

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Review Petition No. 17/RP/2021

in

Petition No. 85/TT/2020

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Date of Order: 20.05.2022

In the Matter of:

Review under Section 94(1)(f) read with Regulation 103 (1) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 of order dated 8.2.2021 of the Central Electricity Regulatory Commission in Petition No. 85/TT/2020 for true up of transmission tariff of 2014-19 tariff period and determination of transmission tariff of 2019-24 tariff period of transmission assets under "System Strengthening-XXIV in the Southern 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. Karnataka Power Transmission Corporation Limited,
Kaveri Bhavan,
Bangalore-560009.
2. Transmission Corporation of Andhra Pradesh Limited,
Vidyut Soudha,
Hyderabad-500082.
3. Kerala State Electricity Board,
Vaidyuthi Bhavanam,
Pattom,
Thiruvananthapuram-695004.
4. Tamil Nadu Generation and Distribution Corporation Limited,
(Formerly Tamil Nadu Electricity Board -TNEB),
NPKRR Maaligai, 800, Anna Salai,
Chennai-600002.



5. Electricity Department,
Government 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,
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517501, Chittoor District, Andhra Pradesh.
8. Central Power Distribution Company of Andhra Pradesh limited,
Corporate Office, Mint Compound,
Hyderabad-500063, Telangana.
9. Northern Power Distribution Company of Andhra Pradesh Limited,
Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,
Warangal-506004, Telangana.
10. Bangalore Electricity Supply Company Limited,
Corporate Office, K.R. Circle,
Bangalore-560001, Karnataka.
11. Gulbarga Electricity Supply Company Limited,
Station Main Road, Gulbarga,
Karnataka.
12. Hubli Electricity Supply Company Limited,
Navanagar, PB Road, Hubli,
Karnataka.
13. MESCOM Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001, Karnataka.
14. Chamundeswari Electricity Supply Corporation Limited,
927, L J Avenue, Ground Floor, New Kantharaj Urs Road,
Saraswatipuram,
Mysore-570009, Karnataka.
15. Electricity Department,
Government of Goa,
Vidyuti Bhawan, Panaji,
Goa 403001.
16. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad- 500082.
17. Tamil Nadu Transmission Corporation,



For Petitioner : Mrs. Swapna Seshadri, Advocate, PGCIL
Mr. Aditya H. Dubey, Advocate, PGCIL
Shri S.S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri V.P. Rastogi, PGCIL
Shri A.K. Verma, PGCIL

For Respondents : Shri S. Vallinayagam, Advocate, TANGEDCO
Dr. R. Kathiravan, TANGEDCO
Ms. R. Ramalakshmi, TANGEDCO
Mr. R. Srinivasan, TANGEDCO

ORDER

Power Grid Corporation of India Limited (hereinafter referred to as the “PGCIL/ Review Petitioner) has filed the present Review Petition No. 17/RP/2021 seeking review and modification of the order dated 8.2.2021 in Petition No. 85/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 of the 2014-19 tariff period was trued up and tariff for the 2019-24 tariff period was approved for the following assets under “System Strengthening-XXIV in the Southern Region” (hereinafter referred to as the “transmission project”):

Asset-A: (i) LILO of Kurnool-Thiruvalem 765 kV D/C line at Cuddapah and (ii) Establishment of 765/400 kV Sub-station at Cuddapah along with 2x1500 MVA Transformer (GIS) along with associated bays and 2x240 MVAr Bus Reactors at Cuddapah GIS Sub-station;

Asset-B: 400 kV D/C line from Cuddapah GIS to LILO point of NP Kunta portion of Cuddapah-Hindupur 400 kV D/C line along with the bays and equipment at Cuddapah GIS; and

Asset-C: (i) 400 kV D/C line from LILO point of NP Kunta portion to Hindupur Sub-station along with 2 numbers of 400 kV bays and (ii) 2x80 MVAR switchable line reactor & 2 numbers 400 kV line bays at Hindupur Sub-station (hereinafter referred to as “transmission assets”).



2. The Review Petitioner filed Petition No. 85/TT/2020 for true up of transmission tariff of 2014-19 tariff period and determination of transmission tariff of 2019-24 tariff period for the transmission assets. The Review Petitioner for the purpose of tariff had claimed the debt-equity ratio of 70:30 for the transmission assets. However, the Commission had considered the amount of loan claimed for computing Interest During Construction by the Petitioner as an amount of debt for determining debt-equity ratio. Accordingly, the Commission vide order dated 8.2.2021 in Petition No. 85/TT/2020 had considered debt-equity ratio for the capital cost as on date of commercial operation (COD) as 71.06:28.94, 70.69:29.31 and 72.59:27.41 in case of Asset-A, Asset-B and Asset-C respectively. The relevant portion of the order dated 8.2.2021 is as follows:

“Debt-Equity ratio

34. The Petitioner has claimed the debt-equity ratio of 70:30 as on COD. The loan amount claimed by the Petitioner for calculation of debt-equity ratio in Form-6 and for calculation of IDC in the Statement of IDC discharged up to COD is not matching. The details of the same are as under

Assets	Loan considered in Form-6	Loan considered for IDC calculation	Difference
	(A)	(B)	(C)=(B-A)
Asset-A	50577.31	51339.76	762.45
Asset-B	12934.28	13061.66	127.38
Asset-C	15931.74	16520.61	588.87

35. We have considered the loan used for calculation of IDC for working out the debt-equity ratio. Hence, the debt-equity ratio as on COD works out as 71.06:28.94, 70.69:29.31 and 72.59:27.41 for Assets-A, B and C respectively. Further, for the purpose of ACE, debt-equity ratio of 70:30 has been considered in accordance with Regulation 19(3) of the 2014 Tariff Regulations.....”

3. Aggrieved with the order dated 8.2.2021, the Review Petitioner has filed the present review petition contending that the Commission has erred by considering the debt-equity ratio of 71.06:28.94 for Asset-A, 70.69:29.31 for Asset-B and 72.59:27.41 for Asset-C instead of debt-equity ratio of 70:30 as claimed by the Petitioner.

4. The Petitioner has made the following prayers in the Review Petition:



- “(a) Allow the Review Petition and modify the Order dated 08.02.2021 passed in Petition No. in 85/TT/2020 to the extent stated in the present Review Petition;*
- (b) Consider the debt:equity ratio as 70:30 for the capital cost as on DOCO as claimed by the Review Petitioner in Petition No. 85/TT/2020 and the consequent changes to calculation of 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.”*

Submissions of the Review Petitioner

5. The gist of the submissions made by the Review Petitioner in the Review Petition is as follows:

a) The Commission has considered the loan used for calculation of IDC in the “Statement of IDC discharged up to Commercial Operation Date” for working out the debt-equity ratio. Accordingly, debt-equity ratio as on the COD considered by the Commission is 71.06:28.94, 70.69:29.31 and 72.59:27.41 in case of Asset-A, Asset-B and Asset-C respectively. However, the actual debt:equity ratio is 70:30 for the transmission assets.

b) The Commission in a similar matter in order dated 29.7.2019 in Petition No. 257/TT/2018 had proceeded on the basis that there was a mismatch and variance in the amount of loan/ IDC. However, the Commission also mentioned that the same will be reviewed at the time of true up. The relevant portions of the order dated 29.7.2019 in Petition No. 257/TT/2018 are as follows:

“60.The amount of loan claimed by the Petitioner for calculation of Debt Equity ratio in Form-6 and for calculation of IDC in “Statement showing IDC discharged up to DOCO” do not match with each other.....

61. We have considered the loan used for IDC calculation for working out Debt Equity ratio. Hence, the Debt-Equity ratio as on COD works out to 71.06:28.94, 70.69:29.31 and 72,62:27.38 in respect of Asset-A, Asset-B and Asset-C respectively, the same is allowed. Further, for the purpose of ACE, Debt-Equity ratio of 70:30 has been considered. These computations of Debt Equity ratio are subject to truing up....

71. IOL has been worked out as under:-

.....

(iii) The gross opening loan as on COD as stated at Form-9C is at variance with the amount of loan used for computing the IDC as shown at "Statement showing IDC Discharged up to DOCO".....



..... However, this will be reviewed at the time of true up based on the clarification/documents submitted by the Petitioner”

c) However, in order dated 8.2.2021, the Commission has proceeded on the basis that there is a mismatch:

“Debt-Equity ratio

34. The Petitioner has claimed the debt-equity ratio of 70:30 as on COD. The loan amount claimed by the Petitioner for calculation of debt-equity ratio in Form-6 and for calculation of IDC in the Statement of IDC discharged up to COD is not matching. The details of the same are as under

Assets	Loan considered in Form-6	Loan considered for IDC calculation	Difference
	(A)	(B)	(C)=(B-A)
Asset-A	50577.31	51339.76	762.45
Asset-B	12934.28	13061.66	127.38
Asset-C	15931.74	16520.61	588.87

35. We have considered the loan used for calculation of IDC for working out the debt-equity ratio. Hence, the debt-equity ratio as on COD works out as 71.06:28.94, 70.69:29.31 and 72.59:27.41 for Assets-A, B and C respectively. Further, for the purpose of ACE, debt-equity ratio of 70:30 has been considered in accordance with Regulation 19(3) of the 2014 Tariff Regulations.....”

d) In this case no query was raised by the Commission on this issue and none of the Respondents raised the issue. The Commission exercises regulatory functions which are inquisitorial in nature while dealing with tariff determination and calls for information or clarification if there was any further information/clarification required. However, no opportunity was given for the Review Petitioner to clarify the above issue in the proceedings.

e) The total IDC shown in the Auditor certificate has been bifurcated into two parts i.e. IDC discharged up to COD and IDC discharged subsequently. Further, the statement showing IDC discharged up to COD consists of loans deployed for funding the expenditure up to COD as well as loans deployed for funding the IDC capitalized up to COD but discharged during subsequent years, which have been considered in tariff Form 9C as part of additional capital loans.

f) The cost as on COD shown in Form-6 is actual cash expense up to COD i.e. expenditure up to COD excluding IDC discharged after COD (i.e. ₹722.53



crore for Asset-A, ₹184.77 crore for Asset-B and ₹227.59 crore for Asset-C) and the additional capital expenditure as shown in Form-6 consists of additional capital expenditure as per Auditor Certificate as well as the IDC discharged after COD as and when the liability gets discharged. Further, with regard to Form-9C, the loans deployed for funding IDC discharged after COD are shown as additional capital loans in the respective year of discharge. The loans deployed up to COD as shown in Form-9C, consists of actual loans deployed up to COD (i.e. ₹505.77 crore for Asset-A, ₹129.34 crore for Asset-B and ₹159.32 crore for Asset-C) and does not include the loans deployed for funding the IDC discharged after COD. Thus, the total loans as per Form-9C (including additional capital loans for IDC discharged after COD) duly matches with total of loans shown in Statement showing IDC discharged up to COD. Considering the above facts and Form-6 and Form-9C, Debt Equity ratio as on COD works out to 70:30 only for all the assets.

g) However, the Commission in order dated 8.2.2021 in Petition No. 85/TT/2020 has considered the loan used for calculation of IDC for working out the debt-equity ratio and has considered the debt-equity ratio of 71.06:28.94 for Asset-A, 70.69:29.31 for Asset-B and 72.59:27.41 for Asset-C. The equity has been considered at lower than 30% even though the actual equity is at 30% and is required to be considered as 30% in terms of the 2014 Tariff Regulations.

h) This erroneous consideration in order dated 8.2.2021 has led to a permanent loss of equity amounting to ₹14.79 crore for all the assets together and loss of Return on Equity amounting to ₹69.44 crore during the entire life of assets (with grossed up ROE rate as 18.782%) and net loss of ₹40 crore.

i) Accordingly, there are errors apparent on the face of the record in order dated 8.2.2021 which require to be reviewed and modified.



6. The Review Petitioner has prayed for allowing debt-equity ratio as 70:30 in respect of the transmission assets with consequential changes in calculation of capital cost and tariff.

Hearing dated 29.3.2022

7. During hearing held on 29.3.2022, learned counsel for the Review Petitioner reiterated the submissions made in the petition and requested to consider the same, and allow debt-equity ratio as 70:30 in respect of the transmission assets. She further submitted that the Commission has revised the debt:equity ratio at the stage of truing up in similarly placed matters on the basis of the submissions made by the Review Petitioner in those cases.

8. The Review Petitioner has filed Note for Arguments dated 29.3.2022 giving the details of the petitions wherein a different debt:equity ratio was adopted initially in the original tariff orders and at the time of truing up has revised the same to 70:30 appreciating the same submissions made by the Review Petitioner as in the present case. The list of such petitions submitted by the Review Petitioner is as follows:

Original Petition	Date of Original Tariff Order	True up Petition	Date of Truing Up Order
111/TT/2018	1.11.2019	481/TT/2020	18.1.2022
198/TT/2017	15.10.2019	358/TT/2020	29.6.2021
171/TT/2018	30.9.2019	250/TT/2020	8.3.2021
360/TT/2018	30.9.2019	375/TT/2020	2.7.2021
174/TT/2018	28.6.2019	172/TT/2020	15.9.2021
170/TT/2018	7.5.2019	461/TT/2020	1.7.2021
163/TT/2018	29.5.2019	37/TT/2020	17.8.2020

9. TANGEDCO, Respondent No. 4, in its reply dated 6.4.2022 has submitted that the order dated 8.2.2021 in Petition No 85/TT/2020 has no error apparent on the face of the record w.r.t. debt-equity ratio. Therefore, TANGEDCO has submitted that the review petition is not maintainable and a review petition cannot be an appeal in disguise as held by the Hon'ble Supreme Court.



Analysis and Decision

10. We have considered the submissions of the Review Petitioner and TANGEDCO. The Review Petitioner has submitted that based on the Form-6 and Form-9C furnished in the Petition No. 85/TT/2020, debt:equity ratio as on COD works out to 70:30 for all the assets and has prayed for allowing the same debt:equity ratio for the transmission assets. The Review Petitioner has further submitted that in similar petitions wherein debt:equity ratio was considered based on the amount of loan claimed for computing Interest During Construction in place of Form-6 and Form-9C, the Commission has considered the revised debt:equity of 70:30 based on the submission made by the Review Petitioner at the stage of truing up of tariff for 2014-19. As pointed out by the Review Petitioner, the Commission has been consistently considering the debt:equity ratio in these type of petitions as 70:30 based on the amount of loan claimed by the Review Petitioner vide Form-6 and Form-9c. However, in the instant case, debt:equity ratio of 71.06:28.94 for Asset-A, 70.69:29.31 for Asset-B and 72.59:27.41 for Asset-C was considered which is an apparent error and it needs to be corrected. We are of the view that the approach adopted by the Commission in such similarly petitions should be applied in the instant case as well. Accordingly, we allow the debt:equity of 70:30 on the basis of amount of loan as claimed in Form-6 and Form-9c in the instant case.

11. The revision of the debt:equity as on COD in respect of the transmission assets considered for the purpose of truing up of tariff for the 2014-19 tariff period will have consequential impact on the loan amount subsequently on the IDC computation and capital cost, depreciation, Interest on Loan, Return on Equity and Interest on Working Capital. Accordingly, the trued-up tariff of the 2014-19 tariff period and tariff approved for the 2019-24 tariff period for the transmission assets in order dated 8.2.2021 in



Petition No.85/TT/2020 requires to be revised and the same is allowed in the following paragraphs.

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

Capital Cost

12. The Commission vide order dated 8.2.2021 in Petition No. 85/TT/2020 has approved the following capital cost:

(₹ in lakh)

Assets	Capital Cost as on COD	ACE	Total Capital Cost as on 31.3.2019
		2018-19	
Asset-A	72253.29	6352.02	78605.31
Asset-B	18477.54	1912.77	20390.31
Asset-C	22759.63	807.26	23566.89

13. Based on the above decision, there is an impact on the IDC allowed in respect of Asset-C and the same is revised as under:

(₹ in lakh)

Asset	IDC as per Auditor Certificate	IDC disallowed due to computational difference	IDC allowed on accrual basis	IDC allowed on cash basis as on COD	Undischarged IDC liability as on COD	IDC liability allowed as ACE during 2018-19	IDC liability allowed as ACE during 2019-20
Asset-C	1080.91	3.36	1077.55	237.14	840.41	807.26	33.15

14. In view of the above, there is no change in capital cost allowed vide order dated 8.2.2021 in respect of the Asset-A and Asset-B. However, capital cost in respect of Asset-C is revised. The same has been summarised as follows:

(₹ in lakh)

Capital Cost allowed as per order dated 8.2.2021 in Petition No. 85/TT/2020			
Assets	Capital Cost as on COD	ACE	Total Capital Cost as on 31.3.2019
		2018-19	
Asset-A	72253.29	6352.02	78605.31
Asset-B	18477.54	1912.77	20390.31

(₹ in lakh)

Asset	Capital Cost claimed as on COD (Auditor Certificate) (A)	IDC undischarged as on COD (B)	IDC disallowed due to computational difference (C)	Capital Cost allowed as on COD (D)=(A-B-C)	ACE allowed during 2018-19 (E)	Capital Cost allowed as on 31.3.2019 (F)=(D+E)
Asset-C	23600.87	840.41	3.36	22757.10	807.26	23564.36



15. Debt-equity allowed in paragraph 35 of the order dated 8.2.2021 is revised as follows:

Asset	Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)
Asset-A	Debt	50577.31	70.00	55023.72	70.00
	Equity	21675.98	30.00	23581.59	30.00
	Total	72253.29	100.00	78605.31	100.00
Asset-B	Debt	12934.27	70.00	14273.21	70.00
	Equity	5543.27	30.00	6117.10	30.00
	Total	18477.54	100.00	20390.31	100.00
Asset-C	Debt	15929.97	70.00	16495.05	70.00
	Equity	6827.13	30.00	7069.31	30.00
	Total	22757.10	100.00	23564.36	100.00

Interest on Loan (IoL)

16. IoL allowed in paragraph 36 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)		
	Asset-A	Asset-B	Asset-C
	2018-19 (pro-rata 158 days)	2018-19 (pro-rata 240 days)	2018-19 (pro-rata 171 days)
Gross Normative Loan	50577.31	12934.27	15929.97
Cumulative Repayments up to Previous Year	0.00	0.00	-
Net Loan-Opening	50577.31	12934.27	15929.97
Additions	4446.41	1338.94	565.08
Repayment during the year	1712.40	661.81	572.91
Net Loan-Closing	53311.32	13611.40	15922.14
Average Loan	51944.31	13272.84	15926.06
Weighted Average Rate of Interest on Loan (%)	7.9390	8.0227	7.7556
Interest on Loan	1785.13	700.17	578.66

Return on Equity (RoE)

17. RoE allowed in paragraph 40 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)		
	Asset-A	Asset-B	Asset-C
	2018-19 (pro-rata 158 days)	2018-19 (pro-rata 240 days)	2018-19 (pro-rata 171 days)
Opening Equity	21675.98	5543.27	6827.13
Additions	1905.61	573.83	242.18
Closing Equity	23581.59	6117.10	7069.31
Average Equity	22628.78	5830.19	6948.22
Return on Equity (Base Rate) (%)	16.000	16.00	16.000
MAT Rate for respective year (%)	21.549	21.55	21.549
Rate of Return on Equity (%)	20.395	20.39	20.395
Return on Equity	1997.77	781.85	663.89



Depreciation

18. There is no change in depreciation allowed vide order dated 8.2.2021 in respect of Asset-A and Asset-B. However, depreciation in respect of Asset-C is revised. Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-1. Accordingly, depreciation allowed for Asset-C in paragraph 42 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)
	Asset-C 2018-19 (pro-rata 171 days)
Opening Gross Block	22757.10
Additional Capitalisation	807.26
Closing Gross Block	23564.36
Average Gross Block	23160.73
Weighted Average Rate of Depreciation (WAROD) (%)	5.28%
Balance useful life of the asset (Year)	34.00
Elapsed life (Year)	0.00
Aggregate Depreciable Value	20844.66
Combined Depreciation during the year	572.91
Cumulative Depreciation at the end of the year	572.91
Remaining Depreciable Value at the end of the year	20271.75

Interest on Working Capital (IWC)

19. IWC allowed in paragraph 45 of the order dated 8.2.2021 is revised as follows:

Particulars	(₹ in lakh)		
	Asset-A 2018-19 (pro-rata 158 days)	Asset-B 2018-19 (pro-rata 240 days)	Asset-C 2018-19 (pro-rata 171 days)
Working Capital for O&M Expenses (O&M Expenses for one month)	83.61	15.12	34.07
Working Capital for Maintenance Spares (15% of O&M Expenses)	150.49	27.21	61.33
Working Capital for Receivables (Equivalent to two months of annual fixed charges/annual transmission charges)	2335.27	586.42	730.80
Total Working Capital	2569.37	628.76	826.20
Rate of Interest (%)	12.20	12.20	12.20
Interest on working capital	135.69	50.44	47.22

Revised Annual Fixed Charges for the 2014-19 Period

20. The tried up annual fixed charges allowed in paragraph 46 of the order dated 8.2.2021 is revised as follows:



Particulars	(₹ in lakh)		
	Asset-A	Asset-B	Asset-C
	2018-19 (pro-rata 158 days)	2018-19 (pro-rata 240 days)	2018-19 (pro-rata 171 days)
Depreciation	1712.40	661.81	572.91
Interest on Loan	1785.13	700.17	578.73
Return on Equity	1997.77	781.85	663.72
O & M Expenses	434.30	119.30	191.55
Interest on Working Capital	135.69	50.44	47.22
Total	6065.30	2313.56	2054.24

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

21. The revision of the debt-equity as on COD and 31.3.2019 in respect of the Combined Asset will have consequential impact on the capital cost, depreciation, Interest on Loan, Return on Equity and Interest on Working Capital approved in order dated 8.2.2021 for the 2019-24 tariff period.

Capital Cost

22. 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 (excluding IDC discharged) (B)	IDC discharged allowed during 2019-24 period for transmission assets in the instant Order (C)	ACE allowed during 2019-24 period in the instant Order (D)=(B+C)	Capital Cost allowed as on 31.3.2024 (E)=(A+D)
122559.98	11164.55	362.20	11526.75	134086.73

23. Debt-equity ratio allowed in paragraph 62 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	85791.99	70.00	93860.71	70.00
Equity	36768.00	30.00	40226.02	30.00
Total	122559.98	100.00	134086.73	100.00



Return on Equity (RoE)

24. RoE allowed in paragraph 64 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 Equity	36768.00	38740.75	40226.02	40226.02	40226.02
Additions	1972.75	1485.27	0.00	0.00	0.00
Closing Equity	38740.75	40226.02	40226.02	40226.02	40226.02
Average Equity	37754.37	39483.38	40226.02	40226.02	40226.02
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity	7090.84	7415.57	7555.05	7555.05	7555.05

Interest on Loan (IoL)

25. IoL allowed in paragraph 66 of the order dated 8.2.2021 is revised as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	85791.99	90395.07	93860.71	93860.71	93860.71
Cumulative Repayments up to Previous Year	2947.13	9553.83	16463.93	23504.74	30545.54
Net Loan-Opening	82844.86	80841.25	77396.78	70355.97	63315.17
Additions	4603.09	3465.64	0.00	0.00	0.00
Repayment during the year	6606.70	6910.10	7040.81	7040.81	7040.81
Net Loan-Closing	80841.25	77396.78	70355.97	63315.17	56274.36
Average Loan	81843.05	79119.01	73876.38	66835.57	59794.76
Weighted Average Rate of Interest on Loan (%)	7.9588	7.9567	7.9641	7.9692	7.9574
Interest on Loan	6513.71	6295.24	5883.60	5326.29	4758.08

Depreciation

26. Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-2.

Depreciation allowed in paragraph 68 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	122559.98	129135.82	134086.73	134086.73	134086.73
ACE	6575.84	4950.91	0.00	0.00	0.00
Closing Gross Block	129135.82	134086.73	134086.73	134086.73	134086.73
Average Gross Block	125847.90	131611.28	134086.73	134086.73	134086.73
Weighted Average Rate of Depreciation (WAROD) (%)	5.25	5.25	5.25	5.25	5.25
Balance useful life of the asset (Year)	31.00	30.00	29.00	28.00	27.00



Elapsed life (Year)	0.00	1.00	2.00	3.00	4.00
Aggregate Depreciable Value	113273.07	118460.12	120688.03	120688.03	120688.03
Combined Depreciation during the year	6606.70	6910.10	7040.81	7040.81	7040.81
Cumulative Depreciation at the end of the year	9553.83	16463.93	23504.74	30545.54	37586.35
Remaining Depreciable Value at the of the year	103719.24	101996.19	97183.30	90142.49	83101.68

Interest on Working Capital (IWC)

27. IWC allowed in paragraph 75 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)	190.58	197.21	204.17	211.48	218.86
Working Capital for Maintenance Spares (15% of O&M Expenses)	343.05	354.98	367.51	380.67	393.95
Working Capital for Receivables (Equivalent to 45 days of annual fixed charges/annual transmission charges)	2815.80	2881.70	2874.73	2816.31	2748.99
Total Working Capital	3349.43	3433.88	3446.41	3408.46	3361.81
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on working capital	403.61	386.31	387.72	383.45	378.20

Revised Annual Fixed Charges for the 2019-24 Period

28. The annual fixed charges allowed in paragraph 76 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	6606.70	6910.10	7040.81	7040.81	7040.81
Interest on Loan	6513.71	6295.24	5883.60	5326.29	4758.08
Return on Equity	7090.84	7415.57	7555.05	7555.05	7555.05
O&M Expenses	2286.99	2366.52	2450.07	2537.80	2626.35
Interest on Working Capital	403.61	386.31	387.72	383.45	378.20
Total	22901.84	23373.75	23317.25	22843.40	22358.49

29. The tables under paragraph 86 of the order dated 8.2.2021 are revised as follows:

(₹ in lakh)

Annual Fixed Charges	
Assets	2018-19 (pro-rata)*
Asset-A	6065.30



Asset-B	2313.56
Asset-C	2054.24

* pro-rata for 158, 240 and 171 days for Assets-A, B and C respectively

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	22901.84	23373.75	23317.25	22843.40	22358.49

30. Except for the above, all other terms contained in order dated 8.2.2021 in Petition No. 85/TT/2020 remain unchanged.

31. Accordingly, Review Petition No. 17/RP/2021 is disposed of in terms of the above discussions and findings.

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



Annexure 1

WAROD (Asset-C)

2014-19 Capital Cost (₹ in lakh)	Admitted Opening Capital Cost as on COD (₹ in lakh)	Allowed ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Annual Depreciation as per Regulation (₹ in lakh)	
		2018-19		Rate of Depreciation	2018-19
Transmission Line	19462.58	690.39	20152.97	5.28	1045.85
Sub Station	3294.53	116.87	3411.40	5.28	177.04
Total	22757.10	807.26	23564.36	Total	1222.89
Average Gross Block (₹ in lakh)					23160.73
Weighted Average Rate of Depreciation					5.28%



Annexure 2

WAROD (Combined Asset)

2019-24		Allowed ACE (₹ in lakh)			Annual Depreciation as per Regulation					
Capital Cost (₹ in lakh)	Admitted Opening Capital Cost (₹ in lakh)	2019-20	2020-21	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Deprn.	2019-20	2020-21	2021-22	2022-23	2023-24
Building Civil Works & Colony	2495.37	95.02	-	2590.39	3.34	84.93	86.52	86.52	86.52	86.52
Transmission Line	75116.79	4582.93	-	79699.72	5.28	4087.16	4208.14	4208.14	4208.14	4208.14
Sub Station	44697.82	1897.14	4950.91	51545.87	5.28	2410.13	2590.92	2721.62	2721.62	2721.62
PLCC	150.56	0.44	-	151.00	6.33	9.54	9.56	9.56	9.56	9.56
IT Equipment (Including Software)	99.45	0.29	-	99.75	15.00	14.94	14.96	14.96	14.96	14.96
Total	122559.98	6575.84	4950.91	134086.73	Total	6606.70	6910.10	7040.81	7040.81	7040.81
Average Gross Block (₹ in lakh)						125847.90	131611.28	134086.73	134086.73	134086.73
Weighted Average Rate of Depreciation						5.25%	5.25%	5.25%	5.25%	5.25%

