

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO. 86/TT/2020

Coram:

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

Date of order: 11.09.2021

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and revision of transmission tariff of the 2004-09 and 2009-14 tariff periods 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 for the 2019-24 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2019 for assets under Kahalgaon Stage-II, Phase-I Transmission system in the Eastern, Northern Region and Inter-regional link between the Northern and 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. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg, Jaipur-302005
2. Ajmer Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan)
3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan)



4. Jodhpur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan)
5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan Kumar House Complex Building II,
Shimla-171004
6. Punjab State Electricity Board,
The Mall, Patiala-147001
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana) 134109
8. Power Development Department,
Government of Jammu & Kashmir,
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
13. Tata Power Delhi Distribution Limited,
33 kV Substation, Building,
Hudson Lane, Kingsway Camp,
North Delhi-110009
14. Chandigarh Administration,
Sector-9, Chandigarh
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun



16. North Central Railway,
Allahabad
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002
18. Madhya Pradesh Power Trading Company Limited,
Shakti Bhawan, Rampur,
Jabalpur-482008
19. Maharashtra State Electricity Distribution Co. Limited,
Prakashgad, 4th Floor,
Andheri (East), Mumbai-400052
20. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390007
21. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001
22. Electricity Department,
Administration of Daman & Diu,
Daman-396210
23. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396230
24. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur,
Chhatisgarh-492013
25. Madhyapradesh Audyogik Kendra,
Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore-452008
26. Bihar State Power (Holding) Company Limited,
(Formerly Bihar State Electricity Board -BSEB),
Vidyut Bhavan, Bailey Road,
Patna-800001
27. West Bengal State Electricity Distribution Company Limited,



Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lakecity,
Calcutta-700091

28. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar-751007
29. Jharkhand State Electricity Board,
In front of Main Secretariat, Doranda,
Ranchi-834002
30. Damodar Valley Corporation,
DVC Tower, Maniktala,
Civic Centre, VIP road,
Calcutta-700054
31. Power Department,
Government of Sikkim,
Gangtok-737101

...Respondent(s)

For Petitioner: Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri V. P. Rastogi, PGCIL
Shri A. K. Verma, PGCIL

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

ORDER

The instant petition has been filed by the Petitioner, Power Grid Corporation of India Ltd., for revision of transmission tariff of the 2004-09 and 2009-14 tariff period; truing of the capital expenditure for the period from 1.4.2014 to 31.3.2019 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”); and for determination of tariff under the Central Electricity Regulatory Commission (Terms and



Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) for the period from 1.4.2019 to 31.3.2024 in respect of the following assets under Kahalgaon Stage-II, Phase-I Transmission System in the Eastern, Northern Region and Inter-regional link between the Northern and Western Region (hereinafter referred to as “the transmission system”).

Sl. No.	Asset	COD	Nomenclature for 2004-09 period in the instant Petition	Nomenclature for 2009-14 and 2014-19 period in the instant Petition
Eastern Region				
1	400 kV D/C kahalgaon – Patna transmission line (including 1 x 50 MVAR line Reactor), 1X 80 MVAR Bus Reactor with associated bays, 2 numbers of 220 kV line bays and 400 & 220 kV bays for ICT – I at Patna Sub-station	1.5.2007	Asset-a	Combined Asset-I
2	400 kV D/C Maithon – Ranchi transmission line along with associated bays, 400/220 kV 315 MVA ICT –II along with associated bays at Ranchi substation and 220 kV Patratu and Chandil bays at Ranchi Sub-station	1.6.2007	Asset-b	
3	80 MVAR Bus Reactor at Ranchi and 2 numbers of of 220 kV line bays at Ranchi	1.9.2007	Asset-c	
4	ICT-I at Patna Sub-station	1.11.2007	Asset-d	
5	400/220 kV ICT-I at Ranchi Sub-station along with associated bays and 2 nos. line bays at Patna Sub-station	1.7.2007	Asset-e	
6	ICT –II at Patna Sub-station along with associated bays	1.1.2008	Asset-f	
Northern Region				
7	400 kV Balia-Lucknow Ckt. I&II, 400 kV Balia-Mau Ckt-I 400 kV D/C Patna-Balia line including	1.5.2007	Asset-g	Combined Asset-II



	associated Bays at Patna & Balia			
8	400 kV Balia-Mau Ckt.II, 40% FSC at Lucknow and 400 kV D/c Lucknow-Balia line	1.6.2007	Asset-h	
9	80 MVAR Bus reactor at Biharshariff Sub-station	1.7.2007	Asset-i	
10	400 kV Lucknow-Bareilly Ckt.I & II	1.8.2007	Asset-j	
11	400 kV Biharshariff-Balia line Ckt.I with associated bays	1.9.2007	Asset-k	
12	400 kV Biharshariff-Balia line Ckt.II with associated bays	1.11.2007	Asset-l	
Western & Northern Region				
13	400 kV Agra- Gwalior 765 kV S/C Transmission Line including respective bays at Agra and Gwalior Sub-station	1.4.2007	Asset-m	Asset-III

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

- “1) Approve the revised Transmission Tariff for 2004-09 block and transmission tariff for 2009-14 block for the assets covered under this petition, as per para 8 above.
- 2) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block including Additional capitalization and decapitalization for the assets covered under this petition, as per Para 9 and 10 above.
- 3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 9 and 10 above for respective block.

Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long term customers / DIC as the case may be, as and when the same is materialized as per regulation 49 of 2014 and regulation 67 of 2019 tariff regulation. The petitioner may be allow to recover the deferred tax liability materialised directly without making any application before the commission as provided in the regulation

- 4) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.
- 5) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,



2019.

- 6) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.*
- 7) *Allow the petitioner to recover FERV on the foreign loans deployed as provided under clause 68 of the Tariff Regulations,2019*
- 8) *Allow the petitioner to claimed initial spares project as whole.*
- 9) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at Para 10.5 above.*
- 10) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 11) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

Background

3. The brief facts of the case are as follows:

a. The Investment Approval (I.A.) for the transmission system was accorded by Ministry of Power *vide* its letter dated 12.10.2004 at an estimated cost of ₹177193 lakh. Subsequently, approval for the Revised Cost Estimate (RCE) was accorded by Board of Directors of the Petitioner Company on 26.12.2008 at an estimated cost of ₹275223 lakh, which includes IDC of ₹10947 lakh.

b. The scope of the work as per I.A. is as follows:

Transmission Lines:

- 1) Kahalgaon-Patna Line (257.18 km)
- 2) Patna-Balia line (195.320 km)
- 3) Balia-Biharshariff Line (241.790 km)
- 4) Ranchi-Maithon Line (199.81 km)
- 5) Lucknow Bareilly Line (255.500 km)
- 6) Balia Lucknow Line (316.204 km)



- 7) Mau Balia Line (9.120 km)
- 8) Agra-Gwalior Line (129.435 km)

Sub-station works:

400 kV

- 1) Gwalior:Agra Bay
- 2) Agra:Gwalior Bay
- 3) Patna:Bus Reactor Bay
- 4) Patna:Kahalgaon - I Bay
- 5) Patna:Kahalgaon - II Bay
- 6) Patna:ICT-I Bay
- 7) Patna:ICT-II Bay
- 8) Ranchi:Maithon - I Bay
- 9) Ranchi: Maithon - II Bay
- 10) Maithon:Ranchi - I Bay
- 11) Maithon:Ranchi - II Bay
- 12) Ranchi:Bus Reactor Bay
- 13) Ranchi:ICT - I Bay
- 14) Ranchi:ICT-II Bay
- 15) Balia:Mau Bay - I
- 16) Balia:Lucknow Bay - I
- 17) Balia:Lucknow Bay - II
- 18) Balia:Patna Bay - I
- 19) Balia:Patna Bay - II
- 20) Balia:Bus Reactor Bay
- 21) Biharsharif:Balial Bay – I
- 22) Biharsharif:Balial Bay - II
- 23) Balia:Biharsharif Bay - I
- 24) Mau:Balial Bay - II
- 25) Bareilly:Lucknow Bay - I
- 26) Bareilly:Lucknow Bay - II
- 27) Lucknow:FSC for Balial -I Line
- 28) Lucknow:FSC for Balial -II Line
- 29) Lucknow:Balial Bay - I
- 30) Lucknow:Balial Bay - II
- 31) Biharsharif:Biharsharif Bay - II
- 32) Biharsharif:Reactor Bay
- 33) Lucknow:Bareilly Bay – I
- 34) Patna:Balial - I Bay
- 35) Patna:Balial - II Bay
- 36) Balia:Mau- II Bay
- 37) Mau:Balial Bay - I
- 38) Lucknow:Bareilly Bay II

220 kV

- 1) Patna:ICT-I Bay
- 2) Patna:Khagul Bay



- 3) Patna:Fatua Bay
- 4) Ranchi:Hatia Bay
- 5) Patna: ICT -II Bay
- 6) Ranchi:Patratu Bay
- 7) Ranchi:Chandil Bay
- 8) Ranchi:ICT - I Bay
- 9) Ranchi:Chandil Bay
- 10) Ranchi: ICT-II Bay
- 11) Ranchi:Line Bay-III
- 12) Ranchi:Line Bay-IV

c. The complete scope of the work as per I.A. is covered in the instant petition.

d. The transmission tariff of the 2004-09 tariff period in respect of Assets-a to Asset-f was initially allowed vide order dated 6.5.2009 in Petition No.1/2009 and subsequently revised vide order dated 18.5.2010 in Petition No. 50/2010.

e. The transmission tariff of the 2004-09 tariff period in respect of Assets-g to Asset-l was initially allowed vide order dated 13.5.2009 in Petition No. 6/2009 and subsequently revised vide order dated 2.6.2010 in Petition No. 4/2010.

f. The transmission tariff of the 2004-09 tariff period in respect of Asset-m was allowed vide order dated 29.4.2009 in Petition No.167/2008 and subsequently revised vide order dated 8.4.2010 in Petition No. 313/2009.

g. The transmission tariff in respect of all the transmission assets for the 2009-14 tariff period was allowed vide order dated 15.2.2011 in Petition No. 300/2010.

h. The true up of the transmission tariff in respect of the transmission assets for the 2009-14 tariff period was done and tariff for 2014-19 tariff period was allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014.

i. The Petitioner has prayed for revision of transmission tariff allowed for the 2004-09 tariff period on account of change in Interest on Loan (IoL) and Interest on Working Capital (IWC) to the extent of revision in IoL and in Maintenance Spares in terms of the Appellate Tribunal for Electricity (APTEL)



judgment dated 22.1.2007 and 13.6.2007 in Appeal No. 81/2005 and 139/2006 respectively. The Petitioner has prayed for consequential revision of tariff allowed for the 2009-14 tariff period and truing up of tariff of 2014-19 tariff period and determination of tariff for the 2019-24 tariff period for transmission assets under the transmission system.

j. The APTEL vide judgements dated 22.1.2007 in Appeal No.81/2005 and batch matters pertaining to generating stations of NTPC had considered 4 (four) issues. The issues considered by APTEL and its decisions are as given in the following table:

Sl. No.	Issue	APTEL's decision/direction
1	Whether APTEL can enquire into the validity of Regulations framed by the Commission.	Challenge to the validity of Regulations framed by the Commission falls outside the purview of APTEL.
2	Computation of interest on loan.	In view of the order of the APTEL dated 14.11.2016 in Appeal No. 94 of 2005 and Appeal No. 96 of 2005 and order dated 24.1.2007 passed in Appeal Nos. 81 to 87, 89 to 93 of 2005, computation of loan has to be based on loan repayment on normative basis. The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis.
3(a)	O&M Expenses: Inadequate provision of employee costs as part of O&M Expenses due to variation in salary and wages	Commission's view upheld
3(b)	O&M Expenses: Non-inclusion of incentives and ex-gratia payment to employees	Commission's view upheld
4	Cost of spares for calculation of working capital	Commission's view upheld

k. The APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters pertaining to generating stations of NTPC had considered 9 issues. The issues considered and the decisions of APTEL are given in the following table:



Sl. No.	Issue	APTEL's decision/direction
I	Computation of outstanding loan at the beginning of the tariff period i.e. 1.4.2004	The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis.
II	Consequence of refinance of loan	Commission to consider the issue afresh
III	Treating depreciation available as deemed repayment of loan	Commission to make a fresh computation of outstanding loan
IV	Admissibility of depreciation up to 90%	Commission to consider the issue afresh
V	Cost of Maintenance Spares	Commission to consider the issue afresh
VI	Impact of de-capitalisation of the assets on cumulative repayment of Loan	The cumulative repayment of the loan proportionate to the assets decapitalized required to be reduced. Commission to act accordingly.
VII	Non-consideration of normative transit loss for coal import.	Commission to consider afresh the transit losses for coal imported from coal mines other than the dedicated ones.
VIII	Foreign Exchange rate variation (FERV)	FERV has been kept as pass through to ensure that any liability or gain, if any, arising on account of any variation in foreign exchange rates is passed on to the beneficiary as held in order dated 4.10.2006 in Appeals No.135 to 140 of 2005. Commission to act accordingly.
IX	Computation of interest on loan in Singrauli Station	Net loan closing at the end of a year is reflected as net loan opening on the first day of the next year. Commission shall re-compute the interest accordingly.

I. The Commission and certain interested parties preferred Civil Appeals against the APTEL's judgments before the Hon'ble Supreme Court in 2007. The Appeals were admitted and initially stay was granted by the Hon'ble Supreme Court. Subsequently, on an assurance by NTPC that the issues under Appeal would not be pressed for implementation during the pendency of the Appeals, the stay was vacated by the Hon'ble Supreme Court.

m. Based on the APTEL's judgments dated 22.1.2007 in Appeal No. 81 of 2005 and 13.6.2007 in Appeal No. 139 of 2007 and the Commission's order dated 18.1.2019 in Petition No. 121/2007, the Petitioner has prayed for re-determination of tariff of its transmission assets for the tariff periods 2001-04 and 2004-09 in Petition No. 121/2007. The Commission after taking into consideration the pending Appeals before the Hon'ble Supreme Court adjourned



the matter sine die and directed to revive the same after the disposal of the Civil Appeals by the Hon'ble Supreme Court.

n. The Hon'ble Supreme Court vide order dated 10.4.2018, dismissed the said Civil Appeals. Thus, the said order of the APTEL has attained finality.

o. Consequent to the Hon'ble Supreme Court's order dated 10.4.2018, the Petition No. 121/2007 was listed for hearing before the Commission on 8.1.2019. The Commission, vide order dated 18.1.2019 in Petition No. 121/2007, directed the Petitioner to submit its claim separately for the assets at the time of filing of truing up of the petitions for the 2014-19 tariff period in respect of concerned transmission assets.

p. Accordingly, the Petitioner has sought revision of transmission tariff allowed for the 2004-09 tariff period on account of change in IoL and IWC to the extent of revision in IoL and in Maintenance Spares in terms of the APTEL's judgements dated 22.1.2007 and 13.6.2007.

q. The instant petition was heard on 3.3.2021 and 31.3.2021 and in view of the APTEL's judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters along with order dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters and the order of Hon'ble Supreme Court dated 10.4.2018, transmission tariff is being revised. Although, period-wise transmission tariff is being re-worked based on the Tariff Regulations applicable for the respective tariff periods, suitable assumptions at certain places, if required, are being applied which are indicated.

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

5. The Petitioner has served the petition on the Respondents and notice of this petition has been published in the newspaper in accordance with Section 64 of the



Electricity Act, 2003. No comments/ objections have been received from the general public in response to the aforesaid notice published in the newspaper by the Petitioner. Madhya Pradesh Power Management Company Limited (MPPMCL), Respondent No. 18, has filed reply to the instant petition vide affidavit dated 1.3.2021. BSES Rajdhani Power Limited (BRPL), Respondent No. 12, has also filed reply to the instant petition vide affidavit dated 19.3.2021. The Petitioner, vide separate affidavits dated 8.3.2021 and 30.3.2021 has filed rejoinders to the reply of MPPMCL and BRPL respectively. The issues raised by MPPMCL and BRPL and the clarifications given by the Petitioner are considered in the relevant portions of this order.

Re: Interest on Loan (IOL)

6. APTEL while dealing with the issue of computation of IoL, in judgement dated 22.1.2007 in Appeal No.81 of 2005 and batch matters observed that IoL for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgement dated 14.11.2006 in Appeal No. 94 of 2005 and Appeal No. 96 of 2005. APTEL *vide* its judgement dated 14.11.2006 in Appeal No. 94 of 2005 and Appeal No. 96 of 2005 set aside the Commission's methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher and held that the Commission is required to adopt normative debt repayment methodology for working out the IoL liability for the period from 1.4.1998 to 31.3.2001. In view of the judgement of APTEL, interest allowed for 2004-09 period is to be revised on the basis of the normative debt repayment methodology.

Re: Additional Capital Expenditure (ACE)

7. APTEL in its judgement dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters held that ACE after COD should also be considered for computation of



maintenance spares. In view of the judgement of APTEL, maintenance spares to be considered for computation of working capital for 2001-04 and 2004-09 period are also required to be revised taking into consideration ACE after COD.

Re: Depreciation

8. As regards depreciation, APTEL in its judgement dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters observed that depreciation is an expense and it cannot be deployed for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. In view of the above directions of APTEL, the outstanding loan allowed for the transmission assets for the 2004-09 period is revised in the instant order.

9. The revision of transmission tariff allowed for 2004-09 tariff period necessitates the revision of transmission tariff allowed for the 2009-14 tariff period, which is also being done in the present order. The implementation of the directions of APTEL in judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters was kept pending in case of the Petitioner awaiting the outcome of the Civil Appeals filed before the Hon'ble Supreme Court Taking into consideration the facts of the case and keeping in view the interest of the consumers, we are of the view that the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed in the instant order for the 2004-09 and 2009-14 tariff periods. Therefore, we direct that the Petitioner will neither claim nor pay any carrying cost from or to the beneficiaries for the difference, if any, in the tariff allowed earlier and the tariff being allowed in the instant order. Further, the said difference in tariff shall be recovered/ paid over a period of six months from the date of issue of this order.



10. This order is issued considering the submissions made by the Petitioner in the petition *vide* affidavit dated 17.11.2020, Petitioner's affidavit dated 3.12.2020, MPPMCL's reply filed *vide* affidavit dated 1.3.2021 and Petitioner's rejoinder *vide* affidavit dated 8.3.2021 to MPPMCL's reply, BRPL's reply filed *vide* affidavit dated 17.3.2021 and Petitioner's rejoinder filed *vide* affidavit dated 30.3.2021 to the reply of BRPL.

11. Learned counsel for BRPL raised issue regarding reopening of the tariff of the 2004-09 and 2009-14 periods based on the APTEL's judgements contending that the Commission had only referred to a small portion of the Hon'ble Supreme Court of India in the matter of U.P. Power Corporation Limited Vs. National Thermal Power Corporation Limited reported in (2009) 6 SCC 235 and not the entire Judgement. The Commission may re-examine the whole issue after considering the entirety of the judgment of the Hon'ble Supreme Court and decide if the same is applicable to the facts of this case. BRPL contended that the claim to increase the tariff is permissible only when the tariff is in force and not afterwards. Further, BRPL submits that the Commission may revisit its order dated 6.11.2019 in Petition No. 288/TT/2019, Petition No.300/TT/2019, Petition No.301/TT/2019 and Petition No.305/TT/2019 in view of the facts and legal position and the judgment of the Hon'ble Supreme Court.

12. We have considered the submissions of the Petitioner and BRPL. As regards the submission of BRPL contending that for revision of tariff for the earlier periods on account of judgement of APTEL and that of the Hon'ble Supreme Court, the Commission has become *functus officio*, it is observed that after detailed deliberations on the issue, the Commission, by a combined order dated 6.11.2019 in Petition No.



288/TT/2019, Petition No.300/TT/2019, Petition No.301/TT/2019 and Petition No.305/TT/2019, has already rejected the contentions of BRPL. No appeal having been filed by BRPL, the same has attained finality. Therefore, we do not find merit in the contention of BRPL and reject the submission in the instant petition.

13. The hearing in this matter was held on 3.3.2021 and 31.3.2021 through video conference and the order was reserved. Having heard the representatives of the Petitioner, learned counsels of BRPL and BYPL and after perusal of the materials on record, we proceed to dispose of the petition.

REVISION OF TRANSMISSION CHARGES FOR THE 2004-09 AND 2009-14 TARIFF PERIODS

2004-09 Period

14. The Commission vide order dated 6.5.2009 in Petition No. 01/2009, order dated 18.5.2010 in Petition No. 50/2010, order dated 13.5.2009 in Petition No. 06/2009, order dated 2.6.2010 in Petition No. 04/2010, order dated 29.4.2009 in Petition No. 167/2008 and order dated 8.4.2010 in Petition No. 313/2009 had allowed the following transmission charges for the transmission assets for the 2004-09 period:

(₹ in lakh)

Annual Transmission Charges	Asset-a		Asset-b		Asset-c		Asset-d	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09
Depreciation	1159.29	1312.17	603.98	752.72	30.45	58.56	14.83	35.59
Interest on Loan	2613.30	2855.54	1322.53	1600.35	50.78	102.40	25.09	57.99
Return on Equity	1842.20	2082.44	931.75	1160.82	36.01	69.92	17.30	41.52
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	181.11	203.87	96.19	119.27	5.18	9.68	1.71	4.08
O&M Expenses	323.19	367.12	295.79	369.50	55.35	98.70	0.00	0.00
Total	6119.09	6821.14	3250.24	4002.66	177.77	339.26	58.93	139.18



(₹ in lakh)

Annual Transmission Charges	Asset-e		Asset-f		Asset-g	
	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 3 months)	2008-09	2007-08 (Pro-rata 11 months)	2008-09
Depreciation	25.23	87.55	14.39	63.88	1752.54	1989.72
Interest on Loan	42.34	154.07	23.71	112.98	4011.05	4408.28
Return on Equity	29.97	103.91	16.85	76.45	2769.56	3135.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	4.20	13.91	2.13	9.32	275.53	310.87
O&M Expenses	42.17	131.60	15.82	65.80	560.21	636.46
Total	143.91	491.04	72.90	328.43	9368.89	10481.04

(₹ in lakh)

Annual Transmission Charges	Asset-h		Asset-i		Asset-j	
	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 9 months)	2008-09	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	137.36	179.97	21.13	29.57	488.07	762.97
Interest on Loan	244.22	307.39	34.79	46.99	1080.75	1741.28
Return on Equity	167.52	219.66	24.48	34.28	763.86	1189.43
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	19.37	24.68	3.14	4.35	76.26	120.11
O&M Expenses	107.37	134.03	23.72	32.90	171.22	267.53
Total	675.84	865.73	107.26	148.09	2580.16	4081.32

(₹ in lakh)

Annual Transmission Charges	Asset-k		Asset-l		Asset-m	
	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09	2007-08	2008-09
Depreciation	519.84	915.71	136.21	333.86	475.99	494.84
Interest on Loan	1209.33	2092.73	311.07	743.96	1137.48	1141.36
Return on Equity	837.32	1473.40	213.39	521.91	763.59	792.74
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	80.51	141.37	21.67	52.83	74.73	77.26
O&M Expenses	72.87	130.12	52.05	130.12	96.27	100.23
Total	2719.87	4753.33	734.39	1782.68	2548.06	2606.43

15. The Petitioner has claimed the following revised transmission charges for the transmission assets for the 2004-09 period in the instant petition:



(₹ in lakh)

Annual Transmission Charges	Asset-a		Asset-b		Asset-c		Asset-d	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09
Depreciation	1159.29	1312.17	603.98	752.72	30.45	58.56	14.83	35.59
Interest on Loan	2658.73	3012.40	1344.83	1685.12	51.56	107.93	25.34	60.83
Return on Equity	1842.20	2082.44	931.75	1160.82	36.01	69.92	17.30	41.52
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	182.92	210.66	97.03	123.14	5.26	10.21	1.71	4.19
O&M Expenses	323.19	367.12	295.79	369.50	55.35	98.70	0.00	0.00
Total	6166.34	6984.79	3273.38	4091.30	178.64	345.32	59.19	142.12

(₹ in lakh)

Annual Transmission Charges	Asset-e		Asset-f		Asset-g	
	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 3 months)	2008-09	2007-08 (Pro-rata 11 months)	2008-09
Depreciation	25.23	87.55	14.39	63.88	1752.54	1989.72
Interest on Loan	42.70	160.54	23.88	117.26	4082.09	4651.08
Return on Equity	29.97	103.91	16.85	76.45	2769.56	3135.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	4.25	14.71	2.15	9.83	279.30	322.57
O&M Expenses	42.17	131.60	15.82	65.80	560.21	636.46
Total	144.32	498.31	73.09	333.22	9443.70	10735.54

(₹ in lakh)

Annual Transmission Charges	Asset-h		Asset-i		Asset-j	
	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 9 months)	2008-09	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	137.36	179.97	21.13	29.57	488.07	762.97
Interest on Loan	249.33	327.67	35.48	50.10	1094.74	1821.64
Return on Equity	167.52	219.66	24.48	34.28	763.86	1189.43
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	19.90	26.28	3.17	4.49	77.00	124.52
O&M Expenses	107.37	134.03	23.72	32.90	171.22	267.53
Total	681.48	887.61	107.97	151.34	2594.90	4166.10

(₹ in lakh)

Annual Transmission Charges	Asset-k		Asset-l		Asset-m	
	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09	2007-08	2008-09
Depreciation	519.84	915.71	136.21	333.86	475.99	494.84
Interest on Loan	1222.62	2180.36	313.57	770.86	1158.60	1208.10
Return on Equity	837.32	1473.40	213.39	521.91	763.59	792.74

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Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	80.98	145.76	21.80	54.44	75.74	80.16
O&M Expenses	72.87	130.12	52.05	130.12	96.27	100.23
Total	2733.63	4845.34	737.02	1811.19	2570.18	2676.06

16. The revised tariff is allowed for the transmission assets on the basis of the following:

a) Admitted capital cost as on respective CODs of the transmission assets as follows:

Asset	Capital Cost as on COD (₹ in lakh)	Asset	Capital Cost as on COD (₹ in lakh)
Asset-a	47086.66	Asset-h	4382.25
Asset-b	26260.47	Asset-i	774.94
Asset-c	1378.47	Asset-j	26732.20
Asset-d	988.54	Asset-k	33914.20
Asset-e	2032.01	Asset-l	12032.05
Asset-f	1562.08	Asset-m	17732.02
Asset-g	69935.38		

b) Weighted Average Rate of Interest on actual loan, Weighted Average Rate of Depreciation (WAROD), Rate of Interest for Working Capital and O&M Expenses are considered from order dated 6.5.2009 in Petition No. 01/2009, order dated 18.5.2010 in Petition No. 50/2010, order dated 13.5.2009 in Petition No. 06/2009, order dated 2.6.2010 in Petition No. 04/2010, order dated 29.4.2009 in Petition No. 167/2008 and order dated 8.4.2010 in Petition No. 313/2009.

c) With regard to calculation of IoL for 2007-08 and 2008-09 period, moratorium period was availed by the Petitioner and no actual repayment of loan was done in respect of the transmission assets covered under the instant petition. The Commission vide orders dated 6.5.2009 in Petition No. 01/2009, order dated 18.5.2010 in Petition No. 50/2010, order dated 13.5.2009 in Petition No. 06/2009, order dated 2.6.2010 in Petition No. 04/2010, order dated 29.4.2009 in Petition No. 167/2008 and order dated 8.4.2010 in Petition No. 313/2009 considered depreciation provided during 2007-08 and 2008-09 periods as loan repayment. Therefore, depreciation provided during 2007-08 and 2008-09 periods has been considered as loan repayment in accordance with



Regulation 56(i)(f) of the 2004 Tariff Regulations. The relevant extract of Regulation 56(i)(f) of the 2004 Tariff Regulations provides as follows:

“56 (i) Interest on Loan Capital

(f) In case any moratorium period is availed of by the transmission licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly;”

17. There is additional capital expenditure (ACE) in all the assets during 2004-09 period and as such the maintenance spares component for calculating IWC is required to be revised.

18. In view of the above, the revised transmission charges allowed for the transmission assets for the 2004-09 tariff period are as follows:

(₹ in lakh)

Annual Transmission Charges	Asset-a		Asset-b		Asset-c		Asset-d	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09
Depreciation	1159.29	1312.17	603.98	752.72	30.45	58.56	14.83	35.59
Interest on Loan	2613.30	2855.54	1322.53	1600.35	50.78	102.40	25.09	57.99
Return on Equity	1842.20	2082.44	931.75	1160.82	36.01	69.92	17.30	41.52
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	187.27	207.10	102.73	121.05	6.42	10.05	2.43	4.08
O&M Expenses	323.19	367.12	295.79	369.50	55.35	98.70	0.00	0.00
Total	6125.25	6824.36	3256.78	4004.44	179.01	339.63	59.64	139.18

(₹ in lakh)

Annual Transmission Charges	Asset-e		Asset-f		Asset-g	
	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 3 months)	2008-09	2007-08 (Pro-rata 11 months)	2008-09
Depreciation	25.23	87.55	14.39	63.88	1752.54	1989.72
Interest on Loan	42.34	154.07	23.71	112.98	4011.05	4408.28
Return on Equity	29.97	103.91	16.85	76.45	2769.56	3135.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	6.91	14.48	4.14	9.65	285.85	317.07
O&M Expenses	42.17	131.60	15.82	65.80	560.21	636.46
Total	146.61	491.61	74.92	328.76	9379.22	10487.25



(₹ in lakh)

Annual Transmission Charges	Asset-h		Asset-i		Asset-j	
	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 9 months)	2008-09	2007-08 (Pro-rata 8 months)	2008-09
Depreciation	137.36	179.97	21.13	29.57	488.07	762.97
Interest on Loan	244.22	307.39	34.79	46.99	1080.75	1741.28
Return on Equity	167.52	219.66	24.48	34.28	763.86	1189.43
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	21.01	25.80	3.48	4.41	88.98	122.18
O&M Expenses	107.37	134.03	23.72	32.90	171.22	267.53
Total	677.48	866.85	107.60	148.16	2592.88	4083.39

(₹ in lakh)

Annual Transmission Charges	Asset-k		Asset-l		Asset-m	
	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09	2007-08	2008-09
Depreciation	519.84	915.71	136.21	333.86	475.99	494.84
Interest on Loan	1209.33	2092.73	311.07	743.96	1137.48	1141.36
Return on Equity	837.32	1473.40	213.39	521.91	763.59	792.74
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	99.05	142.87	31.41	53.35	75.30	78.77
O&M Expenses	72.87	130.12	52.05	130.12	96.27	100.23
Total	2738.41	4754.83	744.13	1783.20	2548.63	2607.94

19. AFC allowed earlier vide respective orders for the 2004-09 tariff period in respect of Asset-a to Asset-m, the revised AFC claimed in the instant petition and AFC approved in the instant order is as follows:

(₹ in lakh)

Annual Transmission Charges	Asset-a		Asset-b		Asset-c	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09
AFC allowed <i>vide</i> order dated 6.5.2009 in Petition No. 01/2009 and order dated 18.5.2010 in Petition No. 50/2010	6119.09	6821.14	3250.24	4002.66	177.77	339.26
AFC claimed by the Petitioner in the instant petition	6166.34	6984.79	3273.38	4091.30	178.64	345.32
AFC approved in the instant order	6125.25	6824.36	3256.78	4004.44	179.01	339.63



(₹ in lakh)

Annual Transmission Charges	Asset-d		Asset-e		Asset-f	
	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 3 months)	2008-09
AFC allowed <i>vide</i> order dated 6.5.2009 in Petition No. 01/2009 and order dated 18.5.2010 in Petition No. 50/2010	58.93	139.18	143.91	491.04	72.90	328.43
AFC claimed by the Petitioner in the instant petition	59.19	142.12	144.32	498.31	73.09	333.22
AFC approved in the instant order	59.64	139.18	146.61	491.61	74.92	328.76

(₹ in lakh)

Annual Transmission Charges	Asset-g		Asset-h		Asset-i	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 9 months)	2008-09
AFC allowed <i>vide</i> order dated 13.5.2009 Petition No. 06/2009 and order dated 2.6.2010 in Petition No. 04/2010	9368.89	10481.04	675.84	865.73	107.26	148.09
AFC claimed by the Petitioner in the instant petition	9443.70	10735.54	681.48	887.61	107.97	151.34
AFC approved in the instant order	9379.22	10487.25	677.48	866.85	107.60	148.16

(₹ in lakh)

Annual Transmission Charges	Asset-j		Asset-k		Asset-l	
	2007-08 (Pro-rata 8 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09
AFC allowed <i>vide</i> order dated 13.5.2009 Petition No. 06/2009 and order dated 2.6.2010 in Petition No. 04/2010	2580.16	4081.32	2719.87	4753.33	734.39	1782.68
AFC claimed by the Petitioner in the instant petition	2594.90	4166.10	2733.63	4845.34	737.02	1811.19
AFC approved in the instant order	2592.88	4083.39	2738.41	4754.83	744.13	1783.20



(₹ in lakh)

Annual Transmission Charges	Asset-m	
	2007-08	2008-09
AFC allowed <i>vide</i> order dated 29.4.2009 in Petition No. 167/2008 and order dated 8.4.2010 in Petition No. 313/2009	2548.06	2606.43
AFC claimed by the Petitioner in the instant petition	2570.18	2676.06
AFC approved in the instant order	2548.63	2607.94

2009-14 Period

20. The Commission *vide* order dated 15.2.2011 in Petition No. 300/2010 had allowed the tariff for the Combined Asset-I (transmission assets-a to g), Combined Asset-II (transmission assets-h to l) and Asset-III (transmission asset-m) for the 2009-14 period and in order dated 14.12.2015 in Petition No. 560/TT/2014 had trued-up the tariff as follows:

(₹ in lakh)

Particulars	Combined Asset-I (Comprises of Asset-a to Asset-f in 2004-09)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	4530.18	4562.77	4567.15	4571.37	4574.58
Interest on Loan	4754.95	4404.25	4013.91	3621.47	3226.25
Return on Equity	4869.89	5086.80	5097.58	5103.18	5168.49
Interest on Working Capital	366.85	368.85	365.38	361.99	360.03
O&M Expenses	1435.99	1518.27	1605.20	1696.91	1793.74
Total	15957.85	15940.95	15649.23	15354.93	15123.09

(₹ in lakh)

Particulars	Combined Asset-II (Comprises of Asset-g to Asset-l in 2004-09)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	8334.01	8368.25	8381.75	8402.57	8414.93
Interest on Loan	8936.03	8245.24	7518.40	6795.40	6059.90
Return on Equity	8917.95	9287.77	9312.91	9337.11	9464.21
Interest on Working Capital	647.48	647.33	639.15	631.51	625.94
O&M Expenses	2032.66	2149.17	2272.24	2402.10	2538.99
Total	28868.14	28697.77	28124.44	27568.68	27103.97



(₹ in lakh)

Particulars	Asset-III (Asset-m in 2004-09)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1011.06	1016.24	1021.65	1022.88	1022.88
Interest on Loan	1089.79	1003.32	916.65	824.66	731.18
Return on Equity	1071.88	1116.87	1123.91	1125.26	1138.82
Interest on Working Capital	74.85	74.59	73.57	72.26	71.19
O&M Expenses	174.31	184.32	194.80	206.03	217.77
Total	3421.89	3395.34	3330.58	3251.10	3181.84

21. The Petitioner has claimed the following revised transmission charges for the Combined Asset-I, Combined Asset-II and Asset-III for the 2009-14 period in this petition:

(₹ in lakh)

Particulars	Combined Asset-I				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	4530.18	4562.77	4567.15	4571.37	4574.58
Interest on Loan	5118.24	4768.07	4378.01	3985.71	3590.66
Return on Equity	4869.89	5086.80	5097.58	5103.18	5168.49
Interest on Working Capital	374.42	376.44	372.98	369.59	367.63
O&M Expenses	1435.99	1518.27	1605.20	1696.91	1793.74
Total	16328.73	16312.35	16020.91	15726.76	15495.10

(₹ in lakh)

Particulars	Combined Asset-II				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	8334.01	8368.25	8381.75	8402.57	8414.93
Interest on Loan	9585.37	8895.35	8168.94	7446.16	6710.85
Return on Equity	8917.95	9287.77	9312.91	9337.11	9464.21
Interest on Working Capital	661.03	660.89	652.71	645.08	639.51
O&M Expenses	2032.66	2149.17	2272.24	2402.10	2538.99
Total	29531.01	29361.44	28788.56	28233.02	27768.49

(₹ in lakh)

Particulars	Asset-III				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1011.06	1016.24	1021.65	1022.88	1022.88
Interest on Loan	1178.54	1092.05	1005.37	913.37	819.89
Return on Equity	1071.88	1116.87	1123.91	1125.26	1138.82



Interest on Working Capital	76.70	76.44	75.42	74.11	73.04
O&M Expenses	174.31	184.32	194.80	206.03	217.77
Total	3512.48	3485.92	3421.15	3341.66	3272.40

22. BRPL submitted that true up has to be done based on actual tax rate applicable to the company and that if based on the truing up of tariff, the recovered tariff exceeds the tariff approved, the Petitioner company shall refund the excess recovered tariff to beneficiaries along with simple interest. BRPL submitted that the transmission licensees have been allowed huge tax benefits under the Income Tax Act, 1961 in the form of Tax Holiday for enterprises engaged in infrastructure development as per Section 80IA as well as the other benefits like the higher depreciation allowed in initial years. However, the benefits arising out of the tax benefits were not determined without considering the Regulation 15 of the 2009 Tariff Regulations. Further, BRPL pointed out that the Petitioner was allowed the grossing up of RoE in order dated 14.12.2015 in Petition No. 560/TT/2014 and the claim for grossing up can be allowed only if the Petitioner can submit any document indicating payment of tax on its transmission business. Therefore, the Commission may revisit the order to correct any incorrect decision in accordance with the APTEL's Judgment dated 12.5.2015 in Appeal Nos. 129 and batch matters.

23. We have considered the submissions of the Petitioner and BRPL. BRPL has raised issues that have already been decided for the 2009-14 tariff period and no appeal has been filed by BRPL. Hence, the same has attained finality. In this order, we are considering revision of tariff based on judgements of APTEL and order of the Hon'ble Supreme Court as stated in earlier part of this order. The tariff is allowed for the transmission assets on the basis of the following:



- a) Admitted capital cost of the transmission assets as on 1.4.2009 is as under:

Asset	Capital Cost as on 1.4.2009 (₹ in lakh)
Combined Asset-I	86295.23
Combined Asset-II	158535.19
Asset-III	19120.18

- b) Weighted Average Rate of Interest on actual loan is considered from order dated 14.12.2015 in Petition No. 560/TT/2014.
- c) Weighted Average Rate of Depreciation is considered from order dated 14.12.2015 in Petition No. 560/TT/2014.
- d) Actual ACE that had been approved by the Commission vide order dated 14.12.2015 in Petition No. 560/TT/2014.

24. In view of the above, the revised transmission charges approved for the transmission assets for the 2009-14 tariff period are as follows:

(₹ in lakh)

Particulars	Combined Asset-I				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	4530.18	4562.77	4567.15	4571.37	4574.58
Interest on Loan	4754.95	4404.25	4013.91	3621.47	3226.25
Return on Equity	4869.89	5086.80	5097.58	5103.18	5168.49
Interest on Working Capital	366.85	368.85	365.38	361.99	360.03
O&M Expenses	1435.99	1518.27	1605.20	1696.91	1793.74
Total	15957.85	15940.95	15649.23	15354.93	15123.09

(₹ in lakh)

Particulars	Combined Asset-II				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	8334.01	8368.25	8381.75	8402.57	8414.93
Interest on Loan	8936.03	8245.24	7518.40	6795.40	6059.90
Return on Equity	8917.95	9287.77	9312.91	9337.11	9464.21
Interest on Working Capital	647.48	647.33	639.15	631.51	625.94
O&M Expenses	2032.66	2149.17	2272.24	2402.10	2538.99
Total	28868.14	28697.77	28124.44	27568.68	27103.97

(₹ in lakh)

Particulars	Asset-III				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1011.06	1016.24	1021.65	1022.88	1022.88



Interest on Loan	1089.79	1003.32	916.65	824.66	731.18
Return on Equity	1071.88	1116.87	1123.91	1125.26	1138.82
Interest on Working Capital	74.85	74.59	73.57	72.26	71.19
O&M Expenses	174.31	184.32	194.80	206.03	217.77
Total	3421.89	3395.34	3330.58	3251.10	3181.84

25. AFC allowed earlier for the 2009-14 tariff period *vide* order dated 14.12.2015 in Petition No. 560/TT/2014, the revised AFC claimed in the instant petition and AFC approved in the instant order is as follows:-

(₹ in lakh)

Particulars	Combined Asset-I				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC allowed <i>vide</i> order dated 14.12.2015 in Petition No. 560/TT/2014	15957.85	15940.95	15649.23	15354.93	15123.09
AFC claimed by the Petitioner in the instant petition	16328.73	16312.35	16020.91	15726.76	15495.10
AFC approved in the instant order	15957.85	15940.95	15649.23	15354.93	15123.09

(₹ in lakh)

Particulars	Combined Asset-II				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC allowed <i>vide</i> order dated 14.12.2015 in Petition No. 560/TT/2014	28868.14	28697.77	28124.44	27568.68	27103.97
AFC claimed by the Petitioner in the instant petition	29531.01	29361.44	28788.56	28233.02	27768.49
AFC approved in the instant order	28868.14	28697.77	28124.44	27568.68	27103.97

(₹ in lakh)

Particulars	Asset-III				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC allowed <i>vide</i> order dated 14.12.2015 in Petition No. 560/TT/2014	3421.89	3395.34	3330.58	3251.10	3181.84
AFC claimed by the Petitioner in the instant petition	3512.48	3485.92	3421.15	3341.66	3272.40
AFC approved in the instant order	3421.89	3395.34	3330.58	3251.10	3181.84



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

26. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission assets is as under:

(₹ in lakh)

Particulars	Combined Asset-I				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4576.37	4562.34	4548.32	4548.32	4548.32
Interest on Loan	3194.09	2787.23	2382.11	1985.50	1589.11
Return on Equity	5174.93	5182.95	5164.61	5164.61	5178.50
Interest on Working Capital	388.82	382.34	375.38	369.47	363.99
O&M Expenses	1644.52	1699.11	1755.40	1813.73	1873.96
Total	14978.73	14613.97	14225.82	13881.63	13553.88

(₹ in lakh)

Particulars	Combined Asset-II				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	8419.00	8333.06	8244.27	8244.02	8232.27
Interest on Loan	5964.53	5171.12	4384.87	3657.79	2927.41
Return on Equity	9476.06	9423.25	9319.06	9318.78	9330.65
Interest on Working Capital	677.48	660.29	642.13	629.94	617.82
O&M Expenses	2322.06	2399.30	2478.65	2561.14	2646.09
Total	26859.13	25987.02	25068.98	24411.67	23754.24

(₹ in lakh)

Particulars	Asset-III				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1022.88	1022.88	1022.88	1022.88	1022.88
Interest on Loan	726.43	632.97	539.52	446.06	352.60
Return on Equity	1139.67	1144.90	1144.31	1144.31	1147.39
Interest on Working Capital	77.50	75.83	74.04	72.28	70.61
O&M Expenses	199.04	205.76	212.48	219.61	226.86
Total	3165.52	3082.34	2993.23	2905.14	2820.34

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

(₹ in lakh)

Particular	Combined Asset-I				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	137.04	141.59	146.28	151.14	156.16
Maintenance Spares	246.68	254.87	263.31	272.06	281.09



Receivables	2496.46	2435.66	2370.97	2313.61	2258.98
Total Working Capital	2880.18	2832.12	2780.56	2736.81	2696.23
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	388.82	382.34	375.38	369.47	363.99

(₹ in lakh)

Particular	Combined Asset-II				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	193.51	199.94	206.55	213.43	220.51
Maintenance Spares	348.31	359.90	371.80	384.17	396.91
Receivables	4476.52	4331.17	4178.16	4068.61	3959.04
Total Working Capital	5018.34	4891.01	4756.51	4666.21	4576.46
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	677.48	660.29	642.13	629.94	617.82

(₹ in lakh)

Particular	Asset-III				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	16.59	17.15	17.71	18.30	18.91
Maintenance Spares	29.86	30.86	31.87	32.94	34.03
Receivables	527.59	513.72	498.87	484.19	470.06
Total Working Capital	574.04	561.73	548.45	535.43	523.00
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	77.50	75.83	74.04	72.28	70.61

Capital Cost

28. The capital cost of the existing project has been calculated in accordance with Regulation 9(3) and Regulation 9(6) of the 2014 Tariff Regulations.

29. The Commission *vide* order dated 14.12.2015 in Petition No. 560/TT/2014 had allowed capital cost for the 2014-19 tariff period as under:

(₹ in lakh)

Asset	Admitted Capital Cost (as on 31.3.2014)	Admitted ACE (2014-19)	Admitted Capital Cost (as on 31.3.2019)
Combined Asset-I	87896.76	0	87896.76
Combined Asset-II	160897.38	698.56	161595.94
Asset-III	19362.71	0	19362.71

30. BRPL has submitted that the Petitioner has opted for deemed cost exemption as per para D7 AA of IND AS 101 'First time Adoption' of Indian Accounting Standard



which is resulting in mere increase of tariff. The adoption of Indian Accounting Standard is for the purposes of the Companies Act, 2013 and not for the purposes of the Tariff Regulations which provides its own procedure for computation of tariff

31. We have considered the submissions of BRPL. The Commission vide order dated 24.1.2021 in Petition No. 136/TT/2020 has already dealt with this issue raised by the Respondent BRPL. In view of our finding vide order dated 24.1.2021 in Petition No. 136/TT/2020, we reject the contention of the BRPL. Therefore, the capital cost approved as on 1.4.2014 above is the same capital cost as on 31.3.2014 admitted vide order dated 14.12.2015 in Petition No. 560/TT/2014 and the same has been considered for calculating tariff.

Additional Capital Expenditure (ACE) / De-capitalisation

32. The Commission had allowed ACE of ₹698.56 lakh for Combined Asset-II in 2014-19 vide order dated 14.12.2015 in Petition No. 560/TT/2014. The Petitioner had not projected any ACE for remaining assets while filing tariff Petition No. 560/TT/2014.

33. The Petitioner in the instant petition has claimed the following ACE and de-capitalisation in respect of the transmission assets:

(₹ in lakh)					
Asset	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I	0.00	(-531.31)	0.00	0.00	0.00
Combined Asset-II	108.51	119.50	0.00	426.14	(435.55)
		(-3483.04)		(-435.55)	
Asset-III	0.00	0.00	0.00	0.00	0.00

34. In respect of the decapitalisation, the Petitioner has submitted as under (along with additional details submitted during hearing dated 31.3.2021):



Asset and Year	Amount (₹ in lakh)	Reason(s)
Combined Asset-I 2015-16	531.31	2X50 MVAR line reactors at Patna sub-station were originally put under commercial operation on 1.5.2007. The same were removed from Patna sub-station on 16.11.2014. Thereafter, they were shifted to Balia sub-station under ERSS VIII project and put under commercial operation w.e.f. 11.2.2016.
Combined Asset-II 2015-16	3483.04	400 FSCs at Lucknow sub-station were originally put under commercial operation on 1.6.2007. The same were removed from Lucknow sub-station on 5.9.2014. Thereafter, they were shifted to Sohawal sub-station under Northern Region Transmission strengthening system project and put under commercial operation w.e.f. 11.2.2016.
Combined Asset-II 2017-18	435.55	1X63 MVAR Bus Reactor at Lucknow sub-station was originally put under commercial operation on 1.5.2007. The same was removed from Lucknow sub-station on 6.1.2016. Thereafter, it was shifted to Sohawal sub-station under Northern Region Transmission strengthening system project and put under commercial operation w.e.f. 28.7.2017.
Combined Asset-II 2018-19	435.55	1X63 MVAR Bus Reactor at Lucknow sub-station was originally put under commercial operation on 1.5.2007. The same was removed from Lucknow sub-station on 6.1.2016. Thereafter, it was shifted to Sohawal sub-station under Northern Region Transmission strengthening system project and put under commercial operation w.e.f. 6.5.2018.
Combined Asset-II 2019-20	551.04	80 MVAR Bus reactor at Patna sub-station was originally put under commercial operation on 1.5.2007. The same was removed from Lucknow sub-station on 2.3.2019. Thereafter, it was used at Patna sub-station under Transmission system associated with Nabinagar-II project and put under commercial operation w.e.f. 21.7.2019.

35. The Petitioner has submitted that ACE during the year 2014-15, 2015-16 and 2017-18 for Combined Asset-II is 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 2014 Tariff Regulations. The details of balance and retention payments under Combined Asset-II are as under:

Year	Package Name	Contractor	Nature of payment	Amount (₹ in lakh)
2014-15	Sub-station	BHEL	Balance and retention payment	108.51
2015-16	Sub-station	BHEL	Balance and retention payment	119.50
2017-18	Sub-station	BHEL	Balance and retention payment	426.14



36. The Petitioner has further submitted that ACE allowed *vide* order dated 14.12.2015 in Petition No. 560/TT/2014, was ₹698.56 lakh against which actual expenditure incurred is ₹654.15 lakh which is within the approved ACE.

37. We have considered the submission of the Petitioner. The Petitioner has furnished the following details in respect of de-capitalisation proposed by it:

Equipment/ Asset	Year of capitalisation of asset/ equipment being decapitalised	Original book value of the asset being decapitalised	Debt-Equity ratio at the time of capitalisation	Cumulative depreciation corresponding to decapitalisation date	Cumulative repayment of loan corresponding to decapitalisation	Date of decapitalisation claimed in the instant petition
2x50 MVAR Line reactor	2007-08 (1.5.2007)	531.31	70:30	232.95	202.21	11.2.2016
FSCs	2007-08 (1.6.2007)	3483.04	70:30	1552.17	1356.30	11.2.2016
1X63 MVAR Bus Reactor I	2007-08 (1.5.2007)	435.55	70:30	217.40	196.23	28.7.2017
1X63 MVAR Bus Reactor II	2007-08 (1.5.2007)	435.55	70:30	235.16	214.60	6.5.2018
80 MVAR Bus reactor	2007-08 (1.5.2007)	551.04	70:30	334.42	307.26	21.7.2019

38. The Petitioner vide affidavit dated 17.11.2020 had submitted the following details of the decapitalised assets:

Equipment/ Asset	Year of capitalisation of asset/ equipment being decapitalised	Actual date of removal of the asset	Original book value of the asset being decapitalised	Debt-Equity ratio at the time of capitalisation	Cumulative depreciation corresponding to actual date of removal	Cumulative repayment of loan corresponding actual date of removal	Date of recapitalisation claimed in the respective petitions
A	B	C	D	E	F	G	H
2x50 MVAR Line reactor	2007-08 (1.5.2007)	16.11.2014	531.31	70:30	211.79	158.02	11.2.2016
FSCs	2007-08 (1.6.2007)	5.9.2014	3483.04	70:30	1288.59	1092.72	11.2.2016
1X63 MVAR Bus Reactor I	2007-08 (1.5.2007)	6.1.2016	435.55	70:30	181.56	160.39	28.7.2017



1X63 MVAR Bus Reactor II	2007-08 (1.5.2007)	6.1.2016	435.55	70:30	181.56	160.39	6.5.2018
80 MVAR Bus reactor	2007-08 (1.5.2007)	2.3.2019	551.04	70:30	323.18	296.02	21.7.2019

39. Accordingly, we have considered the date of de-capitalisation of equipment in the instant petition as per respective dates mentioned in the preceding paragraph and necessary adjustments have been made in the capital cost of the respective transmission assets from respective dates of removal and tariff has been allowed accordingly.

40. ACE during the years 2014-15, 2015-16 and 2017-18 for Combined Asset-II is allowed on account of balance and retention payments due to un-discharged liability for works executed within cut-off date under Regulation 14(3)(v) of the 2014 Tariff Regulations. De-capitalisation has been considered based on the details submitted by the Petitioner. The details of the approved capital cost is as follows:

(₹ in lakh)								
Asset	Capital Cost as on 31.3.2014	2014-15	2014-15 (De-cap)	2015-16	2015-16 (De-cap)	2017-18	2018-19 (De-cap)	Capital Cost as on 31.3.2019
Combined Asset-I	87896.76	0.00	(531.31)	0.00	0.00	0.00	(551.04)	86814.41
Combined Asset-II	160897.38	108.51	(3483.04)	119.50	(871.10)	426.14	0.00	157197.39
Asset-III	19362.71	0.00	0.00	0.00	0.00	0.00	0.00	19362.71

Debt-Equity ratio

41. The debt-equity ratio has been allowed in accordance with Regulation 19(3) of the 2014 Tariff Regulations. As per Regulation 19(3) of the 2014 Tariff Regulations, the debt-equity ratio allowed by the Commission for determination of tariff for the period ending on 31.3.2014 has been considered for the purpose of truing up of the



tariff of the transmission asset for the 2014-19 tariff period. De-capitalisation has been carried out in the same debt-equity ratio of 70:30. The details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 of the transmission assets is as under:

(₹ in lakh)

Asset	Capital Cost as on 1.4.2014			Capital Cost as on 31.3.2019		
	Debt	Equity	Total	Debt	Equity	Total
	70%	30%	100%	70%	30%	100%
Combined Asset-I	61527.71	26369.05	87896.76	60770.07	26044.34	86814.41
Combined Asset-II	112628.01	48269.37	160897.38	110038.02	47159.37	157197.39
Asset-III	13555.48	5807.23	19362.71	13555.48	5807.23	19362.71

Depreciation

42. The Gross Block during the tariff period 2014-19 has been depreciated at weighted average of depreciation (WAROD). WAROD at Annexure-I has been worked out after taking into account the depreciation rates of assets as specified in the 2014 Tariff Regulations and depreciation allowed is as follows:

(₹ in lakh)

Combined Asset-I							
Particulars	1.4.2014 to 16.11.2014 (230 days)	17.11.2014 to 31.3.2015 (135 days)	2015-16	2016-17	2017-18	1.4.2018 to 2.3.2019 (336 days)	3.3.2019 to 31.3.2019 (29 days)
Depreciation							
Opening Gross Block	87896.76	87365.45	87365.45	87365.45	87365.45	87365.45	86814.41
ACE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	87896.76	87365.45	87365.45	87365.45	87365.45	87365.45	86814.41
Average Gross Block	87896.76	87365.45	87365.45	87365.45	87365.45	87365.45	86814.41
Freehold land	853.46	853.46	853.46	853.46	853.46	853.46	853.46
Weighted Average Rate of Depreciation (in %)	5.21	5.21	5.21	5.21	5.21	5.21	5.21
Depreciable Value	78338.97	77860.79	77860.79	77860.79	77860.79	77860.79	77364.86
Balance useful life of the asset (Year)	27	27	26	25	24	23	23
Lapsed life (Year)	6	6	7	8	9	10	10
Pro-rata depreciation during the year	2883.74	1682.26	4548.32	4548.32	4548.32	4186.95	359.06



Depreciation up to previous year	26964.68	29636.64	31318.89	35867.21	40415.53	44963.86	48827.62
Less: Adjustment of Cumulative Depreciation for De-Capitalised Asset	211.79	0.00	0.00	0.00	0.00	323.18	0.00
Cumulative depreciation	29636.64	31318.89	35867.21	40415.53	44963.86	48827.62	49186.69
Remaining Depreciable Value	48702.33	46541.90	41993.58	37445.26	32896.93	29033.17	28178.17

(₹ in lakh)

Combined Asset-II							
Particulars	1.4.2014 to 5.9.2014 (158 days)	6.9.2014 to 31.3.2015 (207 days)	1.4.2015 to 6.1.2016 (281 days)	7.1.2016 to 31.3.2016 (85 days)	2016-17	2017-18	2018-19
Depreciation							
Opening Gross Block	160897.38	157414.34	157522.85	156651.75	156771.25	156771.25	157197.39
ACE	108.51	108.51	119.50	119.50	0.00	426.14	0.00
Closing Gross Block	161005.89	157522.85	157642.35	156771.25	156771.25	157197.39	157197.39
Average Gross Block	160951.64	157468.60	157582.60	156711.50	156771.25	156984.32	157197.39
Freehold Land	963.66	963.66	963.66	963.66	963.66	963.66	963.66
Weighted Average Rate of Depreciation (in %)	5.23	5.23	5.23	5.23	5.23	5.23	5.23
Depreciable Value	143989.18	140854.44	140957.05	140173.06	140226.83	140418.59	140610.36
Balance useful life of the asset (Year)	28	28	27	27	26	25	24
Lapsed life (Year)	6	6	7	7	8	9	10
Pro-rata Depreciation during the year	3644.39	4670.31	6327.19	1903.24	8198.27	8209.52	8220.77
Depreciation up to previous year	49168.46	51524.26	56194.57	62158.65	64061.88	72260.15	80469.68
Less Adjustment of Cumulative Depreciation for De-Capitalised Asset	1288.59	0.00	363.12	0.00	0.00	0.00	0.00
Cumulative depreciation	51524.26	56194.57	62158.65	64061.88	72260.15	80469.68	88690.45
Remaining Depreciable Value	92464.92	84659.87	78798.40	76111.17	67966.68	59948.92	51919.91



(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation					
Opening Gross Block	19362.71	19362.71	19362.71	19362.71	19362.71
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	19362.71	19362.71	19362.71	19362.71	19362.71
Average Gross Block	19362.71	19362.71	19362.71	19362.71	19362.71
Weighted Average Rate of Depreciation (in %)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	17426.44	17426.44	17426.44	17426.44	17426.44
Balance useful life of the asset (Year)	29.00	28.00	27.00	26.00	25.00
Lapsed life (Year)	6.00	7.00	8.00	9.00	10.00
Depreciation during the year	1022.88	1022.88	1022.88	1022.88	1022.88
Cumulative depreciation	7088.42	8111.30	9134.18	10157.06	11179.94
Remaining Depreciable Value	10338.02	9315.14	8292.26	7269.38	6246.50

43. The details of depreciation allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, depreciation claimed by the Petitioner and as trued-up in the instant order is as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	4577.11	4577.11	4577.11	4577.11	4577.11
Claimed by the Petitioner in the instant petition	4576.37	4562.34	4548.32	4548.32	4548.32
Approved after true-up in this order	4566.00	4548.32	4548.32	4548.32	4546.01
Combined Asset-II					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	8434.57	8453.02	8453.02	8453.02	8453.02
Claimed by the Petitioner in the instant petition	8419.00	8333.06	8244.27	8244.02	8232.27
Approved after true-up in this order	8314.70	8230.43	8198.27	8209.52	8220.77
Asset-III					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	1022.88	1022.88	1022.88	1022.88	1022.88
Claimed by the Petitioner in the instant petition	1022.88	1022.88	1022.88	1022.88	1022.88
Approved after true-up in this order	1022.88	1022.88	1022.88	1022.88	1022.88



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.

45. We have considered the submissions of the Petitioner. Accordingly, IoL has been calculated based on actual interest rate submitted by the Petitioner, in accordance with Regulation 26 of the 2014 Tariff Regulations. IoL allowed in respect of the transmission assets is as under:

(₹ in lakh)

Combined Asset-I							
Particulars	1.4.2014 to 16.11.2014 (230 days)	17.11.2014 to 31.3.2015 (135 days)	2015-16	2016-17	2017-18	1.4.2018 To 2.3.2019 (336 days)	3.3.2019 to 31.3.2019 (29 days)
Interest on Loan							
Gross Normative Loan	61527.71	61155.79	61155.79	61155.79	61155.79	61155.79	60770.07
Cumulative Repayments upto Previous Year	26964.68	29690.41	31372.66	35920.98	40469.30	45017.63	48908.55
Net Loan-Opening	34563.03	31465.39	29783.13	25234.81	20686.49	16138.17	11861.51
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayment during the year	2883.74	1682.26	4548.32	4548.32	4548.32	4186.95	359.06
Net Loan-Closing	31679.29	29783.13	25234.81	20686.49	16138.17	11951.22	11502.45
Average Loan	33121.16	30624.26	27508.97	22960.65	18412.33	14044.69	11681.98
Weighted Average Rate of Interest on Loan (in %)	8.7669	8.7669	8.7706	8.7774	8.7890	8.8076	8.8076
Interest on Loan	2903.71	2684.81	2412.70	2015.35	1618.27	1237.00	1028.91
Pro-rata interest on loan	1829.73	993.01	2412.70	2015.35	1618.27	1138.72	81.75

(₹ in lakh)

Combined Asset-II							
Particulars	1.4.2014 To 5.9.2014 (158 days)	6.9.2014 to 31.3.2015 (207 days)	1.4.2015 to 6.1.2016 (281 days)	7.1.2016 to 31.3.2016 (85 days)	2016-17	2017-18	2018-19
Interest on Loan							
Gross Normative Loan	112628.02	110189.90	110265.85	109656.08	109739.73	109739.73	110038.03



Cumulative Repayments up to Previous Year	49168.46	51720.13	56390.44	62396.86	64300.09	72498.36	80707.89
Net Loan-Opening	63459.56	58469.76	53875.41	47259.23	45439.64	37241.37	29330.14
Additions	75.96	75.96	83.65	83.65	-	298.30	-
Repayment during the year	3644.39	4670.31	6327.19	1903.24	8198.27	8209.52	8220.77
Net Loan-Closing	59891.13	53875.41	47631.87	45439.64	37241.37	29330.14	21109.37
Average Loan	61675.34	56172.59	50753.64	46349.43	41340.50	33285.76	25219.76
Weighted Average Rate of Interest on Loan (in %)	8.9618	8.9618	8.9593	8.9593	8.9615	8.9694	8.9819
Interest on Loan	5527.21	5034.07	4547.16	4152.58	3704.73	2985.55	2265.23
Pro-rata Interest on Loan	2392.60	2854.94	3491.13	964.40	3704.73	2985.55	2265.23

(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Loan					
Gross Normative Loan	13555.48	13555.48	13555.48	13555.48	13555.48
Cumulative Repayments up to Previous Year	6065.54	7088.42	8111.30	9134.18	10157.06
Net Loan-Opening	7489.94	6467.06	5444.18	4421.30	3398.42
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	1022.88	1022.88	1022.88	1022.88	1022.88
Net Loan-Closing	6467.06	5444.18	4421.30	3398.42	2375.54
Average Loan	6978.50	5955.62	4932.74	3909.86	2886.98
Weighted Average Rate of Interest on Loan (in %)	9.1383	9.1385	9.1388	9.1393	9.1400
Interest on Loan	637.72	544.26	450.80	357.33	263.87

46. The details of IoL allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, IoL claimed by the Petitioner and as trued-up in the instant order is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	2829.48	2429.84	2030.17	1630.44	1230.61
Claimed by the Petitioner in the instant petition	3194.09	2787.23	2382.11	1985.50	1589.11
Approved after true-up in this order	2822.75	2412.70	2015.35	1618.27	1220.47



Combined Asset-II					
Allowed <i>vide</i> order dated 14.12.2015 in Petition No. 560/TT/2014	5331.08	4598.79	3843.69	3088.45	2332.97
Claimed by the Petitioner in the instant petition	5964.53	5171.12	4384.87	3657.79	2927.41
Approved after true-up in this order	5247.54	4455.53	3704.73	2985.55	2265.23
Asset-III					
Allowed <i>vide</i> order dated 14.12.2015 in Petition No. 560/TT/2014	637.72	544.26	450.79	357.33	263.87
Claimed by the Petitioner in the instant petition	726.43	632.97	539.52	446.06	352.60
Approved after true-up in this order	637.72	544.26	450.80	357.33	263.87

Return on Equity (RoE)

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

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

48. MPPMCL has submitted that the Petitioner has grossed-up RoE on the basis of actual taxes paid during 2016-17 and 2017-18 and has not placed on record the assessment orders for 2016-17 and 2017-18. For 2018-19, it has grossed-up RoE and has not claimed the effective tax rate based on actual taxes paid for 2018-19. In response, the Petitioner vide affidavit dated 8.3.2021 has submitted that effective rates of tax considered for 2014-15 and 2015-16 are based on Assessment Order



issued by Income Tax authorities for the purpose of grossing up of RoE rate. The effective rate of tax considered for 2016-17 and 2017-18 are based on the Income-tax returns filed for the purpose of grossing up of ROE rate of the respective years. Further, for 2018-19, effective tax rate is calculated based on the applicable MAT rate (i.e. MAT 18.50% + Surcharge 12.00% + Cess 4%) for the purpose of grossing up of RoE rate. The Petitioner has also submitted a copy of the Assessment orders for 2014-15 to 2016-17.

49. BRPL has submitted that the information regarding Income Tax Assessment submitted by the Petitioner is in respect of the entire PGCIL and not in respect of the tax on the transmission business in respect of the Northern Region. Accordingly, the said information is not the relevant information for the purposes of effective tax rate. BRPL has submitted that the Petitioner has already stated on affidavit that the effective tax rate is zero and accordingly the effective tax rate for the earlier tariff period (2009-14) would also be zero since the benefits of the tax holiday under Section 80IA of the 1961 Act and other benefits like the higher depreciation etc. were also applicable during earlier tariff period. Regulation 49 of the 2014 Tariff Regulations restricts the claim of tax amount only to deferred tax liabilities up to 31.3.2009 whenever it will materialize. BRPL has also submitted that the claims of deferred tax are required to be adjusted for the tariff period 2004-09.

50. We have considered the submissions of the Petitioner, MPPMCL and BRPL. The Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 and order dated 24.1.2021 in Petition No. 136/TT/2020 has already dealt with the similar issues raised by MPPMCL and BRPL. In view of our findings in the said orders, we do not



find merit in the submissions made by the Respondents in the instant petition and hence reject the same.

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

52. The same MAT rates as above are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations which is as under:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed-up RoE [[Base Rate]/(1-t)] (in %)
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758

53. The Petitioner has claimed RoE for the 2014-19 period after grossing up the RoE of 15.50% with Effective Tax rates (based on MAT rates) each year as per the above said Regulation. The RoE is trued-up on the basis of the MAT rate applicable in the respective years and is allowed for the transmission asset as follows:



(₹ in lakh)

Combined Asset-I							
Particulars	1.4.2014 to 16.11.2014 (230 days)	17.11.2014 to 31.3.2015 (135 days)	2015-16	2016-17	2017-18	1.4.2018 to 2.3.2019 (336 days)	3.3.2019 to 31.3.2019 (29 days)
Return on Equity							
Opening Equity	26369.05	26209.66	26209.66	26209.66	26209.66	26209.66	26044.34
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Equity	26369.05	26209.66	26209.66	26209.66	26209.66	26209.66	26044.34
Average Equity	26369.05	26209.66	26209.66	26209.66	26209.66	26209.66	26044.34
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	20.961	21.342	21.342	21.342	21.549	21.549
Rate of Return on Equity (in %)	19.610	19.610	19.705	19.705	19.705	19.758	19.758
Return on Equity	5170.97	5139.71	5164.61	5164.61	5164.61	5178.50	5145.84
Pro-rata Return on Equity	3258.42	1900.99	5164.61	5164.61	5164.61	4767.06	408.85

(₹ in lakh)

Combined Asset-II							
Particulars	1.4.2014 to 5.9.2014 (158 days)	6.9.2014 to 31.3.2015 (207 days)	1.4.2015 to 6.1.2016 (281 days)	7.1.2016 to 31.3.2016 (85 days)	2016-17	2017-18	2018-19
Return on Equity							
Opening Equity	48269.36	47224.45	47257.00	46995.67	47031.52	47031.52	47159.36
Additions	32.55	32.55	35.85	35.85	-	127.84	-
Closing Equity	48301.91	47257.00	47292.85	47031.52	47031.52	47159.36	47159.36
Average Equity	48285.63	47240.72	47274.92	47013.59	47031.52	47095.44	47159.36
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	20.961	21.342	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	19.610	19.610	19.705	19.705	19.705	19.705	19.758
Return on Equity	9468.81	9263.91	9315.52	9264.03	9267.56	9280.16	9317.75
Pro-rata Return on Equity	4098.83	5253.78	7152.08	2151.48	9267.56	9280.16	9317.75



(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	5807.23	5807.23	5807.23	5807.23	5807.23
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	5807.23	5807.23	5807.23	5807.23	5807.23
Average Equity	5807.23	5807.23	5807.23	5807.23	5807.23
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	1138.80	1144.31	1144.31	1144.31	1147.39

54. The details of RoE allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, RoE claimed by the Petitioner and as trued-up in the instant order is as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	5171.09	5171.09	5171.09	5171.09	5171.09
Claimed by the Petitioner in the instant petition	5174.93	5182.95	5164.61	5164.61	5178.50
Approved after true-up in this order	5159.41	5164.61	5164.61	5164.61	5175.91
Combined Asset-II					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	9486.39	9506.93	9506.93	9506.93	9506.93
Claimed by the Petitioner in the instant petition	9476.06	9423.25	9319.06	9318.78	9330.65
Approved after true-up in this order	9352.61	9303.56	9267.56	9280.16	9317.75
Asset-III					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	1138.82	1138.82	1138.82	1138.82	1138.82
Claimed by the Petitioner in the instant petition	1139.67	1144.90	1144.31	1144.31	1147.39
Approved after true-up in this order	1138.80	1144.31	1144.31	1144.31	1147.39



Operation & Maintenance Expenses (O&M Expenses)

55. The Petitioner has claimed O&M Expenses in respect of the transmission assets as follows:

Combined Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Bays:					
Number of Bays	12	12	12	12	12
Norms (₹lakh/Bay)	60.30	62.30	64.37	66.51	68.71
220 kV Bays:					
Number of Bays	12	12	12	12	12
Norms (₹lakh/Bay)	42.21	43.61	45.06	46.55	48.10
Line: D/C Bundled (4 or more sub conductors): Kahalgaon-Patna Line (257.18 km)					
Line Length (km)	257.18	257.18	257.18	257.18	257.18
Norms (₹ lakh/km)	1.062	1.097	1.133	1.171	1.21
Line: D/C Twin/Triple Conductor: Ranchi-Maithon Line (199.81 km)					
Line Length (km)	199.81	199.81	199.81	199.81	199.81
Norms (₹ lakh/km)	0.707	0.731	0.755	0.780	0.806
Total O&M Expenses (₹ in lakh)	1644.52	1699.11	1755.40	1813.73	1873.96

Combined Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Bays:					
Number of Bays	24	24	24	24	24
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Line: D/C Bundled (4 or more sub conductors): Patna-Balia line (195.320 km) Balua-Biharsharif Line (241.790 km)					
Line Length (km)	437.11	437.11	437.11	437.11	437.11
Norms (₹ lakh/km)	1.062	1.097	1.133	1.171	1.21
Line: D/C Twin/Triple Conductor: Lucknow Bareilly Line (255.500 km) Balua Lucknow Line (316.204 km) Mau Balua Line (9.120 km)					



Line Length (km)	580.824	580.824	580.824	580.824	580.824
Norms (₹ lakh/km)	0.707	0.731	0.755	0.780	0.806
Total O&M Expenses (₹ lakh)	2322.06	2399.30	2478.65	2561.14	2646.09

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Bays:					
Number of Bays	2	2	2	2	2
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71
Line: S/C (Bundle Conductor (4 or more sub conductors): Agra-Gawalior Line (129.435 km)					
Line Length (km)	129.435	129.435	129.435	129.435	129.435
Norms (₹ lakh/km)	0.606	0.627	0.647	0.669	0.691
Total O&M Expenses (₹ lakh)	199.04	205.76	212.48	219.61	226.86

56. 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 under:

Element	UoM	Norms for 2014-15	Norms for 2015-16	Norms for 2016-17	Norms for 2017-18	Norms for 2018-19
400 kV Sub-station	₹ lakh/ bay	60.30	62.30	64.37	66.51	68.71
220 kV Sub-station	₹ lakh/ bay	42.21	43.61	45.06	46.55	48.10
D/C Twin/Triple Conductor	₹ lakh/km	0.707	0.731	0.755	0.780	0.806
S/C (Bundle Conductor (4 or more sub conductors))	₹ lakh/km	0.606	0.627	0.647	0.669	0.691
D/C Bundled (4 or more sub conductors)	₹ lakh/km	1.062	1.097	1.133	1.171	1.21

57. The O&M Expenses allowed under Regulation 29(3) of the 2014 Tariff Regulations are as follows:



(₹ in lakh)

Asset	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I	1644.51	1699.11	1755.40	1813.73	1873.95
Combined Asset-II	2322.05	2399.29	2478.65	2561.14	2646.09
Asset-III	199.04	205.76	212.48	219.61	226.86

58. The details of O&M Expenses allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, O&M Expenses claimed by the Petitioner and as trued-up in the instant order are as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	1644.51	1699.11	1755.40	1813.73	1873.95
Claimed by the Petitioner in the instant petition	1644.52	1699.11	1755.40	1813.73	1873.96
Approved after true-up in this order	1644.51	1699.11	1755.40	1813.73	1873.95
Combined Asset-II					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	2322.05	2399.29	2478.65	2561.14	2646.09
Claimed by the Petitioner in the instant petition	2322.06	2399.30	2478.65	2561.14	2646.09
Approved after true-up in this order	2322.05	2399.29	2478.65	2561.14	2646.09
Asset-III					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	199.04	205.76	212.48	219.61	226.86
Claimed by the Petitioner in the instant petition	199.04	205.76	212.48	219.61	226.86
Approved after true-up in this order	199.04	205.76	212.48	219.61	226.86

Interest on Working Capital (IWC)

59. The IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and is allowed for the transmission assets as follows:



(₹ in lakh)

Combined Asset-I							
Particulars	1.4.2014 to 16.11.2014 (230 days)	17.11.2014 to 31.3.2015 (135 days)	2015-16	2016-17	2017-18	1.4.2018 to 2.3.2019 (336 days)	3.3.2019 to 31.3.2019 (29 days)
Interest on Working Capital							
WC for O&M Expenses (O&M Expenses for 1 month)	137.04	137.04	141.59	146.28	151.14	156.16	156.16
WC for Maintenance Spares (15% of O&M Expenses)	246.68	246.68	254.87	263.31	272.06	281.09	281.09
WC for Receivables (Equivalent to 2 months of annual fixed cost)	2446.27	2398.83	2366.29	2308.44	2250.99	2198.95	2152.93
Total Working Capital	2829.99	2782.55	2762.74	2718.03	2674.19	2636.20	2590.19
Rate of Interest (in %)	13.50	13.50	13.50%	13.50	13.50	13.50	13.50
Interest on working capital	382.05	375.64	372.97	366.93	361.02	355.89	349.68
Pro-rata Interest on working capital	240.74	138.94	372.97	366.93	361.02	327.61	27.78

(₹ in lakh)

Combined Asset-II							
Particulars	1.4.2014 to 5.9.2014 (158 days)	6.9.2014 to 31.3.2015 (207 days)	1.4.2015 to 6.1.2016 (281 days)	7.1.2016 to 31.3.2016 (85 days)	2016-17	2017-18	2018-19
Interest on Working Capital							
WC for O&M Expenses (O&M Expenses for 1 month)	193.50	193.50	199.94	199.94	206.55	213.43	220.51
WC for Maintenance Spares (15% of O&M Expenses)	348.31	348.31	359.89	359.89	371.80	384.17	396.91
WC for Receivables (Equivalent to 2 months of annual fixed cost)	4400.72	4250.34	4190.74	4106.84	4045.57	3941.52	3841.97
Total Working Capital	4942.53	4792.16	4750.57	4666.67	4623.93	4539.12	4459.40
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Interest on working capital	667.24	646.94	641.33	630.00	624.23	612.78	602.02
Pro-rata Interest on working capital	288.83	366.90	492.39	146.31	624.23	612.78	602.02



(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital					
WC for O&M Expenses (O&M Expenses for 1 month)	16.59	17.15	17.71	18.30	18.90
WC for Maintenance Spares (15% of O&M Expenses)	29.86	30.86	31.87	32.94	34.03
WC for Receivables (Equivalent to 2 months of annual fixed cost)	512.31	498.50	483.75	469.06	454.93
Total Working Capital	558.75	546.51	533.33	520.31	507.86
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	75.43	73.78	72.00	70.24	68.56

60. The details of IWC allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, IWC claimed by the Petitioner and as trued-up in the instant order is as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	380.35	374.17	368.08	362.10	356.22
Claimed by the Petitioner in the instant petition	388.82	382.34	375.38	369.47	363.99
Approved after true-up in this order	379.68	372.97	366.93	361.02	355.39
Combined Asset-II					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	663.48	651.79	638.79	625.96	613.27
Claimed by the Petitioner in the instant petition	677.48	660.29	642.13	629.94	617.82
Approved after true-up in this order	655.73	638.70	624.23	612.78	602.02
Asset-III					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	75.43	73.65	71.87	70.11	68.36
Claimed by the Petitioner in the instant petition	77.50	75.83	74.04	72.28	70.61
Approved after true-up in this order	75.43	73.78	72.00	70.24	68.56



Approved Annual Fixed Charges for the 2014-19 Tariff Period

61. The trued-up annual fixed charges for the transmission assets for the tariff period 2014-19 are summarised as follows:

(₹ in lakh)

Combined Asset-I							
Particulars	1.4.2014 to 16.11.2014 (230 days)	17.11.2014 to 31.3.2015 (135 days)	2015-16	2016-17	2017-18	1.4.2018 To 2.3.2019 (336 days)	3.3.2019 to 31.3.2019 (29 days)
Annual Transmission Charges							
Depreciation	2883.74	1682.26	4548.32	4548.32	4548.32	4186.95	359.06
Interest on Loan	1829.73	993.01	2412.70	2015.35	1618.27	1138.72	81.75
Return on Equity	3258.42	1900.99	5164.61	5164.61	5164.61	4767.06	408.85
O & M Expenses	1036.27	608.24	1699.11	1755.40	1813.73	1725.07	148.89
Interest on Working Capital	240.74	138.94	372.97	366.93	361.02	327.61	27.78
Total	9248.91	5323.44	14197.72	13850.61	13505.95	12145.41	1026.33

(₹ in lakh)

Combined Asset-II							
Particulars	1.4.2014 to 5.9.2014 (158 days)	6.9.2014 to 31.3.2015 (207 days)	1.4.2015 to 6.1.2016 (281 days)	7.1.2016 to 31.3.2016 (85 days)	2016-17	2017-18	2018-19
Depreciation	3644.39	4670.31	6327.19	1903.24	8198.27	8209.52	8220.77
Interest on Loan	2392.60	2854.94	3491.13	964.40	3704.73	2985.55	2265.23
Return on Equity	4098.83	5253.78	7152.08	2151.48	9267.56	9280.16	9317.75
O & M Expenses	1005.16	1316.89	1842.08	557.21	2478.65	2561.14	2646.09
Interest on Working Capital	288.83	366.90	492.39	146.31	624.23	612.78	602.02
Total	11429.81	14462.81	19304.87	5722.64	24273.44	23649.15	23051.85

(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	1022.88	1022.88	1022.88	1022.88	1022.88
Interest on Loan	637.72	544.26	450.80	357.33	263.87
Return on Equity	1138.80	1144.31	1144.31	1144.31	1147.39
O&M Expenses	199.04	205.76	212.48	219.61	226.86
Interest on Working Capital	75.43	73.78	72.00	70.24	68.56
Total	3073.86	2990.99	2902.47	2814.38	2729.56



62. Accordingly, the Annual Transmission Charges as allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014, as claimed by the Petitioner and as approved after truing up in the instant order are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Combined Asset-I					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	14602.55	14251.32	13901.85	13554.47	13208.99
Claimed by the Petitioner in the instant petition	14978.73	14613.97	14225.82	13881.63	13553.88
Approved after true-up in this order	14572.35	14197.72	13850.61	13505.95	13171.74
Combined Asset-II					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	26237.57	25609.82	24921.08	24235.50	23552.27
Claimed by the Petitioner in the instant petition	26859.13	25987.02	25068.98	24411.67	23754.24
Approved after true-up in this order	25892.63	25027.51	24273.44	23649.15	23051.85
Asset-III					
Allowed vide order dated 14.12.2015 in Petition No. 560/TT/2014	3073.89	2985.37	2896.85	2808.76	2720.79
Claimed by the Petitioner in the instant petition	3165.52	3082.34	2993.23	2905.14	2820.34
Approved after true-up in this order	3073.86	2990.99	2902.47	2814.38	2729.56

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

63. The Petitioner has combined the Combined Asset-I, Combined Asset-II and Asset-III into one asset and has claimed the following transmission charges for the Combined Asset for the 2019-24 tariff period:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	13777.43	3458.43	3458.43	3458.43	3458.43
Interest on Loan	3640.81	2885.53	2604.47	2314.01	1943.67
Return on Equity	14855.36	14839.83	14839.83	14839.83	14839.83
O&M Expenses	3661.74	3790.06	3922.65	4060.45	4200.73
Interest on Working Capital	644.91	484.78	486.33	487.96	487.96
Total	36580.25	25458.63	25311.71	25160.68	24930.12

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

(₹ in lakh)

Particular	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses	305.15	315.84	326.89	338.37	350.06
WC for Maintenance Spares	549.26	568.51	588.40	609.07	630.11
WC for Receivables	4497.57	3138.74	3120.62	3102.00	3065.18
Total Working Capital	5351.98	4023.09	4035.91	4049.44	4045.35
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	644.91	484.78	486.33	487.96	487.46

Effective Date of Commercial Operation (E-COD)

65. The Petitioner has stated that E-COD of the Combined Asset works out to be 5.11.2007. Based on the trued-up capital cost, the Commission has worked out E-COD as under:

Asset	Capital Cost as on COD (₹ in lakh)	COD	Number of days from COD of Asset from COD of Project	Weight of cost (in %)	Weighted days	Effective COD (latest COD – total weighted Days)
Combined Asset-I	86814.41	1.1.2008	0	32.96	0.00	5.11.2007
Combined Asset-II	157197.39	1.11.2007	61	59.69	36.41	
Asset-III	19362.71	1.4.2007	275	7.35	20.22	
Total	263374.51			100.00	56.63	



Weighted Average Life (WAL) of the Project

66. The life as defined in Regulation 33 of the 2019 Tariff Regulations has been considered for determination of Weighted Average Life (WAL).

67. 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 project as a whole.

68. WAL has been determined based on the admitted capital cost of individual elements as on COD and their respective life as specified in the 2019 Tariff Regulations. The element-wise life as defined in the 2014 Tariff Regulations prevailing at the time of actual COD of individual assets has been ignored for this purpose. The life as defined in the 2019 Tariff Regulations has been considered for determination of WAL. Accordingly, the WAL of all the transmission assets executed during the 2014-19 tariff period has been worked out as 33 years as calculated hereunder:

Particulars	Life (in years) (1)	Capital Cost as on 31.3.2019 (₹ in lakh) (2)	Weighted Cost (₹ in lakh) (3) = (1) * (2)	Weighted Average Life of Asset (in years) (4) = (3) / (2)
Building Civil Works & Colony	25	2860.96	71524.00	33.47 years (rounded off to 33 years)
Transmission Line	35	222271.32	7779496.20	
Sub Station	25	35648.81	891220.25	
PLCC	15	776.30	11644.50	
Total		261557.39	8753884.95	

* Total capital cost as on 31.3.2019 is ₹263374.51 lakh which includes land of ₹1817.12 lakh which is not considered for weighted average life of the assets.

69. WAL as on 1.4.2019 as determined above is applicable prospectively (i.e. for 2019-24 tariff period onwards) and no retrospective adjustment of depreciation in previous tariff period is required to be done. As discussed above, the Effective COD of



the assets is 5.11.2007 and the lapsed life of the project as a whole works out as 11 years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from Effective COD). Accordingly, WAL has been used to determine the remaining useful life as on 31.3.2019 to be 22 years.

Capital Cost

70. Regulation 19 of the 2019 Tariff Regulations provide as under:

“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.”

71. The Petitioner has claimed capital cost of ₹263925.55 lakh as on 31.3.2019 for the Combined Asset. However, the capital cost of ₹263374.51 lakh has been worked out by the Commission as on 31.3.2019 and is considered as the opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.

Additional Capital Expenditure (ACE)

72. The Petitioner has not projected any ACE during 2019-24 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)
263374.51	0.00	263374.51

Debt-Equity ratio

73. Regulation 18 of the 2019 Tariff Regulations provides as under:

“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.”

74. The debt-equity ratio considered for the purpose of computation of tariff for the 2019-24 tariff period as under:

Funding	Capital Cost (as on 1.4.2019) (₹ in lakh)	(in %)	Capital Cost (as on 31.3.2024) (₹ in lakh)	(in %)
Debt	184363.58	70.00	184363.58	70.00
Equity	79010.93	30.00	79010.93	30.00
Total	263374.51	100.00	263374.51	100.00



Depreciation

75. Regulations 33(1), 33(2) and 33(5) of the 2019 Tariff Regulations provides as under:

"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 there of including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

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

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

*"(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-I** to these regulations for the 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."

76. The depreciation has been worked out at Annexure-II considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The Combined Asset has completed 12 years of life as on 31.3.2020 and from 2020-21 onwards the remaining depreciable value has been spread across the balance useful life in accordance with Regulation 33(5) of the 2019 Tariff Regulations. The depreciation allowed in respect of the transmission asset for 2019-24 period is as follows:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation					
Opening Gross Block	263374.51	263374.51	263374.51	263374.51	263374.51
Projected ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	263374.51	263374.51	263374.51	263374.51	263374.51
Average Gross Block	263374.51	263374.51	263374.51	263374.51	263374.51
Weighted average rate of Depreciation (WAROD) (in %)	5.23	1.32	1.32	1.32	1.32
Balance useful life at the beginning of the year (Year)	22	21	20	19	18
Lapsed life of the asset (Year)	11	12	13	14	15
Depreciable Value	235401.65	235401.65	235401.65	235401.65	235401.65
Depreciation during the year	13762.88	3456.27	3456.27	3456.27	3456.27
Cumulative Depreciation	162819.96	166276.23	169732.50	173188.77	176645.04
Remaining Depreciable Value	72581.70	69125.42	65669.15	62212.88	58756.61

Interest on Loan (IoL)

77. Regulation 32 of the 2019 Tariff Regulations provides as under:

“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.”

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

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	184363.58	184363.58	184363.58	184363.58	184363.58
Cumulative Repayments up to Previous Year	149376.22	163139.10	166595.37	170051.64	173507.91
Net Loan-Opening	34987.36	21224.48	17768.21	14311.94	10855.67
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	13762.88	3456.27	3456.27	3456.27	3456.27
Net Loan-Closing	21224.48	17768.21	14311.94	10855.67	7399.40
Average Loan	28105.92	19496.35	16040.07	12583.80	9127.53
Weighted Average Rate of Interest on Loan (in %)	8.9636	9.0284	9.1378	9.2399	9.0046
Interest on Loan	2519.30	1760.22	1465.70	1162.73	821.90

Return on Equity (RoE)

79. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provides as under:



“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."

80. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. BRPL has submitted that as per Regulation 31(3) of the 2019 Tariff Regulations, the Petitioner has a statutory duty to undertake the true up of the grossed-up rate of RoE at the end of every financial year based on actual tax paid. The above statutory function delegated to the transmission licensee cannot be exercised



unilaterally but required to be conducted in most impartial manner by summoning all the Respondent-beneficiaries.

81. We have considered the submission of the Petitioner and BRPL. Accordingly, the MAT rate applicable in 2019-20 has been considered for the purpose of RoE, which shall be trued-up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed for the transmission asset as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	79010.93	79010.93	79010.93	79010.93	79010.93
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	79010.93	79010.93	79010.93	79010.93	79010.93
Average Equity	79010.93	79010.93	79010.93	79010.93	79010.93
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
Return on Equity	14839.83	14839.83	14839.83	14839.83	14839.83

Operation & Maintenance Expenses (O&M Expenses)

82. The O&M expenses claimed by the Petitioner for the transmission asset for the 2019-24 tariff period are as under:

O&M Expenses					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Number of Bays					
400 kV	38	38	38	38	38
220 kV	12	12	12	12	12
Transmission Line					
S/C (Bundle Conductor- 4 sub-conductors) (km): Agra-Gawalior Line (129.435 km)	129.435	129.435	129.435	129.435	129.435
D/C Bundled (4 or more sub-conductors) (km): Kahalgaon-Patna Line (257.18 km) Patna-Balia line (195.320 km) Balial-Biharsharif Line (241.790 km)	694.290	694.290	694.290	694.290	694.290
D/C Twin/Triple Conductor (km): Ranchi-Maithon Line (199.81 km) Lucknow Bareilly Line (255.500 km) Balial Lucknow Line (316.204 km)	780.634	780.634	780.634	780.634	780.634



Mau Balia Line (9.120 km)					
Communication System					
Original project cost / Asset related to the communication system (₹ in lakh)	776.30	776.30	776.30	776.30	776.30
2% of capital cost	15.53	15.53	15.53	15.53	15.53
Total O&M expense (₹ in lakh)	3210.66	3322.60	3438.81	3558.97	3682.87

83. The norms specified under Regulation 35(3)(a) of the 2019 Tariff Regulations provides that:

“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



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Double Circuit (Single Conductor)</i>	0.377	0.391	0.404	0.419	0.433
<i>Multi Circuit (Bundled Conductor with four or more sub-conductor)</i>	2.319	2.401	2.485	2.572	2.662
<i>Multi Circuit (Twin & Triple Conductor)</i>	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
<i>HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)</i>	834	864	894	925	958
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)</i>	1,666	1,725	1,785	1,848	1,913
<i>500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)</i>	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.

(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.”

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



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

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

	(₹ in lakh)				
Details	2014-15	2015-16	2016-17	2017-18	2018-19
38 Numbers of 400 kV bays	1221.70	1264.64	1309.10	1355.08	1402.58
12 Numbers of 220 kV bays	270.12	279.60	289.44	299.52	310.08
S/C (Bundle Conductor- 4 sub-conductors) (129.435 km)	97.72	101.09	104.71	108.34	112.22
D/C Bundled (4 or more sub-conductors) (694.290 km)	917.85	949.79	983.11	1017.83	1053.24
D/C Twin/Triple Conductor (780.634 km)	687.74	711.94	736.92	762.68	789.22
Total	3195.13	3307.06	3423.29	3543.45	3667.34

Interest on Working Capital (IWC)

86. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations specifies as under:

"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;”

87. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. The IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The ROI considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, 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). The components of the working capital and interest thereon allowed is as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
WC for O&M Expenses (O&M Expenses for 1 month)	266.26	275.59	285.27	295.29	305.61
WC for Maintenance Spares (15% of O&M Expenses)	479.27	496.06	513.49	531.52	550.10
WC for Receivables (Equivalent to 45 days of annual transmission charges)	4293.98	2931.78	2909.87	2887.41	2852.77
Total Working Capital	5039.52	3703.43	3708.64	3714.22	3708.48
Rate of Interest (in %)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	607.26	416.64	417.22	417.85	417.20

Annual Fixed Charges of the 2019-24 Tariff Period

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

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	13762.88	3456.27	3456.27	3456.27	3456.27
Interest on Loan	2519.30	1760.22	1465.70	1162.73	821.90
Return on Equity	14839.83	14839.83	14839.83	14839.83	14839.83
O & M Expenses	3195.13	3307.06	3423.29	3543.45	3667.34
Interest on Working Capital	607.26	416.64	417.22	417.85	417.20
Total	34924.40	23780.01	23602.32	23420.13	23202.55



Filing Fee and the Publication Expenses

89. The Petitioner has prayed for reimbursement of fee paid by it for filing the petition and publication expenses. BRPL has submitted that though the Commission can allow filing fee and publication expenses at its discretion under Regulation 70(1) of the 2019 Tariff Regulations, but the exercise of such discretion is a judicial discretion in the adjudication of tariff for which no justification has been filed by the Petitioner. BRPL also referred to the Commission's order dated 11.9.2008 in Petition No. 129 of 2005 where it declined the claim of Central Power Sector undertakings for allowing the reimbursement of the application filing fee.

90. We have considered the submissions of the Petitioner and BRPL. Regulation 70(1) of the 2019 Tariff Regulations provides for reimbursement of filing fees and publication paid by the Petitioner. Accordingly, the Petitioner is entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

91. The Petitioner has prayed for licence fee and RLDC fees and charges. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.



Goods and Services Tax

92. The Petitioner has submitted that, if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Government / Statutory authorities, the same may be allowed to be recovered from the beneficiaries

93. MPPMCL has submitted that the prayer of the Petitioner is premature and need not be considered at this juncture. In response, the Petitioner has submitted that currently transmission of electricity by an electric transmission utility is exempted from GST. Hence, the transmission charges currently charged are exclusive of GST. Further, if GST is levied at any rate and at any point of time in future, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately.

94. BRPL has submitted that the demand of the Petitioner is premature and need not be considered at this juncture.

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



Security Expenses

96. 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 the consequential IWC.

97. BRPL has submitted that the approach adopted by the Petitioner towards claim of security expenses does not warrant the need for IWC as the same is claimed in advance. The Petitioner, in response has submitted that the expenses are not claimed in the instant petition and shall be claimed separately in a separate petition along with other assets.

98. We have considered the submissions of the Petitioner and BRPL. The Petitioner has claimed consolidated security expenses 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

99. The Petitioner has sought reimbursement of capital spares at the end of tariff block. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.



Sharing of Transmission Charges

100. During the tariff periods 2004-09 and 2009-14 (up to 30.6.2011), the transmission charges for inter-State transmission systems were being shared in accordance with the tariff regulations for the respective tariff periods. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission system was governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2010. With effect from 1.11.2020, sharing of transmission charges is governed by the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, "the 2020 Sharing Regulations"). Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through Bill 2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. For subsequent period, the billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

101. To summarise:

- a. The revised Annual Fixed Charges approved for the transmission assets in terms of the APTEL's judgements are as follows:

(₹ in lakh)

Particulars	Asset-a		Asset-b		Asset-c		Asset-d	
	2007-08 (Pro-rata 11 months)	2008-09	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09
AFC	6125.25	6824.36	3256.78	4004.44	179.01	339.63	59.64	139.18



(₹ in lakh)

Particulars	Asset-e		Asset-f		Asset-g	
	2007-08 (Pro-rata 5 months)	2008-09	2007-08 (Pro-rata 3 months)	2008-09	2007-08 (Pro-rata 11 months)	2008-09
AFC	146.61	491.61	74.92	328.76	9379.22	10487.25

(₹ in lakh)

Particulars	Asset-h		Asset-i		Asset-j	
	2007-08 (Pro-rata 10 months)	2008-09	2007-08 (Pro-rata 9 months)	2008-09	2007-08 (Pro-rata 8 months)	2008-09
AFC	677.48	866.85	107.60	148.16	2592.88	4083.39

(₹ in lakh)

Particulars	Asset-k		Asset-l		Asset-m	
	2007-08 (Pro-rata 7 months)	2008-09	2007-08 (Pro-rata 5 months)	2008-09	2007-08	2008-09
AFC	2738.41	4754.83	744.13	1783.20	2548.63	2607.94

- b. The consequential revision of Annual Fixed Charges approved for the transmission assets for the 2009-14 tariff period are as follows:

(₹ in lakh)

Particulars	Combined Asset-I				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC	15957.85	15940.95	15649.23	15354.93	15123.09

(₹ in lakh)

Particulars	Combined Asset-II				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC	28868.14	28697.77	28124.44	27568.68	27103.97

(₹ in lakh)

Particulars	Asset-III				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC	3421.89	3395.34	3330.58	3251.10	3181.84

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

(₹ in lakh)

Particulars	Combined Asset-I				
	2014-15	2015-16	2016-17	2017-18	2018-19
AFC	14572.35	14197.72	13850.61	13505.95	13171.74



(₹ in lakh)

Combined Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
AFC	25892.63	25027.51	24273.44	23649.15	23051.85

(₹ in lakh)

Asset-III					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
AFC	3073.86	2990.99	2902.47	2814.38	2729.56

d. The Annual Fixed Charges allowed for the Combined Asset for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC	34924.40	23780.01	23602.32	23420.13	23202.55

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

103. This order disposes of Petition No. 86/TT/2020 in terms of the above discussions and findings.

sd/-
(Pravas Kumar Singh)
(Member)

sd/-
(Arun Goyal)
(Member)

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

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



Combined Asset-I

2014-19		ACE (₹ in lakh)		Decapitalisation (₹ in lakh)			Depreciation as per Regulations							
Capital Cost	Capital Cost as on 1.4.2014 / COD (₹ in lakh)	2014-19	2014-15	2018-19	Net ACE allowed (₹ in lakh)	Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprn.	1.4.2014 to 16.11.2014	17.11.2014 to 31.3.2015	FY 16	FY 17	FY 18	1.4.2018 to 2.3.2019	3.3.2019 to 31.3.2019
Land - Freehold	853.46	-	-	-	-	853.46	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	-	-	3.34%	-	-	-	-	-	-	-
Building Civil Works & Colony	1157.72	0.00	-	-	-	1157.72	3.34%	38.67	38.67	38.67	38.67	38.67	38.67	38.67
Transmission Line	67864.67	0.00	-	-	-	67864.67	5.28%	3583.25	3583.25	3583.25	3583.25	3583.25	3583.25	3583.25
Sub Station	17740.13	0.00	531.31	551.04	(1082.35)	16657.78	5.28%	936.68	908.63	908.63	908.63	908.63	908.63	879.53
PLCC	280.78	0.00	-	-	0.00	280.78	6.33%	17.77	17.77	17.77	17.77	17.77	17.77	17.77
IT Equipment (Incl. Software)	0.00	0.00	-	-	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	87896.76	0.00	531.31	551.04	(1082.35)	86814.41	Total	4576.37	4548.32	4548.32	4548.32	4548.32	4548.32	4519.23
Average Gross Block (₹ in lakh)								87896.76	87365.45	87365.45	87365.45	87365.45	87365.45	86814.41
Weighted Average Rate of Depreciation								5.21%	5.21%	5.21%	5.21%	5.21%	5.21%	5.21%

Combined Asset-II

2014-19		ACE (₹ in lakh)					Decapitalisation (₹ in lakh)			Depreciation as per Regulations								
Capital Cost	Capital Cost as on 1.4.2014 / COD (₹ in lakh)	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	Net ACE allowed (₹ in lakh)	Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprn.	1.4.2014 to 5.9.2014	6.9.2014 to 31.3.2015	1.4.2015 to 6.1.2016	6.1.2016 to 31.3.2016	FY 17	FY 18	FY 19
Land - Freehold	963.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	963.66	-	-	-	-	-	-	-	-
Land - Leasehold	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	-	-	-	-	-	-	-
Building Civil Works & Colony	1703.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1703.24	3.34%	56.89	56.89	56.89	56.89	56.89	56.89	56.89
Transmission Line	135902.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135902.72	5.28%	7175.66	7175.66	7175.66	7175.66	7175.66	7175.66	7175.66
Sub Station	21882.63	108.51	119.50	0.00	426.14	0.00	3483.04	871.10	(3699.99)	18182.64	5.28%	1158.27	977.23	980.38	937.54	937.54	948.79	960.04
PLCC	445.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	445.13	6.33%	28.18	28.18	28.18	28.18	28.18	28.18	28.18
IT Equipment (Incl. Software)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	160897.38	108.51	119.50	0.00	426.14	0.00	(3483.04)	(871.10)	(3699.99)	157197.39	Total	8419.00	8237.96	8241.11	8198.27	8198.27	8209.52	8220.77
Average Gross Block (₹ in lakh)											160951.64	157522.85	157582.60	156771.25	156771.25	156984.32	157197.39	
Weighted Average Rate of Depreciation											5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	

Asset-III

2014-19		ACE (₹ in lakh)			Depreciation as per Regulations					
Capital Cost	Capital Cost as on 1.4.2014 / COD (₹ in lakh)	2014-19	Allowed ACE (₹ in lakh)	Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprn.	2014-15	2015-16	2016-17	2017-18	2018-19
Land - Freehold	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	3.34%	-	-	-	-	-
Building Civil Works & Colony	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmission Line	18503.93	0.00	0.00	18503.93	5.28%	977.01	977.01	977.01	977.01	977.01
Sub Station	808.39	0.00	0.00	808.39	5.28%	42.68	42.68	42.68	42.68	42.68
PLCC	50.39	0.00	0.00	50.39	6.33%	3.19	3.19	3.19	3.19	3.19
IT Equipment (Incl. Software)	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	19362.71	0.00	0.00	19362.71	Total	1022.88	1022.88	1022.88	1022.88	1022.88
Average Gross Block (₹ in lakh)						19362.71	19362.71	19362.71	19362.71	19362.71
Weighted Average Rate of Depreciation						5.28%	5.28%	5.28%	5.28%	5.28%



Annexure-II

2019-24 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected Additional Capitalisation (₹ in lakh)		Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
		2019-20	Total			2019-20
Land - Freehold	1817.12	-	-	1817.12	-	-
Land - Leasehold	-	-	-	-	3.34%	-
Building Civil Works & Colony	2860.96	-	-	2860.96	3.34%	95.56
Transmission Line	222271.32	-	-	222271.32	5.28%	11735.93
Sub Station	35648.81	-	-	35648.81	5.28%	1882.26
PLCC	776.30	-	-	776.30	6.33%	49.14
IT Equipment (Incl. Software)	-	-	-	-	15.00%	-
Total	263374.51	-	-	263374.51		13762.88
Average Gross Block (₹ in lakh)						263374.51
Weighted Average Rate of Depreciation						5.23%

The Combined Asset has completed 12 years of life as on 31.3.2020 the remaining depreciable value of ₹72579.34 lakh as on 31.3.2020 has been spread across the balance useful life of 21 years in accordance with Regulation 33(5) of the 2019 Tariff Regulations. The annual depreciation from the year 2020-21 and onwards is ₹3456.16 lakh.

