

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Review Petition No. 16/RP/2021**

**in  
Petition No. 36/TT/2020**

**Coram:**

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

**Date of Order: 12.08.2022**

**In the matter of:**

Review Petition under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103(1) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, seeking review and modification of the order dated 8.2.2021 in Petition No. 36/TT/2020.

**And in the Matter of:**

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

**....Review Petitioner**

**Vs**

1. Karnataka Power Transmission Corporation Limited (KPTCL),  
Kaveri Bhavan, Bangalore-560 009.
2. Transmission Corporation of Andhra Pradesh Limited (APTRANSCO),  
Vidyut Soudha, Hyderabad-500082.
3. Kerala State Electricity Board (KSEB),  
Vaidyuthi Bhavanam,  
Pattom, Thiruvananthapuram-695 004.
4. Tamil Nadu Generation and Distribution Corporation Limited,  
(Formerly Tamilnadu Electricity Board -TNEB),  
NPKRR Maaligai, 800, Anna Salai, Chennai - 600 002.



5. Electricity Department,  
Govt of Pondicherry, Pondicherry – 605001.
  6. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL),  
P&T Colony, Seethmmadhara,  
Vishakhapatnam, Andhra Pradesh.
  7. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL),  
Srinivasasa Kalyana Mandapam Backside,  
Tiruchanoor Road, Kesavayana Gunta, TIRUPATI-517 501,  
Chittoor District, Andhra Pradesh.
  8. Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL),  
Corporate Office, Mint Compound,  
Hyderabad – 500 063, Telangana.
  9. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL),  
Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,  
Warangal – 506 004, Telangana.
  10. Bangalore Electricity Supply Company Limited (BESCOM),  
Corporate Office, K.R. Circle,  
Bangalore – 560 001, Karanataka.
  11. Gulbarga Electricity Supply Company Limited (GESCOM),  
Station Main Road, Gulbarga, Karnataka.
  12. Hubli Electricity Supply Company Limited (HESCOM),  
Navanagar, PB Road, HUBLI, Karnataka.
  13. MESCOM Corporate Office,  
Paradigm Plaza, AB Shetty Circle,  
Mangalore – 575 001, Karnataka.
  14. Chamundeswari Electricity Supply Corporation Limited (CESC),  
# 927,L J Avenue, Ground Floor, New Kantharaj Urs Road,  
Saraswatipuram, Mysore – 570 009 Karnataka.
  15. Electricity Departmentm  
Government of Goam  
Vidyuti Bhawan, Panaji, Goa-403001.
  16. Transmission Corporation of Telangana Limited,  
Vidhyut Sudha, Khairatabad,  
Hyderabad-500082.
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17. Tamil Nadu Transmission Corporation,  
NPKRR Maaligai, 800, Anna Salai,  
Chennai – 600 002.
18. Tamil Nadu Generation and Distribution Corporation Limited,  
(Formerly Tamilnadu Electricity Board -TNEB),  
NPKRR Maaligai, 800, Anna Salai, Chennai – 600 002.
19. Kudgi Transmission limited,  
L&T infrastructure Development projects Limited,  
38, Cubban Road, Bangalore-560001.
20. NTPC Limited,  
NTPC Bhawan, Scope Complex,  
7, Institutional Area, Lodhi Road,  
New Delhi-110003.

...Respondents

- For Review Petitioner** : Shri Venkatesh, Advocate, PGCIL  
Shri Ashutosh K. Srivastava, Advocate, PGCIL  
Ms. Mehak Verma, Advocate, PGCIL  
Shri S. S. Raju, PGCIL  
Ms. Anshul Garg, PGCIL
- For Respondents** : Shri S. Vallinayagam, Advocate, TANGEDCO  
Dr. R. Kathiravan, TANGEDCO  
Ms. R. Ramalakshmi, TANGEDCO  
Shri R. Srinivasan, TANGEDCO

### **ORDER**

Power Grid Corporation of India Limited (hereinafter referred to as “PGCIL/Review Petitioner) has filed the present Review Petition No.16/RP/2021 seeking review and modification of the order dated 8.2.2021 in Petition No. 36/TT/2020 under Section 94(1)(f) of the Electricity Act, 2003, read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 wherein the tariff from COD to 31.3.2019 tariff period was trued up 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 from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of the following assets under “Sub-station extension works associated with transmission system required for evacuation of power from Kudgi TPS (3X800 MW in Phase-I) of NTPC Limited” in Southern Region (hereinafter referred to as “the transmission project”):

**Asset-1:** 4 nos. 400 kV Line Bays at Narendra (New) for Kudigi TPS-  
Narendra (New) 400 kV 2xD/C Quad lines

**Asset-2:** 2 Nos. 400 kV line bays at Narendra (New), 2 Nos. 400 kV line bays at Madhugiri (Tumkur), 2X63 MVAR (fixed) line reactors (with 600ohm NGRs) at Narendra (New) & 2X63MVAR (fixed) line reactors (with 600ohm NGRs) at Madhugiri (Tumkur) for Narendra (New) -Madhugiri (Tumkur) 765 kV D/C line (initially charged at 400 kV)

**Asset-3:** 2 Nos. 400 kV line bays at Madhugiri (Tumkur) for Madhugiri (Tumkur) - Bidadi 400 kV D/C (Quad) line

**Asset-4:** 2 Nos. 400 kV line bays at Bidadi for Madhugiri (Tumkur)-Bidadi 400 kV D/C (Quad) line

## **Background**



2. The tariff for Asset-1 above from its COD to 31.3.2014 was determined by the Commission vide order dated 29.7.2016 in Petition No.201/TT/2015. The tariff for Asset-2, Asset-3 and Asset-4 was determined from their COD to 31.3.2014 vide order dated 9.7.2018 in Petition No.215/TT/2016. There was time over-run in case of all the four assets and it was not condoned by the Commission in the said orders. Later, the Review Petitioner filed Petition No.36/TT/2020 for truing of the tariff of the 2014-19 and determination of tariff for the 2019-24 tariff period of all the four assets covered in the transmission project and the same was allowed vide order dated 8.2.2021. The instant review petition is filed against the order dated 8.2.2021.

3. The Review Petitioner has submitted that there is double deduction of the IDC and IEDC on account of time-over-run, both from the capital cost as on COD and Additional Capital Expenditure (ACE) in respect of Asset-2 in order dated 8.2.2021 in Petition No.36/TT/2020. The Review Petitioner has contended that the ACE claimed by the Review Petitioner in Petition No.36/TT/2020 in 2016-17, 2017-18 and 2018-19 were only related to capital expenditure and have no element of accrual IDC. Therefore, the deduction of accrual IDC by the Commission from the ACE is an error apparent on the face of record.

4. The Review Petitioner has made the following prayers:

*“(a) Allow the Review Petition and modify the Order dated 08.02.2021 passed in Petition No. in 36/TT/2020 to the extent stated in the present Review Petition;*

*(b) Allow the full amount of Additional Capitalization of Rs. 184.94 lakhs for FY 2016-17 and Rs. 40.65 lakhs for FY 2017-18 for Asset 2 as prayed for by the Review Petitioner in Petition No. 36/TT/2020 and the consequent changes to calculation of capital cost and tariff; and*



*(c) pass any such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case."*

5. The Review Petition was heard through video conference on 20.1.2022 and order in the instant review petition was reserved on the issue of admissibility. However, the order could not be issued before Shri P.K. Pujari, former Chairperson, demitted the office. Therefore, the matter was heard again on 23.6.2022 and order was reserved on admissibility.

### **Submissions of the Review Petitioner**

6. The gist of the submission made by the Review Petitioner in support of the Review Petition is as follows:

- a) The Commission in order dated 9.7.2018 in Petition No. 215/TT/2016 disallowed the time over-run of 9 months in case of Asset-2 and accordingly the associated IDC and IEDC were not to be capitalized. Therefore, the Review Petitioner had duly reduced the IDC and IEDC associated with the time over-run from the capital cost as on the COD claimed in Petition No. 36/TT/2020. The review is being sought on account of double deduction of the IDC and IEDC on account of time-over-run, both from the cost as on COD and ACE. This is an error apparent on the face of the record and further there are otherwise sufficient cause for reviewing the said order.
- b) Total IDC is ₹247.26 lakh, out of which the IDC discharged till DOCO is ₹165.66 lakh. Further, balance IDC of ₹46.04 lakh have been discharged during FY 2016-17 and ₹35.13 lakh during FY 2017-18. Thus, the accrual IDC (IDC accrued prior



to DOCO but actually paid after DOCO) was a total of ₹81.17 lakh. Under normal circumstances, the above accrual IDC is reduced from the DOCO Cost as per Auditor's Certificate to arrive at actual DOCO Cost and then added back as ACE in the respective years of discharge.

- c) in view of the disallowance of time over-run, the IDC of ₹165.66 lakh and IEDC of ₹46.08 lakh was to be disallowed totaling ₹211.85 lakh. The above amount was duly deducted by the Review Petitioner from the cost as on DOCO and the actual cost claimed as DOCO was only ₹5305.37 lakh. Since the disallowed IDC was higher than accrual IDC, the Review Petitioner did not further reduce the accrual IDC of ₹81.17 lakh from DOCO cost and similarly had not added back the accrual IDC of ₹81.17 lakh as ACE. The ACE claimed by the Review Petitioner in its Petition for FY 2016-17, 2017-18 and 2018-19 were only related to capital expenditure and have no element of accrual IDC.
- d) The Commission has reduced the amount of ₹80.68 lakh from ACE and considered only ₹140.43 lakh for 2016-17, ₹4.48 lakh for 2017-18 and ₹313.20 lakh for 2018-19 in paragraph 38 instead of ₹184.94 lakhs for 2016-17, ₹40.65 lakh for 2017-18 and ₹313.20 lakh for 2018-19. Further, the amount of accrual IDC considered at ₹44.51 lakh does not match with any figure as provided by the Review Petitioner which demonstrates that there was no consideration of accrual IDC in the ACE.
- e) The ACE of ₹538.79 lakh is not inclusive of accrual IDC but is exclusive of IDC. The amount of ₹184.94 lakh and ₹40.65 lakh for 2016-17 and 2017-18 respectively are deferred works and balance and retention payments. It is also
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clear from the affidavit dated 12.3.2020 wherein the contract wise details of works deferred for execution was submitted. The same has also been reproduced in paragraph 30 of order dated 8.2.2021 whereby against Asset-2, the sub-station works by Mcnally Bharat Engineering Co. Ltd is shown as ₹184.94 lakh for 2016-17 and ₹40.65 lakh for 2017-18. This can also be seen from the Auditor Certificate wherein the ACE in 2016-17 and 2017-18 are provided as ₹184.94 lakh and ₹40.65 lakh.

- f) By inadvertent mistake in the Form 7 filed by the Review Petitioner, an amount of ₹53.69 lakh and ₹36.17 lakh was put under the head “Accrual IDC” instead of “Addition in Gross block”. This was due to an inadvertent mistake. It is specifically stated that the said amount is not Accrual IDC. A mistake by party or counsel is also error apparent on face of record and is a ground for review. Even otherwise, it is clear from the paragraph 30 of the order dated 8.2.2021 itself and the submission made in the affidavit dated 12.3.2019.
- g) Therefore, the order dated 8.2.2021 be reviewed and modified. There are errors apparent on the face of the record which needs to be rectified. There is otherwise sufficient cause for rectification of order dated 8.2.2021.
- h) It would be contrary to interests of justice and the principles of Section 61 and 62 of the Electricity Act, 2003 to deny legitimate costs of the Review Petitioner only on technicalities and due to an inadvertent mistake in filling of a Form.

7. In view of above submissions, the Review Petitioner has sought review of the order dated 8.2.2021 in Petition No. 36/TT/2020 to the extent prayed for in the petition.





8. During hearing of the matter on 20.1.2022, learned counsel for the Review Petitioner reiterated the submissions as made in the instant review petition and requested to consider the same. The learned counsel for TANGEDCO submitted that statement of expenditure was duly certified by the Auditor. Therefore, no ground for review of the impugned order is made out. During hearing held on 23.06.2022, learned counsel for the Review Petitioner submitted that the submissions made by him on the last date of hearing i.e. on 20.1.2022 may be considered.

### **Analysis and Decision**

9. We have considered the submission of the Review Petitioner and TANGEDCO. The Review Petitioner has submitted that in respect of Asset-2, IDC on account of non-condonation of delay has been deducted from the capital cost as on COD as well as from Additional Capital Expenditure (ACE) which led to double deduction. The Review Petitioner has submitted that the ACE of ₹ 184.94 lakh and ₹ 40.65 lakh claimed during 2016-17 and 2017-18 is exclusive of accrual IDC and it was purely towards balance and retention payments for sub-station works by McNally Bharat Engineering Co. Ltd. and the same was also shown in paragraph 30 of the order dated 8.2.2021 in Petition No. 36/TT/2020. The Review Petitioner has submitted that deduction of ₹ 44.51 lakh and ₹ 36.17 lakh by the Commission as accrual IDC from ACE claimed for the year 2016-17 and 2017-18 resulted in double deduction and prayed for allowing the ACE of ₹ 184.94 lakh and ₹ 40.65 lakh during 2016-17 and 2017-18.



10. The Commission in order dated 8.2.2021 in Petition No. 36/TT/2020 had deducted an amount of ₹ 44.51 lakh and ₹ 36.17 lakh from ACE claimed for the year 2016-17 and 2017-18 as it was shown as accrual IDC in Form-7 of 2014-19 tariff period submitted by the Petitioner. The matter has been reviewed and it is noted that ACE of ₹ 184.94 lakh and ₹ 40.65 lakh claimed during 2016-17 and 2017-18, as pointed by the Review Petitioner, was purely for sub-station works carried out by Mcnally Bharat Engineering Co. Ltd. which is also noted in paragraph 30 of the order dated 8.2.2021 in Petition No. 36/TT/2020. The relevant paragraph of the order dated 8.2.2021 is extracted hereunder:

*“30. The Petitioner has further submitted that ACE upto 31.3.2019 has been considered in the Auditor’s certificate as per actuals whereas the ACE claimed for the period from 1.4.2019 to 31.3.2020 is on estimated basis and may vary due to final claim/ reconciliation at the time of contract closing. The contract-wise details of works deferred for execution are as under:*

**(₹ in lakh)**

Assets	Party	Package	Financial Year			
			2015-16	2016-17	2017-18	2018-19
Asset-1	Larsen & Turbo Ltd.	Building & Civil Work, Sub-station Work & Communication System	11.49	223.86	0.00	0.00
	Hyosung Corporation	Sub-station Work	0.00	264.26	0.00	0.00
<b>Total</b>			<b>11.49</b>	<b>488.12</b>	<b>0.00</b>	<b>0.00</b>
Asset-2	Mcnally Bharat Engineering Co. Ltd.	Sub-station Work	0.00	184.94	40.65	161.29
	Mcnally Bharat Engineering Co. Ltd.	LD recovered during the year	0.00	0.00	0.00	121.91
<b>Total</b>			<b>0.00</b>	<b>184.94</b>	<b>40.65</b>	<b>283.20</b>
Asset-3	Mcnally Bharat Engineering Co. Ltd.	Sub-station Work	0.00	0.00	200.75	0.00
<b>Total</b>			<b>0.00</b>	<b>0.00</b>	<b>200.75</b>	<b>0.00</b>
Asset-4	Hyosung Corporation	Sub-station Work	0.00	0.00	69.31	0.00
	Mcnally Bharat Engineering Co. Ltd.	Sub-station Work	0.00	0.00	190.72	0.00
	Mcnally Bharat Engineering Co. Ltd.	LD recovered during the year	0.00	0.00	0.00	124.00
<b>Total</b>			<b>0.00</b>	<b>0.00</b>	<b>260.03</b>	<b>124.00</b>



11. Accordingly, we are of the view that deduction of ₹ 44.51 lakh and ₹ 36.17 lakh from ACE claimed in the years 2016-17 and 2017-18 on account of accrual IDC is an apparent error and it needs to be corrected. Accordingly, ACE of ₹ 184.94 lakh and ₹ 40.65 lakh claimed by the Petitioner during 2016-17 and 2017-18 in respect of Asset-2 is allowed.

12. The revision in ACE allowed in respect of Asset-2 for 2016-17 and 2017-18 will have consequential impact on capital cost allowed as on 31.3.2019 subsequently on Depreciation, Interest on Loan, Return on Equity and Interest on Working Capital allowed for 2014-19 tariff period. Accordingly, the trued-up tariff of the 2014-19 tariff period and tariff approved for the 2019-24 tariff period for Asset-2 in order dated 8.2.2021 in Petition No.36/TT/2020 requires to be revised and the same is allowed in the following paragraphs.

**Truing Up of Annual Fixed Charges for 2014-19 Tariff Period**

**Capital Cost**

13. The Commission vide order dated 8.2.2021 in Petition No. 36/TT/2020 has approved the following capital cost:

(₹ in lakh)

Asset Name	Capital cost as on COD	Additional Capital Expenditure				Total capital cost including additional capitalization as on 31.3.2019
		2015-16	2016-17	2017-18	2018-19	
Asset-1	4226.20	185.15	510.34	0.00	0.00	4921.68
Asset-2	5305.34	0.00	140.43	4.48	313.20	5763.45
Asset-3	351.69	0.00	0.58	200.75	0.00	553.02
Asset-4	1891.44	0.00	0.00	260.03	124.00	2275.47



14. Based on the above decision, there is an impact on the ACE allowed in respect of Asset-2 and the same is revised as under:

(₹ in lakh)

Asset Name	Capital cost as on COD	Additional Capital Expenditure				Total capital cost including additional capitalization as on 31.3.2019
		2015-16	2016-17	2017-18	2018-19	
Asset-2	5305.34	0.00	184.94	40.65	313.20	5844.13

15. In view of the above, there is no change in capital cost allowed vide order dated 8.2.2021 in respect of the Asset-1, Asset-3 and Asset-4. However, capital cost in respect of Asset-2 is revised. The same has been summarised as follows:

(₹ in lakh)

Capital Cost allowed as per order dated 8.2.2021 in Petition No. 86/TT/2020						
Asset Name	Capital cost as on COD	Additional Capital Expenditure				Total capital cost including additional capitalization as on 31.3.2019
		2015-16	2016-17	2017-18	2018-19	
Asset-1	4226.20	185.15	510.34	0.00	0.00	4921.68
Asset-3	351.69	0.00	0.58	200.75	0.00	553.02
Asset-4	1891.44	0.00	0.00	260.03	124.00	2275.47

(₹ in lakh)

Asset Name	Capital cost as on COD	Additional Capital Expenditure				Total capital cost including additional capitalization as on 31.3.2019
		2015-16	2016-17	2017-18	2018-19	
Asset-2	5305.34	0.00	184.94	40.65	313.20	5844.13

16. Debt-equity allowed in respect of Asset-2 in paragraph 40 of the order dated 8.2.2021 is revised as follows:



Asset-2	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	3713.74	70.00	4090.90	70.00
Equity	1591.60	30.00	1753.23	30.00
<b>Total</b>	<b>5305.34</b>	<b>100.00</b>	<b>5844.13</b>	<b>100.00</b>

17. Debt-equity allowed in respect of Asset-2 in paragraph 40 of the order dated 8.2.2021 is revised as follows:

### Interest on Loan (IoL)

18. IoL allowed in respect of Asset-2 in paragraph 43 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)			
Asset-2			
Particular	2016-17 (Pro-rata)	2017-18	2018-19
Gross Normative Loan	3713.74	3843.20	3871.66
Cumulative Repayments up to Previous Year	0.00	148.06	439.94
Net Loan-Opening	3713.74	3695.15	3431.72
Additions due to Additional Capitalization	129.46	28.46	219.24
Repayment during the year	148.06	291.88	301.23
Net Loan-Closing	0.00	0.00	0.00
Average Loan	3695.15	3431.72	3349.74
Weighted Average Rate of Interest on Loan (%)	8.20	8.11	8.09
<b>Interest on Loan</b>	<b>157.27</b>	<b>289.15</b>	<b>274.38</b>

### Return on Equity (RoE)

19. RoE allowed in respect of Asset-2 in paragraph 49 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)			
Asset-2			
Particulars	2016-17 (Pro-rata)	2017-18	2018-19
Opening Equity	1591.60	1647.08	1659.27
Addition due to Additional Capitalization	55.48	12.19	93.96
Closing Equity	1647.08	1659.27	1753.23



Average Equity	1619.34	1653.18	1706.25
Return on Equity (Base Rate) (%)	15.50	15.50	15.50
Tax Rate applicable (%)	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax)	19.705	19.705	19.758
<b>Return on Equity (Pre-tax)</b>	<b>165.23</b>	<b>325.76</b>	<b>337.12</b>

### Depreciation

20. Statement showing Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-1. Depreciation allowed in respect of Asset-2 in paragraph 56 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)

Particulars	Asset-2		
	2016-17 (Pro-rata)	2017-18	2018-19
Opening Gross Block	5305.34	5490.28	5530.93
Additional Capitalisation	184.94	40.65	313.20
Closing Gross Block	5490.28	5530.93	5844.13
Average Gross Block	5397.81	5510.61	5687.53
Weighted average rate of Depreciation (WAROD) (%)	5.30%	5.30%	5.30%
Balance useful life of the asset at the beginning of the year	25.00	25.00	24.00
Aggregated Depreciable Value	4858.03	4959.55	5118.78
Remaining Depreciable value at the end of the year	4709.98	4519.61	4377.61
<b>Combined Depreciation during the year</b>	<b>148.06</b>	<b>291.88</b>	<b>301.23</b>

### Interest on Working Capital (IWC)

21. IWC allowed in respect of Asset-2 in paragraph 63 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)

Particulars	Asset-2		
	2016-17 (Pro-rata)	2017-18	2018-19
Working Capital for O&M Expenses (O&M Expenses for one month)	19.90	20.56	21.24
Working Capital for Maintenance Spares	35.82	37.01	38.23



(15% of O&M Expenses)			
Working Capital for Receivables (Equivalent to two months of annual fixed charges/annual transmission charges)	196.64	197.69	200.14
<b>Total Working Capital</b>	<b>252.35</b>	<b>255.26</b>	<b>259.61</b>
Rate of Interest (%)	12.80	12.80	12.80
<b>Interest of working capital</b>	<b>16.73</b>	<b>32.67</b>	<b>33.23</b>

### **Revised Annual Fixed Charges for the 2014-19 Tariff Period**

22. The trued up annual fixed charges allowed in respect of Asset-2 in paragraph 66 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)			
<b>Asset-2</b>			
<b>Particulars</b>	<b>2016-17 (Pro-rata)</b>	<b>2017-18</b>	<b>2018-19</b>
Depreciation	148.06	291.88	301.23
Interest on Loan	157.27	289.15	274.38
Return on Equity	165.23	325.76	337.12
Int. on Working Capital	16.73	32.67	33.23
Op. and Maintenance	123.64	246.70	254.88
<b>Total</b>	<b>610.93</b>	<b>1186.16</b>	<b>1200.84</b>

### **Revision of Annual Fixed Charges for the 2019-24 Tariff Period**

23. The revision in ACE allowed in respect of Asset-2 for 2016-17 and 2017-18 will have consequential impact on capital cost allowed as on 31.3.2019 subsequently on Depreciation, Interest on Loan, Return on Equity and Interest on Working Capital for the 2019-24 tariff period in respect of the Combined Asset.

### **Capital Cost**

24. In view of the above, capital cost allowed in respect of the Combined Asset as on 1.4.2019 and capital cost allowed as on 31.3.2024 stands revised and the same has been summarised as follows:

(₹ in lakh)



Capital Cost allowed as on 1.4.2019 in the instant Order (A)	ACE allowed during 2019-24 vide Order dated 8.2.2021 (B)	Capital Cost allowed as on 31.3.2024 (C)=(A+B)
13594.31	120.47	13714.78

25. Debt-equity ratio allowed in paragraph 87 of the order dated 8.2.2021 is revised as follows:

Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)
Debt	9516.05	70.00	9600.38	70.00
Equity	4078.26	30.00	4114.40	30.00
<b>Total</b>	<b>13594.31</b>	<b>100.00</b>	<b>13714.78</b>	<b>100.00</b>

### Return on Equity (RoE)

26. RoE allowed in paragraph 89 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	4078.26	4114.40	4114.40	4114.40	4114.40
Additions	36.14	0.00	0.00	0.00	0.00
Closing Equity	4114.40	4114.40	4114.40	4114.40	4114.40
Average Equity	4096.33	4114.40	4114.40	4114.40	4114.40
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT Rate for respective year	17.47%	17.47%	17.47%	17.47%	17.47%
Rate of Return on Equity	18.78%	18.78%	18.78%	18.78%	18.78%
<b>Return on Equity</b>	<b>769.37</b>	<b>772.77</b>	<b>772.77</b>	<b>772.77</b>	<b>772.77</b>

### Interest on Loan (IoL)

27. IoL allowed in paragraph 91 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	9516.05	9600.38	9600.38	9600.38	9600.38
Cumulative Repayments up to Previous Year	1865.58	2593.66	3327.00	4060.33	4793.66





Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Net Loan-Opening	7650.47	7006.72	6273.38	5540.05	4806.72
Additions	84.33	0.00	0.00	0.00	0.00
Repayment during the year	728.09	733.33	733.33	733.33	733.33
Net Loan-Closing	7006.72	6273.38	5540.05	4806.72	4073.39
Average Loan	7328.60	6640.05	5906.72	5173.39	4440.05
Weighted Average Rate of Interest on Loan	8.131%	8.121%	8.141%	8.168%	8.161%
<b>Interest on Loan</b>	<b>595.85</b>	<b>539.22</b>	<b>480.84</b>	<b>422.59</b>	<b>362.36</b>

### Depreciation

28. Statement showing Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-2. Depreciation allowed in paragraph 93 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	13594.31	13714.78	13714.78	13714.78	13714.78
ACE	120.47	0.00	0.00	0.00	0.00
Closing Gross Block	13714.78	13714.78	13714.78	13714.78	13714.78
Average Gross Block	13654.55	13714.78	13714.78	13714.78	13714.78
Weighted Average Rate of Depreciation (WAROD) (%)	5.33%	5.35%	5.35%	5.35%	5.35%
Balance useful life of the asset (Year)	23.00	22.00	21.00	20.00	19.00
Aggregate Depreciable Value	12295.07	12351.41	12351.41	12351.41	12351.41
<b>Combined Depreciation during the year</b>	<b>728.09</b>	<b>733.33</b>	<b>733.33</b>	<b>733.33</b>	<b>733.33</b>
Cumulative Depreciation at the end of the year	2593.66	3327.00	4060.33	4793.66	5526.99

### Interest on Working Capital (IWC)

29. IWC allowed in paragraph 101 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	26.31	27.21	28.15	29.11	30.11
Working Capital for Maintenance Spares (15% of O&M Expenses)	47.35	48.98	50.66	52.40	54.20



Working Capital for Receivables (Equivalent to 45 days of annual fixed charges/annual transmission charges)	301.75	297.60	291.74	285.95	279.19
<b>Total Working Capital</b>	<b>375.40</b>	<b>373.79</b>	<b>370.55</b>	<b>367.47</b>	<b>363.50</b>
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
<b>Interest on working capital</b>	<b>45.24</b>	<b>45.09</b>	<b>44.70</b>	<b>44.32</b>	<b>43.85</b>

### Revised Annual Fixed Charges for the 2019-24 Period

30. The annual fixed charges allowed in paragraph 102 of the order dated 8.2.2021 are revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	728.09	733.33	733.33	733.33	733.33
Interest on Loan	595.85	539.22	480.84	422.59	362.36
Return on Equity	769.37	772.77	772.77	772.77	772.77
O&M Expenses	315.66	326.51	337.74	349.36	361.36
Interest on Working Capital	45.24	45.09	44.70	44.32	43.85
<b>Total</b>	<b>2454.21</b>	<b>2416.92</b>	<b>2369.38</b>	<b>2322.37</b>	<b>2273.67</b>

31. The table under paragraph 116 of the order dated 8.2.2021 are revised as follows:

(₹ in lakh)

Particulars	2015-16 (Pro-rata)	2016-17	2017-18	2018-19
Asset-1	297.25	1025.21	1055.18	1042.14
Asset-2	-	610.93	1186.16	1200.84
Asset-3	-	117.58	215.74	235.00
Asset-4	-	-	462.05	490.86

32. The table under paragraph 116 of the order dated 8.2.2021 are revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	<b>2454.21</b>	<b>2416.92</b>	<b>2369.38</b>	<b>2322.37</b>	<b>2273.67</b>



33. Except for the above, all other terms contained in order dated 8.2.2021 in Petition No. 36/TT/2020 remain unchanged.

34. Accordingly, Review Petition No. 16/RP/2021 is disposed of in terms of the above discussions and findings.

**sd/-**  
**(P. K. Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

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



Asset-2									
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2016-17	2017-18	2018-19			2016-17 (₹ in lakh)	2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Building	26.77	0.00	0.00	0.00	26.77	3.34%	0.89	0.89	0.89
Transmission Line	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00
Sub Station	5116.69	184.94	40.65	313.20	5655.48	5.28%	275.04	281.00	290.34
PLCC	137.50	0.00	0.00	0.00	137.50	6.33%	8.70	8.70	8.70
Leasehold Land	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00
IT Equipment and Software	24.39	0.00	0.00	0.00	24.39	5.28%	1.29	1.29	1.29
<b>TOTAL</b>	<b>5305.34</b>	<b>184.94</b>	<b>40.65</b>	<b>313.20</b>	<b>5844.13</b>		<b>285.92</b>	<b>291.88</b>	<b>301.22</b>
<b>Average Gross Block (₹ in lakh)</b>							<b>5397.81</b>	<b>5510.61</b>	<b>5687.53</b>
<b>Weighted Average Rate of Depreciation (₹ in lakh)</b>							<b>5.30%</b>	<b>5.30%</b>	<b>5.30%</b>



**Annexure-2**

2019-24 Capital Expenditure as on 1.4.2019	Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Additional Capital Expenditure (₹ in lakh) 2019-20	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
					2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Freehold Land	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Building	122.07	0.00	122.07	3.34%	4.08	4.08	4.08	4.08	4.08
Transmission Line	66.03	0.00	66.03	5.28%	3.49	3.49	3.49	3.49	3.49
Sub Station	13016.81	78.00	13094.81	5.28%	689.35	691.41	691.41	691.41	691.41
PLCC	350.83	0.00	350.83	6.33%	22.21	22.21	22.21	22.21	22.21
Leasehold Land	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
IT Equipment and Software	38.56	42.47	81.03	15.00%	8.97	12.15	12.15	12.15	12.15
<b>TOTAL</b>	<b>13594.31</b>	<b>120.47</b>	<b>13714.78</b>		<b>728.1</b>	<b>733.34</b>	<b>733.34</b>	<b>733.34</b>	<b>733.34</b>
<b>Average Gross Block (₹ in lakh)</b>					<b>13654.55</b>	<b>13714.78</b>	<b>13714.78</b>	<b>13714.78</b>	<b>13714.78</b>
<b>Weighted Average Rate of Depreciation (₹ in lakh)</b>					<b>5.33%</b>	<b>5.35%</b>	<b>5.35%</b>	<b>5.35%</b>	<b>5.35%</b>

