

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Review Petition No. 23/RP/2021

in

Petition No. 132/TT/2020

Coram:

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

Date of Order: 14.08.2022

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 2.6.2021 in Petition No. 132/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. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur – 302005, Rajasthan.
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 (Himachal Pradesh).
6. Punjab State Electricity Board,
Thermal Shed Tia,
Near 22 Phatak,
Patiala-147001 (Punjab).
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula- 134109 (Haryana).
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 (Uttar Pradesh).
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002.
11. BSES Yamuna Power Limited,
B-Block, Shakti Kiran, Bldg. (Near Karkadooma Court),
Karkadooma 2nd Floor,
New Delhi-110092.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi-110019.
13. Tata Power Delhi Distribution Limited (TPDDL),
NDPL house, Hudson Lines Kingsway Camp
Delhi – 110009.



14. Chandigarh Administration,
Sector -9, Chandigarh.
15. Uttarakhand Power Corporation Limited,
Urja Bhawan,
Kanwali Road, Dehradun (Uttarakhand).
16. North Central Railway,
Allahabad (Uttar Pradesh).
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

...**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 : None

ORDER

Power Grid Corporation of India Limited (hereinafter referred to as "PGCIL/Review Petitioner) has filed the present Review Petition No. 23/RP/2021 seeking review and modification of the order dated 2.6.2021 in Petition No. 132/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 tried up under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations") and tariff of the 2019-24 tariff 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 **Asset-I**: 400/220 kV, 315 MVA, ICT-1 along with associated bays, 400kV 80 MVAR Bus Reactor along with associated bays, LILO of one circuit of 400kV D/C Parbati-Amritsar Transmission Line at Hamirpur along with associated bays and Line reactor at Hamirpur GIS Sub-station and **Asset-II**: 1 No. of 400/220 kV, 315 MVA ICT-II along with associated bays at Hamirpur Sub-station (hereinafter referred to as “transmission assets”) under “Northern Region System Strengthening Scheme-XX (NRSSS-XX)” in Northern Region (hereinafter referred to as “the transmission scheme”):

2. The Review Petitioner has filed the review on the following two issues:
 - a. Incorrect deduction of initial spares of ₹205.38 lakh in paragraph 43 after allowing the same in paragraph 34 in the order under review for Asset-I.
 - b. Deducting an amount of ₹62.48 lakh as Interest During Construction (IDC) for Asset-II as against ₹25.38 lakh which had already been deducted in the order dated 29.4.2016 in Petition No. 99/TT/2014.

3. The Review Petitioner has made the following prayers:

*“a. Admit the present Review Petition;
b. Review the order dated 02.06.2021 passed by this Hon’ble Commission;
c. Re-compute and allow total initial spares of ₹606.97 lakhs for Asset-I and recompute the IDC as ₹275.84 lakhs (301.22-25.38) for Asset-II;
d. Pass such other further order(s) as the Commission may deem just in the facts of the present case.”*

4. The Review Petition was initially heard and admitted vide order dated 20.1.2022 and notice was issued to the Respondents. Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL), Respondent No. 1, has filed a common reply on behalf of the Rajasthan Discoms, i.e. Respondents No.2, 3 and 4, vide affidavit dated 2.3.2022. The



Review Petitioner has filed its rejoinder, vide affidavit dated 15.3.2022, to the reply filed by the Respondents. The matter was heard again through video conference on 29.3.2022 and order in the instant review petition was reserved. 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.

Submissions of the Review Petitioner

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

a) The transmission tariff for Assets-I and Asset-II was approved for the 2014-19 tariff period vide orders dated 30.8.2017 in Petition No. 41/TT/2017 and order dated 29.4.2016 in Petition No. 99/TT/2014 respectively. The tariff of 2014-19 tariff period was trued up and tariff for the 2019-24 tariff period was approved in Petition No. 132/TT/2020, wherein the Review Petitioner had claimed the following initial spares:

(₹ in lakh)

Spare Calculation					
2009-14					
Asset	Capital Cost	Limit	Claimed	Allowable	Balance Spares to claim
Combined Asset-I	16184.69	3.50%	606.97	565.00	-41.97
2014-19					
Asset-II	2382.21	5.00%	63.49	122.04	58.55
Total			670.46	687.03	16.57

b) However, in the order under review the Commission deducted the Initial Spares of ₹205.38 lakh which were discharged subsequent to COD as per



details mentioned above. The Commission had allowed the following Initial Spares in paragraph 34:

“34. The details of Initial Spares allowed for the 2014-19 tariff period are as follows:

Particulars	Capital Cost/P&M cost considered as on cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2009/2014 Tariff Regulations (in %)	Initial Spares allowable as per 2009/2014 Tariff Regulations	Initial Spares allowed (₹ in lakh)	Discharge of Initial Spares (₹ in lakh)			
						As on COD	2014-15	2015-16	2016-17
Asset-I	16184.69	606.97	3.50	565.00	565.00	401.59	17.92	88.01	57.48
Asset-II	2439.93	63.49	5.00	120.34	63.49	63.49	0.00	0.00	0.00

c) However, at paragraphs 35 and 44, the above amount was deducted from the COD cost and ACE as follows:

“35. Accordingly, the capital cost allowed as on COD is summarized as follows:

Particulars	Capital Cost as on 31.3.2014 /COD as per Auditor's Certificate	Less: IDC as on COD due to		Less: Excess Initial Spares dis-allowed	Less: Undis-charged Initial Spares	Less: IEDC disallowed due to time over-run	Capital Cost as on 31.3.2014 / COD (on cash basis)
		IDC Dis-allowed	Un-discharged IDC				
Asset-I	13939.42	0.00	0.00	41.97	163.41	0.00	13734.04
Asset-II	2493.45	62.84	22.49	0.00	0.00	6.90	2401.22

“44. The Capital Cost considered for true up of transmission tariff of Asset-I and Asset-II for the 2014-19 tariff period after including ACE is as follows:

Asset-I	Capital Cost as on 31.3.2014	Additional Capital Expenditure (ACE)					Total Capital Cost as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19	
Approved vide orders dated 30.8.2017 in Petition	13734.04	1322.13	615.22	1577.08	0.00	0.00	17248.47



Asset-I	Capital Cost as on 31.3.2014	Additional Capital Expenditure (ACE)					Total Capital Cost as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19	
No. 41/TT/2017							
As claimed by the Petitioner in the instant petition	13939.42	1316.10	615.22	856.30	180.93	126.99	17034.96
Allowed after true-up in this order	13734.04	1316.10	615.22	814.33	180.93	126.99	16787.61

- d) This deduction, as depicted in first table of ₹41.97 lakh (excess Initial Spares) and ₹163.41 lakh (undischarged Initial Spares) from COD cost is error apparent since same is not part of COD cost as Initial Spares is included in Auditor certificate as per discharge in cash basis and not entirely in COD cost on accrual basis.
- e) In 2014-19 tariff period, Initial Spares of ₹41.97 lakh should only be disallowed based on the calculation at paragraph 34 of the order.
- f) Further, in its rejoinder to the reply of BRPL dated 25.3.2021 in the main petition, the Review Petitioner has explained the methodology for claiming Initial Spares for Asset-I as follows:

“Hon’ble Commission vide order in petition 41/TT/2017 subtracted total Initial Spares from capital cost and added back to corresponding year in which same were discharged however, Auditor certificate submitted by Petitioner in petition 41/TT/2017 were based on cash basis (Initial spares were included in capital cost as per their discharge).”

- g) On the issue of IDC in case of Asset-II, the Commission in order dated 29.4.2016 in Petition No. 99/TT/2014 held as follows:

“23. In view of the above, out of the total delay of 14 months and 10 days from the scheduled COD to actual COD, 3 months and 14 days delay is disallowed. Accordingly, IDC and IEDC for the remaining period of time over-run of 3 months and



14 days for the subject asset are disallowed. The IDC and IEDC disallowed are shown as follows:

IDC/IEDC as CA certificate	Amount (₹ in lakh)	Period for IDC and IEDC infusion	Disallowed time over-run	Disallowed IDC and IEDC (₹ in lakh)
IDC	301.22#	41 months 10 days*	3 months 14 days	25.38
IEDC	81.77#	41 months 9 days**		6.90
				32.28

#IDC discharged as per Auditor Certificate

*From the date of infusion of IDC (21.10.2010) to the actual COD (1.4.2014)

**From the date of IA (21.10.2010) to the date of actual COD (1.4.2014)

- h) However, in the order under review the figure of ₹25.38 lakh has been changed to ₹62.48 lakh. The relevant portion of the order dated 2.6.2021 is as follows:

“29. IDC allowable to the Petitioner is calculated on the basis of IDC to be discharged during 2014-15. Accordingly, based on the information furnished by the Petitioner, IDC considered is summarized as follows:

(₹ in lakh)

Particulars	IDC as per Auditor's Certificate	IDC Admissible	Computational difference	IDC discharged as on COD	IDC Un-discharged as on COD	IDC Discharged during 2014-15
A	B	C	D=B-C	E	F=C-E	G
Asset-II	301.22	238.38	62.84	215.89	22.49	22.49

30. The Petitioner has claimed an IEDC of ₹81.77 lakh in respect of Asset-II and has submitted the Auditor's certificate in support of the same. The Petitioner has also submitted that the entire IEDC has been discharged as on COD. IEDC claimed is within the estimated expenditure of IEDC as indicated in the Abstract Cost Estimate. However, due to time over-run, which was not condoned by the Commission, an amount of ₹6.90 lakh has been disallowed as on COD.”

6. In view of above submissions, the Review Petitioner has sought review of the order dated 2.6.2021 in Petition No. 132/TT/2020 and has prayed for allowing the deducted Initial Spares in case of Asset-I and IDC in case of Asset-II.



7. 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.

8. The Rajasthan Discoms in their reply have submitted that the order dated 2.6.2021 in Petition No. 132/TT/2020 has no error apparent on the face of the record w.r.t. Initial Spares for Asset-I and IDC for Asset-II. Therefore, the review petition is not maintainable and is liable to be dismissed. The Review Petitioner, in response, has reiterated the submissions made in the review petition.

Analysis and Decision

9. We have considered the submissions of the Review Petitioner and the Rajasthan Discoms. The Review Petitioner has sought review of the order dated 2.6.2021 in Petition No.132/TT/2020 on two grounds, (a) deduction of ₹205.38 lakh from capital cost as on COD in respect of Asset-I is an error apparent on the face of record as the same was not included in the capital cost as on COD and (b) there is an error in computation of IDC in respect of Asset-II when compared to the IDC disallowed in order dated 29.4.2016 in Petition No. 99/TT/2014.

Deduction of Initial Spares in respect of Asset-I

10. The Review Petitioner has submitted that the deduction of ₹205.38 lakhs (₹41.97 lakh as excess Initial Spares and ₹163.41 lakh as undischarged Initial Spares) from COD cost is error apparent as the same was discharged subsequent to COD. The Review Petitioner has further submitted that vide rejoinder to the reply of BRPL dated



25.3.2021 in Petition No. 132/TT/2020, the Review Petitioner had explained the reason for adding back the initial spares of ₹205.38 lakhs to the capital cost as on 1.4.2014.

11. The Commission in order dated 30.8.2017 in Petition No. 41/TT/2017 has approved the capital cost of ₹13734.04 lakh as on 31.3.2014 after deduction of the initial spares of ₹205.38 lakhs. The Review Petitioner in Petition No. 132/TT/2020 has claimed the capital cost as on 1.4.2014 of ₹13939.42 lakh. However, the Commission in order dated 2.6.2021 in Petition No. 132/TT/2020 had considered the capital cost of ₹13734.04 lakh as a opening capital cost after deducting an amount of ₹205.38 lakhs for initial spares. The matter has been reviewed and it is noted that the entire amount of initial spares was not included in the capital cost as on COD as per Auditors Certificate, as pointed by the Review Petitioner, which is also noted in paragraph 22 of the order dated 2.6.2021 in Petition No. 132/TT/2020. The relevant paragraph of the order dated 2.6.2021 in Petition No. 132/TT/2020 are as follows:

“22. In response, the Petitioner has submitted that capital cost for Asset-I was approved after disallowing initial spares and shifting them to 2014-15. The same initial spares have been added back to capital cost as project-wise initial spares are within limit. The Commission vide order dated 30.8.2017 in Petition No. 41/TT/2017 subtracted total initial spares from capital cost and added back to corresponding year in which same were discharged. However, the Auditor’s certificate was based on cash basis.”

12. Accordingly, we are of the view that deduction of ₹205.38 lakhs from capital cost as on 1.4.2014 in respect of Asset-I is an apparent error and it needs to be corrected. Accordingly, initial spares of ₹ 205.38 lakhs as claimed by the Petitioner in respect of Asset-I is allowed in the capital cost as on 1.4.2014.



13. The revision of capital cost as on 1.4.2014 in respect of the Asset-I considered for the purpose of truing up of the tariff from 1.4.2014 to 31.3.2019 will have the consequential impact on the 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 of the Asset-I in the order dated 2.6.2021 in Petition No. 132/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

14. The Commission vide order dated 2.6.2021 in Petition No. 132/TT/2020 has approved the following capital cost:

Asset Name	Capital cost as on 1.4.2014 / COD	Additional Capital Expenditure					Total capital cost including additional capitalization as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19	
Asset-I	13734.04	1316.10	615.22	814.33	180.93	126.99	16787.61
Asset-II	2401.22	40.79	151.28	102.17	0.00	0.00	2695.46

(₹ in lakh)

15. Based on the above decision, there is an impact on the Capital cost allowed as on 31.3.2014 in respect of Asset-I and the same is revised as follows:

Asset Name	Capital cost as on 1.4.2014	Additional Capital Expenditure					Total capital cost including additional capitalization as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19	
Asset-I	13939.42	1316.10	615.22	814.33	180.93	126.99	16992.99

(₹ in lakh)



16. In view of the above, there is no change in capital cost allowed vide order dated 2.6.2021 in respect of the Asset-II. However, capital cost in respect of Asset-I is revised.

The same has been summarised as follows:

(₹ in lakh)

Capital Cost allowed as per order dated 2.6.2021 in Petition No. 132/TT/2020					
Asset Name	Capital cost as on COD	Additional Capital Expenditure			Total capital cost including additional capitalization as on 31.3.2019
		2014-15	2015-16	2016-17	
Asset-II	2401.22	40.79	151.28	102.17	2695.46

(₹ in lakh)

Asset Name	Capital cost as on 1.4.2014	Additional Capital Expenditure					Total capital cost including additional capitalization as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19	
Asset-I	13939.42	1316.10	615.22	814.33	180.93	126.99	16992.99

17. Debt-equity allowed in respect of Asset-I in paragraph 45 of the order dated 2.6.2021 is revised as follows:

Asset-I	As on 1.4.2014		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	9757.59	70.00	11895.09	70.00
Equity	4181.83	30.00	5097.90	30.00
Total	13939.42	100.00	16992.99	100.00

Depreciation

18. Statement showing Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-1. Depreciation allowed in respect of Asset-I in paragraph 48 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	13939.42	15255.52	15870.74	16685.07	16866.00



ACE	1316.10	615.22	814.33	180.93	126.99
Closing Gross Block	15255.52	15870.74	16685.07	16866.00	16992.99
Average Gross Block	14597.47	15563.13	16277.91	16775.54	16929.50
Weighted average rate of Depreciation (WAROD) (%)	4.26	4.28	4.29	4.30	4.30
Aggregated Depreciable Value	10745.52	11575.66	12218.95	12666.82	12805.38
Depreciation during the year	621.34	665.58	698.92	721.80	727.71
Remaining Depreciable value at the end of the year	9984.73	10149.28	10093.66	9819.72	9230.58

Interest on Loan (IoL)

19. IoL allowed in respect of Asset-I in paragraph 54 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Asset-I					
Particular	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	9757.59	10678.86	11109.52	11679.55	11806.20
Cumulative Repayments up to Previous Year	139.45	760.79	1426.38	2125.29	2847.10
Net Loan-Opening	9618.14	9918.07	9683.14	9554.25	8959.10
Additions due to Additional Capitalization	921.27	430.65	570.03	126.65	88.89
Repayment during the year	621.34	665.58	698.92	721.80	727.71
Net Loan-Closing	9918.07	9683.14	9554.25	8959.10	8320.29
Average Loan	9768.11	9800.61	9618.70	9256.68	8639.69
Weighted Average Rate of Interest on Loan (%)	9.47	9.32	9.15	8.84	8.73
Interest on Loan	924.92	913.12	880.32	818.57	754.07

Return on Equity (RoE)

20. RoE allowed in respect of Asset-I in paragraph 62 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	4181.83	4576.66	4761.22	5005.52	5059.80
Addition due to Additional Capitalization	394.83	184.57	244.30	54.28	38.10
Closing Equity	4576.66	4761.22	5005.52	5059.80	5097.90
Average Equity	4379.24	4668.94	4883.37	5032.66	5078.85



Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (Pre-tax)	19.610	19.705	19.705	19.705	19.758
Return on Equity (Pre-tax)	858.77	920.01	962.27	991.69	1003.48

Interest on Working Capital (IWC)

21. IWC allowed in respect of Asset-I in paragraph 68 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Working Capital for O&M Expenses (O&M Expenses for one month)	27.94	28.87	29.83	30.81	31.84
Working Capital for Maintenance Spares (15% of O&M Expenses)	50.29	51.96	53.69	55.46	57.31
Working Capital for Receivables (Equivalent to two months of annual fixed charges/annual transmission charges)	469.03	486.96	496.28	496.75	490.93
Total Working Capital	547.26	567.78	579.79	583.02	580.08
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest of working capital	73.88	76.65	78.27	78.71	78.31

Revised Annual Fixed Charges for the 2014-19 Tariff Period

22. The trued up annual fixed charges allowed in respect of Asset-I in paragraph 70 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	621.34	665.58	698.92	721.80	727.71
Interest on Loan	924.92	913.12	880.32	818.57	754.07
Return on Equity	858.77	920.01	962.27	991.69	1003.48
O&M Expenses	335.26	346.39	357.90	369.74	382.04
Interest on Working Capital	73.88	76.65	78.27	78.71	78.31
Total	2814.18	2921.76	2977.68	2980.50	2945.61



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

23. The revision in Capital cost allowed in respect of Asset-I will have consequential impact on capital cost allowed as on 31.3.2019 subsequently on debt:equity, 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 2.6.2021 (B)	Capital Cost allowed as on 31.3.2024 (C)=(A+B)
19730.42	68.78	19799.20

25. Debt-equity ratio allowed in paragraph 91 of the order dated 2.6.2021 is revised as follows:

Particulars	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	13811.30	70.00	13859.45	70.00
Equity	5919.12	30.00	5939.75	30.00
Total	19730.42	100.00	19799.20	100.00

Depreciation

26. Statement showing Weighted Average Rate of Depreciation (WAROD) is placed at Annexure-2. Depreciation allowed in paragraph 93 of the order dated 2.6.2021 is revised as follows:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	19730.42	19799.20	19799.20	19799.20	19799.20
ACE	68.78	0.00	0.00	0.00	0.00
Closing Gross Block	19799.20	19799.20	19799.20	19799.20	19799.20
Average Gross Block	19764.81	19799.20	19799.20	19799.20	19799.20
Weighted Average Rate of Depreciation (WAROD) (%)	4.44	4.44	4.44	4.44	4.44
Balance useful life of the asset (Year)	20.00	19.00	18.00	17.00	16.00
Aggregate Depreciable Value	15357.17	15388.12	15388.12	15388.12	15388.12
Combined Depreciation during the year	877.00	878.70	878.70	878.70	878.70
Cumulative Depreciation at the end of the year	5139.31	6018.01	6896.71	7775.41	8654.10

Interest on Loan (IoL)

27. IoL allowed in paragraph 96 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	13811.30	13859.45	13859.45	13859.45	13859.45
Cumulative Repayments up to Previous Year	4262.31	5139.31	6018.01	6896.71	7775.41
Net Loan-Opening	9548.99	8720.14	7841.44	6962.74	6084.04
Additions	48.15	0.00	0.00	0.00	0.00
Repayment during the year	877.00	878.70	878.70	878.70	878.70
Net Loan-Closing	8720.14	7841.44	6962.74	6084.04	5205.34
Average Loan	9134.56	8280.79	7402.09	6523.39	5644.69
Weighted Average Rate of Interest on Loan	8.77	8.77	8.78	8.80	8.80
Interest on Loan	801.42	725.89	649.88	573.96	496.81

Return on Equity (RoE)

28. RoE allowed in paragraph 100 of the order dated 2.6.2021 is revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	5919.12	5939.75	5939.75	5939.75	5939.75
Additions	20.63	0.00	0.00	0.00	0.00
Closing Equity	5939.75	5939.75	5939.75	5939.75	5939.75
Average Equity	5929.43	5939.75	5939.75	5939.75	5939.75
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	1113.67	1115.60	1115.60	1115.60	1115.60



Interest on Working Capital (IWC)

29. IWC allowed in paragraph 107 of the order dated 2.6.2021 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)	38.93	40.32	41.74	43.23	44.70
Working Capital for Maintenance Spares (15% of O&M Expenses)	70.08	72.58	75.13	77.81	80.45
Working Capital for Receivables (Equivalent to 45 days of annual fixed charges/annual transmission charges)	408.40	402.17	394.84	387.65	379.21
Total Working Capital	517.41	515.07	511.71	508.69	504.36
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on working capital	62.35	57.95	57.57	57.23	56.74

Revised Annual Fixed Charges for the 2019-24 Period

30. The annual fixed charges allowed in paragraph 108 of the order dated 2.6.2021 are revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	877.00	878.70	878.70	878.70	878.70
Interest on Loan	801.42	725.89	649.88	573.96	496.81
Return on Equity	1113.67	1115.60	1115.60	1115.60	1115.60
O&M Expenses	467.20	483.88	500.87	518.75	536.36
Interest on Working Capital	62.35	57.95	57.57	57.23	56.74
Total	3321.63	3262.03	3202.62	3144.23	3084.21

31. The table under paragraph 122 (a) of the order dated 2.6.2021 are revised as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	2814.18	2921.76	2977.68	2980.50	2945.61
Asset-II	713.58	724.98	741.22	742.24	738.44

32. The table under paragraph 122 (b) of the order dated 2.6.2021 are revised as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	3321.63	3262.03	3202.62	3144.23	3084.21



Deduction of Interest During Construction in respect of Asset-II

33. The Review Petitioner has contended that there has been an error while computing IDC in respect of Asset-II as compared to the IDC disallowed in order dated 29.4.2016 in Petition No. 99/TT/2014.

34. The Review Petitioner in Petition No. 132/TT/2020 has claimed the IDC of ₹301.22 lakh. The Commission in order dated 2.6.2021 in Petition No. 132/TT/2020 taking into consideration the IDC discharge statement and Form-9C submitted by the Review Petitioner, recalculated the allowable and had allowed the IDC of ₹238.38 lakh after reducing the IDC of ₹62.84 on account of computational difference / time over-run not condoned. Therefore, we see no error apparent on record on this ground. Thus, review on this ground is not allowed.

35. Except for the above, all other terms contained in order dated 2.6.2021 in Petition No. 132/TT/2020 remain unchanged.

36. Accordingly, Review Petition No. 23/RP/2021 in Petition No.132/TT/2020 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



Annexure 1

Asset -I													
2014-19	Capital Expenditure as on 1.4.2014 (₹ in lakh)	Additional Capitalization (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
Land	2614.71	86.58	0.00	0.00	0.00	0.00	2701.29	0.00	0.00	0.00	0.00	0.00	0.00
Building	403.04	209.19	251.41	206.79	146.90	82.66	1299.99	3.34	16.96	24.65	32.30	38.21	42.04
Transmission Line	701.67	141.77	50.42	25.15	0.04	0.00	919.05	5.28	40.79	45.86	47.86	48.52	48.53
Sub Station	10145.75	877.24	313.39	574.57	33.99	44.33	11989.27	5.28	558.85	590.29	613.73	629.80	631.86
PLCC	74.25	1.32	0.00	7.82	0.00	0.00	83.39	6.33	4.74	4.78	5.03	5.28	5.28
Total	13939.42	1316.10	615.22	814.33	180.93	126.99	16992.99		621.34	665.58	698.92	721.80	727.71
							Average Gross Block (₹ in lakh)		14597.47	15563.13	16277.91	16775.54	16929.50
							Weighted Average Rate of Depreciation (%)		4.26	4.28	4.29	4.30	4.30



Annexure -2

2019-24	Capital Expenditure as on 31.3.2019 (₹ in lakh)	Additional Capitalization (₹ in lakh)	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
					2019-20	2020-21	2021-22	2022-23	2023-24
Land	2701.29	0.00	2701.29	0.00	0.00	0.00	0.00	0.00	0.00
Building	1299.99	11.95	1311.94	3.34	43.62	43.82	43.82	43.82	43.82
Transmission Line	919.05	0.00	919.05	5.28	48.53	48.53	48.53	48.53	48.53
Sub Station	14678.57	56.83	14735.40	5.28	776.53	778.03	778.03	778.03	778.03
PLCC	131.52	0.00	131.52	6.33	8.33	8.33	8.33	8.33	8.33
Total	19730.42	68.78	19799.20		877.00	878.70	878.70	878.70	878.70
				Average Gross Block (₹ in lakh)	19764.81	19799.20	19799.20	19799.20	19799.20
				Weighted Average Rate of Depreciation (%)	4.44	4.44	4.44	4.44	4.44

