

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 648/TT/2020

Coram:

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

Date of Order: 29.09.2021

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 Meerut-Moga 765 kV S/C Transmission Line along with associated bays at Meerut and Moga 765/400 kV Sub-stations with 02 Numbers 240 MVAR line reactors (01 Number switchable and 01 Number non-switchable line reactor) each at Meerut and Moga under Northern Regional Strengthening Scheme-XXVI in Northern Region.

And in the matter of:

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

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302005.
2. Himachal Pradesh state Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171004.
3. Haryana Power Purchase Centre,
IInd Floor, Shakti Bhawan, Sector-6,
Panchkula-134109.
4. Punjab State Power Corporation Limited,
Thermal Shed Tia, Near 22 Phatak,
Patiala-147001.



5. Power Development Department,
Janipura Grid Station,
Jammu (Tawi)-180007.
6. Uttar Pradesh Power Corporation Limited,
10th Floor, Shakti Bhawan Extension, 14, Ashok Marg,
Lucknow-226001.
7. Delhi Transco Limited,
Shakti Sadan, Kotla Road (near ITO),
New Delhi.
8. Chandigarh Electricity Department,
UT-Chandigarh, Div-11, Opposite Transport Nagar,
Industrial Area Phase- I, Sector -9,
Chandigarh.
9. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun.
10. 132 KV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302 017 (Rajasthan).
11. Ajmer Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
12. Jodhpur Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
13. Jaipur Vidyut Vitran Nigam Limited,
132 KV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
14. Northern Central Railway,
Allahabad.
15. BSES Yamuna Power Limited,
B Block, Shakti Kiran Bldg. (Near Karkadooma Courts),
Karkadooma, 2nd Floor,
Delhi-110092.
16. BSES Rajdhani Power Limited,
Bus Terminal, Nehru Place,
BSES Bhawan, Behind Nehru Place,



New Delhi-110019.

17. Tata Power Delhi Distribution Limited,
33 kV Sub-station Building,
Hudson Lane, Kingsway Camp,
North Delhi-110009.

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

.....Respondent(s)

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

For Respondent : Shri R. B. Sharma, Advocate, BRPL
Ms. Megha Bajpeyi, BRPL

ORDER

The Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, has filed the present petition for truing up of transmission tariff for the period from COD to 31.3.2019 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 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”) for Meerut-Moga 765 kV S/C Transmission Line along with associated bays at Meerut and 765/400 kV Moga Sub-stations with 02 Numbers 240 MVAR line reactors (01 Number switchable and 01 Number non-switchable line reactors) each at Meerut and Moga (hereinafter referred to as “the transmission asset”) under Northern Regional Strengthening Scheme-XXVI in Northern Region (hereinafter referred to as “the transmission scheme”).

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



- “1) Approve the Additional Capitalisation expenditure incurred/proposed during 2014-19 and during 2019-24 tariff block as per para 5.12 and 7.2.*
- 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 6.2 and 7.4 & allow additional ROE of 0.50% towards timely completion of the transmission asset as per para 5.13.*
- 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 publication 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 as mentioned at para 7.11 above.*
- 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 investment approval and expenditure sanction to the transmission scheme was accorded by the Board of Directors of the Petitioner company vide



Memorandum dated 27.9.2012 at an estimated cost of ₹80334.00 lakh, including IDC of ₹4466.00 lakh (based on 3rd Quarter, 2012 price level).

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

Transmission Line

Meerut-Moga S/C Transmission Line

Sub-station

- i. Extension of Meerut 765/400 kV sub-station;
 - ii. Extension of Moga 765/400 kV sub-station; and
 - iii. 02 Numbers 240 MVAR Line Reactors each at Meerut and Moga.
- c) The Scheduled COD of the transmission asset was 26.3.2015 against which it was commissioned on 12.5.2015. The time over-run 01 month and 18 days was not condoned by the Commission vide order dated 18.4.2016 in Petition No. 87/TT/2015 wherein the transmission tariff of the transmission asset for the period from COD (12.5.2015) to 31.3.2019 was determined.
- d) The entire scope of work under the transmission scheme is complete and is covered in the present petition.

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 application has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. BSES Rajdhani Power Limited (BRPL), Respondent No. 16 has filed its reply vide affidavit dated 19.4.2021 and has raised issues of Return on Equity (RoE), accrual IDC, tax on transmission business, adoption of Indian Accounting Standards, deferred tax liability, over payment of Income Tax, tax on transmission business, annual truing up of grossed-up rate of RoE, security



expenses, capital spares, GST, recovery of application filing fee, publication expenses, appointment of an officer or any other person to represent consumer's interest and annual truing up of tariff by transmission licensee during the 2019-24 tariff period. The Petitioner vide affidavit dated 3.5.2021 has filed its rejoinder to the reply of BRPL.

6. It has been placed before us that BRPL has been raising the same issues in other petitions as well despite clear findings of the Commission rejecting the contentions of BRPL. The contentions of BRPL have been rejected by the Commission in other petitions including Petition No. 136/TT/2020. As BRPL has not challenged the findings, the same have attained finality. In view of these, the pleas raised by BRPL are rejected. The issues which are specific to the instant petition and not dealt by the Commission earlier are considered in the relevant paragraphs of this order.

7. The hearing in this matter was held on 20.4.2021 through video conference and the order was reserved.

8. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 27.1.2020, the Petitioner's additional information filed vide affidavit dated 9.4.2021, BRPL's reply filed vide affidavit dated 19.4.2021, and the Petitioner's rejoinder to BRPL's reply filed vide affidavit dated 3.5.2021.

9. Having heard the learned counsel for BRPL, representatives of the Petitioner 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

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

Particulars	(₹ in lakh)			
	2015-16	2016-17	2017-18	2018-19
Depreciation	3145.05	3819.47	3874.74	3879.85
Interest on Loan	2653.87	3148.61	2958.15	2786.57
Return on Equity	3635.21	4411.76	4475.55	4493.34
Interest on working capital	240.37	288.94	288.20	285.70
O&M Expenses	420.24	488.70	505.09	521.78
Total	10094.74	12157.48	12101.73	11967.24

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

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses	30.46	31.48	32.52	33.60	34.72
Maintenance Spares	54.83	56.66	58.54	60.48	62.49
Receivables	605.54	593.07	579.59	566.24	553.49
Total	690.83	681.21	670.65	660.32	650.70
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	93.26	91.96	90.54	89.14	87.84

Capital Cost

12. The Commission vide order dated 18.4.2016 in Petition No. 87/TT/2015 had admitted capital cost as on COD of ₹62457.47 lakh and capital cost as on 31.3.2019 of ₹72106.67 lakh for determination of transmission tariff of the 2014-19 tariff period.

13. The Petitioner vide Auditor's Certificate dated 6.1.2020 has submitted the capital cost up to COD and ACE incurred up to 31.3.2019 for the transmission asset. The details of approved cost as per FR, actual capital cost as on COD and Additional Capital Expenditure (ACE) incurred up to 31.3.2019 as claimed by the Petitioner are as follows:



Approved Cost as per FR	Actual Capital Cost as on COD	ACE				Total Capital Cost as on 31.3 2019
		2015-16	2016-17	2017-18	2018-19	
80334.00	64171.83	7411.85	2191.76	4.06	230.05	74009.55

(₹ in lakh)

Cost Over-run

14. The completion cost including ACE in respect of transmission asset is ₹74009.55 lakh and the approved FR cost is ₹80334.00 lakh. Hence, the completion cost up to 31.3.2019 in respect of the transmission asset is within the approved FR cost and, therefore, there is no cost over-run in respect of the transmission asset.

Time Over-run

15. The Scheduled COD of the transmission asset was 26.3.2015 against which it was put under commercial operation on 12.5.2015 and the time over-run 1 month and 18 days was not condoned by the Commission vide order dated 18.4.2016. Accordingly, IDC and IEDC for the said period are not capitalized.

Interest During Construction (IDC)

16. The Petitioner has claimed IDC for the transmission asset and has submitted Auditor's Certificates in support of the same. The Petitioner has submitted that cash IDC discharge statement has already been submitted in Petition No. 87/TT/2015.

17. The Commission had allowed IDC vide order dated 18.4.2016 in Petition No. 87/TT/2015 after disallowing IDC in respect of time over-run of 1 month and 18 days. A Review Petition No. 59/RP/2016 was filed by the Petitioner against the order dated 18.4.2016 in Petition No. 87/TT/2015 which was disposed by the Commission vide order dated 13.2.2018 in which the relief sought by the Petitioner seeking condonation of time over-run was rejected.



18. BRPL has submitted that the Petitioner has included the accrual IDC in ACE and the same may be rejected as there is no provision for the same in the 2014 Tariff Regulations. In response, the Petitioner has submitted that the tariff has been calculated on the basis of cash IDC and the un-discharged IDC as on COD has been reduced from the capital cost up to COD and claimed in 2015-16 as ACE.

19. We have considered the submissions of the Petitioner and BRPL. IDC allowed by the Commission vide order dated 18.4.2016 in Petition No. 87/TT/2015 has been considered as part of capital cost for trueing up tariff for the 2014-19 period. IDC considered is as follows:

(₹ in lakh)				
IDC claimed as per Auditor's Certificate	IDC disallowed due to Time Over-run	Total IDC allowed	IDC allowed as on COD	IDC allowed in 2015-16
A	B	C=A-B	D	E=C-D
4400.89	251.48	4149.41	3161.63	987.78

Incidental Expenditure During Construction (IEDC)

20. The Petitioner has claimed IEDC of ₹1386.22 lakh for the transmission asset and has submitted Auditor's certificate in support of the same. The Petitioner has also submitted that the entire IEDC has been discharged as on COD in respect of the transmission asset. IEDC amounting to ₹79.21 lakh has been disallowed on account of the said time over-run. Accordingly, IEDC of ₹1307.01 lakh has been allowed for transmission asset.

Initial Spares

21. Initial Spares are provided in 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%*
-”*



22. The Petitioner has claimed the Initial Spares in respect of the transmission asset as follows:

Particulars	Plant & Machinery Cost up to cut-off date (excluding IDC and IEDC) (₹ in lakh)	Initial Spares Claimed (₹ in lakh)	Ceiling limit (in %)	Initial spares Allowable (₹ in lakh)	Excess Initial Spares Claimed (₹ in lakh)
Sub-station (AIS)	5657.47	479.52	6.00	330.50	149.02
Transmission Line	62644.97	606.47	1.00	626.65	0.00

23. The discharge of initial spares claimed by the Petitioner for the transmission asset are as follows:

Particulars	Initial Spares Claimed (₹ in lakh)	Discharged Initial Spares (₹ in lakh)				
		COD	2015-16	2016-17	2017-18	2018-19
Sub-station (AIS)	479.52	212.23	88.16	138.27	0.69	40.17
Transmission Line	606.47	247.09	0.00	359.38	0.00	0.00

24. The Commission vide order dated 18.4.2016 in Petition No. 87/TT/2015 had disallowed the excess Initial Spares of ₹144.41 lakh. The Petitioner has submitted that in the instant true-up petition, the excess Initial Spares of ₹149.02 lakh has been deducted from year-wise capital cost as per Initial Spares discharge statement.

25. We have considered the submission of the Petitioner. Initial Spares are allowable subject to the permissible limits and accordingly the Initial Spares allowed and discharged are as follows:

Particulars	Plant & Machinery Cost up to cut-off date (excluding IDC and IEDC) (₹ in lakh)	Ceiling limit (in %)	Initial spares Allowed (₹ in lakh)	Discharged Initial Spares		
				COD	2015-16	2016-17
Sub-station (AIS)	5331.09	6.00	309.67	212.23	88.16	9.28
Transmission Line	62644.97	1.00	606.47	247.09	0.00	359.38



Capital Cost as on COD

26. Accordingly, the capital cost allowed as on COD is as follows:

(₹ in lakh)				
Capital Cost (as on COD as per Auditor Certificate)	IEDC (disallowed due to time Over-run)	IDC (disallowed due to time Over-run)	Undischarged IDC (as on COD)	Capital Cost considered (as on COD on cash basis)
A	B	C	D	E=A-B-C-D
64171.83	79.21	251.48	987.78	62853.36

Additional Capital Expenditure

27. The Commission vide order dated 18.4.2016 in Petition No. 87/TT/2015 had allowed ACE in respect of the transmission asset for the 2014-19 tariff period as follows:

(₹ in lakh)	
2015-16	2016-17
6575.54	3073.66

28. The Petitioner has claimed following ACE during the 2014-19 tariff period for the transmission asset and has submitted Auditor's Certificate in support of the same:

(₹ in lakh)			
2015-16	2016-17	2017-18	2018-19
7411.85	2191.76	4.06	230.05

29. The Petitioner has submitted that ACE incurred is on account of unexecuted/ balance and retention payments due to un-discharged liability towards final payment/ withheld payment due to contractual exigencies for works executed within the cut-off date. ACE claimed during 2015-16, 2016-17 and 2017-18 is within the cut-off date and ACE for 2018-19 is beyond cut-off date and has been claimed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations.



30. The Petitioner has further submitted that Liquidated Damages amounting to ₹3.70 lakh has been recovered from the contractor and has been claimed as ACE in 2016-17.

31. The capital cost allowed as on 31.3.2019 after including ACE in respect of the transmission asset vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed in the instant petition and trued-up in the instant order is as follows:

Particulars	Capital Cost (as on COD on cash basis)	ACE				Total Capital Cost including ACE (as on 31.3.2019)
		2015-16	2016-17	2017-18	2018-19	
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	62457.47	6575.54	3073.66	0.00	0.00	72106.67
Claimed by the Petitioner in the instant petition	62853.36	8399.63	2087.31	3.37	189.88	73533.55
Approved after true-up in this order	62853.36	8399.64	2062.77*	3.37	189.88	73509.02

*Excess Initial Spares disallowed and LD recovered has not been allowed as the part of capital cost

Debt-Equity Ratio

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

Funding	Amount (as on 1.4.2014) (₹ in lakh)	(in %)	Amount (as on 31.3.2019) (₹ in lakh)	(in %)
Debt	43997.35	70.00	51456.32	70.00
Equity	18856.01	30.00	22052.71	30.00
Total	62853.36	100.00	73509.02	100.00



Depreciation

33. The Petitioner's claim towards depreciation in this petition was found higher than the depreciation allowed for the transmission asset vide order dated 18.4.2016 in Petition No. 87/TT/2015. The Petitioner has neither given any justification for claiming higher depreciation than that was allowed earlier nor made any specific prayer for allowing higher depreciation in this petition. It is observed that vide order dated 18.4.2016 in Petition No. 87/TT/2015, the depreciation for IT equipment was allowed @5.28%. The Petitioner now at the time of truing-up of the tariff of the 2014-19 period has segregated the IT equipment cost from the sub-station cost and has considered depreciation rate for IT Equipment @15% and the salvage value for IT Equipment is NIL as per the 2014 Tariff Regulations. A similar issue had come up in Petition No. 19/TT/2020 which was dealt by the Commission vide order dated 9.5.2020.

34. 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 the 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 Weighted Average Rate of Depreciation (WAROD). WAROD at Annexure-I has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed in respect of the transmission asset during the 2014-19 tariff period is as follows:



Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Opening Gross Block	62853.36	71253.00	73315.77	73319.14
Additional Capitalisation	8399.64	2062.77	3.37	189.88
Closing Gross Block	71253.00	73315.77	73319.14	73509.02
Average Gross Block	67053.18	72284.39	73317.46	73414.08
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28
Lapsed useful life of the asset at the beginning of the year (Year)	0.00	0.00	1.00	2.00
Balance useful life of the asset at the beginning of the year (Year)	34.00	34.00	33.00	32.00
Aggregated Depreciable Value	60347.86	65055.95	65985.71	66072.68
Combined Depreciation during the year	3144.26	3817.22	3871.85	3876.95
Cumulative Depreciation at the end of the year	3144.26	6961.49	10833.33	14710.28
Remaining Aggregated Depreciable Value at the end of the year	57203.60	58094.46	55152.38	51362.39

35. The details of depreciation in respect of the transmission asset as allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	3073.50	3726.76	3807.94	3807.94
Claimed by the Petitioner in the instant petition	3145.05	3819.47	3874.74	3879.85
Approved after true-up in this order	3144.26	3817.22	3871.85	3876.95

Interest on Loan (IoL)

36. 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 asset is as follows:



Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Gross Normative Loan	43997.35	49877.10	51321.04	51323.40
Cumulative Repayments up to Previous Year	0.00	3144.26	6961.49	10833.33
Net Loan-Opening	43997.35	46732.84	44359.56	40490.07
Addition due to Additional Capitalization	5879.75	1443.94	2.36	132.92
Repayment during the year	3144.26	3817.22	3871.85	3876.95
Net Loan-Closing	46732.84	44359.56	40490.07	36746.03
Average Loan	45365.10	45546.20	42424.81	38618.05
Weighted Average Rate of Interest on Loan (in %)	6.59	6.91	6.97	7.21
Interest on Loan	2653.88	3148.14	2957.24	2785.88

37. The details of IoL in respect of the transmission asset as allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	2550.11	2912.18	2746.61	2485.77
Claimed by the Petitioner in the instant petition	2653.87	3148.61	2958.15	2786.57
Approved after true-up in this order	2653.88	3148.14	2957.24	2785.88

Return on Equity

38. The Petitioner has claimed RoE for the transmission asset 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 (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2014-15	21.018	19.624
2015-16	21.382	19.715
2016-17	21.338	19.704
2017-18	21.337	19.704
2018-19	21.549	19.757



39. The Petitioner has claimed additional RoE of 0.50% for the transmission asset as allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015.

40. In response to the contentions of BRPL as raised in various other petitions where the Commission has already given its findings, the Petitioner has submitted that reply to the queries as raised by BRPL (vide its reply) in this petition have already been filed vide affidavit dated 10.8.2020 in Petition No. 24/TT/2020. The Petitioner has further submitted that the copy of assessment order/ income return for 2014-15 to 2018-19 has been submitted vide the said affidavit and that a copy of assessment order/ income return for 2014-15 to 2018-19 has been submitted in 651/TT/2020 and Petition No.455/TT/2020 and the Petitioner has also submitted a copy of assessment order/income return for 2014-15 to 2018-19 along with corrected copy of Form 3 to the rejoinder filed by the Petitioner with respect to this petition.

41. The Petitioner has further prayed to consider the reply already submitted vide affidavit dated 10.8.2020 and to allow the transmission tariff as claimed in the instant petition.

42. We have considered the submissions of the Petitioner and repeated and replicated contentions of BRPL. It has been brought to our notice that the Appellate Tribunal for Electricity in judgment dated 2.9.2013 in Appeal No. 46 of 2013, in the matter of PGCIL vs CERC, had decided as follows:

“19. The time of completion of a transmission project could not be compared with the internal schedule set up by the transmission licensee for the purpose of considering additional Return on Equity. The completion time of the transmission line has to be compared with the schedule specified in the Regulations. Admittedly, the transmission project of the Appellant has been commissioned within the time schedule specified in the Regulations. Accordingly, the Appellant is entitled to additional Return on Equity @ 0.5% for the project.”

43. We note that the same issues have been raised by BRPL in number of petitions including in Petition No. 136/TT/2020. The Commission vide order dated



24.1.2021 in Petition No. 136/TT/2020 has already dealt with the issues raised by BRPL. In terms of our findings in Petition No. 136/TT/2020, we do not find any merit in the submissions of BRPL and the same are accordingly rejected.

44. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 had arrived at the effective tax rate for the Petitioner based on the notified MAT rates 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

45. MAT rates considered in order dated 27.4.2020 for the purpose of grossing up of the 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, is considered in the instant case which is as follows:

Year	MAT Rate (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2014-15	20.961	19.610
2015-16	21.342	19.705
2016-17	21.342	19.705
2017-18	21.342	19.705
2018-19	21.549	19.758

46. Accordingly, RoE is trued-up on the basis of the MAT rate applicable in the respective years and is allowed for the transmission asset as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Opening Equity	18856.01	21375.90	21994.73	21995.74
Addition due to Additional Capitalization	2519.89	618.83	1.01	56.96
Closing Equity	21375.90	21994.73	21995.74	22052.71
Average Equity	20115.95	21685.32	21995.24	22024.23
Return on Equity	16.000	16.000	16.000	16.000



(Base Rate) (in %)				
Tax Rate applicable (in %)	21.342	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax)	20.341	20.341	20.341	20.395
Return on Equity (Pre-tax)	3633.42	4411.01	4474.05	4491.84

47. The details of RoE in respect of the transmission asset as allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and true-up in the instant order are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	3551.60	4306.41	4400.19	4400.19
Claimed by the Petitioner in the instant petition	3635.21	4411.76	4475.55	4493.34
Approved after true-up in this order	3633.42	4411.01	4474.05	4491.84

Operation & Maintenance Expenses (O&M Expenses)

48. The details of the total O&M Expenses claimed by the Petitioner for the transmission asset and allowed as per the norms specified in Regulation 29(4)(a) of the 2014 Tariff Regulations are as follows:

Particulars	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Sub-station Bays (Numbers)				
765 kV: Meerut 01 Line Bay at Meerut	1	1	1	1
765 kV: Moga 01 Line Bay at Moga	1	1	1	1
765 kV: Moga 01 Reactor Bay at Moga	1	1	1	1
Norm (₹ lakh/bay)				
765 kV	87.22	90.12	93.11	96.20
Total Sub-station O&M (₹ lakh)	261.66	270.36	279.33	288.60
AC Lines (Kms)				
765 kV Meerut-Moga Transmission Line	337.46	337.46	337.46	337.46
Norm (₹ lakh/KM)				
Single Circuit Line (Bundled with 4 sub-conductor)	0.627	0.647	0.669	0.691
Total Transmission Line O&M (₹ lakh)	211.59	218.34	225.76	233.18
Total O&M Expenses (₹ lakh)	420.23	488.70	505.09	521.78



49. The details of O&M Expenses in respect of the transmission asset as approved vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	418.94	488.70	505.09	521.78
Claimed by the Petitioner in the instant petition	420.23	488.70	505.09	521.78
Approved after true-up in this order	420.23	488.70	505.09	521.78

Interest on Working Capital (IWC)

50. 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 asset for the 2014-19 tariff period is as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
WC for O & M Expenses (O&M expenses for 1 month)	39.44	40.72	42.09	43.48
WC for Maintenance Spares (15% of O&M expenses)	70.99	73.30	75.76	78.27
WC for Receivables (Equivalent to 2 months of annual fixed cost / annual transmission charges)	1894.21	2025.65	2016.05	1993.67
Total Working Capital	2004.64	2139.68	2133.91	2115.42
Rate of Interest on working capital (in %)	13.50	13.50	13.50	13.50
Interest of Working Capital	240.31	288.86	288.08	285.58

51. The details of IWC in respect of the transmission asset as allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:



Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	234.34	278.94	280.06	274.98
Claimed by the Petitioner in the instant petition	240.37	288.94	288.20	285.70
Approved after true-up in this order	240.31	288.86	288.08	285.58

Approved Annual Fixed Charges for the 2014-19 Tariff Period

52. The trued-up AFC allowed for the transmission asset for the 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Depreciation	3144.26	3817.22	3871.85	3876.95
Interest on Loan	2653.88	3148.14	2957.24	2785.88
Return on Equity	3633.42	4411.01	4474.05	4491.84
O&M Expenses	420.23	488.70	505.09	521.78
Interest on Working Capital	240.31	288.86	288.08	285.58
Total	10092.11	12153.92	12096.31	11962.04

53. Accordingly, the Annual Transmission Charges allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015, claimed by the Petitioner in the instant petition and allowed after truing up in the instant order are as follows:

Particulars	(₹ in lakh)			
	2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
Allowed vide order dated 18.4.2016 in Petition No. 87/TT/2015	9828.49	11712.98	11739.89	11490.66
Claimed by the Petitioner in the instant petition	10094.74	12157.48	12101.73	11967.24
Approved after true-up in this order	10092.11	12153.92	12096.31	11962.04

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

54. The Petitioner has claimed the transmission charges for the transmission asset for the 2019-24 tariff period as follows:



(₹ in lakh)					
Particulars	2019-20	2020-21	201-22	2022-23	2023-24
Depreciation	3887.09	3889.33	3889.33	3888.36	3886.52
Interest on Loan	2524.46	2223.09	1935.61	1649.69	1358.30
Return on Equity	4145.57	4147.83	4147.83	4147.83	4147.83
Interest on Working Capital	175.81	172.38	168.67	164.98	160.82
O&M Expenses	391.17	404.72	419.06	433.60	448.98
Total	11124.10	10837.35	10560.50	10284.46	10002.45

55. The Petitioner has claimed IWC for the transmission asset for the 2019-24 tariff period as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	32.60	33.73	34.92	36.13	37.42
Maintenance Spares	58.68	60.71	62.86	65.04	67.35
Receivables	1367.72	1336.11	1301.98	1267.95	1229.81
Total	1459.00	1430.55	1399.76	1369.12	1334.58
Rate of Interest	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	175.81	172.38	168.67	164.98	160.82

Capital Cost

56. 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 asset 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 asset forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Asset 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 asset.

(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.”

57. The Petitioner has claimed capital cost as on 31.3.2019 of ₹73533.55 lakh for the transmission asset. Against the overall approved capital cost (as per FR) of ₹80334 lakh, the estimated completion cost including ACE is ₹73613.55 lakh as on 31.3.2024. Accordingly, the admitted capital cost of ₹73509.02 lakh as on 31.3.2019 as trued up in above paragraphs is considered as the capital cost as on 1.4.2019 for the purpose of determination of tariff for the 2019-24 tariff period.

Additional Capital Expenditure

58. Regulations 24 and 25 of the 2019 Tariff Regulations provide as follows:

“24. Additional Capitalization 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.”

“25. Additional Capitalisation within the original scope and after the cut-off date:

(1) The ACE incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cutoff date may be admitted by the Commission, subject to prudence check:

a) 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;

b) Change in law or compliance of any existing law;

c) Deferred works relating to ash pond or ash handling system in the original scope of work;

d) Liability for works executed prior to the cut-off date;

e) Force Majeure events;

f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and g) Raising of ash dyke as a part of ash disposal system.

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;

(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;

(c) The replacement of such asset or equipment is necessary on account of

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.”

59. The Petitioner has claimed projected ACE of ₹80.00 lakh during 2019-20. ACE is claimed under Regulation 25(1)(d) of the 2019 Tariff Regulations and is beyond the cut-off date.



60. We have considered the submissions of the petitioner. It is observed that the additional Capitalization projected in the instant asset is on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date. Accordingly the projected ACE of ₹80.00 lakh during 2019-20 is allowed and, the same is subject to true-up.

Debt-Equity Ratio

61. Regulations 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 utilized 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.”

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

Funding	Capital Cost (as on 1.4.2019) (₹ in lakh)	(in %)	Total Capital Cost (as on 31.3.2024) (₹ in lakh)	(in %)
Debt	51456.32	70.00	51512.32	70.00
Equity	22052.71	30.00	22076.71	30.00
Total	73509.02	100.00	73589.02	100.00

Depreciation

63. Regulations 33(1), 33(2) and 33(5) of the 2019 Tariff Regulations provide 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.”

“(5) Depreciation shall be calculated annually based on Straight Line Method and at



rates specified in Appendix-I to these regulations for the asset 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 asset.”

64. The IT equipment has been considered as a part of the Gross Block and depreciated using WAROD. WAROD at Annexure-II has been worked out after taking into account the depreciation rates of IT and non-IT assets as prescribed 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 transmission asset is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	73509.02	73589.02	73589.02	73589.02	73589.02
Addition during the year 2019-24 due to projected Additional Capitalisation	80.00	0.00	0.00	0.00	0.00
Closing Gross Block	73589.02	73589.02	73589.02	73589.02	73589.02
Average Gross Block	73549.02	73589.02	73589.02	73589.02	73589.02
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
Elapsed useful life at the beginning of the year (Year)	3.00	4.00	5.00	6.00	7.00
Balance useful life at the beginning of the year (Year)	31.00	30.00	29.00	28.00	27.00
Aggregated Depreciable Value	66195.88	66232.00	66232.00	66232.00	66232.00
Combined Depreciation during the year	3885.80	3888.03	3888.03	3888.03	3888.03
Cumulative Depreciation at the end of the year	18596.08	22484.12	26372.15	30260.18	34148.22
Remaining Aggregate Depreciable Value at the end of the year	47599.80	43747.88	39859.85	35971.81	32083.78

Interest on Loan

65. 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 asset, 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 up to 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”.

66. 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. Therefore, IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed for the transmission asset for the 2019-24 tariff period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	51456.32	51512.32	51512.32	51512.32	51512.32
Cumulative Repayments up to Previous Year	14710.28	18596.08	22484.12	26372.15	30260.18



Net Loan-Opening	36746.03	32916.23	29028.20	25140.17	21252.13
Addition due to Additional Capitalization	56.00	0.00	0.00	0.00	0.00
Repayment during the year	3885.80	3888.03	3888.03	3888.03	3888.03
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	32916.23	29028.20	25140.17	21252.13	17364.10
Weighted Average Rate of Interest on Loan (in %)	7.246	7.176	7.145	7.111	7.033
Interest on Loan	2523.90	2222.62	1935.25	1649.38	1357.96

Return on Equity

67. 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.”

68. The Petitioner has submitted that MAT rate is applicable to it.



69. BRPL has submitted that as per Regulation 31(3) of the 2019 Tariff Regulations, the Petitioner has a statutory duty to undertake true-up of grossed-up rate of RoE at the end of every financial year based on actual tax paid. The above statutory function is delegated to transmission licensee along with responsibility wherein all the documents related to tax payment have to be provided including the actual tax payment by the Petitioner only on the transmission business in the particular region.

70. In response, the Petitioner has submitted that reply of the queries as raised by BRPL in this petition has already been submitted vide affidavit dated 10.8.2020 in Petition No. 24/TT/2020. The Petitioner has further submitted that the copy of assessment order/ income return for 2014-15 to 2018-19 has also been submitted vide the said affidavit. The Petitioner has also submitted that a copy of assessment order/ income return for 2014-15 to 2018-19 has also been submitted in Petition Nos. 651/TT/2020 and 455/TT/2020 and the Petitioner has also submitted a copy of assessment order/income return for 2014-15 to 2018-19 along with corrected copy of Form 3 to the rejoinder filed by the Petitioner.

71. We have considered the submissions of BRPL and the Petitioner. Accordingly, MAT rate applicable for 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 transmission asset under Regulation 30 of the 2019 Tariff Regulations is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	22052.71	22076.71	22076.71	22076.71	22076.71
Addition due to Additional Capitalization	24.00	0.00	0.00	0.00	0.00
Closing Equity	22076.71	22076.71	22076.71	22076.71	22076.71
Average Equity	22064.71	22076.71	22076.71	22076.71	22076.71



Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782	18.782	18.782
Return on Equity (Pre-tax)	4144.19	4146.45	4146.45	4146.45	4146.45

Operation & Maintenance Expenses

72. The O&M Expenses claimed by the Petitioner for the various elements included in the transmission asset for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station Bays (Numbers)					
765 kV: Meerut 01 Line Bay at Meerut	1	1	1	1	1
765 kV: Moga 01 Line Bay at Moga	1	1	1	1	1
765 kV: Moga 01 Reactor Bay at Moga	1	1	1	1	1
Norm (₹ lakh/bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
Total Sub-station O&M (A)	135.03	139.80	144.69	149.79	155.04
AC Lines (Kms)					
765 kV Meerut-Moga Transmission Line	337.46	337.46	337.46	337.46	337.46
Norm (₹ lakh/KM)					
Single Circuit Line (Bundled with 4 sub-conductor)	0.755	0.781	0.809	0.837	0.867
Total Transmission Line (B)	254.78	263.56	273.01	282.45	292.58
Communication System					
PLCC (₹ in lakh)	67.75	67.75	67.75	67.75	67.75
Norms (in %)	2	2	2	2	2
Total Communication System (C)	1.36	1.36	1.36	1.36	1.36
Total O&M Expenses (D=A+B+C)	391.17	404.71	419.05	433.60	448.97

73. Regulations 35(3)(a) and 35(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
<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
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 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.”

“35(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.”*

74. 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 has already concluded that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though PLCC is a communication system. Therefore, the Petitioner's claim for separate O&M Expenses for PLCC @2% is not allowed.



75. The O&M Expenses allowed for the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station Bays (Numbers)					
765 kV: Meerut 01 Line Bay at Meerut	1	1	1	1	1
765 kV: Moga 01 Line Bay at Moga	1	1	1	1	1
765kV: Moga 01 Reactor Bay at Moga	1	1	1	1	1
Norm (₹ lakh/bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
Total Sub-station O&M (A)	135.03	139.80	144.69	149.79	155.04
AC & HVDC Lines (Kms)					
765 kV Meerut-Moga Transmission Line	337.46	337.46	337.46	337.46	337.46
Norm (₹ lakh/KM)					
Single Circuit Line (Bundled with 4 sub-conductor)	0.755	0.781	0.809	0.837	0.867
Total Transmission Line (B)	254.78	263.56	273.01	282.45	292.58
Total O&M Expenses (C=A+B)	389.81	403.36	417.70	432.24	447.62

Interest on Working Capital

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

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

:(a) Xxxxx

(b)Xxxxx

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

(i) *Receivables equivalent to 45 days of annual fixed cost;*

(ii) *Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and*

(iii) *Operation and maintenance expenses, including security expenses for one month.”*

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



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

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

“3. Definition ...

(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;”

77. 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 10.50% (SBI 1 year MCLR applicable as on 1.4.2023 of 7.00% plus 350 basis points) for 2021-22 onwards. 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 (O&M expenses for 1 month)	32.48	33.61	34.81	36.02	37.30
WC for Maintenance Spares (15% of O&M expenses)	58.47	60.50	62.65	64.84	67.14
WC for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	1367.14	1334.11	1298.72	1264.87	1227.03
Total Working Capital	1458.10	1428.23	1396.18	1365.73	1331.48
Rate of Interest of working capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest on Working Capital	175.70	160.68	146.60	143.40	139.81

Annual Fixed Charges for the 2019-24 Tariff Period

78. The transmission charges allowed for the transmission asset for the 2019-24 tariff period are as follows:



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3885.80	3888.03	3888.03	3888.03	3888.03
Interest on Loan	2523.90	2222.62	1935.25	1649.38	1357.96
Return on Equity	4144.19	4146.45	4146.45	4146.45	4146.45
Operation and Maintenance	389.81	403.36	417.70	432.24	447.62
Interest on Working Capital	175.70	160.68	146.60	143.40	139.81
Total	11119.41	10821.13	10534.03	10259.51	9979.86

Filing Fee and the Publication Expenses

79. 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 and RLDC Fees and Charges

80. 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

81. 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.

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



Security Expenses

83. The Petitioner has submitted that security expenses in respect of transmission 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.

84. 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

85. 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

86. With effect from 1.11.2020, sharing of transmission charges is governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, "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 shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. For subsequent period,



the billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

87. To summarise:

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

(₹ in lakh)			
2015-16 (Pro-rata for 325 days)	2016-17	2017-18	2018-19
10092.11	12153.92	12096.31	11962.04

- b) AFC allowed for the transmission asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
11119.41	10821.13	10534.03	10259.51	9979.86

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

89. This order disposes of Petition No. 648/TT/2020 in terms of the above discussions and findings.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



Annexure-I

2014-19 Capital Expenditure as on COD	Admitted Capital Cost as on COD (₹ in lakh)	ACE (₹ in lakh)				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depre ciatio n (in %)	Annual Depreciation as per Regulations			
		2015-16	2016-17	2017-18	2018-19			2015-16 (₹ in lakh)	2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Transmission Line	58481.74	7568.49	1659.01	0.00	0.00	67709.24	5.28	3287.64	3531.25	3575.05	3575.05
Sub-station	4322.30	813.50	388.84	3.37	189.88	5717.90	5.28	249.69	281.44	291.79	296.89
PLCC	47.46	3.01	14.92	0.00	0.00	65.39	6.33	3.10	3.67	4.14	4.14
IT Equipment and Software	1.85	14.64	0.00	0.00	0.00	16.49	5.28	0.48	0.87	0.87	0.87
TOTAL	62853.36	8399.64	2062.77	3.37	189.88	73509.02		3540.92	3817.22	3871.85	3876.95
Average Gross Block (₹ in lakh)								67053.18	72284.39	73317.46	73414.0 8
Weighted Average Rate of Depreciation (in %)								5.28	5.28	5.28	5.28



2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations				
		2019-20			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Transmission Line	67709.24	0.00	67709.24	5.28	3575.05	3575.05	3575.05	3575.05	3575.05
Sub-station	5717.90	75.39	5793.29	5.28	303.90	305.89	305.89	305.89	305.89
PLCC	65.39	2.36	67.75	6.33	4.21	4.29	4.29	4.29	4.29
IT Equipment and Software	16.49	2.25	18.74	15.00	2.64	2.81	2.81	2.81	2.81
TOTAL	73509.02	80.00	73589.02		3885.80	3888.03	3888.03	3888.03	3888.03
			Average Gross Block (₹ in lakh)		73549.02	73589.02	73589.02	73589.02	73589.02
			Weighted Average Rate of Depreciation (in %)		5.28	5.28	5.28	5.28	5.28

