

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Review Petition No. 19/RP/2021

in

Petition No. 312/TT/2020

Coram:

**Shri I.S. Jha, Member
Shri Arun Goyal, Member**

Date of Order: 13.09.2022

In the matter of:

Review Petition 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, seeking review and modification of the order dated 2.2.2021 in Petition No. 312/TT/2020.

And in the Matter of:

Power Grid Corporation of India Limited,
“Saudamini”, Plot No. 2,
Sector 29, Gurgaon-122001,
Haryana.

....Petitioner

Vs

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur – 482008.
2. Madhya Pradesh Power Transmission Company Limited,
Shakti Bhawan, Rampur,
Jabalpur-482008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore-452008.
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor,
M.G. Road, Fort, Mumbai-400001.



5. Maharashtra State Electricity Transmission Company Limited,
Prakashganga, 6th Floor, Plot No. C-19,
E-Block, Bandra Kurla Complex,
Bandra (East), Mumbai-400051.
6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodra-390007.
7. Electricity Department,
Government of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001.
8. Electricity Department,
Administration of Daman & Diu,
Daman-396210.
9. DNH Power Distribution Corporation Limited,
Vidyut Bhawan, 66 kV Road, Near Secretariat Amli,
Silvassa, 396230.
10. Chhattisgarh State Power Transmission Company Limited,
State Load Despatch Building,
Dangania, Raipur-492013.
11. Chhattisgarh State Power Distribution Company Limited,
P.O Sunder Nagar, Dangania, Raipur,
Chhattisgarh-492013.
12. NTPC Limited,
NTPC Bhawan, Core-7, Scope Complex, 7,
Institutional Area, Lodhi Road,
New Delhi-110003.

...Respondents

For Review Petitioner : Ms. Swapna Seshadri, Advocate, PGCIL
Shri Aditya H. Dubey, Advocate, PGCIL
Shri S.S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri A.K. Verma, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : Shri Manoj Dubey, Advocate, MPPMCL
Shri Anindya Khare, MPPMCL



ORDER

Power Grid Corporation of India Limited (hereinafter referred to as “PGCIL/ Review Petitioner) has filed the present Review Petition No. 19/RP/2021 seeking review and modification of the order dated 2.2.2021 in Petition No. 312/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 whereby transmission tariff of 2014-19 tariff period was trued up under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and tariff for 2019-24 period was determined under 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 (hereinafter referred to as “transmission assets”) under “Transmission System associated with Lara STPS-I (2x800 MW) Generation Project of NTPC” in Western Region (hereinafter referred to as “the transmission project”):

Asset-I: 400 kV D/C Lara STPS-I to Raigarh (Kotra) Pooling Station Transmission Line along with associated bays at Raigarh (Kotra) Pooling Station; and

Asset-II: 400 kV D/C (Quad) Lara STPS-I-Champa Line along with associated bays at Champa Pooling Station.

2. The Review Petitioner has submitted that the Commission vide order dated 20.7.2018 in Petition No. 125/TT/2017 while allowing tariff for Asset-II from its COD to 31.3.2019, disallowed IDC and IEDC of ₹275.81 lakh on account of time over-run and reduced the same from the capital cost as on COD. The Review Petitioner filed Petition



No. 312/TT/2020 for truing up of transmission tariff from COD to 31.3.2019 and determination of transmission tariff for 2019-24 tariff block. The Review Petitioner recovered Liquidated Damages (LD) of ₹393.25 lakh from the contractor and the same was adjusted in the Additional Capital Expenditure (ACE) in the year 2018-19. The details of capital cost were provided in the Auditor's Certificate submitted in Petition No. 312/TT/2020. The Review Petitioner vide affidavit dated 17.8.2020 submitted the details of treatment of LD. However, the Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 observed that LD recovered is more than IDC and IEDC disallowed on account of time over-run and hence deducted ₹117.41 lakh from ACE for the year 2018-19. Therefore, when the Review Petitioner had already deducted LD of ₹393.25 lakh from the capital cost and added back ₹275.81 lakh in the capital cost, in that event further deduction of ₹117.41 lakh (i.e. LD of ₹393.25 lakh- disallowed IDC and IEDC ₹275.81 lakh = ₹117.41 lakh) would amount to double deduction. The benefit of LD recovered has already factored by the Review Petitioner in Auditor's Certificate and it was also clarified vide affidavit dated 17.8.2020.

3. The Review Petitioner has made the following prayers:

- a. Admit the present Review Petition;*
- b. Review the order dated 02.02.2021 passed by this Hon'ble Commission;*
- c. Add back amount of ₹117.41 lakh to the Additional Capitalisation expenditure for FY 2018-19.*
- d. Pass such other further order(s) as the Hon'ble Commission may deem just in the facts of the present case."*

4. The matter was heard through video conference. The Commission admitted the instant review petition on 20.1.2022 and issued notice to the Respondents. Thereafter, Madhya Pradesh Power Management Company Limited (MPPMCL) has filed its reply



vide affidavit dated 16.2.2022. In response, the Review Petitioner filed its rejoinder to the reply of MPPMCL vide affidavit dated 11.3.2022. The matter was heard through video conference on 29.3.2022 and order was reserved after hearing the parties.

Submissions of the Review Petitioner

5. The Review Petitioner has made the following submissions in support of the instant review petition:

- a. As per the Investment Approval (IA) dated 24.6.2014, the transmission assets were scheduled to be put into commercial operation within 34 months i.e. by 21.4.2017 from the date of approval of Board of Directors i.e. 21.6.2014. As against this, Asset-I and Asset-II were put into commercial operation on 5.5.2016 and 21.7.2017 respectively. There was no time over-run in the case of Asset-I while there was time over-run of three months in case of Asset-II.
- b. The Commission vide order dated 20.7.2018 in Petition No. 125/TT/2017 while allowing tariff in respect of Asset-II from COD-31.3.2019 condoned time over-run of only one month out of the time over-run of three months as a result of which IDC and IEDC of ₹275.81 lakh was disallowed on account of time over-run and it was reduced from the capital cost as on the date of commercial operation. Later, an amount of ₹393.25 lakh was recovered as LD from the contractor. Therefore, LD to the extent of disallowed IDC and IEDC amounting to ₹275.81 lakh was added back in Additional Capital



Expenditure (ACE) for the year 2018-19. The details of cost as per Auditor's certificate were mentioned in paragraph 5.8 of Petition No. 312/TT/2020 are as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Cost as on COD	Additional Capitalisation			Total Cost up to 31.03.19
			2016-17	2017-18	2018-19	
Asset-I	5063.62	3180.21	1270.41	110.22	56.56	4617.4
Asset-II	34983.33	26185.42	0.00	1029.35	1763.14	28977.91
Total	40046.95	29365.63	1270.41	1139.57	1819.7	33595.31

c. Further, the details of cost considered for computation of tariff for Asset-II is as follows:

(₹ in lakh)

Expenditure	Claimed	Allowed
As per Auditor certificate (upto DOCO)	26185.42	26185.42
Less: Accrual IDC upto DOCO	344.33	909.38
Less: Disallowed IEDC on account of time over-run	48.07	48.07
Less: Disallowed IDC on account of time over-run	0.00	242.98
Exp. Up to DOCO excluding accrual IDC	25793.02	24984.99
Expenditure 2017-18 as per auditor certificate	1029.35	1029.35
Add: Accrual IDC discharged during 2017-18	344.33	909.38
Less: Disallowed IDC on account of time over-run	227.74	0.00
Total Add-cap in 2017-18	1145.94	1938.73
Add-cap 2018-19 as per auditor certificate (after reduction of LD amount of ₹393.25 lakh)	1763.14	1763.14
Add: LD add-back to the extent of disallowed IDC and IEDC	275.81	275.81
Less: Cost disallowed by CERC		117.41
Total Add-cap in 2018-19	2038.95	1921.54
Estimated Add-cap 2019-20	1053.52	1053.53
Total estimated completion cost	30031.43	29898.79



- d. The Review Petitioner had already clarified the above factual position of the matter vide affidavit dated 17.8.2020 in Petition No. 312/TT/2020 in response to specific query of the Commission through RoP dated 4.8.2020 that ACE with reference to Asset-II incurred during 2018-19 was ₹1763.14 lakh, LD added back to the extent of disallowed IDC and IEDC was ₹275.81 lakh, total ACE claimed during 2018-19 was ₹2038.95 lakh, total LD imposed was ₹393.25 lakh and LD added back was ₹275.81 lakh.
- e. The Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 while truing up the tariff for 2014-19 period observed that LD recovered is more than IDC and IEDC disallowed on account of time over-run and as such net deduction of ₹117.41 lakh from the capital cost for the year 2018-19.
- f. According to the Review Petitioner, the treatment of LD in the impugned order is a clear error apparent on the face of records because the cost certificates prepared for the purpose of filing the petition capture only the actual outflow of fund against the transmission assets. This results in showing the capital cost in certificate reduced by LD amount. Further, as per accounting policy/practice of the Review Petitioner, the LD recovered from the Auditor's Certificate is to be adjusted to the capital cost. Accordingly, ACE of ₹1763.14 lakh for 2018-19 as mentioned in the Auditor's certificate represents the actual cash outflow after the deduction



of LD of ₹393.25 lakh. In other words, the LD amount was already reduced in the ACE shown for 2018-19 in the Auditor's certificate (i.e. ₹1763.14 lakh was net of LD amount).

- g. The amount of ₹275.81 lakh which had been IDC and IEDC disallowed by the Commission was not added back to ACE mentioned in the Auditor's Certificate i.e. ACE incurred for 2018-19. Since the above-mentioned amount was not added back in the Auditor's certificate, the said amount of ₹275.81 lakh was added back to ACE incurred for 2018-19 in the table shown in paragraph 5.8 of Petition No. 312/TT/2020.
- h. Restricting the amount of ₹117.41 lakh i.e. the difference between the LD recovered (₹393.25 lakh) and IDC and IEDC disallowed (₹275.81 lakh) is a double deduction and is an error apparent on face of record for the reasons that when entire amount of ₹393.25 lakh has been reduced from ACE claimed for 2018-19, further deduction of ₹117.41 lakh gives double benefit to the beneficiaries.

6. MPPMCL in its reply has made the following submissions:

- a. The Review Petitioner has assailed that cost certificate dated 31.7.2019 in Petition No. 312/TT/2020 relates to Asset-II, for the purpose of filing the petition, captured only the actual outflow of fund against the subject asset and this results in showing the capital cost in the certificate reduced by the LD amount. The LD recovered from the Auditor's certificate is to be adjusted



to the capital cost and accordingly, ACE of ₹1763.14 lakh for 2018-19, as mentioned in the Auditor's Certificate, represents the actual cash outflow after deduction of LD of ₹393.25 lakh.

- b. The last footnote to the Auditor's certificate dated 31.7.2019, relating to Asset-II and at Page No. 90 of the Petition No. 312/TT/2020, clearly shows as follows:

“CERC disallowed IDC/IEDC of ₹288.75 lakh on account of computational difference and time over run. Subsequently LD was recovered from contractor amounting to ₹393.25 lakh during the year 2018-19. The effect of above amounts has not been given in the certificate.”

- c. A perusal of aforesaid footnote to the Auditor's certificate clarifies that the amount of ₹1763.14 lakh towards ACE in 2018-19 is exclusive of the LD recovered from the contractor. According to MPPMCL, the figure of ₹1921.54 lakh is inclusive of LD adjustments as rightly discussed and determined by the Commission in paragraphs 29 and 30 of the impugned order.
- d. Contrary to the Petitioner's submissions, the Auditor has made it abundantly clear that LD recovered has not been given effect in certificate.
- e. This is not a case of double deduction and the Commission has rightly made the respective adjustments in the impugned order.
- f. There is no error apparent on the face of records and the error as being pointed out by the Petitioner would require detailed working back in order to fish out such an error and such an exercise is beyond the scope of review. MPPMCL has prayed that the Review Petition may be dismissed.



7. In response, the Review Petitioner has denied the contention of MPPMCL that footnote to the Auditor's Certificate does not support the contention of the Petitioner and termed the same as misconceived. The Review Petitioner has further submitted that benefit of LD recovered had already been factored in by the Review Petitioner in the Auditor's certificate which was also clarified in paragraph 5.8 of Petition No. 312/TT/2020. The Review Petitioner has submitted that there is some confusion due to the wordings used in the Auditor's Certificate dated 31.7.2019 relating to Asset-II in page no. 90 of the Petition No. 312/TT/2020. However, the Review Petitioner denied that LD recovered from the contractor was excluded from the certificate.

Analysis and Decision

8. We have considered the submissions of the Review Petitioner and MPPMCL and have perused the record. Learned counsel for the Review Petitioner has contended that the Commission while allowing tariff in respect of Asset-II from its COD to 31.3.2019 vide order dated 20.7.2018 in Petition No. 125/TT/2017, disallowed IDC and IEDC of ₹275.81 lakh on account of time over-run and reduced the same from capital cost as on COD. Subsequently, the Review Petitioner recovered LD of ₹393.25 lakh from the contractor and the same was adjusted/ added back as ACE in the year 2018-19. However, the Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 observed that LD recovered is more than IDC and IEDC disallowed on account of time over-run and hence deducted ₹117.41 lakh from ACE for the year 2018-19. Learned counsel has contended that LD to the extent of disallowed IDC and IEDC of ₹275.81 lakh was added back in ACE for the year 2018-19 and, therefore, further deduction of LD amount of ₹117.41 lakh from



ACE for the year 2018-19 leads to double deduction from ACE and gives double benefit to the beneficiaries and the same is error apparent on record which needs to be corrected. On the other hand, learned counsel for MPPMCL has contended that the case at hand is not of double deduction and the Commission has rightly made the respective adjustments in the impugned order and prayed that the contentions of the Review Petitioner are liable to be rejected.

9. Order XLVII Rule 1 of Code of Civil Procedure, 1908, provides that a party considering itself aggrieved by an order may seek review of the order under the following circumstances:

“(a) On discovery of new and important matter or evidence which after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the order was made, or

(b) On account of a mistake or error apparent on the face of the record, or

(c) For any other sufficient reasons.”

10. We have considered the contentions of the Review Petitioner and MPPMCL. On perusal of record, we find that in the present case Asset-I and Asset-II were put into commercial operation on 5.5.2016 and 21.7.2017 respectively. There was no time over-run in case of Asset-I while there was time over-run of three months in case of Asset-II. We note that the Commission vide order dated 20.7.2018 in Petition No. 125/TT/2017 condoned time over-run in respect of Asset-II of only one month out of the total time over-run of three months due to which IDC and IEDC of ₹275.81 lakh was disallowed on account of time over-run and it was reduced from the capital cost as on the date of commercial operation. We note that later on, an amount of ₹393.25 lakh was recovered



by the Review Petitioner as LD from its contractor and this amount was adjusted by the Review Petitioner against the ACE in the year 2018-19. Further, the amount of ₹275.81 lakh of IDC and IEDC disallowed by the Commission due to time over-run in case of Asset-2 was added back by the Review Petitioner to the capital cost of Asset-2. As the entire LD amount recovered from the contractor had been appropriately adjusted by the Review Petitioner in the ACE for the year 2018-19, deduction again of an amount of ₹117.41 lakh in order dated 2.2.2021 in Petition No. 312/TT/2020 from the ACE for the year 2018-19 (on the premise that LD recovered is more than the IDC and IEDC disallowed due to time over-run) is an error apparent, which requires to be corrected. Accordingly, we allow adding back of the excess LD of ₹117.41 lakh, deducted, to the ACE in 2018-19 in respect of Asset-II.

11. The revision of ACE for 2018-19 in respect of Asset-II considered for the purpose of truing up of tariff from COD to 31.3.2019 will have consequential impact on capital cost, debt: equity, depreciation, Interest on Loan, Return on Equity and Interest on Working Capital. Accordingly, the trued-up tariff for 2014-19 tariff period and determination of tariff for 2019-24 tariff period with regard to Asset-II in order dated 2.2.2021 in Petition No. 312/TT/2020 needs to be revised and the same is revised as follows.

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

Capital Cost

12. The Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 approved the following capital cost:



(₹ in lakh)

Assets	Capital cost as on COD on cash basis	ACE			Total Capital cost including ACE as on 31.3.2019
		2016-17	2017-18	2018-19	
Asset-I	2912.29	1343.85	110.22	56.56	4422.92
Asset-II	24984.99	0.00	1938.73	1921.54	28845.26

13. Based on the above decision, we hereby add back excess LD deducted of ₹117.41 lakh to the ACE in 2018-19 in respect of Asset-II. Accordingly, the capital cost of Asset-II is revised and as a consequence, the tried-up tariff allowed for the 2014-19 and the tariff allowed for the 2019-24 tariff period vide order dated 2.2.2021 in Petition No. 312/TT/2020 is revised in the following paragraphs.

14. The revised capital cost in respect of Asset-II is as follows:

(₹ in lakh)

Asset	Capital cost as on COD on cash basis	ACE		Total Capital cost including ACE as on 31.3.2019
		2017-18	2018-19	
Asset-II	24984.99	1938.73	2038.95	28962.67

15. Debt-equity allowed for Asset-II in paragraph 32 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

Asset-II	Amount as on COD (₹ in lakh)	(In %)	Amount as on 31.3.2019 (₹ in lakh)	(In %)
Debt	17489.49	70.00	20273.88	70.00
Equity	7495.50	30.00	8688.80	30.00
Total	24984.99	100.00	28962.67	100.00



Interest on Loan (IoL)

16. IoL allowed for Asset-II in paragraph 34 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Asset-II		
Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Gross Normative Loan	17489.49	18846.61
Cumulative Repayments upto Previous Year	0.00	950.68
Net Loan-Opening	17489.49	17895.92
Addition due to Additional Capitalisation	1357.11	1427.27
Repayment during the year	950.68	1471.92
Net Loan-Closing	17895.92	17851.27
Average Loan	17692.71	17873.60
Weighted Average Rate of Interest on Loan (%)	7.989	7.970
Interest on Loan	983.62	1424.51

Return on Equity (RoE)

17. RoE allowed for Asset-II in paragraph 41 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Asset-II		
Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Opening Equity	7495.50	8077.11
Addition due to Additional Capitalisation	581.61	611.68
Closing Equity	8077.11	8688.79
Average Equity	7786.30	8382.95
Return on Equity (Base Rate) (in %)	16.000	16.000
Tax Rate applicable (In %)	21.342	21.549
Rate of Return on Equity (Pre-tax)	20.341	20.395
Return on Equity (Pre-tax)	1102.16	1709.70



Depreciation

18. The revised Weighted Average Rate of Depreciation (WAROD) in respect of Asset-II is placed at Annexure-1. The depreciation allowed for Asset-II in paragraph 44 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Opening Gross Block	24984.99	26923.72
Additional Capitalisation	1938.73	2038.95
Closing Gross Block	26923.72	28962.67
Average Gross Block	25954.35	27943.19
Weighted average rate of Depreciation (WAROD) (in %)	5.26	5.27
Balance useful life of the asset at the beginning of the year (Year)	34.00	34.00
Aggregated Depreciable Value	23358.92	25148.87
Combined Depreciation during the year	950.68	1471.92
Remaining Aggregated Depreciable Value	22408.23	22726.27

Interest on Working Capital (IWC)

19. IWC allowed for Asset-II in paragraph 49 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Asset-II		
Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Working Capital for O & M Expenses (O&M Expenses for one month)	22.16	22.90
Working Capital for Maintenance Spares (15% of O&M Expenses)	39.89	41.22
Working capital for receivables (Equivalent to two months of annual fixed charges/ annual transmission charges)	789.45	832.31
Total Working Capital	851.50	896.43
Rate of Interest on working capital (in %)	12.60	12.60
Interest of working Capital	74.66	112.95



Revised Annual Fixed Charges for the 2014-19 Period

20. The trued up annual fixed charges allowed for Asset-II in paragraph 51 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)		
Asset-II		
Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Depreciation	950.68	1471.92
Interest on Loan	983.62	1424.51
Return on Equity	1102.16	1709.70
Operation and Maintenance expenses	185.08	274.79
Interest on Working Capital	74.66	112.95
Total	3296.20	4993.87

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

Capital Cost

21. The revision of ACE in respect of Asset-II in 2018-19 will have consequential impact on the capital cost. Accordingly, the capital cost allowed in respect of Combined Asset as on 1.4.2019 and capital cost allowed as on 31.3.2024 stand revised. The capital cost allowed for 2019-24 tariff period in paragraph 68 of the order dated 2.2.2021 in Petition No. 312/TT/2020 in respect of Combined Asset is revised as follows:

(₹ in lakh)		
Capital Cost allowed as on 1.4.2019	ACE allowed for the year 2019-20	Total Estimated Completion Cost up to 31.3.2024
33385.59	1153.52	34539.11

22. Debt-equity ratio allowed in respect of Combined Asset in paragraph 70 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:



Particulars	Capital Cost as on 1.4.2019 (₹ in lakh)	(In %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(In%)
Debt	23369.93	70.00	24177.40	70.00
Equity	10015.66	30.00	10361.72	30.00
Total	33385.59	100.00	34539.11	100.00

Return on Equity (RoE)

23. The RoE allowed for Combined Asset in paragraph 72 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	10015.66	10361.72	10361.72	10361.72	10361.72
Addition due to Additional Capitalisation	346.06	0.00	0.00	0.00	0.00
Closing Equity	10361.72	10361.72	10361.72	10361.72	10361.72
Average Equity	10188.69	10361.72	10361.72	10361.72	10361.72
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782	18.782	18.782
Return on Equity (Pre-tax)	1913.64	1946.14	1946.14	1946.14	1946.14

Interest on Loan (IoL)

24. IoL allowed for Combined Asset in paragraph 74 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)

Combined Asset					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	23369.93	24177.40	24177.40	24177.40	24177.40
Cumulative Repayments upto Previous Year	3042.64	4835.83	6659.48	8483.12	10306.77
Net Loan-Opening	20327.29	19341.56	17517.92	15694.27	13870.63
Addition due to Additional Capitalisation	807.46	0.00	0.00	0.00	0.00
Repayment during the year	1793.19	1823.64	1823.64	1823.64	1823.64
Net Loan-Closing	19341.56	17517.92	15694.27	13870.63	12046.99



Average Loan	19834.43	18429.74	16606.10	14782.45	12958.81
Weighted Average Rate of Interest on Loan (In %)	8.029	8.020	8.028	8.036	8.020
Interest on Loan	1592.59	1478.05	1333.10	1187.99	1039.25

Depreciation

25. The revised Weighted Average Rate of Depreciation (WAROD) in respect of Combined Asset is placed at Annexure-2. Accordingly, the depreciation allowed for Combined Asset in paragraph 76 of the order dated 2.2.2021 in Petition No. 312/TT/2020 is revised as follows:

(₹ in lakh)					
Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	33385.59	34539.11	34539.11	34539.11	34539.11
Addition during year 2019-24 due to projected ACE	1153.52	0.00	0.00	0.00	0.00
Closing Gross Block	34539.11	34539.11	34539.11	34539.11	34539.11
Average Gross Block	33962.35	34539.11	34539.11	34539.11	34539.11
Weighted Average Rate of Depreciation (WAROD) (In %)	5.28	5.28	5.28	5.28	5.28
Balance useful life at the beginning (Year)	33.00	32.00	31.00	30.00	29.00
Aggregated Depreciable Value	30572.43	31091.52	31091.52	31091.52	31091.52
Combined Depreciation during the year	1793.19	1823.64	1823.64	1823.64	1823.64
Remaining Aggregate Depreciable Value at the end of the year	25736.60	24432.04	22608.39	20784.75	18961.11

Interest on Working Capital (IWC)

26. The IWC allowed for Combined Asset in paragraph 81 of the order dated 2.2.2021 in Petition No. 312/TT/2020 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)	24.54	25.40	26.30	27.22	28.17
Working capital for maintenance spares (15% of O&M Expenses)	44.18	45.73	47.33	49.00	50.71
Working capital for receivables (Equivalent to two months of annual fixed charges/ annual transmission charges)	699.16	695.21	677.75	661.05	642.15



Total Working Capital	767.88	766.33	751.38	737.27	721.03
Rate of Interest on working capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest of working Capital	92.53	86.21	78.89	77.41	75.71

Revised Annual Fixed Charges for the 2019-24 Period

27. The annual fixed charges allowed for Combined Asset in paragraph 82 of the order dated 2.2.2021 in Petition No. 312/TT/2020 are revised as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1793.19	1823.64	1823.64	1823.64	1823.64
Interest on Loan	1592.59	1478.05	1333.10	1187.99	1039.25
Return on Equity	1913.64	1946.14	1946.14	1946.14	1946.14
Operation and Maintenance Expenses	294.54	304.84	315.55	326.66	338.06
Interest on Working Capital	92.53	86.21	78.89	77.41	75.71
Total	5686.49	5638.88	5497.32	5361.84	5222.80

28. The summary of trued up AFC allowed for Asset-II for 2014-19 period and tariff allowed for 2019-24 for the Combined Asset in paragraph 94 of the order dated 2.2.2021 in Petition No. 312/TT/2020 are revised as follows:

(₹ in lakh)		
Asset-II		
Particulars	2017-18 (Pro-rata for 254 days)	2018-19
Annual Fixed Charges	3296.20	4993.87

Combined Asset	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	5686.49	5638.88	5497.32	5361.84	5222.80

29. Except for the above, all other terms contained in order dated 2.2.2021 in Petition No. 312/TT/2020 shall remain unchanged.



30. Accordingly, Review Petition No. 19/RP/2021 is disposed of in terms of the above discussions and findings.

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member



Annexure-1

Asset-II - WAROD

2014-19 Capital Expenditure as on COD	Admitted Capital Cost as on COD (₹ in lakh)	ACE (₹ in lakh)		Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations	
		2017-18	2018-19			2017-18 (₹ in lakh)	2018-19 (₹ in lakh)
Building	359.96	47.38	3.97	411.31	3.34	12.81	13.67
Transmission Line	23068.76	1660.52	1790.46	26519.74	5.28	1261.87	1352.97
Sub Station	1227.37	218.86	13.55	1459.78	5.28	70.58	76.72
PLCC	298.74	10.87	230.64	540.25	6.33	19.25	26.90
IT Equipment and software	30.16	1.10	0.33	31.59	5.28	1.62	1.66
Total	24984.99	1938.73	2038.95	28962.67		1366.14	1471.92
Average Gross Block (₹ in lakh)						25954.35	27943.19
Weighted Average Rate of Depreciation (in %)						5.26	5.27



Annexure - 2

Combined Asset - WAROD

2019-24 Capital Expenditure as on 1.4.2019	Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreci ation (%)	Annual Depreciation as per Regulations				
		2019-20			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	705.44	0.00	705.44	3.34	23.56	23.56	23.56	23.56	23.56
Transmission Line	29219.00	1153.52	30372.52	5.28	1573.22	1603.67	1603.67	1603.67	1603.67
Sub Station	2681.52	0.00	2681.52	5.28	141.58	141.58	141.58	141.58	141.58
PLCC	716.43	0.00	716.43	6.33	45.35	45.35	45.35	45.35	45.35
IT Equipment and software	63.20	0.00	63.20	15.00	9.48	9.48	9.48	9.48	9.48
Total	33385.59	1153.52	34539.11		1793.19	1823.64	1823.64	1823.64	1823.64
Average Gross Block (₹ in lakh)					33962.35	34539.11	34539.11	34539.11	34539.11
Weighted Average Rate of Depreciation (in %)					5.28	5.28	5.28	5.28	5.28

