

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 704/TT/2020

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri P.K. Singh, Member

Date of Order: 24.10.2021

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for **Combined Asset** comprising of **Asset A1**: 02 Numbers Line bays along with 02 Numbers 50 MVAR Line Reactors (charged as Bus Reactor) at Jabalpur Pooling Station and **Asset B1**: 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station Transmission Line under Transmission System for connectivity of MB Power (M.P.) Limited in Western Region.

And in the matter of:

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

.....Petitioner

Versus

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



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

6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan, Race Course Road,
Vadodara-390007.
7. Electricity Department,
Govt. of Goa,
Vidyut Bhawan, Near Mandvi Hotel, Panaji,
Goa-403001.
8. Electricity Department,
Administration of Daman & Diu,
Daman-396210.
9. DNH Power Distribution Corporation Limited,
Vidyut Bhawan, 66 kV Road, Near Secretariat Amla,
Silvassa-396230.
10. Chhattisgarh State Power Transmission Company Limited,
State Load Despatch Building, Dangania,
Raipur-492013.
11. Chhattisgarh State Power Distribution Company Limited,
P. O. Sunder Nagar, Dangania,
Raipur, Chhattisgarh-492013.
12. MB Power (Madhya Pradesh) Limited,
Corporate Office, 235, Okhla Industrial Estate, Phase-III,
New Delhi-110021.

.....Respondent(s)

For Petitioner : Shri S. S. Raju, PGCIL
Shri D. K. Biswal, PGCIL
Shri A. K. Verma, PGCIL
Shri V. P. Rastogi, PGCIL

For Respondent : Shri Anindya Khare, MPPMCL

ORDER

The Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, has filed the instant petition for truing up of transmission tariff for 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of 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 under the Transmission System for connectivity of MB Power (M.P.) Limited in Western Region (hereinafter referred to as “the transmission system”):

Asset A1: 02 Numbers Line bays along with 02 Numbers 50 MVAR Line Reactors (charged as Bus Reactor) at Jabalpur Pooling Station; and

Asset B1: 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station Transmission Line.

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

- “1) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 9 above.*
- 2) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 8 and 9 above for respective block.*
- 3) 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.*
- 4) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 5) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.*
- 6) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 9 above.*
- 7) Allow the Petitioner to claim the capital spares at the end of tariff block as per actual.*
- 8) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the beneficiaries, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*



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

3. **Backdrop of the case**

a) The Petitioner was entrusted with implementation of the transmission system pursuant to Connectivity and Long Term Access (LTA) granted to M.B. Power (M.P.) Limited in the 30th Standing Committee Meeting of Power System Planning held on 8.7.2010. The issue regarding Connectivity/ MTOA/ LTA applications was also discussed and agreed in the 12th meeting of WR constituents and IPPs held on 8.7.2010.

b) The Investment Approval (I.A.) of the transmission system was accorded by the Board of Directors (BOD) of the Petitioner's company vide Memorandum No. C/CP/MB Power dated 5.8.2011 for ₹42551.00 lakh, including IDC of ₹1759.00 lakh (based on 1st Quarter, 2011 price level). At this stage, the scope of work covered under the transmission system was as follows:

Transmission Line:

- (i) MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (Triple Snowbird) line; and
- (ii) Jabalpur Pooling Station-Jabalpur (existing) Sub-station 400 kV D/C (Triple Snowbird) line.

Sub-station:

- (i) Extension of 765/400 kV Jabalpur Pooling Station; and
- (ii) Extension of 400 kV Jabalpur Sub-station (for interim arrangement).

c) However, as per the 18th WR constituents meeting for LTA held on 9.7.2013, the scope of work covered under the transmission system was revised as it was decided that the interim arrangement (till the availability of the dedicated transmission system, inter-connection through 400 kV D/C Jabalpur Pooling Sub-station-Jabalpur existing transmission line) as approved in the 12th Open Access Meeting of WR constituents was no longer needed as the generation project had got delayed and it was observed that by the time the generation project came into effect, Jabalpur Pooling Station shall be available considering the advanced stage of work.



d) The Petitioner had filed Petition No. 38/TT/2014 for approval of transmission tariff of Asset-1 therein i.e. 2 numbers line bays along with 2 numbers 50 MVAR line reactors (charged as bus reactor) [interim contingency till readiness of 400 kV D/C MB TPS (Anuppur)-Jabalpur Pool Station Transmission Line] and Asset-2 therein (Asset-B1 in the instant petition) i.e. 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station TL for the period from their actual/ anticipated date of commercial operation (COD) to 31.3.2014 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.

e) As per I.A., the scheduled COD of Asset-1 and Asset-2 (of Petition No. 38/TT/2014) was 1.10.2013 against which the Petitioner had claimed COD as 1.1.2014 (actual) and 1.3.2014 (anticipated) respectively. Subsequently, the Petitioner vide affidavit dated 3.5.2014 submitted the revised anticipated COD for Asset-2 (of Petition No. 38/TT/2014) as 1.7.2014 and filed a separate petition bearing Petition No. 141/TT/2015 claiming the transmission tariff under the 2014 Tariff Regulations.

f) Revised Cost Estimate (RCE) was approved by BOD of the Petitioner's company vide Memorandum No. C/CP/RCE-MB Power dated 9.12.2014 at the cost of ₹44764.00 lakh, including IDC of ₹3840.00 lakh (based on April, 2014 price level) and the revised scope of work covered under the transmission system, as per RCE is as follows:

Transmission Line:

MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (Triple Snowbird) line.

Sub-station:

Extension of 765/400 kV Jabalpur Pooling Station with 2x50 MVAR Line Reactors.

g) The transmission tariff of Asset-1 (of Petition No. 38/TT/2014) from actual COD (1.1.2014) to 31.3.2014 was allowed by the Commission vide order dated 24.11.2015 in Petition No. 38/TT/2014 and time over-run of three months from 1.10.2013 (SCOD) to COD (1.1.2014) was condoned. The transmission tariff of this asset for the 2009-14 tariff period was trued-up and tariff for 2014-19 period was determined vide order dated 22.8.2016 in Petition No. 97/TT/2016.



h) The transmission tariff of Asset-2 (of Petition No. 38/TT/2014 and Asset-B1 of the instant petition) for the period from admitted COD (25.2.2015) against claimed COD (8.8.2014) to 31.3.2019 was allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015 wherein time over-run of 311 days from SCOD (1.10.2013) to 8.8.2014 was condoned while delay from 8.8.2014 to COD i.e. 25.2.2015 (201 days) was not condoned.

i) In line with RCE, the Petitioner has re-nomenclatured Asset-1 of Petition No. 38/TT/2014 and 97/TT/2016 as Asset A1 in the instant petition and accordingly, the trued-up transmission tariff of Asset A1 and Asset B1 for the 2014-19 tariff period and transmission tariff of the Combined Asset comprising of Asset A1 and Asset B1 for the 2019-24 tariff period has been claimed by the Petitioner in this 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 Western Region.

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. Madhya Pradesh Power Management Company Limited (MPPMCL), Respondent No. 1, has filed its reply vide affidavit dated 23.2.2021 and has raised the issues of Income Tax rate of grossing up Return on Equity (RoE), Additional Capital Expenditure (ACE) incurred after cut-off date and effect of CGST. The Petitioner vide affidavit dated 1.6.2021 has filed rejoinder to the reply of MPPMCL.

6. It has been placed before us that MPPMCL has been raising the same issue(s) in other petitions as well despite clear findings of the Commission rejecting the contentions of MPPMCL. The contentions of MPPMCL have been rejected by the



Commission in other petitions including Petition No. 326/TT/2020. As MPPMCL has not challenged the findings, the same have attained finality. In view of these, the plea(s) raised by MPPMCL 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 8.6.2021 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 22.1.2020, the Petitioner's affidavit dated 22.2.2021 filed in response to technical validation letter, MPPMCL's reply filed vide affidavit dated 23.2.2021 and Petitioner's rejoinder to MPPMCL's reply filed vide affidavit dated 1.6.2021.

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

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

10. 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 follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	105.10	111.51	111.59	111.59	111.93
Interest on Loan	107.57	105.38	96.08	86.73	77.81
Return on Equity	114.51	122.17	122.20	122.20	122.91
Interest on Working Capital	14.19	14.69	14.71	14.73	14.79
O&M Expenses	120.60	124.60	128.74	133.02	137.42
Total	461.97	478.35	473.32	468.27	464.86



Asset B1

(₹ in lakh)

Particulars	2014-15 (pro rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	194.21	2082.83	2135.77	2153.92	2155.80
Interest on Loan	230.93	2364.71	2225.63	2039.62	1846.33
Return on Equity	216.49	2331.99	2389.71	2410.02	2418.62
Interest on Working Capital	15.69	165.99	165.67	162.61	158.76
O&M Expenses	16.69	179.98	185.88	192.04	198.44
Total	674.01	7125.50	7102.66	6958.21	6777.95

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

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	10.05	10.38	10.73	11.09	11.45
Maintenance Spares	18.09	18.69	19.31	19.95	20.61
Receivables	77.00	79.72	78.89	78.05	77.48
Total Working Capital	105.14	108.79	108.93	109.09	109.54
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	14.19	14.69	14.71	14.73	14.79

Asset B1

(₹ in lakh)

Particulars	2014-15 (pro rata)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	14.51	15.00	15.49	16.00	16.54
Maintenance Spares	26.11	27.00	27.88	28.81	29.77
Receivables	1171.50	1187.58	1183.78	1159.70	1129.66
Total Working Capital	1212.12	1229.58	1227.15	1204.51	1175.97
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	15.69	165.99	165.67	162.61	158.76

Capital Cost

12. The Commission vide order dated 22.8.2016 in Petition No. 97/TT/2016 allowed capital cost as on 1.4.2014 of ₹1825.74 lakh for Asset A1 and projected ACE of ₹329.59 lakh for the 2014-19 period. The Commission vide order dated 15.12.2017 in Petition No. 141/TT/2015 provisionally allowed capital cost as on 25.2.2015 (COD) of ₹37761.93 lakh for Asset B1 and projected ACE of ₹104.86 lakh, ₹1369.77 lakh and



₹956.99 lakh for the years 2014-15, 2015-16 and 2016-17, respectively. The un-discharged IDC liability for Asset B1 as on 25.2.2015 amounting to ₹785.14 lakh was deducted from the capital cost as on COD but the same was not considered as ACE for the 2014-19 period and was to be reviewed at the time of true-up. The details of the capital cost as allowed by the Commission in the afore-mentioned orders are as follows:

(₹ in lakh)

Asset	Capital Cost allowed (as on 1.4.2014/COD)	ACE			Capital Cost allowed (as on 31.3.2019)
		2014-15	2015-16	2016-17	
Asset A1	1825.74*	238.48	91.11	0.00	2155.33
Asset B1	37761.93**	104.86	1369.77	956.99	40193.54

*deducted un-discharged liability of ₹43.52 lakh on cash basis for 2014-15;

** deducted un-discharged IDC of ₹785.14 lakh, dis-allowed IEDC of ₹88.99 lakh and pro-rata cost from 8.8.2014 to 24.2.2015 of ₹602.21 lakh.

13. The apportioned approved cost, actual expenditure up to COD and actual ACE during the 2014-19 period claimed by the Petitioner are as follows:

(₹ in lakh)

Asset	Approved Apportioned Cost (RCE)	Capital Cost (as on 31.3.2014/COD)	ACE Claimed					Total Capital Cost (as on 31.3.2019)
			2014-15	2015-16	2016-17	2017-18	2018-19	
Asset A1	2404.39	1869.26	194.96	2.90	0.00	0.00	12.91	2080.03
Asset B1	42359.32	37953.67*	787.25	1374.82	617.96	69.40	1.92	40805.02
Total	44763.71	39822.93	982.21	1377.72	617.96	69.4	14.83	42885.05

*Capital Cost as on admitted COD i.e. 25.2.2015 with deducted un-discharged IDC of ₹785.14 lakh.

Cost Over-run

14. The estimated completion cost in respect of the transmission assets is within the apportioned approved cost as per RCE. Therefore, there is no cost over-run.

Time Over-run

15. The scheduled COD of Asset A1 was 1.10.2013 against which it was put under commercial operation on 1.1.2014, i.e., with a time over-run of three (03) months which was condoned by the Commission vide order dated 24.11.2015 in Petition No. 38/TT/2014.



16. The scheduled COD of Asset B1 was 1.10.2013 and the Petitioner had claimed COD as 8.8.2014 against which 25.2.2015 was admitted as COD vide order dated 15.12.2017 in Petition No. 141/TT/2015. Hence, there was a time over-run of 512 days from SCOD (1.10.2013) to COD (25.2.2015). The Commission vide order dated 15.12.2017 had condoned the delay from SCOD to 8.8.2014 (i.e. 311 days) and not condoned the delay from 8.8.2014 to 25.2.2015 (i.e. 201 days).

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

17. Asset A1 was put into commercial operation on 1.1.2014. IDC and IEDC in respect of Asset A1 has already been considered in order dated 22.8.2016 in Petition No. 97/TT/2016.

18. In case of Asset B1, the Commission had directed that IDC and IEDC pertaining to the period from 8.8.2014 to 24.2.2015 shall be directly payable by MB Power (Madhya Pradesh) Limited [MBPL] to the Petitioner. Accordingly, the Petitioner vide Auditor Certificate for Asset B1 has submitted that IDC and IEDC from 8.8.2014 to 24.2.2015 amounting to ₹132.03 lakh and ₹1297.43 lakh respectively, has not been capitalized in the books of accounts and the same is claimed from MBPL.

19. The Commission vide order dated 15.12.2017 in Petition No. 141/TT/2015 had provisionally considered IDC on cash basis for tariff purpose to be reviewed at the time of true-up on receipt of the required information as per COD. The Petitioner has submitted the latest Auditor Certificate for Asset B1 and the statement showing IDC claimed, discharge of IDC liability as on COD and calculated the tariff from COD i.e. 25.2.2015 as directed by the Commission.



20. The Petitioner has claimed IDC in respect of Asset B1 and requested the Commission to allow IDC on the basis of cash outflow. The details of IDC claimed by the Petitioner for the transmission assets are as follows:

Asset	IDC (as per Auditor's Certificate)	IDC discharged (up to COD)	(₹ in lakh)	
			IDC discharged (2013-14)	IDC discharged (2014-15)
Asset A1	82.53	28.50	10.50	43.52
Asset B1	3573.28	2788.14	NA	785.14

21. During the tariff determination for the 2014-19 period of Asset B1, the Petitioner had submitted that the negative IEDC of ₹88.99 lakh up to 31.3.2014 has been adjusted against IDC. However, neither the Auditor certificate nor the IDC statement submitted by the Petitioner had the details of adjustment of negative IEDC as claimed by the Petitioner. Therefore, the Petitioner was directed to clarify the same. In response, the Petitioner submitted that the negative IEDC as shown in the previously filed cost certificate dated 9.10.2015 for Asset B1 is only associated with MBPL and that the negative IEDC of ₹88.99 lakh up to 31.3.2014 has been adjusted against IDC of ₹2828.07 lakh up to 31.3.2014.

22. We have considered the submissions of the Petitioner. We observe that the submissions by the Petitioner do not provide any clarifications. In the order dated 15.12.2017 in Petition No. 141/TT/2015, the Commission had observed that the IEDC for Asset B1, as submitted by Petitioner, was as follows:

Particulars	IEDC claimed (up to 31.3.2014)	(₹ in lakh)	
		2013-14	2014-15
Net IEDC	-131.57	42.58	41.15

23. The Petitioner had claimed IEDC of ₹41.15 lakh in 2014-15 and had adjusted IEDC up to 31.3.2014 with IDC. We are of the view that any adjustment of IEDC (negative or otherwise) with IDC is not a prudent financial practice. We note that the



said adjustment pertains to the period prior to the stage when the Asset was put to regular service (COD) and that the capital cost was arrived at after integrating IDC and IEDC with related capital expenditure. In the instant petition, the Petitioner has submitted Chartered Accountant's certificate dated 22.1.2020 indicating the capital costs and IDC & IEDC, wherein IEDC has been certified as ₹41.15 lakh. Consequently, tariff is worked out considering the capital costs, as on COD and thereafter, as certified by the Auditor. We, for this reason, accept the IEDC claim of ₹41.15 lakh as on COD. Capital costs allowed are discussed in the subsequent paragraphs of this Order.

24. The allowable IDC has been worked out considering the information submitted by the Petitioner. The loan details submitted in Form-9C and date of drawl submitted in IDC statement has been considered for the purpose of calculating IDC for the transmission assets. Accordingly, IDC allowed is as follows:

Asset	IDC claimed (as per Auditor Certificates)	IDC disallowed (due to computational difference)	IDC allowed (on accrual basis)	IDC allowed (on cash basis as on COD)	Un- discharged IDC liability (as on COD)	(₹ in lakh)	
						Discharge of IDC liability allowed as ACE	
						2013-14	2014-15
Asset A1	82.53	0.00	85.85	28.50	54.03	10.50	43.52
Asset B1	3573.28	0.00	3573.28	2788.12	785.16	0.00	785.16

Initial Spares

25. Regulation 8 and Regulation 13 of the 2009 Tariff Regulations and 2014 Tariff Regulations respectively provide as follows:

“8. Initial Spares. Initial spares shall be capitalised as a percentage of the original project cost, subject to following ceiling norms:

....

(iv) Transmission system

(a) Transmission line - 0.75%

(b) Transmission Sub-station - 2.5%

(c) Series Compensation devices and HVDC Station - 3.5%”



“13. Initial Spares: Initial Spares shall be capitalised as a percentage of the Plant and Machinery cost up to cut-off date, subject to 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%
- (vi) Communication system - 3.5%”

26. The Petitioner in the instant petition has claimed Initial Spares of ₹51.43 lakh towards sub-station for Asset A1 and ₹273.61 lakh towards transmission line for Asset B1. The Commission had allowed the same Initial Spares as claimed by the Petitioner vide order dated 22.8.2016 in Petition No. 97/TT/2016 and order dated 15.12.2017 in Petition No. 141/TT/2015 for Asset A1 and Asset B1, respectively.

27. Since Asset A1 was commissioned in the 2009-14 period, the allowable Initial Spares for sub-station are 2.5% as per Regulation 8(iv) of the 2009 Tariff Regulations. The Initial Spares claimed by the Petitioner are within the permissible limits. The Initial Spares allowed for the purpose of tariff determination under the instant petition are as follows:

(₹ in lakh)					
Particulars	Plant and Machinery cost up to cut-off date (excluding IDC and IEDC) (A)	Initial Spares claimed (B)	Ceiling Limit (in %) (C)	Initial Spares worked out $D = [(A-B)*C / (100-C)]$	Initial Spares allowed
Sub-station (Asset A1)	2067.12	51.43	2.50	51.68	51.43

28. Since Asset B1 was commissioned in the 2014-19 period, the allowable Initial Spares for transmission line are 1.00% as per Regulation 13(d) of the 2014 Tariff Regulations. The Initial Spares claimed by the Petitioner are within the permissible limits. The Initial Spares allowed for the purpose of tariff determination under the instant petition are as follows:



(₹ in lakh)

Particulars	Plant and Machinery cost up to cut-off date (excluding IDC and IEDC) (A)	Initial Spares claimed (B)	Ceiling Limit (in %) (C)	Initial Spares worked out $D = [(A-B) \cdot C / (100-C)]$	Initial Spares allowed
Transmission Line (Asset B1)	37102.25	273.61	1.00	372.01	273.61

Capital Cost as on 1.4.2014/ COD

29. The details of the capital cost approved as on the 1.4.2014/ COD are as follows:

(₹ in lakh)

Asset	Capital Cost claimed (as on 1.4.2014/COD) (A)	Less: Un-discharged IDC (as on 1.4.2014/COD) (B)	IDC disallowed (as on 1.4.2014/ COD) due to computation difference (C)	Capital Cost allowed (as on 1.4.2014/ COD) (E) = (A-B-C)
Asset A1	1869.26	43.52	0.00	1825.74
Asset B1	38738.81**	785.16	0.00	37953.65

** inclusive of IEDC of ₹41.15 lakh and accrued IDC of ₹3573.28 lakh

Additional Capital Expenditure

30. The Commission had allowed ACE for Asset A1 for the 2014-19 period vide order dated 22.8.2016 in Petition No. 97/TT/2016 on account of un-discharged liabilities falling under Regulation 14(1)(i) of the 2014 Tariff Regulations and the details are as follows:

(₹ in lakh)

Asset	ACE	
	2014-15	2015-16
Asset A1	238.48*	91.11

*includes undischarged liability of ₹43.52 lakh on cash basis for 2014-15.

31. The Petitioner has claimed ACE for Asset A1 for the years 2014-15, 2015-16 and 2016-17 in accordance with Regulations 14(1)(i) and 14(1)(ii) respectively of the 2014 Tariff Regulations. The Petitioner has further claimed ACE for 2018-19 on account of balance and retention payments due to un-discharged liability for works executed within cut-off date in accordance with Regulation 14(3)(v) of the 2014 Tariff Regulations.



32. The details of ACE claimed by the Petitioner for Asset A1 are as follows:

Particulars	2014 Tariff Regulations	ACE claimed (₹ in lakh)		
		2014-15	2015-16	2018-19
Balance and retention payments for liabilities other than IDC	14(1)(i)	44.98	0.00	0.00
Works deferred for execution	14(1)(ii)	149.98	2.90	0.00
Discharge of IDC Liability	14(1)(i)	43.52	0.00	0.00
Balance and retention payments made after the cut-off date for works executed within cut-off date	14(3)(v)	0.00	0.00	12.91
Total ACE claimed		238.48	2.90	12.91

33. The Commission had provisionally allowed ACE for Asset B1 for the 2014-19 period vide order dated 15.12.2017 in Petition No. 141/TT/2015 under the 2014 Tariff Regulations as follows:

- a) The pro-rata cost for the period from 25.2.2015 to 31.3.2015 amounting to ₹104.86 lakh was considered as ACE claimed for 2014-15 and the same was provisionally allowed under Regulation 14(1) to be reviewed at the time of truing-up;
- b) The un-discharged IDC liability as on 25.2.2015 amounting to ₹785.14 lakh was not considered and was to be reviewed at the time of true up; and
- c) ACE claimed for 2015-16 and 2016-17 of ₹1369.77 lakh and ₹956.99 lakh respectively was provisionally allowed as per the Auditor certificate.

34. The Petitioner has claimed ACE for Asset B1 for 2014-15, 2015-16, 2016-17 and 2017-18 in accordance with Regulation 14(1)(i) of the 2014 Tariff Regulations i.e. ACE incurred after COD and up to cut-off date (31.3.2018). The Petitioner has further claimed ACE for 2018-19 on account of balance and retention payments due to un-discharged liability for works executed within cut-off date in accordance with Regulation 14(3)(v) of the 2014 Tariff Regulations.

35. The details of ACE claimed by the Petitioner for Asset B1 are as follows:



(₹ in lakh)

Particulars	2014 Tariff Regulations	ACE claimed				
		2014-15 (25.2.2015 to 31.3.2015)	2015-16	2016-17	2017-18	2018-19
Balance and retention payments for liabilities other than IDC	14(1)(i)	2.11	524.28	336.62	69.40	0.00
Works deferred for execution	14(1)(ii)	0.00	850.54	281.34	0.00	0.00
Discharge of IDC Liability	14(1)(i)	785.14	0.00	0.00	0.00	0.00
Balance and retention payments made after the cut-off date for works executed within cut-off date	14(3)(v)	0.00	0.00	0.00	0.00	1.92
Total ACE claimed		787.25	1374.82	617.96	69.40	1.92

36. MPPMCL has submitted that the Petitioner has claimed ACE amounting to ₹12.91 lakh and ₹1.92 lakh for 2018-19 i.e. after cut-off date for Asset A1 and Asset B1, respectively on account of balance and retention payments under Regulation 14 of the 2014 Tariff Regulations and has not given any details of such un-discharged liability, reasons of withholding of payment and release of payments etc. MPPMCL has further submitted that in the absence of these essential documents, it is not possible to scrutinize the claim of the Petitioner in a proper way and MPPCL has requested for prudence check of the same.

37. In response, the Petitioner vide affidavit dated 1.6.2021 has submitted that the admissibility of ACE incurred after COD and up to cut-off date is to be dealt in accordance with Regulation 14(1)(i) of the 2014 Tariff Regulations and admissibility of ACE incurred after cut-off date is to be dealt in accordance with Regulation 14(3)(v) of the 2014 Tariff Regulations. The Petitioner has submitted that ACE incurred is on account of any un-discharged liability towards final payment/ withheld payment due to



contractual exigencies for works executed within the cut-off date. Further, the Petitioner has submitted that ACE incurred is beyond cut-off date on account of balance and retention payments due to un-discharged liability for works executed within cut-off date and has been claimed under Regulation 14(3)(v) of the Tariff Regulations and the Petitioner has submitted the package-wise breakup of ACE incurred during 2018-19 as follows:

(₹ in lakh)			
Year	Party	Head	Balance and Retention payments
Asset A1			
2018-19	Techno Electric & Engg. Company Limited	Sub-station	12.91
Asset B1			
2018-19	Crop and Tree Compensation	Transmission Line	1.92

38. We have considered the submissions of the Petitioner and MPPMCL. ACE claimed by the Petitioner for Asset A1 and Asset B1 till the cut-off date i.e. 31.3.2017 and 31.3.2018 respectively, has been allowed under Regulation 14(1)(i) and Regulation 14(1)(ii) of the 2014 Tariff Regulations. ACE claimed by the Petitioner for the transmission assets during 2018-19 has been allowed under Regulation 14(3)(v) of the 2014 Tariff Regulations. The un-discharged IDC liability as on COD has been allowed as ACE during the year of its discharge. ACE allowed in respect of the transmission assets is as follows:

Asset A1

(₹ in lakh)				
Particulars	2014 Tariff Regulations	2014-15	2015-16	2018-19
Balance and retention payments for liabilities other than IDC	14(1)(i)	44.98	0.00	0.00
Works deferred for execution	14(1)(ii)	149.98	2.90	0.00
Discharge of IDC Liability	14(1)(i)	43.52	0.00	0.00
Balance and retention payments due to un-discharged liability for works executed within cut-off date	14(3)(v)	0.00	0.00	12.91
Total ACE		238.48	2.90	12.91



Asset B1

(₹ in lakh)

Particulars	2014 Tariff Regulations	2014-15 (25.2.2015 to 31.3.2015)	2015-16	2016-17	2017-18	2018-19
Balance and retention payments for liabilities other than IDC	14(1)(i)	2.11	524.28	336.62	69.40	0.00
Works deferred for execution	14(1)(ii)	0.00	850.54	281.34	0.00	0.00
Discharge of IDC Liability	14(1)(i)	785.16	0.00	0.00	0.00	0.00
Balance and retention payments due to undischarged liability for works executed within cut-off date	14(3)(v)	0.00	0.00	0.00	0.00	1.92
Total ACE		787.27	1374.82	617.96	69.40	1.92

39. Accordingly, the capital cost considered for the 2014-19 tariff period is as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost (RCE)	Capital cost (as on COD/ 31.3.2014)	ACE allowed					Capital Cost (as on 31.3.2019)
			2014-15	2015-16	2016-17	2017-18	2018-19	
Asset A1	2404.39	1825.74	238.48	2.90	0.00	0.00	12.91	2080.03
Asset B1	42359.32	37953.65	787.27	1374.82	617.96	69.40	1.92	40805.02

Debt-Equity Ratio

40. The Petitioner has claimed debt-equity ratio of 70:30 for the transmission assets as on COD/1.4.2014. The debt-equity ratio has been considered in accordance with Regulation 19(3) of the 2014 Tariff Regulations. For Asset A1, the debt-equity ratio allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016 has been considered as opening debt-equity ratio for determination of tariff for the period ending 31.3.2019. The details of the debt-equity in respect of the transmission assets are as follows:



Asset A1

Funding	Capital Cost (as on 1.4.2014) (₹ in lakh)	(in %)	ACE in 2014-19 (₹ in lakh)	(in %)	Total Capital Cost (as on 31.3.2019) (₹ in lakh)	(in %)
Debt	1278.02	70.00	178.00	70.00	1456.02	70.00
Equity	547.72	30.00	76.29	30.00	624.01	30.00
Total	1825.74	100.00	254.29	100.00	2080.03	100.00

Asset B1

Funding	Capital Cost (as on 25.2.2015) (₹ in lakh)	(in %)	ACE (2014-19) (₹ in lakh)	(in %)	Total Capital Cost (as on 31.3.2019) (₹ in lakh)	(in %)
Debt	26567.56	70.00	1995.96	70.00	28563.51	70.00
Equity	11386.09	30.00	855.41	30.00	12241.51	30.00
Total	37953.65	100.00	2851.37	100.00	40805.02	100.00

Depreciation

41. The Petitioner's claim towards depreciation for Asset A1 in this petition was found higher than the depreciation allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016. 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 noted that the Petitioner has claimed higher depreciation for IT equipment of the sub-station though the same was not claimed while claiming tariff for the 2014-19 period. A similar issue had come up in Petition No. 19/TT/2020 which was dealt by the Commission vide order dated 9.5.2020.

42. 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 for Asset A1. 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 and Annexure-II have been worked out after taking into account the depreciation rates of transmission assets as prescribed in the 2014 Tariff Regulations and depreciation allowed in respect of the transmission assets during the 2014-19 tariff period is as follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	1825.74	2063.64	2066.54	2066.54	2066.54
ACE	238.48	2.90	0.00	0.00	12.91
Closing Gross Block	2064.22	2066.54	2066.54	2066.54	2079.45
Average Gross Block	1944.98	2065.09	2066.54	2066.54	2072.99
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset (Year)	25	24	23	22	21
Lapsed life (Year)	0	1	2	3	4
Aggregate Depreciable Value	1750.48	1858.58	1859.88	1859.88	1865.69
Depreciation during the year	102.69	109.07	109.14	109.14	109.48
Cumulative depreciation at the end of the year	125.85	234.92	344.07	453.21	562.69
Remaining Depreciable Value at the end of the year	1624.63	1623.65	1515.82	1406.67	1303.00

Asset B1

(₹ in lakh)

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	37953.65	38740.92	40115.74	40733.70	40803.10
ACE	787.27	1374.82	617.96	69.40	1.92
Closing Gross Block	38740.92	40115.74	40733.70	40803.10	40805.02
Average Gross Block	38347.28	39428.33	40424.72	40768.40	40804.06
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset (Year)	35	35	34	33	32
Lapsed life (Year)	0	0	1	2	3
Aggregate Depreciable Value	34512.56	35485.50	36382.25	36691.56	36723.65
Depreciation during the year	194.22	2082.83	2135.76	2153.91	2155.79
Cumulative depreciation at the	194.22	2277.04	4412.81	6566.72	8722.51



Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
end of the year					
Remaining Depreciable Value at the end of the year	34318.34	33208.45	31969.44	30124.84	28001.14

43. The details of depreciation for the transmission assets as allowed vide orders dated 22.8.2016 and 15.12.2017 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015 respectively, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Asset A1

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
	(₹ in lakh)				
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	102.69	111.40	113.80	113.80	113.80
Claimed by the Petitioner in the instant petition	105.10	111.51	111.59	111.59	111.93
Approved after true-up in this order	102.69	109.07	109.14	109.14	109.48

Asset B1

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
	(₹ in lakh)				
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	191.52	2036.57	2098.36	2123.63	2123.63
Claimed by the Petitioner in the instant petition	194.21	2082.83	2135.77	2153.92	2155.80
Approved after true-up in this order	194.22	2082.83	2135.76	2153.91	2155.79

Interest on Loan (IoL)

44. The Petitioner has claimed the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. IoL has been calculated based on actual interest rates 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 is as follows:



Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	1278.02	1444.95	1446.98	1446.98	1446.98
Cumulative Repayments up to Previous Year	23.16	125.85	234.92	344.07	453.21
Net Loan-Opening	1254.86	1319.10	1212.06	1102.92	993.77
Additions due to ACE	166.94	2.03	0.00	0.00	9.04
Repayment during the year	102.69	109.07	109.14	109.14	109.48
Net Loan-Closing	1319.10	1212.06	1102.92	993.77	893.33
Average Loan	1286.98	1265.58	1157.49	1048.35	943.55
Weighted Average Rate of Interest on Loan (in %)	8.3664	8.3507	8.3447	8.3407	8.3429
Interest on Loan	107.67	105.68	96.59	87.44	78.72

Asset B1

(₹ in lakh)

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	26567.56	27118.65	28081.02	28513.60	28562.18
Cumulative Repayments up to Previous Year	0.00	194.22	2277.04	4412.81	6566.72
Net Loan-Opening	26567.56	26924.43	25803.98	24100.79	21995.46
Additions due to ACE	551.09	962.37	432.57	48.58	1.34
Repayment during the year	194.22	2082.83	2135.76	2153.91	2155.79
Net Loan-Closing	26924.43	25803.98	24100.79	21995.46	19841.01
Average Loan	26746.00	26364.21	24952.39	23048.12	20918.23
Weighted Average Rate of Interest on Loan (in %)	9.0044	8.9694	8.9195	8.8494	8.8264
Interest on Loan	230.94	2364.72	2225.63	2039.62	1846.33

45. The details of IoL for the transmission assets as allowed vide orders dated 22.8.2016 and 15.12.2017 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015 respectively, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	107.67	108.17	101.35	91.81	82.35
Claimed by the Petitioner in the instant petition	107.57	105.38	96.08	86.73	77.81



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved after true-up in this order	107.67	105.68	96.59	87.44	78.72

Asset B1

Particulars	(₹ in lakh)				
	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	228.12	2322.57	2208.53	2047.14	1855.39
Claimed by the Petitioner in the instant petition	230.93	2364.71	2225.63	2039.62	1846.33
Approved after true-up in this order	230.94	2364.72	2225.63	2039.62	1846.33

Return on Equity

46. 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	19.624
2015-16	21.382	19.716
2016-17	21.338	19.705
2017-18	21.337	19.704
2018-19	21.549	19.758

47. In response to the contentions of MPPMCL regarding Income Tax rate for grossing up of RoE, as raised in various other petitions, where the Commission has already given its findings, the Petitioner has submitted the same reply (as submitted vide rejoinder in Petition No. 326/TT/2020, already disposed by the Commission vide order dated 21.9.2021) may be considered.

48. We have considered the submissions of the Petitioner and repeated and replicated contentions of MPPMCL in this context. The Commission vide order dated



2.2.2021 in Petition No. 312/TT/2020 has already dealt with the MPPMCL's contentions of Income Tax rate for grossing up of RoE observing that the Petitioner has submitted assessment orders issued by the Income Tax Department for the years 2014-15, 2015-16 and 2016-17 and Income Tax returns have been filed by the Petitioner for the years 2017-18 and 2018-19. The Commission in the said order further observed that the Petitioner has submitted the documents as pointed out by MPPMCL. In view of our finding in the order dated 2.2.2021 in Petition No. 312/TT/2020, no fresh consideration on the issue is required. Accordingly, the contentions of MPPMCL are rejected.

49. The Commission vide order dated 27.4.2020 in Petition No.274/TT/2019 had arrived at the effective tax rates 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

50. 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 tariff 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)]
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758



51. The Petitioner has claimed RoE for 2014-19 tariff period after grossing up the RoE @15.50% with Effective Tax rates (based on MAT rates) each year as per Regulation 25(3) of the 2014 Tariff Regulations. RoE is trued-up on the basis of MAT rates applicable in the respective years and is allowed for the transmission assets as follows:

Asset A1

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	547.72	619.27	620.14	620.14	620.14
Additions due to ACE	71.54	0.87	0.00	0.00	3.87
Closing Equity	619.27	620.14	620.14	620.14	624.01
Average Equity	583.49	619.70	620.14	620.14	622.07
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	19.610	19.705	19.705	19.705	19.758
Return on Equity	114.42	122.11	122.20	122.20	122.91

Asset B1

Particulars	(₹ in lakh)				
	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Opening Equity	11386.09	11622.27	12034.72	12220.11	12240.93
Additions due to ACE	236.18	412.45	185.39	20.82	0.58
Closing Equity	11622.27	12034.72	12220.11	12240.93	12241.50
Average Equity	11504.18	11828.49	12127.41	12230.52	12241.21
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	19.610	19.705	19.705	19.705	19.758
Return on Equity	216.33	2330.80	2389.71	2410.02	2418.62

52. The details of RoE in respect of the transmission assets as allowed vide orders dated 22.8.2016 and 15.12.2017 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015 respectively, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:



Asset A1

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	114.43	124.72	127.42	127.42	127.42
Claimed by the Petitioner in the instant petition	114.51	122.17	122.20	122.20	122.91
Approved after true-up in this order	114.42	122.11	122.20	122.20	122.91

Asset B1

Particulars	(₹ in lakh)				
	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	213.32	2268.00	2336.44	2364.59	2364.59
Claimed by the Petitioner in the instant petition	216.49	2331.99	2389.71	2410.02	2418.62
Approved after true-up in this order	216.33	2330.80	2389.71	2410.02	2418.62

Operation & Maintenance Expenses (O&M Expenses)

53. The O&M Expenses claimed by the Petitioner in respect of the transmission assets are as follows:

Asset A1

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Sub-station Bays (Conventional)					
Jabalpur: MB (TPS) ANNUPUR Circuit 1 and Circuit 2 Line Bays along with 02 Numbers Reactors	2	2	2	2	2
Norms (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses (₹ in lakh)	120.60	124.60	128.74	133.02	137.42



Asset B1

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Transmission line (Anuppur-Jabalpur Line)					
D/C Bundled (Twin and triple conductors) (km)	246.204	246.204	246.204	246.204	246.204
Norms (₹ lakh/km)	0.707	0.731	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	16.69	179.98	185.88	192.04	198.44

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

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Transmission line 400 kV D/C line (Twin /triple conductors)					
Norms (₹ lakh/km)	0.707	0.731	0.755	0.78	0.806
Sub-station Bays 400 kV (Conventional)					
Norms (₹ lakh/bays)	60.30	62.30	64.37	66.51	68.71

55. The O&M Expenses determined are in line with the norms specified in Regulation 29(3) of the 2014 Tariff Regulations and are allowed as follows:

Asset A1

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sub-station Bays 400 kV (Conventional)					
Jabalpur: MB (TPS) ANNUPUR Circuit 1 and Circuit 2 Line Bays along with 2 Numbers of Reactor	2	2	2	2	2
Norms (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses (₹ in lakh)	120.60	124.60	128.74	133.02	137.42

Asset B1

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Transmission line Anuppur-Jabalpur Line					
D/C Bundled (Twin and triple conductors) (km)	246.204	246.204	246.204	246.204	246.204
Norms (₹ lakh/km)	0.707	0.731	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	16.69	179.98	185.88	192.04	198.44



56. The details of O&M Expenses in respect of the transmission assets as allowed vide orders dated 22.8.2016 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Asset A1

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	120.60	124.60	128.74	133.02	137.42
Claimed by the Petitioner in the instant petition	120.60	124.60	128.74	133.02	137.42
Approved after true-up in this order	120.60	124.60	128.74	133.02	137.42

Asset B1

Particulars	(₹ in lakh)				
	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	16.69	179.97	185.88	192.04	198.44
Claimed by the Petitioner in the instant petition	16.69	179.98	185.88	192.04	198.44
Approved after true-up in this order	16.69	179.98	185.88	192.04	198.44

Interest on Working Capital

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

Asset A1

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses (Equivalent to annualized O&M Expenses for 1 month)	10.05	10.38	10.73	11.09	11.45
Maintenance Spares (Equivalent to 15% of O&M Expenses)	18.09	18.69	19.31	19.95	20.61
Receivables (Equivalent to 2 months of annual fixed charges)	76.59	79.35	78.56	77.75	77.21
Total Working Capital	104.73	108.42	108.59	108.79	109.28



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	14.14	14.64	14.66	14.69	14.75

Asset B1

(₹ in lakh)

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses (Equivalent to annualized O&M Expenses for 1 month)	14.51	15.00	15.49	16.00	16.54
Maintenance Spares (Equivalent to 15% of O&M Expenses)	26.11	27.00	27.88	28.81	29.77
Receivables (Equivalent to 2 months of annual fixed charges)	1171.23	1187.38	1183.77	1159.70	1129.66
Total Working Capital	1211.84	1229.38	1227.15	1204.51	1175.96
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	15.69	165.97	165.66	162.61	158.75

58. The details of IWC in respect of the transmission assets as allowed vide orders dated 22.8.2016 and 15.12.2017 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015 respectively, claimed by the Petitioner in the instant petition and true-up in the instant order are as follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	14.14	14.81	15.00	15.01	15.04
Claimed by the Petitioner in the instant petition	14.19	14.69	14.71	14.73	14.79
Approved after true-up in this order	14.14	14.64	14.66	14.69	14.75

Asset B1

(₹ in lakh)

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	15.49	162.48	163.18	161.04	156.98
Claimed by the Petitioner in the	15.69	165.99	165.67	162.61	158.76



Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
instant petition					
Approved after true-up in this order	15.69	165.97	165.66	162.61	158.75

Approved Annual Fixed Charges for the 2014-19 Tariff Period

59. The trued-up Annual Fixed Charges (AFC) in respect of the transmission assets for the 2014-19 tariff period are as follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	102.69	109.07	109.14	109.14	109.48
Interest on Loan	107.67	105.68	96.59	87.44	78.72
Return on Equity	114.42	122.11	122.20	122.20	122.91
O&M Expenses	120.60	124.60	128.74	133.02	137.42
Interest on Working Capital	14.14	14.64	14.66	14.69	14.75
Total	459.53	476.10	471.33	466.49	463.29

Asset B1

(₹ in lakh)

Particulars	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	194.22	2082.83	2135.76	2153.91	2155.79
Interest on Loan	230.94	2364.72	2225.63	2039.62	1846.33
Return on Equity	216.33	2330.80	2389.71	2410.02	2418.62
O&M Expenses	16.69	179.98	185.88	192.04	198.44
Interest on Working Capital	15.69	165.97	165.66	162.61	158.75
Total	673.86	7124.29	7102.65	6958.20	6777.93

60. Accordingly, AFC in respect of the transmission assets as allowed vide orders dated 22.8.2016 and 15.12.2017 in Petition No. 97/TT/2016 and Petition No. 141/TT/2015, claimed by the Petitioner in the instant petition and approved after truing up in the instant order are as follows:

Asset A1

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 22.8.2016 in Petition No. 97/TT/2016	459.53	483.69	486.31	481.06	476.02
Claimed by the Petitioner in the	461.97	478.35	473.32	468.27	464.86



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
instant petition					
Approved after true-up in this order	459.53	476.10	471.33	466.49	463.29

Asset B1

Particulars	(₹ in lakh)				
	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 15.12.2017 in Petition No. 141/TT/2015	665.14	6969.59	6992.39	6888.44	6699.03
Claimed by the Petitioner in the instant petition	674.01	7125.50	7102.66	6958.21	6777.95
Approved after true-up in this order	673.86	7124.29	7102.65	6958.20	6777.93

Determination of Annual Fixed Charges for the 2019-24 Tariff Period

61. The Petitioner has combined the transmission assets and claimed the transmission charges for the Combined Asset for the 2019-24 tariff period as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2268.12	2266.89	2264.35	2264.35	2264.35
Interest on Loan	1726.36	1526.57	1327.43	1128.82	930.05
Return on Equity	2416.40	2416.40	2416.40	2416.40	2416.40
Interest on Working Capital	108.78	106.46	103.86	101.32	98.55
O&M Expenses	283.76	293.65	303.87	314.41	325.28
Total	6803.42	6609.97	6415.91	6225.30	6034.63

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

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	23.65	24.47	25.32	26.20	27.11
Maintenance Spares	42.56	44.05	45.58	47.16	48.79
Receivables	836.49	814.93	791.00	767.50	741.96
Total Working Capital	902.70	883.45	861.90	840.86	817.86
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	108.78	106.46	103.86	101.32	98.55



Effective Date of Commercial Operation (E-COD)

63. The Petitioner has claimed E-COD of the Combined Asset as 5.2.2015. Based on the trued-up capital cost and actual COD of the individual transmission assets, E-COD has been worked out as follows:

Asset	Capital Cost (as on 31.3.2019) (₹ in lakh)	COD	Number of days from last COD	Weightage of Cost (%)	Weighted days	Effective COD (latest COD – weighted days)
Asset A1	2080.03	1.1.2014	420.00	4.85	20.37	4.2.2015
Asset B1	40805.02	25.2.2015	0.00	95.15	0.00	
Total	42885.05			100.00	20.37	

64. E-COD is used to determine the lapsed life of the project as a whole which works out as 04 (four) years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from E-COD).

Weighted Average Life (WAL)

65. The life as defined in Regulation 33 of the 2019 Tariff Regulations has been considered for determination of WAL. The Combined Asset 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 system as a whole.

66. WAL has been determined based on the admitted capital cost of individual elements under the transmission system as on 31.3.2019 and their respective life as stipulated in the 2019 Tariff Regulations. Accordingly, WAL of the Combined Asset has been worked out as 34 years as follows:

Particulars	Capital Cost (as on 31.3.2019) (₹ in lakh) (1)	Life (in years) (2)	Weighted Cost (₹ in lakh) (3) = (1)x(2)	Weighted Average Life of Asset (in years) (4) = (3)/(1) (rounded off to
Building & Civil Works	0.00	25	0.00	34.4447
Transmission Line	40677.45	35	1423710.75	



Particulars	Capital Cost (as on 31.3.2019) (₹ in lakh) (1)	Life (in years) (2)	Weighted Cost (₹ in lakh) (3) = (1)x(2)	Weighted Average Life of Asset (in years) (4) = (3)/(1)
Sub Station	2054.92	25	51373.00	34 years)
PLCC	127.57	15	1913.55	
IT Equipment (Including Software)	25.11	6.67	167.40	
Total	42885.05		1477164.70	

67. WAL as on 1.4.2019 as determined above is applicable prospectively i.e. the 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 is 4.2.2015 and the lapsed life of the transmission system as a whole works out as (04 four) years 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 30 years.

Capital Cost

68. 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.”

69. The Petitioner has claimed capital cost of ₹42885.05 lakh as on 31.3.2019 for the Combined Asset. The same has been worked out by the Commission as on 31.3.2019 and 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.

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

(₹ in lakh)		
Total Capital Cost (as on 1.4.2019)	ACE (2019-24)	Total Capital Cost (as on 31.3.2024)
42885.05	0.00	42885.05

Debt-Equity Ratio

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

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

Provided that:

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



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

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

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

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

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

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

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

72. 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 %)	Capital Cost (as on 31.3.2024) (₹ in lakh)	(in %)
Debt	30019.53	70.00	30019.53	70.00
Equity	12865.52	30.00	12865.52	30.00
Total	42885.05	100.00	42885.05	100.00

Depreciation

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



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

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

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

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

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

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

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

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

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

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

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

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the



Commission upto 31.3.2019 from the gross depreciable value of the assets.

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

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

74. The IT equipment has been considered as a part of the Gross Block and depreciated using WAROD. WAROD at Annexure-III 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 Combined Asset is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	42885.05	42885.05	42885.05	42885.05	42885.05
Addition during the year due to projected ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	42885.05	42885.05	42885.05	42885.05	42885.05
Average Gross Block	42885.05	42885.05	42885.05	42885.05	42885.05
Weighted Average Rate of Depreciation (in %)	5.29	5.29	5.29	5.29	5.29
Balance useful life at the beginning of the year (Year)	30	29	28	27	26
Lapsed Life at the beginning of the year (Year)	4	5	6	7	8
Aggregate Depreciable Value	38599.06	38599.06	38599.06	38599.06	38599.06
Depreciation during the year	2268.11	2268.11	2268.11	2268.11	2268.11
Cumulative depreciation at the end of year	11553.32	13821.43	16089.54	18357.65	20625.76
Remaining Depreciable Value at the end of year	27045.74	24777.63	22509.52	20241.41	17973.30



Interest on Loan

75. 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.”*

76. 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 may 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 for the 2019-24 tariff period is as follows:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	30019.53	30019.53	30019.53	30019.53	30019.53
Cumulative Repayments up to Previous Year	9285.21	11553.32	13821.43	16089.54	18357.65
Net Loan-Opening	20734.32	18466.21	16198.10	13929.99	11661.88
Additions due to ACE	0.00	0.00	0.00	0.00	0.00
Repayment during the year	2268.11	2268.11	2268.11	2268.11	2268.11
Net Loan-Closing	18466.21	16198.10	13929.99	11661.88	9393.77
Average Loan	19600.27	17332.16	15064.05	12795.94	10527.82
Weighted Average Rate of Interest on Loan (in %)	8.8133	8.8136	8.8172	8.8254	8.8355
Interest on Loan	1727.43	1527.58	1328.23	1129.29	930.19

Return on Equity

77. 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.”

78. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. 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 Combined Asset is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	12865.52	12865.52	12865.52	12865.52	12865.52
Additions due to ACE	0.00	0.00	0.00	0.00	0.00
Closing Equity	12865.52	12865.52	12865.52	12865.52	12865.52
Average Equity	12865.52	12865.52	12865.52	12865.52	12865.52
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity	2416.40	2416.40	2416.40	2416.40	2416.40

Operation & Maintenance Expenses

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

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Transmission line 400 kV Anuppur-Jabalpur D/C Line					
D/C Bundled (Twin and triple conductors) (km)	246.204	246.204	246.204	246.204	246.204
Norms (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
Sub-station Bays 400 kV (Conventional)					
Jabalpur: MB (TPS) Anuppur Circuit 1 and Circuit 2 Line Bays along with 02 Numbers Reactor	2	2	2	2	2
Norms (₹ lakh/bay)	32.15	33.28	34.45	35.66	36.91
O&M claimed for PLCC (2% of ₹127.57 lakh)	2.55	2.55	2.55	2.55	2.55
Total O&M Expenses (₹ in lakh)	283.76	293.65	303.87	314.41	325.28

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



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

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



<i>±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	2,563	2,653	2,746	2,842	2,942

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

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;*
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;*
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);*
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;*
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and*
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three year*

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

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

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



“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.”

81. We have considered the submissions of the Petitioner. The Petitioner has claimed O&M Expenses separately for the 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.

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

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Transmission line 400 kV Anuppur-Jabalpur D/C Line					
D/C Bundled (Twin and triple conductors) (km)	246.204	246.204	246.204	246.204	246.204
Norms (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
O&M Expenses (₹ lakh)	216.91	224.54	232.42	240.54	248.91
Sub-station Bays 400 kV (Conventional)					
Jabalpur: MB (TPS) Anuppur Circuit 1 and Circuit 2 Line Bays along with 02 Numbers Reactors	2	2	2	2	2
Norms (₹ lakh/bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses (₹ lakh)	64.30	66.56	68.90	71.32	73.82
Total O&M Expenses (₹ in lakh)	281.21	291.10	301.32	311.86	322.73

Interest on Working Capital

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



“34. Interest on Working Capital

(1)...

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

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

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

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

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

“3.Definitions ...

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

84. The Petitioner has submitted that it has computed IWC for 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, whereas ROI for 2020-21 onwards has been considered as 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 has been considered as 10.50% (SBI 1 year MCLR applicable as on 1.4.2020 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
O&M Expenses (Equivalent to 1 month of annualized O&M Expenses)	23.43	24.26	25.11	25.99	26.89
Maintenance Spares (Equivalent to 15% of O&M Expenses)	42.18	43.66	45.20	46.78	48.41
Receivables (Equivalent to 45 days of annual transmission charges)	836.29	814.00	789.58	766.08	740.55
Total Working Capital	901.91	881.92	859.89	838.85	815.85
Rate of Interest (in %)	12.05	11.25	10.50	10.50	10.50
Interest on Working Capital	108.68	99.22	90.29	88.08	85.66

Annual Fixed Charges of the 2019-24 Tariff Period

85. The transmission charges allowed in respect of Combined Asset for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2268.11	2268.11	2268.11	2268.11	2268.11
Interest on Loan	1727.43	1527.58	1328.23	1129.29	930.19
Return on Equity	2416.40	2416.40	2416.40	2416.40	2416.40
O&M Expenses	281.21	291.10	301.32	311.86	322.73
Interest on Working Capital	108.68	99.22	90.29	88.08	85.66
Total	6801.83	6602.41	6404.35	6213.74	6023.10

Filing Fee and the Publication Expenses

86. 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.

License Fee & RLDC Fees and Charges

87. 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

88. 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 & 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.

89. In response to the contentions of MPPMCL regarding effect of CGST, as raised in various other petitions, where the Commission has already given its findings, the Petitioner has submitted that rejoinder filed in Petition No. 418/TT/2019 (already disposed by the Commission vide order dated 20.9.2021) may be considered.

90. We have considered the submissions of the Petitioner and repeated and replicated contentions of MPPMCL in this context. Since GST is not levied on transmission services at present we are of the view that Petitioner's prayer is premature.

Security Expenses

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

92. 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 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

93. 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

94. With effect from 1.11.2020, sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through 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 provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

95. To summarise:

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

					(₹ in lakh)
Asset A1	2014-15	2015-16	2016-17	2017-18	2018-19
	459.53	476.10	471.33	466.49	463.29

					(₹ in lakh)
Asset B1	2014-15 (Pro-rata 35 days)	2015-16	2016-17	2017-18	2018-19
	673.86	7124.29	7102.65	6958.20	6777.93

- b) AFC allowed for the Combined 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
6801.83	6602.41	6404.35	6213.74	6023.10

96. Annexure-I, Annexure-II and Annexure-III given hereinafter shall form part of the order.

97. This order disposes of Petition No. 704/TT/2020 in terms of the above discussions and findings.

sd/-

(P. K. Singh)
Member

sd/-

(I. S. Jha)
Member

sd/-

(P. K. Pujari)
Chairperson



Asset A1

Petition No.:	704/TT/2020
Period	2014-19 Tariff

2014-19 Capital Expenditure	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)					
		2014-15	2015-16	2018-19	Total			2014-15	2015-16	2016-17	2017-18	2018-19	
Sub Station	1801.21	237.90	2.90	12.91	253.71	2054.92	5.28%	101.38	107.74	107.82	107.82	108.16	
IT Equipment (Incl. Software)	24.53	0.58	-	-	0.58	25.11	5.28%	1.31	1.33	1.33	1.33	1.33	
Total	1825.74	238.48	2.90	12.91	254.29	2080.03		102.69	109.07	109.14	109.14	109.48	
								Average Gross Block (₹ in lakh)	1944.98	2065.67	2067.12	2067.12	2073.58
								Weighted Average Rate of Depreciation	5.28%	5.28%	5.28%	5.28%	5.28%





Asset B1

Petition No.:	704/TT/2020
Period	2014-19 Tariff

2014-19 Capital Expenditure	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)					
		2014-15	2015-16	2016-17	2017-18	2018-19	Total			2014-15 (prorata)	2015-16	2016-17	2017-18	2018-19	
Transmission Line	37892.22	783.85	1312.06	617.96	69.40	1.92	2785.23	40677.45	5.28%	2021.40	2076.74	2127.69	2145.84	2147.72	
PLCC	61.43	3.40	62.76	-	-	-	66.14	127.57	6.33%	4.00	6.09	8.08	8.08	8.08	
Total	37953.65	787.25	1374.82	617.96	69.40	1.92	2851.37	40805.02		2025.40	2082.83	2135.76	2153.91	2155.79	
										Average Gross Block (₹ in lakh)	38302.79	39428.33	40424.72	40768.40	40804.06
										Weighted Average Rate of Depreciation	5.28%	5.28%	5.28%	5.28%	5.28%



Combined Asset

Petition No.:	704/TT/2020
Period	2019-24 Tariff

2019-24 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)		Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Line	40677.45	-	-	40677.45	5.28%	2147.77	2147.77	2147.77	2147.77	2147.77
Sub Station	2054.92	-	-	2054.92	5.28%	108.50	108.50	108.50	108.50	108.50
PLCC	127.57	-	-	127.57	6.33%	8.08	8.08	8.08	8.08	8.08
IT Equipment (Incl. Software)	25.11	-	-	25.11	15.00%	3.77	3.77	3.77	3.77	3.77
Total	42885.05	-	-	42885.05		2268.11	2268.11	2268.11	2268.11	2268.11
Average Gross Block (₹ in lakh)						42885.05	42885.05	42885.05	42885.05	42885.05
Weighted Average Rate of Depreciation						5.29%	5.29%	5.29%	5.29%	5.29%



