IDC allowed as on COD and thereafter for the purpose of tariff determination is as follows:

(₹ in lakh)					
Asset	IDC (as per Auditor's Certificate)	IDC (disallowed due to computational difference)	IDC (allowed in the instant order)	IDC (discharged up to COD)	IDC (un- discharged as on COD)
Asset-I	124.07	0.80	123.27	28.87	94.39
Asset-II	283.45	0.00	283.45	57.14	226.31
Total	407.52	0.80	406.72	86.01	320.70

18. The Petitioner has submitted that entire IEDC amount mentioned in the Auditor Certificate for the transmission assets is on cash basis and is paid up to COD. IEDC details considered for the purpose of tariff calculation are as follows:

(₹ in lakh)		
Asset	IEDC (as per Auditor's Certificate)	IEDC considered (up to COD)
Asset-I	13.69	13.69
Asset-II	29.36	29.36
Total	43.05	43.05

Initial Spares

19. The Petitioner has claimed Initial Spares for the transmission assets in accordance with Regulation 13(d) of the 2014 Tariff Regulations subject to the following ceiling norms:

- “(d) Transmission system
 (i) Transmission line - 1.00%
 (ii) Transmission Sub-station (Green Field) - 4.00%
 (iii) Transmission Sub-station (Brown Field) - 6.00%
 (iv) Series Compensation devices and HVDC Station - 4.00%
 (v) Gas Insulated Sub-station (GIS) - 5.00%

20. The Petitioner has claimed Initial Spares of ₹175.02 lakh and ₹365.98 lakh for sub-stations pertaining to Asset-I and Asset-II respectively.

21. The Petitioner has submitted Initial Spares discharged as follows:



(₹ in lakh)

Particulars	Asset-I	Asset-II
Total Value of Initial Spares	175.02	365.98
Actual Expenditure up to COD	145.22	303.68
Expenditure COD to 31.3.2019	5.15	5.15
Balance Estimated Expenditure	24.65	57.15

22. The Commission, vide RoP dated 6.7.2021, directed the Petitioner to submit detailed reasons/ clarifications with respect to the variations in admitted cost and actual cost claimed. The Petitioner vide affidavit dated 29.7.2021 has submitted that Auditor's Certificates are prepared on cash basis means that amount of Initial Spares is booked in expenditure of respective years as per their discharge or whenever they are procured. The Petitioner has further submitted that while allowing capital cost as on COD in order dated 4.9.2019 in Petition No. 312/TT/2018, an error occurred in deducting Initial Spares of ₹31.34 lakh and ₹163.21 lakh pertaining to Asset-I and Asset-II respectively from COD cost which were incurred during 2018-19 and 2019-20 which may be deducted now from ACE of 2018-19 and 2019-20 respectively. The Petitioner has further submitted that based on the re-calculation of Initial Spares in the instant petition due to revised capital cost and discharge summary of Initial Spares, the excess Initial Spares of ₹0.70 lakh in 2018-19 and ₹24.65 lakh in 2019-20 has been deducted for Asset-I and ₹46.17 lakh in 2019-20 has been deducted for Asset-II. Accordingly, there are variations in admitted cost and actual cost claimed in the instant petition.

23. We have considered the submissions of the Petitioner. Initial Spares claimed by the Petitioner for the transmission assets is in excess of the permissible limits and Initial Spares for Asset-I and Asset-II are restricted to the ceiling of 4% under green-field sub-station. The details of Initial Spares allowed are as follows:



(₹ in lakh)

Asset	Plant & Machinery cost up to cut-off date (excluding IDC and IEDC) (A)	Initial Spares claimed by the Petitioner (B)	Ceiling limit (in %) (C)	Initial Spares worked out	Initial Spares allowed in this order
				$D = \frac{[(A-B)*C]}{(100-C)}$	
Asset-I	3767.13	175.02	4.0	149.67	149.67
Asset-II	8041.31	365.98	4.0	319.81	319.81

24. Further, we have considered Initial Spares discharge summary as submitted by the Petitioner. We have determined the excess Initial Spares to be deducted from ACE which are as follows:

(₹ in lakh)

Asset	2018-19	2019-20	Total
Asset-I	0.70	24.65	25.35
Asset-II	0.00	46.17	46.17

25. Accordingly, the details of capital cost allowed as on COD after adjustment of IDC, IEDC and Initial Spares are as follows:

(₹ in lakh)

Asset	Capital Cost (as per Auditor Certificate) (A)	Un-discharged IDC (as on COD) (B)	IDC Disallowed (due to computational difference) (C)	Excess Initial Spares disallowed (E)	Capital Cost allowed (as on COD) (E) = (A-B-C-D)
Asset-I	2943.79	94.39	0.80	0.00	2848.59
Asset-II	6372.92	226.31	0.00	0.00	6146.61

Additional Capital Expenditure

26. In accordance with Regulation 3(13) of the 2014 Tariff Regulations, the cut-off date for the Combined Asset comprising of Asset-I and Asset-II is 31.3.2021.

27. The Commission vide order dated 4.9.2019 in Petition No. 312/TT/2018 had allowed ACE of ₹907.99 lakh for Asset-I and ₹1755.12 lakh for Asset-II for the 2014-19 period towards balance and retention payments. The Petitioner in the instant petition has claimed ACE during the 2014-19 period as follows:



(₹ in lakh)

Asset	Capital Cost allowed (as on COD)	ACE*	Estimated Completion Capital Cost allowed (as on 31.3.2019)
		2018-19	
Asset-I	2849.35	551.18	3400.53
Asset-II	6146.61	893.55	7040.16

*Inclusive of IDC allowed on cash basis

28. The Petitioner has submitted that ACE for 2018-19 has been claimed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations on account of balance and retention payments and balance work deferred for execution.

29. Vide technical validation letter dated 28.1.2021, the Petitioner was asked to submit the reasons for change in ACE of ₹551.18 lakh and ₹893.55 lakh for Asset-I and Asset-II respectively *vis-à-vis* ₹907.99 lakh and ₹1755.12 lakh as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018. In response, the Petitioner vide affidavit dated 12.2.2021 has submitted that the allowed ACE vide order dated 4.9.2019 in Petition No. 312/TT/2018 were based on the projections and at that time, contracts were not closed and liabilities were pending to be finalised. However, ACE claimed in the instant petition are based on actual payments made to the contractor after receipt of final invoices from the contractor, incorporating the amendments and reconciliation in accordance with the provisions of the contract.

30. Regarding performance of the transmission system and reason for claiming ACE during the 2014-19 and 2019-24 periods for unexecuted works, the Petitioner during the hearing on 6.7.2021 submitted that the system is under operation/ being utilised and ACE claimed pertains to payments made for work executed before the cut-off date. The Commission further directed the Petitioner to appropriately specify the details pertaining to ACE claimed in the petition. In response, the Petitioner vide affidavit dated 29.7.2021 submitted that ACE of ₹461.10 lakh and ₹681.20 lakh during 2018-19 for Asset-I and Asset -II respectively claimed in the instant true-up petition is



as per actual expenditure incurred and ACE claimed for the transmission assets during 2019-20 and 2020-21 is estimated expenditure. The Petitioner has further submitted that the details of ACE for the transmission assets has been provided in Form-7 of the Petition and flow of liability statement as desired by the Commission has also been submitted in reply dated 12.2.2021 to TV letter.

31. We have considered the submissions of the Petitioner. ACE claimed by the Petitioner has been allowed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations as it is towards balance and retention payments and balance work deferred for execution. The entitled un-discharged IDC liability as on COD has been allowed as ACE during the year of its discharge. ACE allowed for the transmission assets from COD to 31.3.2019 is as follows:

Asset	ACE (as per Auditor's Certificate)	IDC Discharged (during 2018-19)	Excess Initial Spares (during 2018-19)	ACE (during 2018-19)
	2018-19			(₹ in lakh)
Asset-I	461.10	90.78	0.70	551.18
Asset-II	681.20	212.35	0.00	893.55

32. The details of the capital cost allowed as on COD, ACE during the 2014-19 period and capital cost as on 31.3.2019 for the transmission assets are as follows:

Asset	Capital Cost (as on COD)	ACE (including IDC discharged)	Capital Cost (as on 31.3.2019)
		2018-19	
Asset-I	2848.59	551.18	3399.78
Asset-II	6146.61	893.55	7040.16
Total	8995.20	1444.73	10439.94

Debt-Equity Ratio

33. The debt-equity ratio has been considered in accordance with Regulations 19(1), 19(3) and 19(5) of the 2014 Tariff Regulations. The debt-equity ratio of 70:30 has been considered for ACE allowed during 2014-19 period in accordance to Regulation 19(3) of the 2014 Tariff Regulations.



34. The details of the debt-equity ratio as on COD and 31.3.2019 for the transmission assets is as follows:

Asset-I

(₹ in lakh)

Funding	Capital cost (as on COD)	(in %)	ACE (during 2014-19)	(in %)	Total cost (as on 31.3.2019)	(in %)
Debt	1994.02	70.00	385.83	70.00	2379.84	70.00
Equity	854.58	30.00	165.35	30.00	1019.93	30.00
Total	2848.59	100.00	551.18	100.00	3399.77	100.00

Asset-II

(₹ in lakh)

Funding	Capital Cost (as on COD)	(in %)	ACE (during 2014-19)	(in %)	Total cost (as on 31.3.2019)	(in %)
Debt	4302.63	70.00	625.49	70.00	4928.11	70.00
Equity	1843.98	30.00	268.07	30.00	2112.05	30.00
Total	6146.61	100.00	893.55	100.00	7040.16	100.00

Depreciation

35. The depreciation has been worked out as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. The Gross Block during the 2014-19 tariff period has been depreciated at Weighted Average Rate of Depreciation (WAROD). WAROD at Annexure-I has been worked out after considering the depreciation rates of assets as specified in the 2014 Tariff Regulations. The trued-up depreciation allowed for the transmission assets during 2014-19 is as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Opening Gross Block	2848.59	6146.61
ACE	551.18	893.55
Closing Gross Block	3399.78	7040.16
Average Gross Block	3124.18	6593.39
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28
Balance useful life of the asset beginning of the year (Year)	25	25
Lapsed life at the beginning of the year (Year)	0	0



Depreciable Value	2811.77	5934.05
Depreciation during the year	66.89	109.69
Cumulative depreciation at the end of the year	66.89	109.69
Remaining Depreciable Value at the end of the year	2744.88	5824.36

36. The details of depreciation in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	70.52	114.14
Claimed by the Petitioner in the instant petition	66.90	109.68
Approved after true-up in this order	66.89	109.69

Interest on Loan (IoL)

37. The Petitioner has claimed the weighted average rate of IoL based on its actual loan portfolio and rate of interest. Accordingly, IoL has been calculated based on actual interest rate submitted by the Petitioner in accordance with Regulation 26 of the 2014 Tariff Regulations. The trued-up IoL allowed in respect of the transmission assets for the 2014-19 tariff period is as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Gross Normative Loan	1994.02	4302.63
Cumulative Repayments up to Previous Year	0.00	0.00
Net Loan-Opening	1994.02	4302.63
Additions due to ACE	385.83	625.49
Repayment during the year	66.89	109.69
Net Loan-Closing	2312.96	4818.43
Average Loan	2153.49	4560.53
Weighted Average Rate of IoL (in %)	7.6475	7.6731
Interest on Loan	66.78	110.25



38. The details of IoL in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)	
	Asset-I 2018-19 (Pro-rata 148 days)	Asset-II 2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	71.88	116.06
Claimed by the Petitioner in the instant petition	66.79	110.51
Approved after true-up in this order	66.78	110.25

Return on Equity (RoE)

39. The Petitioner has claimed RoE for the transmission assets in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at Minimum Alternate Tax (MAT) rates and has claimed the effective tax rates for the 2014-19 tariff period as follows:

Year	Claimed effective tax rate (in %)	Grossed up RoE (in %) [Base Rate/(1-t)]
2014-15	21.018	19.625
2015-16	21.382	19.716
2016-17	21.338	19.705
2017-18	21.337	19.704
2018-19	21.549	19.758

40. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 had arrived at the effective tax rate based on the notified MAT rates for the Petitioner which are 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. MAT rates considered in order dated 27.4.2020 for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 period, in terms of the provisions of the 2014 Tariff Regulations, is considered in the instant case which are as follows:



Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed up RoE (in %) [Base Rate/(1-t)]
2018-19	21.549	15.50	19.758

42. RoE is trued-up on the basis of MAT rate applicable in the respective years and is allowed for the transmission assets as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Opening Equity	854.58	1843.98
Additions due to ACE	165.35	268.07
Closing Equity	1019.93	2112.05
Average Equity	937.26	1978.02
Return on Equity (Base Rate) (%)	15.500	15.500
MAT Rate for respective year (%)	21.549	21.549
Rate of Return on Equity (%)	19.758	19.758
Return on Equity	75.09	123.13

43. The details of RoE in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	78.58	127.17
Claimed by the Petitioner in the instant petition	75.11	123.14
Approved after true-up in this order	75.09	123.13

Operation & Maintenance Expenses (O&M Expenses)

44. The total O&M Expenses claimed by the Petitioner for the transmission assets are as follows:

(₹ in lakh)

O&M Expenses	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Sub-station		
400 kV		
Number of Bays	1	3



(₹ in lakh)

Norms (₹ lakh/bay)	68.71	68.71
Total O&M Expenses (₹ in lakh)	27.86	64.95

45. The O&M Expenses claimed by the Petitioner are within the norms specified under the 2014 Tariff Regulations and allowed O&M Expenses are as follows:

(₹ in lakh)

O&M Expenses	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Sub-station		
400 kV		
Number of Bays	1	3
Norms (₹ lakh/bay)	68.71	68.71
Total O&M Expenses (₹ in lakh)	27.86	64.95

46. The details of the O&M Expenses in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	27.86	64.94
Claimed by the Petitioner in the instant petition	27.86	64.95
Approved after true-up in this order	27.86	64.95

Interest on Working Capital

47. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and the trued-up IWC allowed for the transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
WC for O&M Expenses (Equivalent to annualized O&M Expenses for 1 month)	5.73	17.18
WC for Maintenance Spares (Equivalent to 15% of O&M Expenses)	10.31	30.92
WC for Receivables (Equivalent to 2 months of annual	99.61	221.45



transmission charges)		
Total Working Capital	115.64	269.55
Rate of Interest on Working Capital (in %)	12.20	12.20
Interest on Working Capital	5.72	10.36

48. The details of IWC in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	5.98	10.65
As claimed by the Petitioner in the instant petition	5.72	10.36
Approved after true-up in this order	5.72	10.36

Approved Annual Fixed Charges for the 2014-19 Tariff Period

49. The trued-up Annual Fixed Charges (AFC) approved for the transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Depreciation	66.89	109.69
Interest on Loan	66.78	110.25
Return on Equity	75.09	123.13
O&M Expenses	27.86	64.95
Interest on Working Capital	5.72	10.36
Total	242.33	418.37

50. Accordingly, ATC in respect of the transmission assets as allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018, claimed by the Petitioner in the instant petition and approved after truing up in the instant order are as follows:

(₹ in lakh)

Particulars	Asset-I	Asset-II
	2018-19 (Pro-rata 148 days)	2018-19 (Pro-rata 115 days)
Allowed vide order dated 4.9.2019 in Petition No. 312/TT/2018	254.82	432.96
Claimed by the Petitioner in the instant petition	242.38	418.64



Approved after true-up in this order	242.33	418.37
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DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 PERIOD

51. The Petitioner has claimed the transmission charges for Combined Asset-A for the 2019-24 tariff period as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	563.06	609.18	643.50	643.50	643.50
Interest on Loan	551.41	553.59	540.10	489.36	438.40
Return on Equity	600.88	650.09	686.72	686.72	686.72
Interest on Working Capital	31.40	33.14	34.21	33.66	33.03
O&M Expenses	128.60	133.12	137.80	142.64	147.64
Total	1875.35	1979.12	2042.33	1995.88	1949.29

52. The details of IWC claimed by the Petitioner for Combined Asset-A for the 2019-24 period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	10.72	11.09	11.48	11.89	12.30
Maintenance Spares	19.29	19.97	20.67	21.40	22.15
Receivables	230.58	244.00	251.79	246.07	239.67
Total Working Capital	260.59	275.06	283.94	279.36	274.12
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	31.40	33.14	34.21	33.66	33.03

Effective Date of Commercial Operation (E-COD)

53. The Petitioner has claimed E-COD of Combined Asset-A as 26.11.2018. Based on the trued-up capital cost and actual COD of the transmission assets, E-COD has been worked out as follows:

Asset	Trued-up Capital Cost (as on 31.3.2019) (₹ in lakh)	COD	Number of days from COD of Asset to COD of the Project	Weight of Cost (in %)	Weighted days
Asset-I	3399.78	4.11.2018	33	32.57	10.75
Asset-II	7040.16	7.12.2018	0	67.43	0.00
E-COD - 26.11.2018					



54. E-COD is used to determine the lapsed life of the transmission scheme as a whole, which works out as zero (0) year as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from E-COD).

Weighted Average Life (WAL)

55. The life as defined in Regulation 33 of the 2019 Tariff Regulations has been considered for determination of WAL.

56. The Combined Asset-A may have multiple elements such as land, building, transmission line, sub-station and PLCC and each element may have different span of life. Therefore, the concept of WAL has been used as the useful life of the transmission scheme as a whole.

57. WAL has been determined based on the admitted capital cost as on 31.3.2019 and the useful life as stipulated in the 2019 Tariff Regulations. Accordingly, WAL of the Combined Asset-A has been worked out as 25 years as follows:

Particulars	Useful Life (in years) (1)	Capital Cost (as on 31.3.2019) (₹ in lakh) (2)	Weighted Cost (₹ in lakh) (3)= (1) x (2)	Weighted Avg. Life of Asset (in years) (4) = (3) / (2)
Sub-Station	25	10439.94	260998.50	25 years
Total		10439.94	260998.50	

58. WAL as on 1.4.2019 as determined above is applicable prospectively (i.e. for 2019-24 tariff period onwards) and no retrospective adjustment of depreciation in previous tariff period is required to be done. As discussed above, E-COD of the Combined Asset-A is 26.11.2018 and the lapsed life of the transmission system as a whole, works out as zero (0) year as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from E-COD). Accordingly, WAL has been used to determine the remaining useful life as on 31.3.2019 to be 25 years.



Capital Cost

59. Regulation 19 of the 2019 Tariff Regulations provides 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 ash disposal and utilization including handling and transportation facility;
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

- (a) The assets forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

60. The capital cost worked out by the Commission as on 31.3.2019 is ₹10439.94 lakh and the same has been considered as the opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.



Additional Capital Expenditure

61. Regulation 24 of the 2019 Tariff Regulations provides as under:

“24. Additional Capitalisation within the original scope and up to the cut-off date

(1) The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

- (a) Undischarged liabilities recognized to be payable at a future date;*
- (b) Works deferred for execution;*
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;*
- (e) Change in law or compliance of any existing law; and*
- (f) Force Majeure events:*

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

(2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.”

62. The Petitioner has claimed ACE for individual assets under Combined Asset-A during the 2019-24 period as follows:

Asset	Apportioned Approved Cost (as per FR)	Expenditure (as on 31.3.2019)	Projected ACE		Capital Cost (as on 31.3.2024)
			2019-20	2020-21	
Asset-I	4957.83	3404.89	100.00	400.00	3904.89
Asset-II	12794.18	7054.12	400.00	900.00	8354.12
Total	17752.01	10459.01	500.00	1300.00	12259.01

63. The Petitioner has claimed ACE under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations for the transmission assets on account of balance and retention payment for works already executed and unexecuted work of the approved scope executed within cut-off date.



64. We have considered the submission of the Petitioner. ACE claimed on account of balance and retention payments is allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations and unexecuted work of the approved scope executed within cut-off date under Regulation 24(1)(b) of the 2019 Tariff Regulations. The details of ACE allowed are as follows:

(₹ in lakh)				
Year	Estimated Expenditure (as per Auditor Certificate)	IDC (Discharged after COD)	Excess Initial Spares (Disallowed)	ACE
Asset-I				
2019-20	100.00	3.61	24.65	78.96
2020-21	400.00	0.00	0.00	400.00
Asset-II				
2019-20	400.00	13.96	46.17	367.79
2020-21	900.00	0.00	0.00	900.00
Combined Asset-A				
2019-20	500	17.57	70.82	446.75
2020-21	1300	0.00	0.00	1300.00

65. Accordingly, the capital cost allowed as on 1.4.2019 and as on 31.3.2024 considered for the tariff determination of the 2019-24 tariff period is as follows:

(₹ in lakh)				
Asset	Capital Cost (as on 1.4.2019)	ACE		Capital Cost (as on 31.3.2024)
		2019-20	2020-21	
Asset-I	3399.78	78.96	400.00	3878.74
Asset-II	7040.16	367.79	900.00	8307.95
Combined Asset-A	10439.94	446.75	1300.00	12186.68

Debt-Equity Ratio

66. 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 ACE for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.”

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

(₹ in lakh)						
Funding	Capital Cost (as on 1.4.2019)	(in %)	ACE (2019-24)	(in %)	Capital Cost (as on 31.3.2024)	(in %)
Debt	7307.95	70.00	1222.72	70.00	8530.68	70.00
Equity	3131.98	30.00	524.02	30.00	3656.00	30.00
Total	10439.94	100.00	1746.75	100.00	12186.68	100.00



Depreciation

68. 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 project or element thereof including communication project. In case of the tariff of all the units of a generating station or all elements of a transmission project including communication project 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 project 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 project, 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 project, weighted average life for the generating station of the transmission project 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.”

69. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. WAROD at Annexure-II has been worked out based after considering the depreciation rates as specified in the 2019 Tariff Regulations. The depreciation allowed in respect of the Combined Asset-A is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	10439.94	10886.68	12186.68	12186.68	12186.68
ACE	446.75	1300.00	0.00	0.00	0.00
Closing Gross Block	10886.68	12186.68	12186.68	12186.68	12186.68
Average Gross Block	10663.31	11536.68	12186.68	12186.68	12186.68
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
Balance useful life at the beginning of the year (Year)	25	24	23	22	21
Lapsed life of the asset at the beginning of the year (Year)	0	1	2	3	4
Depreciable Value	9596.98	10383.01	10968.01	10968.01	10968.01
Depreciation during the year	563.02	609.14	643.46	643.46	643.46
Cumulative Depreciation	739.59	1348.73	1992.19	2635.64	3279.10
Remaining Depreciable Value	8857.38	9034.28	8975.83	8332.37	7688.91

Interest on Loan

70. Regulation 32 of the 2019 Tariff Regulations provides as follows:

“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.”

71. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up. Therefore, IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed for the Combined Asset-A for the 2019-24 tariff period as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	7307.95	7620.68	8530.68	8530.68	8530.68
Cumulative Repayments upto Previous Year	176.57	739.59	1348.73	1992.19	2635.64
Net Loan-Opening	7131.38	6881.08	7181.95	6538.49	5895.03
Additions due to ACE	312.72	910.00	0.00	0.00	0.00
Repayment during the year	563.02	609.14	643.46	643.46	643.46
Net Loan-Closing	6881.08	7181.95	6538.49	5895.03	5251.58
Average Loan	7006.23	7031.51	6860.22	6216.76	5573.30
Weighted Average Rate of Interest on Loan (in %)	7.8697	7.8724	7.8724	7.8711	7.8656
Interest on Loan	551.37	553.55	540.06	489.33	438.37



Return on Equity

72. Regulations 30 and 31 of the 2019 Tariff Regulations provide 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 excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system;

Provided further that:

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

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

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

a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;

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

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

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



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

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

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

Illustration-

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

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

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

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

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

73. The Petitioner has submitted that MAT rate is applicable to the Petitioner company. We have considered the submissions of the Petitioner. 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. The RoE allowed for the Combined Asset-A for the 2019-24 tariff period is as follows:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	3131.98	3266.00	3656.00	3656.00	3656.00
Additions due to ACE	134.02	390.00	0.00	0.00	0.00
Closing Equity	3266.00	3656.00	3656.00	3656.00	3656.00
Average Equity	3198.99	3461.00	3656.00	3656.00	3656.00
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	600.83	650.05	686.67	686.67	686.67

Operation & Maintenance Expenses

74. The O&M Expenses claimed by the Petitioner for the element(s) included in Combined Asset-A for the 2019-24 tariff period are as follows:

(₹ in lakh)

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

75. Regulation 35(3)(a) of the 2019 Tariff Regulations provides 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
<i>Norms for sub-station Bays (₹ Lakh per bay)</i>					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
<i>Norms for Transformers (₹ Lakh per MVA)</i>					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
<i>Norms for AC and HVDC lines (₹ Lakh per km)</i>					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867



Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

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

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;*
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;*
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);*
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;*



- v. the O&M expenses of ± 800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ± 800 kV, Bishwanath-Agra HVDC bi-pole scheme; and
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.

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

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

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

76. The O&M Expenses allowed for Combined Asset-A are as follows:

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

Interest on Working Capital

77. Regulations 34(1)(c), 34(3), 34(4) and 3(7) of the 2019 Tariff Regulations specify as follows:

“34. Interest on Working Capital

(1) The working capital shall cover:

XXXXXXXX..

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

- i. Receivables equivalent to 45 days of 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 IWC 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 IWC shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.”

“(4) IWC 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;”

78. 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. The Rate of Interest considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-21 and from 2021-22 onwards 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:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses (Equivalent to annualized O&M Expenses for 1 month)	10.72	11.09	11.48	11.89	12.30
WC for Maintenance Spares (Equivalent to 15% of O&M Expenses)	19.29	19.97	20.67	21.40	22.15
WC for Receivables (Equivalent to 45 days of annual transmission charges)	230.56	243.71	251.23	245.51	239.12
Total Working Capital	260.57	274.77	283.38	278.79	273.57
Rate of Interest on Working Capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest on Working Capital	31.40	30.91	29.76	29.27	28.73



Annual Fixed Charges for the 2019-24 Tariff Period

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

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	563.02	609.14	643.46	643.46	643.46
Interest on Loan	551.37	553.55	540.06	489.33	438.37
Return on Equity	600.83	650.05	686.67	686.67	686.67
O&M Expenses	128.60	133.12	137.80	142.64	147.64
Interest on Working Capital	31.40	30.91	29.76	29.27	28.73
Total	1875.23	1976.76	2037.74	1991.37	1944.86

Filing Fee and the Publication Expenses

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

Licence Fee & RLDC Fees and Charges

81. The Petitioner has sought reimbursement of licence fee and RLDC fee and charges separately from the Respondents. 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

82. The Petitioner has submitted that if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further, additional taxes, if any, are to be paid



by the Petitioner on account of demand from Government/ Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

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

Security Expenses

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

85. We have considered the submissions of the 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 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

86. 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

87. With effect from 1.11.2020, the 2010 Sharing Regulations has been repealed and sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the liabilities of the 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 Sharing Regulations and shall be recovered from the concerned DICs through Bills 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 the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

88. To summarise:

- a) The trued-up AFC approved for the transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)	
Asset-I	2018-19 (Pro-rata 148 days)
	242.33

(₹ in lakh)	
Asset-II	2018-19 (Pro-rata 115 days)
	418.37

- b) AFC allowed for Combined Asset-A for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
1875.23	1976.76	2037.74	1991.37	1944.86

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

90. This order disposes of Petition No. 581/TT/2020 in terms of the above discussions and findings.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member



Annexure-I

Asset-I

2014-19	Admitted Capital Cost as on 1.4.2014/COD (₹ in lakh)	ACE (₹ 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)
Capital Expenditure		2018-19			2018-19
Sub-Station	2848.59	551.18	3399.78	5.28%	164.96
Total	2848.59	551.18	3399.78		164.96
Average Gross Block (₹ in lakh)					3124.18
Weighted Average Rate of Depreciation					5.28%

Asset-II

2014-19	Admitted Capital Cost as on 1.4.2014/COD (₹ in lakh)	ACE (₹ 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)
Capital Expenditure		2018-19			2018-19
Sub-Station	6146.61	893.55	7040.16	5.28%	348.13
Total	6146.61	893.55	7040.16		348.13
Average Gross Block (₹ in lakh)					6593.39
Weighted Average Rate of Depreciation					5.28%



Annexure-II

2019-24 Capital Expend iture	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)		Admitted Capital Cost as on 31.3.202 4 (₹ in lakh)	Rate of Depreci ation as per Regulat ions	Annual Depreciation as per Regulations (₹ in lakh)				
		2019- 20	2020-21			2019-20	2020-21	2021-22	2022-23	2023-24
Sub- Station	10439.94	446.75	1300.00	12186.68	5.28%	563.02	609.14	643.46	643.46	643.46
Total	10439.94	446.75	1300.00	12186.68		563.02	609.14	643.46	643.46	643.46
Average Gross Block (₹ in lakh)						10663.31	11536.68	12186.68	12186.68	12186.68
Weighted Average Rate of Depreciation						5.28%	5.28%	5.28%	5.28%	5.28%

