

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 644/TT/2020

Coram:

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

Date of Order: 18.02.2022

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and determination of transmission tariff from COD to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of Singrauli-Allahabad 400 kV S/C Line along with associated bays at both ends including 1X50 MVAR Line Reactor at Allahabad end under Northern Region System Strengthening Scheme-XXX (NRSSS-XXX) in Northern Region.

And in the matter of:

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

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302005.
2. Ajmer Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).
4. Jodhpur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).



5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building-II,
Shimla-171004.
6. Punjab State Electricity Board,
The Mall,
Patiala-147001.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula-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.
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002.
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
13. Tata Power Delhi Distribution Limited,
33 kV Sub-station Building, Hudson Lane, Kingsway Camp,
North Delhi-110009.
14. Chandigarh Administration,
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun.
16. North Central Railway,
Allahabad.
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

.....Respondent(s)



For Petitioner : Shri S. S. Raju, PGCIL
Shri D. K Biswal, PGCIL
Shri A. K. Verma, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : None

ORDER

The Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, has filed the instant petition for determination of transmission tariff for the period from COD 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 Singrauli-Allahabad 400 kV S/C Line along with associated bays at both ends including 1X50 MVAR Line Reactor at Allahabad end (hereinafter referred to as “the transmission asset”) under NRSS-XXX in Northern Region (hereinafter referred to as “the transmission project”).

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

- “1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.
- 2) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para –9 above.
- 3) Condone the delay and allow IDC/IEDC as claimed in the petition as delay is on account of force majeure as per CERC Regulations’2019 22(2)(a) “uncontrollable factors”
- 4) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8 above for respective block.
- 5) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.



6) *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*

7) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the beneficiaries.*

8) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 8.8 above.*

9) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*

10) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

11) *Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*

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

3. **Backdrop of the case**

a) The Petitioner was entrusted with implementation of the transmission project which was discussed and approved in the 31st Standing Committee Meeting on Power System Planning of Northern Region held on 31.8.2013 and in the 28th meeting of Northern Regional Power Committee and 25th meeting of TCC held 25.4.2013.

b) Investment Approval (I.A.) of the transmission project was accorded by the Board of Directors of the Petitioner's Company (in its 298th meeting held on 5.2.2014) vide Memorandum Ref. No. C/CP/NRSS XXX dated 14.2.2014 at an estimated cost of ₹53982.00 lakh including IDC of ₹3297.00 lakh (based on December, 2013 Price Level).

c) The scope of work covered under the transmission project is as follows:

Transmission Lines:

- i. Singrauli-Allahabad 400 kV S/C line*
- ii. Allahabad-Kanpur 400 kV D/C line



* Due to RoW constraints, section of Singrauli-Allahabad line (-50 Km) to be strung on existing 400 kV D/C tower from Singrauli end.

Sub-stations:

- i. Extension of Singrauli 400 kV Sub-station at NTPC generating station
- ii. Extension of Allahabad 400/220 kV Sub-station
- iii. Extension of Kanpur 765/400 kV GIS Sub-station**

** From Kanpur 765/400 kV GIS two 400 kV lines are proposed-(i) Allahabad-Kanpur 400 kV D/C line and (ii) Lucknow-Kanpur 400 kV D/C line under NRSS-XXXII. GIS bays are sealed units and hence complete dia is to be commissioned with first feeder. Hence, for termination of both the above lines at Kanpur GIS, both dia at Kanpur 765/400 kV GIS are covered under NRSS-XXXII. For termination of Allahabad-Kanpur 400 kV D/C only line reactors and PLCC equipment are covered in this project. Hence, at Kanpur GIS, extension proposed under NRSS-XXXII should be available for Allahabad-Kanpur 400 kV D/C.

Reactive Compensation:

Sl. No.	Transmission Line	Line Reactor-To Bus
1	Singrauli-Allahabad 400 kV S/C	50 MVAR (New) (at Allahabad end)
2	Allahabad-Kanpur 400 kV D/C	50 MVAR (at Kanpur end) (to be shifted from Kankroli end reactor of RAPP-Kankroli line after LILO at Chittorgarh)

d) Revised Cost Estimate of the transmission project was approved by the Competent Authority on 19.3.2018 vide Memorandum Ref. No. C/CP/PA1718-12-0A-RCE008 dated 27.3.2018 at ₹57567.00 lakh including IDC of ₹5214.00 lakh (based on December, 2017 Price Level).

e) The transmission tariff of 400 kV D/C Allahabad-Kanpur Line along with associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur end (another asset under the transmission project) was approved by the Commission vide order dated 8.4.2019 in Petition No. 125/TT/2018. Vide this order time over-run of 15 months and 14 days in the commissioning of the transmission asset covered under this petition was also condoned.

f) The Petitioner had filed Petition No. 370/TT/2018 seeking approval of transmission tariff of the transmission asset from its anticipated COD i.e. 1.1.2019 under the 2014 Tariff Regulations. However, subsequently, the Petitioner vide affidavit dated 27.6.2019 submitted that the transmission asset was anticipated to be put into commercial operation on 31.7.2019 (instead of earlier anticipated claim of 1.1.2019). In view of this, the Commission vide order



dated 15.7.2019 in Petition No. 370/TT/2018 directed the Petitioner to file a fresh petition as per the provisions of the 2019 Tariff Regulations. Accordingly, the instant petition has been filed by the Petitioner seeking approval of transmission tariff of the transmission asset from COD i.e. 26.10.2019 to 31.3.2024 as per the provisions of the 2019 Tariff Regulations.

g) The details of petitions filed under the transmission project by the Petitioner are as follows:

Asset	Actual COD	Covered in Petition No.
400 kV D/C Allahabad-Kanpur Line along with associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur end	28.9.2017 (Actual)	125/TT/2018 (Order dated 8.4.2019)
Singrauli-Allahabad 400 kV S/C Line along with associated bays at both ends including 1X50 MVAR Line Reactor at Allahabad end	26.10.2019 (Actual)	Covered under instant petition

h) As per I.A. dated 14.2.2014, the transmission asset was scheduled to be commissioned within 28 months from the date of I.A. i.e. by 4.6.2016 against which the transmission asset achieved COD on 26.10.2019. Therefore, there is time over-run of 1239 days in the commissioning of the transmission asset.

4. The Respondents are distribution licensees, power departments and transmission utilities, which are procuring transmission services from the Petitioner, mainly beneficiaries of Northern Region.

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. None of the Respondents have filed any reply in this matter.

6. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 20.5.2020, Petitioner's affidavits dated 15.9.2021 and 17.11.2021.



7. The hearing in this matter was held on 26.10.2021 through video conference and order was reserved. Having heard the representatives of the Petitioner and after perusal of the materials on record, we proceed to dispose of the petition.

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

8. The details of the transmission charges as claimed by the Petitioner in respect of the transmission asset for 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	391.94	969.13	1019.54	1043.69	1043.69
Interest on Loan	388.97	912.99	894.06	845.06	764.91
Return on Equity	417.99	1035.67	1092.22	1119.38	1119.38
Interest on Working Capital	21.32	51.90	53.49	53.81	52.77
O&M Expenses	75.48	180.98	187.18	193.69	200.48
Total	1295.70	3150.67	3246.49	3255.63	3181.23

9. The details of Interest on Working Capital (IWC) as claimed by the Petitioner in respect of the transmission asset for 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	14.57	15.08	15.60	16.14	16.71
Maintenance Spares	26.23	27.15	28.08	29.05	30.07
Receivables	369.03	388.44	400.25	401.38	391.13
Total Working Capital	409.83	430.67	443.93	446.57	437.91
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	21.32	51.90	53.49	53.81	52.77

Date of Commercial Operation (“COD”)

10. Regulation 5 of the 2019 Tariff Regulations provides as follows:

“5. Date of Commercial Operation: (1) The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.

(2) In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project



implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:

Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating company or the other transmission licensee and the long term customers of its transmission system, as the case may be, regarding the date of commercial operation:

Provided further that the transmission licensee seeking the approval of the date of commercial operation of the transmission system under this clause shall be required to submit the following documents along with the petition:

- (a) Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;*
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;*
- (c) Implementation Agreement, if any, executed by the parties;*
- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;*
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;*
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.*

(3) The date of commercial operation in case of integrated mine(s), shall mean the earliest of —

- a) the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or*
- b) the first date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or*
- c) the date of two years from the date of commencement of production:*

Provided that on earliest occurrence of any of the events under sub-clauses (a) to (c) of Clause (3) of this Regulation, the generating company shall declare the date of commercial operation of the integrated mine(s) under the relevant sub-clause with one week prior intimation to the beneficiaries of the end-use or associated generating station(s);

Provided further that in case the integrated mine(s) is ready for commercial operation but is prevented from declaration of the date of commercial operation for reasons not attributable to the generating company or its suppliers or contractors or the Mine Developer and Operator, the Commission, on an application made by the generating company, may approve such other date as the date of commercial operation as may be considered appropriate after considering the relevant reasons that prevented the declaration of the date of commercial operation under any of the sub-clauses of Clause (3) of this Regulation;

Provided also that the generating company seeking the approval of the date of commercial operation under the preceding proviso shall give prior notice of one month to the beneficiaries of the end-use or associated generating station(s) of the integrated mine(s) regarding the date of commercial operation.”



11. The Petitioner has claimed COD of the transmission asset as 26.10.2019. The Petitioner has submitted CEA energization certificate dated 6.5.2019, RLDC charging certificate dated 25.11.2019 certifying that trial operation was completed on 25.10.2019, and CMD certificate dated 25.10.2019 as required under the Grid Code.

12. Taking into consideration CEA energization certificate, RLDC charging certificate and CMD certificate, COD of the transmission asset is approved as 26.10.2019.

Capital Cost

13. Regulation 19 of the 2019 Tariff Regulations provides as follows:

19. Capital Cost: (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.*

(2) *The Capital Cost of a new project shall include the following:*

(a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*

(b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*

(c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*

(d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*

(e) *Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*

(f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*

(g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*

(h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*

(i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*

(j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*

(k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*

(l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*



(m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
(n) Expenditure on account of change in law and force majeure events; and
(o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

(3) The Capital cost of an existing project shall include the following:

(a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;
(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
(c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
(d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
(e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

(4) The capital cost in case of existing or new hydro generating station shall also include:

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
(b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

(5) The following shall be excluded from the capital cost of the existing and new projects:

(a) The assets forming part of the project, but not in use, as declared in the tariff petition;
(b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be de-capitalised only after its redeployment;

Provided further that unless shifting of an asset from one project to another is of permanent nature, there shall be no de-capitalization of the concerned assets.

(c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;
(d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and



(e) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment.”

14. The Petitioner vide Auditor’s Certificate dated 7.2.2020 has claimed the following capital cost incurred as on COD and Additional Capital Expenditure (ACE) projected to be incurred in respect of the transmission asset:

Apportioned approved cost as per		Capital Cost claimed as on COD	Projected ACE			(₹ in lakh)
FR	RCE		2019-20	2020-21	2021-22	Estimated completion cost
17110.24	20167.25	17002.27	935.50	964.25	964.25	19866.27

Cost Over-run

15. The Petitioner has submitted that against RCE apportioned cost of ₹20167.25 lakh, the estimated completion cost is ₹19866.27 lakh, which is within RCE apportioned cost and, as such, there is no cost over-run. The Petitioner has submitted Form-5 and has provided the following justification for cost variation from FR cost of ₹17110.24 lakh to completion cost of ₹19866.27 lakh as on 31.3.2024:

- a) Higher compensation paid based on order from statutory authorities.
- b) Increase in number of towers from 422 (suspension-234 numbers/ tension-188 numbers) in FR to 435 numbers towers (Suspension-219 numbers/ Tension-216 numbers) on account of various crossing, hilly terrain etc.
- c) Bid price received through open competitive bidding.

16. We have considered the submissions of the Petitioner. It is observed that the cost variation is primarily on account of variation in estimated prices and final competitive prices. Further, against the total apportioned approved cost as per RCE of ₹20167.25 lakh, the estimated completion cost including ACE is ₹19866.27 lakh which is within the apportioned approved cost as per RCE. Therefore, cost variation is allowed.



Time Over-run

17. As per I.A. dated 14.2.2014, the transmission asset was scheduled to be commissioned within 28 months from the date of I.A. i.e. by 4.6.2016. The transmission asset achieved COD on 26.10.2019 with delay of 1239 days.

18. The Petitioner has submitted the following reasons for delay in commissioning of the transmission asset:

a) Immediately after IA, letters of award were issued on 28.2.2014 and 19.5.2014 onwards. The working gangs were timely mobilized to achieve the scheduled completion target. Proactive actions involving various adaptive and mitigative steps were taken to overcome the hurdles associated with construction of the transmission asset.

b) RoW issues encountered at various locations (169/0, 162/0, 157/1, 156/0, 147/5, 146/0, 145/0, 141A/2, 127/1, 126/5, 124C/0-125A/0, 120A/0, 120A/1, 118/01-118A/0, 91/0, 90A/0, 89/0, 88/1, 87/3, 85/0, 84/3, 81/0, 81A/0, 81C/5, 84/2, 79/0, 78/0, 78A/0, 77/0, 77/01, 77/02, 77/03, 76/0, 76/3, 75/0, 75A/0, 74/0, 68/2, 56/0, 42/0, 37/0, 36/0, 34/0, 33/0, 32/0, 31/0, 28/0, 27/0, 25/0, 25A/3, 25A/1, 18/0, 13/0 etc) of the transmission asset.

c) During construction work in November 2014, stiff resistance was noticed from the land-owners in districts like Allahabad in Uttar Pradesh, Singrauli, Siddhi and Rewa in Madhya Pradesh and many court cases filed by the farmers hampered the progress of the work.

d) RoW (right of way) issues involved demand of exorbitant amount of crop compensation, land compensation, construction of structures/ buildings in line of right of way, manhandling of gang workers etc. Further, persuasive measures were adopted, wherever possible, to pacify the land-owners/ villagers agitating against the transmission line construction.

e) At certain locations verbal persuasions were not enough and eventually help and assistance of District Administration and Police Department was sought to mitigate the RoW issues.



19. The Petitioner has submitted the following chronology of events, correspondences and court cases/ orders:

Date	Description
25.11.2014 and 12.12.2014	Letter to SDM Bara, District Allahabad to resolve ROW problems at Loc. No. 145/0, Court Case before the Court of Judicature at Allahabad by the land-owner for Loc No.146/0.
13.01.2015 and 21.01.2015	Letter to SDM Bara to resolve ROW problem at Loc. No. 146/3, Court Case disposed before the Court of Judicature at Allahabad filed by the land-owner for Loc No.146/0
23.01.2015	Letter to SDM Karchana, Karchana to resolve the ROW problem at various locations, Application to DM, Allahabad by the land-owner.
04.02.2015 and 16.02.2015	Application and letter to DM, Allahabad by the land-owner for Loc No.146/0.
19.04.2015	Letter to SDM Bara to resolve ROW problems at Loc. No. 148/6.
15.07.2015	Letter to DM, Singrauli, for support against the ROW problems created by the land-owners.
29.09.2015	Court case in the High Court Allahabad by the land-owner for Loc No. 169/0.
03.10.2015	Letter to Tahsildar, Bahri, District Sidhi for solving ROW problems.
07.10.2015	Court case disposed by the Hon'ble High Court Allahabad filed by the land-owner for Loc No. 169/0.
09.10.2015 and 14.11.2015	Application to DM, Allahabad by the land-owner for Loc No. 169/0 and received by Powergrid on 14.11.2015.
12.12.2015	Letter to SDM, Devsar, District Singrauli, to make arrangement to start the stopped work by the villagers.
06.02.2016	Letter to SDM Karchhana to resolve the ROW problems at Loc. No. 162/0.
16.03.2016	Letter to SDM, Sihwal, District Sidhi, for start of the construction activities at Location No. 81C/5 as the land-owners stopped the execution of work falling on their land.
19.03.2016	Letter to SDM, Sihwal, District Sidhi, for start of the construction activities at Location No. 36/0 as the land-owners stopped the execution of work falling on their land.
20.03.2016 and 21.03.2016	Letter to SHO, Amiliya Thana, District Sidhi, against the land-owner for using muscles powers against the supervisor working at site and also threatening labours not to work at their fields on Location No. 91/0.
06.04.2016	Letter to Collector Singrauli, District Singrauli (M.P) for solving ROW Problem at Location No. 25A/3.
03.05.2016	Letter to SDM, Sihwal, District Sidhi for support to start the work stopped by the villagers at Loc No.87/3, 88/1, 89/0, 90A/0, 91/0, 84/2, 84/3, 85/0, 76/3, 77/0 and 79/0.
05.05.2016, 17.06.2016,	Letter to SDM, Mauguj, Karchana, Deosar, Sihwal, Devsar, Tyunthar and Bara for resolving ROW problems at various locations.



17.07.2016, 16.08.2016, 02.09.2016, 03.10.2016, 05.11.2016, 19.11.2016, 21.11.2016, 16.12.2016, 24.04.2017, 01.05.2017, 03.05.2017, 16.05.2017, 07.07.2017, 23.08.2017, 28.08.2017, 30.09.2017, 01.11.2017, 02.11.2017, 10.11.2017, 18.11.2017, 28.11.2017, 11.01.2018, 13.02.2018, 21.02.2018, 16.01.2019, 06.02.2019, 10.04.2019 and 26.07.2019	
13.05.2016	Letter to Municipal Corporation, Officer, Chakghat, District Reva to allow to start the work.
16.01.2017	Letter to Section Officer, Police, Tyunthar District Rewa to resolve the ROW problems.
31.01.2017 and 11.02.2017	Letter to SDM Deosar to resolve the ROW problems at Loc. No. 25/0, Loc. No. 25A/1.
11.02.2017 and 14.02.2017	Letter to SDM, Deosar, District Singrauli, for start of the construction activities at Location No. 36/0, Loc No. 27/0 as the land-owners stopped the execution of work.
15.02.2017	Letter to land-owner with copy to SDM, Deosar, District Singrauli and SHO, Jiyan, Deosar, District Singrauli to do the construction away from the corridor of transmission line at Location No. 31/0.
18.04.2017	Letter to Section Officer, Mauganj to resolve ROW at Loc. No. 126/5.
17.10.2017	Letter to Tahsildar, Hanumna district Rewa, MP for solving ROW problems.
28.10.2017	Letter to Inspector In-charge, Bargwa, District Singrauli (M.P) for solving ROW Problem.
01.11.2017	Letter to Inspector In-charge, Bahari, District Sidhi (M.P) for solving ROW Problem from Location No. 74/0 to 75/0.
01.11.2017	Letter to Tehsildar, Bahari, District Sidhi (M.P) for solving ROW Problem from Location No. 74/0 to 75/0.



02.11.2017	Letter to Inspector In-charge, Amiliya, District Sidhi (M.P) for solving ROW Problem at Location No. 81A/0.
07.11.2017	Site Inspection report (Panchanama) for solving ROW problems.
10.11.2017	Letter to Inspector In-charge, Bahari, District Sidhi (M.P) for solving ROW Problem from Location Nos. 75A/0 to 76/0.
11.11.2017	Letter to Inspector In-charge, Bargawa, District Singrauli (M.P) for solving ROW Problem at Location No. 18/0.
18.11.2017 and 06.09.2019	Letter to DM, Sidhi, District Sidhi (M.P) for solving ROW Problem from Location No.75A/0 to 76/0
20.11.2017	Letter to SHO, Jiwan, from SDM Devosar District Singrauli (M.P)
27.11.2017	Letter by Dy. Collector, District Sidhi (M.P) to Sub Divisional Officer, Sihwal for solving ROW problem from Location Nos.75A/0 to 76/0.
26.12.2017, 05.03.2018, 16.05.2018, 04.06.2018, 20.07.2018, 15.09.2018, 03.10.2018, 26.11.2018 and 20.12.2018	Letter to Tahsildar, Bahri, Chitrangi, Sidhi, Hanumana, Rewa, Naigari, to resolve RoW issue at various locations
25.8.2018	Court order on the issue of compensation to land-owners for Location Nos. 77/01 to 77/02. In this order, the court directed the administration to resolve the issue in the light of the order.
20.11.2018 to 11.12.2018	On account of Madhya Pradesh Legislative Election 2018, the work at site (MP Portion) remained hampered.
07.03.2019 and 07.09.2019	Letter to Thana In-charge, Jiyavan, Distt-Singrauli (MP), Thana Incharge Bahri regarding solving ROW at Location No. 26/0.
26.05.2019	Letter to Thana Incharge (Naigarhi) for collapse of Tower during Heavy Windstorm.

20. It is noted that delay in commissioning of the transmission asset is mainly on account of delay due to RoW issues at various locations since November, 2014 in major districts like Allahabad, Singrauli, Siddhi and Deosar etc. Further, it is observed that RoW issues involved demand of exorbitant amount of crop compensation, land compensation, construction of structures/ buildings in line of Right of way. It is observed that various correspondences were exchanged between the Petitioner and local authorities for settlement of RoW issues which hampered the work progress from 25.11.2014 to 7.9.2019 (1748 days).



21. From the activity-wise details as submitted by Petitioner in Form-12, vide affidavit dated 17.11.2021, it is observed that only after the RoW issues were resolved, the Petitioner could carry out consequential activities like foundation work, tower erection, stringing, testing & commissioning and thereafter, the transmission asset was commissioned on 26.10.2019.

Description	Original Schedule		Actual Achieved		Time over-run (in days)
NOA	03.04.2014	19.08.2014	28.04.2014	19.05.2014	Nil
Supplies	22.08.2014	29.02.2016	13.09.2014	15.03.2019	1110
Forest proposal submission and in principle approval	04.08.2014	04.05.2015	26.09.2014	11.01.2018	983
Compliance & final approval	05.05.2015	21.09.2015	30.01.2018	04.10.2018	1109
Foundation of transmission line	25.07.2014	29.02.2016	12.09.2014	30.06.2019	1217
Tower erection	25.09.2014	01.04.2016	15.10.2014	20.07.2019	1205
Stringing	23.01.2015	06.05.2016	01.02.2015	31.07.2019	1181
Civil works & erection Sub-station	17.10.2014	03.05.2016	12.12.2014	18.08.2017	472
Testing and commissioning	04.05.2016	03.06.2016	30.06.2016	26.10.2019	1240

22. From the documents placed on record, it is observed that the Petitioner had applied for CEA Energisation certificate on 28.3.2019, which was finally granted on 6.5.2019. However, the transmission asset was commissioned on 26.10.2019. We note that the Petitioner has claimed the delay due to RoW issues. However, having applied for CEA clearance on 28.3.2019, the Petitioner's submissions that there were subsequent ROW issues during 6.5.2019 to 26.10.2019 is unacceptable, as far as its request for condonation of time over-run is concerned.

23. Therefore, time period from the date of application of the CEA Energisation certificate i.e., 28.03.2019 to COD of the transmission asset i.e., 26.10.2019 (212 days) is not condoned.



24. Accordingly, out of total time over-run of 1239 days, we condone time over-run of 1027 days on account of RoW issues and subsequent activities like foundation works, tower erection, stringing, testing and commissioning, as it was beyond the control of the Petitioner and disallow the delay of 212 days for the aforementioned reasons.

25. Accordingly, the decision with regard to time over-run in respect of the transmission asset is as follows:

Particulars	SCOD	COD	Time over-run	Time over-run condoned	Time over-run not condoned
Singrauli – Allahabad 400 kV S/C Line along with associated bays at both ends including 1X50 MVAR Line Reactor at Allahabad end	4.6.2016	26.10.2019 (Actual)	1239 days	1027 days	212 days

Interest During Construction ("IDC") and Incidental Expenditure During Construction ("IEDC")

26. The Petitioner has claimed IDC in respect of the transmission asset and has submitted the Auditor's Certificate dated 7.2.2020 in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of the IDC discharged.

27. The loan amount as on COD has been mentioned in Form-6 and Form-9C. On perusal of these forms, it is observed that there is mismatch in loan amount between IDC statement and in Form-9C. Therefore, allowable IDC has been worked out based on the available information and relying on loan amount as per Tariff Form-9C. The Petitioner is directed to submit the detailed IDC statement by rectifying the above-mentioned deviation, at the time of truing up.

28. The loan details submitted in Form-9C for 2019-24 tariff period and IDC



computation statement have been considered for the purpose of IDC calculation on cash basis and on accrued basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged. However, in the statement showing IDC discharged up to COD, the Petitioner has not indicated the floating rate of interest on loans deployed. IDC on cash basis up to COD has been worked out on the basis of loan details given in the statement showing discharge of IDC and Form-9C for the transmission asset.

29. Accordingly, based on the information furnished by the Petitioner, IDC considered, is as follows:

(₹ in lakh)

IDC claimed	IDC allowed	IDC disallowed due to time over run/ computational difference	IDC Discharged as on COD	IDC Un-discharged as on COD	IDC Discharged during 2019-20
A	B	C=(A-B)	D	E=(B-D)	F
2158.47	1653.72	504.75	1523.68	130.04	130.04

30. The Petitioner has claimed IEDC of ₹1115.95 lakh and has submitted Auditor's Certificate in support of the same. The Petitioner has also submitted that entire IEDC has been discharged as on COD in respect of the transmission asset. It is observed that IEDC claimed is within limit as per FR/RCE. Accordingly, considering disallowed time over-run, IEDC allowed for the transmission asset is as follows:

(₹ in lakh)

Particulars	IEDC claimed (as per Auditor Certificate)	IEDC disallowed (due to time over-run)	IEDC allowed (as on COD)
	1	2	3 = (1-2)
Asset	1115.95	113.20	1002.75

Initial Spares

31. Regulation 23(d) of the 2019 Tariff Regulations provides as follows:

"23. Initial Spares: Initial spares shall be capitalised as a percentage of the Plant and Machinery cost, subject to the following ceiling norms:

....



(d) Transmission system

- (i) Transmission line - 1.00%
- (ii) Transmission Sub-station
 - Green Field - 4.00%
 - Brown Field - 6.00%
- (iii) Series Compensation devices and HVDC Station - 4.00%
- (iv) Gas Insulated Sub-station (GIS)
 - Green Field - 5.00%
 - Brown Field - 7.00%
- (v) Communication system - 3.50%
- (vi) Static Synchronous Compensator - 6.00%

.....”

32. The Petitioner has claimed the following Initial Spares:

Particulars	Plant & Machinery Cost up to cut-off date (₹ in lakh) (Excluding IDC and IEDC) *	Initial Spares Claimed (₹ in lakh)	Ceiling (in%)	Initial Spares worked out $D=[(AB)*C/(100-C)]$ (₹ in lakh)
Transmission Line	14241.78	122.00	1.00	142.62
Sub-station (Brownfield)	1693.41	97.47	6.00	101.60
Communication equipment	91.69	8.56	3.50	3.21

*As claimed in Form 13

33. The Petitioner has claimed Initial Spares on PLCC under communication system separately. The Petitioner has also prayed to allow excess Initial Spares of ₹5.35 lakh (₹8.56-₹3.21) in case of communication system.

34. We have considered the submissions of the Petitioner. Though PLCC is a communication system, it has been considered as part of the Sub-station in the 2014 Tariff Regulations and the 2019 Tariff Regulations and the norms for Sub-station have been specified accordingly. Form 5 under Part-III of the 2019 Tariff Regulations requires a transmission licensee to provide “Element-wise Break-up of Project/ Asset/ Element Cost for Transmission System or Communication System”. The details which are required to be furnished with regard to (a) transmission line are: preliminary works, transmission lines material, taxes and duties; (b) for Sub-stations: preliminary works & land, civil works, Sub-station equipment, spares, taxes and duties; and for (c)



communication system: preliminary works, communication system equipment, taxes and duties. PLCC is a part of Sub-station equipment at Sl. No. 6.5 of Form 5 under the head 'Sub-station equipment' and that there is no mention of PLCC under communication system.

35. Therefore, we are not inclined to grant Initial Spares separately towards PLCC under communication system since Initial Spares claimed towards PLCC are included in the Sub-station. Initial Spares allowed in respect of the transmission asset are as follows:

Particulars	Plant & Machinery Cost up to cut-off date (₹ in lakh) (excluding IDC and IEDC) *	Allowable Initial Spares (₹ in lakh)	Ceiling (in%)	Initial Spares allowed (₹ in lakh)	Discharge of Initial Spares (₹ in lakh)		
					As on COD	2020-21	2021-22
Transmission Line	14241.78	142.62	1%	122.00	36.24	42.88	42.88
Sub-station and PLCC	1785.10	107.17	6%	106.03	106.03	-	-

*As per Form-13

Capital Cost allowed as on COD

36. In view of above, the capital cost allowed in respect of the transmission as on COD is as follows:

(₹ in lakh)				
Capital Cost claimed in the Auditor's Certificate as on COD (A)	Less: IDC Disallowed due to time over-run (B)	Un-discharged IDC as on COD (C)	Less: IEDC disallowed due to time over-run (D)	Expenditure up to COD (E) = (A-B-C-D)
17002.27	504.75	130.04	113.20	16254.28

Additional Capital Expenditure ("ACE")

37. Regulation 24 of the 2019 Tariff Regulations provides as follows:

"24. Additional Capitalisation within the original scope and upto the cut-off date

(1) The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:



- (a) Un-discharged liabilities recognized to be payable at a future date;
- (b) Works deferred for execution;
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;
- (e) Change in law or compliance of any existing law; and
- (f) Force Majeure events:

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

- (2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.”

38. The Petitioner has claimed projected ACE for the 2019-24 tariff period on account of balance and retention payments due to un-discharged liability projected for works executed within the cut-off date and unexecuted works within cuff-off date. The Petitioner has claimed projected ACE of ₹1349.78 lakh for the year 2019-20, ₹1042.97 lakh for 2020-21 and ₹964.25 lakh for the year 2021-22 as per Auditor's certificate.

39. We have considered the submissions of Petitioner. ACE claimed on account of balance and retention payments is allowed under Regulations 24(1)(a) of the 2019 Tariff Regulations. ACE allowed in respect of the transmission asset is as follows:

Capital Cost as on COD	Admitted ACE			Capital Cost as on 31.3.2024
	2019-20	2020-21	2021-22	
16254.28	1065.54*	964.25	964.25	19248.32

*Includes IDC discharged

Debt-Equity Ratio

40. Regulation 18 of the 2019 Tariff Regulations provides as follows:

“18. Debt-Equity Ratio: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:



- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.

Explanation.-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation.”

41. The details of debt-equity considered for the purpose of computation of tariff for 2019-24 period in respect of the transmission asset is as follows:



Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	Total capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	11378.00	70.00	13473.83	70.00
Equity	4876.29	30.00	5774.50	30.00
Total	16254.28	100.00	19248.32	100.00

Depreciation

42. Regulation 33 of the 2019 Tariff Regulations provides as follows:

“33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

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

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

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.



(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

(9) Where the emission control system is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (8) of this Regulation.

(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of-

a) twenty five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or
b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or
c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”

43. We have considered the submissions of the Petitioner. Depreciation has been worked out considering the admitted capital expenditure as on COD and ACE in 2019-24 period. Depreciation allowed in respect of the transmission asset is as follows:



(₹ in lakh)

Particulars	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	16254.28	17319.82	18284.07	19248.32	19248.32
Addition during the year 2019-24 due to projected ACE	1065.54	964.25	964.25	0.00	0.00
Closing Gross Block	17319.82	18284.07	19248.32	19248.32	19248.32
Average Gross Block	16787.05	17801.95	18766.20	19248.32	19248.32
Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.27	5.26	5.25	5.25
Lapsed useful life at the beginning of the year (Year)	0.00	1.00	2.00	3.00	4.00
Balance useful life at the beginning of the year (Year)	34.00	33.00	32.00	31.00	30.00
Aggregated Depreciable Value	15108.35	16021.75	16889.58	17323.49	17323.49
Remaining Aggregate Depreciable Value at the beginning of the year	15108.35	15638.89	15568.17	15015.21	14004.18
Depreciation during the year	382.86	938.54	986.87	1011.03	1011.03
Cumulative Depreciation at the end of the year	382.86	1321.41	2308.28	3319.31	4330.34
Remaining Aggregate Depreciable Value at the end of the year	14725.48	14700.35	14581.30	14004.18	12993.15

Interest on Loan ("IoL")

44. Regulation 32 of the 2019 Tariff Regulations provides as follows:

"32. Interest on loan capital: (1) *The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.*

(2) *The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.*

(3) *The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.*

(4) *Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.*

(5) *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:*

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;



Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.”

45. The weighted average rate of interest of IoL has been considered on the basis of the rates prevailing as on COD for respective loans. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up. In view of above, IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed in respect of the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	11378.00	12123.88	12798.85	13473.83	13473.83
Cumulative Repayments up to Previous Year	0.00	382.86	1321.41	2308.28	3319.31
Net Loan-Opening	11378.00	11741.01	11477.44	11165.55	10154.52
Addition due to ACE	745.88	674.98	674.98	0.00	0.00
Repayment during the year	382.86	938.54	986.87	1011.03	1011.03
Net Loan-Closing	11741.01	11477.44	11165.55	10154.52	9143.49
Average Loan	11559.51	11609.23	11321.50	10660.03	9649.00
Weighted Average Rate of Interest on Loan (in %)	7.615	7.615	7.643	7.680	7.680
Interest on Loan	379.99	884.01	865.28	818.65	741.00

Return on Equity (“RoE”)

46. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provide as follows:

“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-



river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of additional capitalization after cutoff date beyond the original scope, excluding additional capitalization on account of emission control system, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

- a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;
- b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.

3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODe) occurs plus 350 basis point, subject to ceiling of 14%;”

“31. Tax on Return on Equity. (1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:



$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.2155) = 19.758\%$$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

47. The Petitioner has submitted that MAT rate is applicable to it. MAT rate applicable in the year 2019-20 has been considered for the purpose of RoE which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed in respect of the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Opening Equity	4876.29	5195.95	5485.22	5774.50	5774.50
Addition due to ACE	319.66	289.28	289.28	0.00	0.00
Closing Equity	5195.95	5485.22	5774.50	5774.50	5774.50
Average Equity	5036.12	5340.58	5629.86	5774.50	5774.50
Return on Equity	15.500	15.500	15.500	15.500	15.500



(Base Rate) (in %)					
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)	408.33	1003.07	1057.40	1084.57	1084.57

Operation & Maintenance Expenses (“O&M Expenses”)

48. Regulation 35(3)(a) and Regulation 35(4) of the 2019 Tariff Regulations provide as follows:

“35. Operation and Maintenance Expenses:

...

(3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the combined transmission system:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial



operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.”

“35(4) Communication system: The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.”

49. O&M Expenses in respect of the elements covered under the transmission asset as claimed by the Petitioner for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Sub-station Bays					
400 kV	2	2	2	2	2
Norm (₹ lakh/bay)					
400 kV	32.15	33.28	34.45	35.66	36.91
Total Sub-station O&M Expenses					
Transmission Line	27.76	66.56	68.90	71.32	73.82
S/C (Twin/Triple Conductor)	214.851	214.851	214.851	214.851	214.851
Norm (₹ lakh/km)					
S/C (Twin/Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Total Transmission Line	46.65	111.94	115.80	119.89	124.18
Communication System					
PLCC (₹ in lakh)	123.92	123.92	123.92	123.92	123.92
Norms (in %)	2	2	2	2	2
Total Communication System	1.07	2.48	2.48	2.48	2.48
Total O&M Expenses (₹ in lakh)	75.48	180.98	187.18	193.69	200.48

50. The Petitioner has claimed O&M Expenses separately for PLCC under Regulation 35(4) of the 2019 Tariff Regulations @ 2% of its original project cost in the instant petition. The Petitioner has made similar claim in other petitions as well. Though PLCC is a communication system, it has been considered as part of the Sub-station in the 2014 Tariff Regulations and the 2019 Tariff Regulations and the norms for sub-station have been specified. Accordingly, the Commission vide order dated



24.1.2021 in Petition No. 126/TT/2020 has already concluded that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though PLCC is a communication system. Therefore, the Petitioner's claim for separate O&M Expenses for PLCC @ 2% is not allowed.

51. During the course of hearing dated 26.10.2021, the Petitioner submitted that O&M Expenses have been claimed for single circuit line of 214.851 km consisting of 154.529 km single circuit new line and 60.322 km of existing Singrauli-Kanpur line earlier covered in Singrauli TPS in Petition No. 209/TT/2020. The Petitioner has prayed that O&M Expenses from 26.10.2019 for single circuit line which was claimed in Singrauli TPS covered in Petition No. 209/TT/2020 for 60.322 km may be stopped and adjustment of the same may be done in the tariff of the instant petition and in Petition No. 209/TT/2020.

52. We have considered the submissions of the Petitioner and observe that in the RLDC trial run certificate of the transmission asset only 154.529 km is constructed, out of which 60.322 km is basically strung on the existing Singrauli-Kanpur double circuit line. Accordingly, we allow O&M Expenses for transmission line of 154.529 km out of which 151.118 km is single circuit, 1.098 km is double circuit and 2.131 km is multi-circuit line.

53. In view of the above, O&M Expenses allowed in respect of the elements covered under the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Sub-station Bays					
400 kV (Nos.)	2	2	2	2	2
Norm (₹ lakh/bay)					
400 kV	32.15	33.28	34.45	35.66	36.91
Total Sub-station O&M Expenses	27.76	66.56	68.90	71.32	73.82
Transmission Line					
S/C (Twin/Triple Conductor) (km)	151.118	151.118	151.118	151.118	151.118



Norm (₹ lakh/km) S/C (Twin/Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Sub-Total	32.81	78.73	81.45	84.32	87.35
D/C (Twin/Triple Conductor) (km)	1.098	1.098	1.098	1.098	1.098
Norm (₹ lakh/km) D/C (Twin/Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Sub-Total	0.42	1.00	1.04	1.07	1.11
M/C (Twin/Triple Conductor) (km)	2.131	2.131	2.131	2.131	2.131
Norm (₹ lakh/km) M/C (Twin/Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Sub-Total	1.42	3.41	3.52	3.65	3.78
Total Transmission Line	34.65	83.14	86.01	89.05	92.23
Total O&M Expenses (₹ in lakh)	62.41	149.70	154.91	160.37	166.05

Interest on Working Capital (“IWC”)

54. Regulations 34(1)(c), 34(3) and 34(4) and 3(7) of the 2019 Tariff Regulations provide as follows:

“34. Interest on Working Capital: (1) *The working capital shall cover:*

...

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) *Receivables equivalent to 45 days of annual fixed cost;*

(ii) *Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and*

(iii) *Operation and maintenance expenses, including security expenses for one month.”*

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of triung-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.”

“(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.”

“3. Definitions ...

(7) **‘Bank Rate’** means the one-year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

55. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner



has considered the rate of IWC as 12.05%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, for 2020-21 has been considered as 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) whereas 2021-22 onwards has been considered as 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points). The components of the working capital and interest allowed thereon for the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 365 days)	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	12.05	12.47	12.91	13.36	13.84
Working Capital for Maintenance Spares (15% of O&M Expenses)	21.69	22.45	23.24	24.06	24.91
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	357.13	372.47	383.24	384.52	374.51
Total Working Capital	390.86	407.40	419.39	421.94	413.26
Rate of Interest (in %)	12.05	11.25	10.50	10.50	10.50
Interest of Working Capital	20.33	45.83	44.04	44.30	43.39

Annual Fixed Charges of the 2019-24 Tariff Period

56. The transmission charges allowed in respect of the transmission asset for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	382.86	938.54	986.87	1011.03	1011.03
Interest on Loan	379.99	884.01	865.28	818.65	741.00
Return on Equity	408.33	1003.07	1057.40	1084.57	1084.57
O&M Expenses	62.41	149.70	154.91	160.37	166.05
Interest on Working Capital	20.33	45.83	44.04	44.30	43.39
Total	1253.92	3021.15	3108.50	3118.92	3046.05

Filing Fee and Publication Expenses

57. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly



from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

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

Goods and Services Tax

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

60. We have considered the submissions of the Petitioner. Since GST is not levied on transmission services at present, we are of the view that Petitioner's prayer is premature.

Security Expenses

61. The Petitioner has submitted that security expenses for the transmission asset are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC.

62. We have considered the above submissions of Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission vide order dated



3.8.2021 in Petition No. 260/MP/2020 has already approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the order dated 3.8.2021 in Petition No. 260/MP/2020. Accordingly, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares

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

Sharing of Transmission Charges

64. With effect from 1.11.2020 (after repeal of the 2010 Sharing Regulations), sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of the 2019 Tariff Regulations and respective Sharing Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. Billing, collection and disbursement of transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

65. To summarise:

- a) The Annual Fixed Charges allowed for the transmission asset for the 2019-24 tariff period in this instant order are as follows:

(₹ in lakh)				
2019-20 (Pro-rata for 158 days)	2020-21	2021-22	2022-23	2023-24
1253.92	3021.15	3108.50	3118.92	3046.05

66. Annexure given hereinafter forms part of the order.



67. This order disposes of Petition No. 644/TT/2020 in terms of the above discussions and findings.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



Annexure

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on COD (₹ in lakh)	ACE			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per the 2019 Tariff Regulations				
		2019-20	2020-21	2021-22			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Buildings	-	67.39	134.78	134.78	336.95	3.34	1.13	4.50	9.00	11.25	11.25
Transmission Line	14159.63	928.03	771.90	771.90	16631.46	5.28	772.13	817.01	857.76	878.14	878.14
Sub Station	1983.83	66.36	55.01	55.01	2160.21	5.28	106.50	109.70	112.61	114.06	114.06
PLCC	110.83	3.76	2.56	2.56	119.71	6.33	7.13	7.33	7.50	7.58	7.58
TOTAL	16254.28	1065.54	964.25	964.25	19248.32		886.89	938.54	986.87	1011.03	1011.03
Average Gross Block							16787.05	17801.95	18766.20	19248.32	19248.32
(₹ in lakh)											
Weighted Average Rate of Depreciation (in %)							5.28	5.27	5.26	5.25	5.25

