

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 68/TT/2021

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 02.03.2022

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and determination of transmission tariff for 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2014 for Replacement of existing 4 x 105 MVA, 400/220 kV, 1-Ph ICTs with 1x500 MVA, 400/220 kV, 3Ph ICT at Misa Sub-station under North eastern Region Strengthening Scheme-IV (NERSS-IV) in the North-Eastern Region.

And in the matter of:

Power Grid Corporation of India Limited,
SAUDAMINI, Plot No-2,
Sector-29,
Gurgaon-122 001 (Haryana).

.....Petitioner

Versus

1. Assam Electricity Grid Corporation Limited,
(Formerly Assam State Electricity Board)
Bijulee Bhawan, Paltan Bazar,
Guwahati-781001, Assam.
2. Meghalaya Energy Corporation Limited,
(Formerly Meghalaya State Electricity Board)
Short Round Road, "Lumjingshai",
Shillong-793001, Meghalaya.
3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh.
4. Power and Electricity Department,
Government of Mizoram,



Aizawl, Mizoram.

5. Manipur State Power Distribution Corporation Limited,
(Formerly Electricity Department, Government of Manipur),
Keishampat, Imphal.
6. Department of Power,
Government of Nagaland,
Kohima, Nagaland.
7. Tripura State Electricity Corporation Limited,
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799001.

.....Respondent(s)

For Petitioner : Shri S.S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri Amit Yadav, PGCIL

For Respondent : 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 the date of commercial operation (COD) to 31.3.2019 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) in respect of Replacement of existing 4 x 105 MVA, 400/220 kV, 1-Ph ICTs with 1x500 MVA, 400/220 kV, 3Ph ICT at Misa Sub-station (hereinafter referred to as “the transmission asset’) under “North eastern Region Strengthening Scheme-IV (NERSS-IV)” in the North-Eastern Region (hereinafter referred to as “the transmission project).

2. The Petitioner has made the following prayers in the instant Petition:

- 1) *“Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition, as per para –8.3 above.*



- 2) *Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*
- 3) *Allow the tariff for new asset without any decapitalizing for replaced asset as same is agreed as resonate spares in RPC and in line with committee recommendation.*
- 4) *Allow the Petitioner to approach Hon'ble Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.*
- 5) *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 under clause 25 of the Tariff regulations 2014.*
- 6) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure (if any) in relation to the filing of petition.*
- 7) *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.*
- 8) *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 2014-19 period, if any, from the respondents.*
- 9) *Allow the petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is levied at any time in future. Further any taxes and duties including cess, etc. imposed by any Statutory/Govt./Municipal Authorities shall be allowed to be recovered from the beneficiaries.*
- 10) *Allow tariff up to 90% of the Annual Fixed Charges in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.*
- 11) *Allow the petitioner to bill Tariff from actual DOCO.*

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."

Background

3. The brief facts of the case are as under:
 - a. The Investment Approval (IA) of the transmission project was accorded by the Board of Directors of the Petitioner's Company vide Memorandum No.



C/CP/NERSS-IV dated 16.6.2016 at an estimated cost of ₹36460 lakh including IDC of ₹2055 lakh on December 2015 price level basis.

b. The scope of work covered under the transmission project broadly includes:

Augmentation of transformers and Reactors

- i. Dismantling / Removal of 4x105 MVA, 400/220 kV ICT# at Misa Sub-station of POWERGRID and addition of 2x500 MVA, 400/220 kV ICT at Misa Sub-station with GIS bays utilizing the space vacated after removal of 4x105 MVA, 400/220 kV ICT
Note: 4x105 MVA, 400/220 kV ICT thus released shall be kept as Regional Spare
- ii. 1x125 MVAR 420 kV bus Reactor at Balipara (PowerGrid) Sub-station.
- iii. 1x125 MVAR 420 kV bus Reactor at Bongaigaon (PowerGrid) Sub-station.

Operation of Silchar-Imphal 400 kV D/C line at rated voltage (400 kV) (presently operated at 132 kV)

- i. Up-gradation of existing 2x50 MVA, 132/33 kV Imphal (PowerGrid) Substation to 400 kV with following scope:
 - a. Installation of 400/132 kV, 2x315 MVA (7x105 MVA, 1-Ph) ICTs,
 - b. 2 Numbers 400 kV line bays for termination of Silchar-Imphal 400 kV D/C line
 - c. 80 MVAR, 420 kV Bus Reactor
- ii. Extension of existing 400/132kV Silchar (POWERGRID) Sub-station
 - a. 2 Numbers of 400 kV GIS line bays for termination of Silchar-Imphal 400 kV D/C line
 - b. Installation of 1x125 MVAR, 420 kV Bus Reactor with GIS bays

Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/c

- i. Reconductoring of Agartala GBPP-Agartala (State) 132 kV D/C line with High Capacity HTLS conductor along with necessary up-gradation/ modification in bay equipment at both ends.

c. The scope of work as per I.A is completed. The details of the assets covered under the transmission project and petitions in which tariff for 2014-19 tariff period was approved are as follows:



SI. No.	Asset Name	COD	Petition No.
1	(a) Up-gradation of existing 2X50 MVA, 132/33 kV Imphal (POWERGRID) SS to 400 kV by installation of 400/132 kV, 2X315 MVA (7X105 MVA, 1-Ph) ICTs, 2 No. 400 kV line bays for termination of 400 kV D/C Silchar-Imphal line and 80 MVAR, 420 kV Bus Reactor along with associated bays at Imphal S/s.	29.1.2019	237/TT/2018
	(b) Extension of existing 400/132 kV Silchar (POWERGRID) SS with 2 Nos. of 400 kV GIS line bays for termination of Silchar-Imphal 400kV D/C line.		
	(c) 1x125 MVAR, 420 kV Bus Reactor along with GIS bays at Silchar S/s.	20.12.2018	237/TT/2018
2	1x125MVAR, 420 kV Bus Reactor along with associated bay at Balipara (POWERGRID) Substation	22.07.2018	237/TT/2018
3	1x125 MVAR, 420 kV Bus Reactor along with associated bay at Bongaigaon (POWERGRID) Substation	08.02.2018	237/TT/2018
4	Reconductoring of Agartala GBPP-Agartala (State) 132kV D/C line with High Capacity HTLS conductor along with necessary up gradation/ modification in bay equipment at both ends	31.03.2018	237/TT/2018
5	Replacement of existing # 4 x 105 MVA, 400/220 KV, 1-Ph ICTs with 1x500 MVA, 400/220Kv, 3Ph ICT at Misa Sub-station (4x105MVA, 400/220kV ICT thus released shall be kept as Regional Spare)	29.03.2019	Covered under instant petition
6*	1 X 500MVA, 400/220kV ICT along with 400 KV GIS bays and 220 KV AIS bays at Misa Substation.	29.08.2019	660/TT/2020 (2019-24)

* Life on the date of replacement i.e. 29.3.2019 is 19 years and 2 months.

4. The Respondents are distribution licensees and Power Departments, which are procuring transmission service from the Petitioner, mainly beneficiaries of the North Eastern Region.

5. The Petitioner has served the petition on the Respondents and notice of this petition has been published in the newspaper in accordance with Section 64 of the Electricity Act 2003. No comments/ objections have been received from the general



public in response to the aforesaid notice published in the newspaper by the Petitioner. None of the Respondents have filed reply to the Petition.

6. This order is issued considering the submissions made by the Petitioner vide affidavits dated 22.1.2020 and 21.9.2021.

7. The hearing in this matter was held on 2.11.2021 through video conference and the order was reserved.

8. Having heard the representatives of the Petitioner and perused the materials on record, we proceed to dispose of the petition.

9. The representative of the Petitioner has submitted that the Petitioner has proposed to replace 4X105 MVA ICT with 500 MVA ICT and keep the replaced 4X105 MVA ICTs as Regional spare.

10. We have considered the submissions of the Petitioner. We observe that the replacement of the 4X105 MVA ICT with 500 MVA ICT and to keep the replaced 4X105 MVA ICTs as a regional spare was discussed in the 4th Meeting of Standing Committee on Power System Planning of North Eastern Region held on 13.12.2014. The relevant extracts of the Minutes of the 4th Meeting of Standing Committee on Power System Planning of North Eastern Region held on 13th December 2014 are as under:

“6.0 Augmentation of Transformation Capacity at 400/220/33 kV Misa substation of POWEWRGRID.

6.1 Director (SP&PA), CEA stated that existing transformation capacity at 400/220 kV level at Misa is 2x315 MVA out of which one is a bank of 4x105 MVA (incl. one spare) single phase transformers. The loading on both the ICTs is more than 300 MW and it has recorded maximum loading of 410 MW. It is proposed to augment the transformation capacity by addition of 2x500 MVA in place of the bank of single phase transformers.



6.2 AGM, POWERGRID informed that there is severe space constraint at Misa. Accordingly, space created after removal of 4x105 MVA single phase transformers would be utilized for installation of 2 no. 500 MVA transformers with GIS bays.

6.3 SE, NERPC informed that GIS bays have been agreed considering the space constraint at Misa in the last OCC meeting.

6.4 MD, MSPCL said that timing for replacement of transformer be chosen so as there is minimum disruption of power supply to the NER constituents.

6.5 After further deliberations, Members agreed for implementation of following scheme by POWERGRID

- Dismantling / Removal of 4x105 MVA, 400/220 kV ICT at Misa sub-station of POWERGRID
- Addition of 2x500 MVA, 400/200 kV ICT with GIS bays in the space vacated after removal of 4x105 MVA, 400/220 kV ICT at Misa sub-station of POWERGRID

6.6 4x105 MVA, 400/220 kV ICT thus released shall be kept as regional spare.”

11. Taking into consideration the minutes of the 4th meeting of Standing Committee on Power System Planning of North Eastern Region, we approve the replaced 4x105 MVA, 400/220 kV ICT at Misa Sub-station as regional spare.

Determination of Annual Fixed Charges of the 2014-19 Period

12. The details of the transmission charges claimed by the Petitioner for the transmission asset are as follows:

(₹ in lakh)	
Particulars	2018-19 (Pro-rata 3 days)
Depreciation	0.86
Interest on Loan	0.95
Return on Equity	0.97
O&M Expenses	0.00
Interest on Working Capital	0.06
Total	2.84

13. The details of the Interest on Working Capital (IWC) claimed by the Petitioner for the transmission asset are as follows:



(₹ in lakh)

Particulars	2018-19 (Pro-rata 3 days)
WC for O&M Expenses	0.00
WC for Maintenance Spares	0.00
WC for Receivables	57.54
Total Working Capital	57.54
Rate of Interest (%)	12.20
Interest on Working Capital	0.06

Date of Commercial Operation (COD)

14. The Petitioner has submitted that the transmission asset was put into commercial operation on 29.3.2019 as against the scheduled COD of 26.5.2018.

15. In support of the actual COD of the transmission asset, the Petitioner vide affidavit dated 22.1.2020 has submitted CEA Energisation Certificate dated 20.3.2019 under Regulation 43 of CEA (measures relating to Safety and Electric Supply) Regulations, 2010; RLDC Certificate dated 12.04.2019; self-declaration COD letter dated 12.4.2019 and CMD Certificate as required under the Grid Code.

16. Taking into consideration the CEA Energisation Certificate, RLDC Charging Certificate and CMD Certificate, COD of the transmission asset, viz., 1x500 MVA, 400/220 kV, 3Ph ICT at Misa Sub-station has been approved as 29.3.2019.

Capital Cost

17. Regulation 9(1) and Regulation 9(2) of the 2014 Tariff Regulations provide as follows:

“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of 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) Increase in cost in contract packages as approved by the Commission;
(d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;
(e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;
(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;
(g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and
(h) Adjustment of any revenue earned by the transmission licensee by using the assets before COD.”

18. The Petitioner vide affidavit dated 22.11.2019 has claimed the following capital cost incurred as on COD and ACE projected to be incurred, in respect of the transmission asset and submitted Auditor’s Certificate dated 25.4.2019 in support of the same:

(₹ in lakh)

Approved FR Cost	Expenditure up to COD	Proposed ACE 2019-20	Proposed ACE 2020-21	Estimated Completion Capital Cost
2259.69	2000.70	191.63	9.46	2201.79

Cost Over-run

19. The Petitioner has submitted that against the total apportioned approved cost of ₹2259.69 lakh, the estimated completion cost is ₹2201.79 lakh.

20. We have considered the submissions of the Petitioner. As the estimated completion cost of ₹2201.79 lakh is within the apportioned approved cost of ₹2259.69 lakh, there is no cost over-run.

Time over-run

21. As per the IA dated 26.5.2016, the transmission asset was scheduled to be commissioned within 24 months from the date of IA i.e. by 26.5.2018. However, COD of the transmission asset is as follows:



Scheduled COD	Actual COD	Time over-run
26.5.2018	29.3.2019	307 days

22. Thus, there is a time over-run of 307 days. The Petitioner has submitted that time over-run in commissioning of the transmission asset is mainly due to the work hampered by bandhs, unprecedented rains, flash floods in Assam and modification of the Tertiary System Inter-connection during the years 2016 to 2018. The details regarding time over-run submitted by the Petitioner are as follows:

A. Delay in Transportation of Transformer

a. The activities for implementation of the transmission asset were started immediately upon IA and the Letter of Award (LOA) for the work was placed as planned. However, transportation of the transformers, which were dispatched in June 2017, got substantially delayed due to the following factors beyond the control of the Petitioner and the executing agency:

- i. Bihar Floods: The transformers were stranded in Bihar due to heavy floods in August 2017 and subsequent restrictions in movement of heavy consignments.
- ii. Brahmaputra River Crossing: These being the first 500 MVA transformers (heaviest) supplied in NER, their passage over bridges on the river Brahmaputra were not allowed and the consignment was stranded on the north bank of the river for around 4 months before arrangement for Barge and Jetties could be made for water transportation.
- iii. It took more than 6 (six) months for the transformers at site in December 2017, causing a delay from schedule.

B. Bandhs

b. The work was affected/ halted for about a month due to bandhs called by various local organisations. The details are as follows:

Sr. No.	Start Date	End Date	Period of delay	Cause of Hindrance
1	25.4.2017	25.4.2017	1.00	Assam motor transport unions call for 24-hour 'Chakka Bandh' on April 25
2	13.6.2017	14.6.2017	2.00	Total shutdown in lower Assam as AKRSU calls 36-hour bandh



Sr. No.	Start Date	End Date	Period of delay	Cause of Hindrance
3	21.6.2017	21.6.2017	1.00	Assam Bandh on 21 st June: Granting of ST status to advanced communities hots up
4	4.7.2017	4.7.2017	1.00	12-hour Assam bandh called by Soi Janagosthiya Aikya Mancha (SJAM)
5	22.7.2017	22.7.2017	1.00	12-hour Assam bandh called by the All Assam Minority Students Union
6	5.8.2017	5.8.2017	1.00	12-hour Assam Bandh called on 5 August 2017 for Quick Arrest of Lafiqul's Murderers
7	28.8.2017	28.8.2017	1.00	Bodos block national highways in Assam as stir for separate Bodoland state resumes
8	6.9.2017	7.9.2017	2.00	48-hour Assam bandh called by All Koch Rajbongshi Students Union (Pradeep Ray faction)
9	11.9.2017	11.9.2017	1.00	Bodo groups impose 12-hour 'bandh' in Assam over statehood demand
10	29.11.2017	29.11.2017	1.00	12-hour Assam bandh by the umbrella organization of the indigenous people of Assam to protest eviction
11	27.12.2017	27.12.2017	1.00	12-hour Assam bandh called by All Assam Tai Ahom Students Union
12	13.3.2018	13.3.2018	1.00	12-hour Assam bandh called by CCTOA (Coordination Committee of Tribal Organisations of Assam)
13	24.5.2018	24.5.2018	1.00	24-hour Assam bandh called by All Koch Rajbongshi Students' Union (AKRSU)
14	23.7.2018	24.7.2018	2.00	The Janagusthiyo Oikya Mancha, a forum comprising organizations of the six communities of Assam, will launch a 48-hour Assam bandh from July 23.
15	28.8.2018	29.8.2018	2.00	AKRSU has called 36-hour Assam Bandh.
16	10.9.2018	10.9.2018	1.00	6-hour Bharat Bandh affects normal life in Assam
17	3.11.2018	3.11.2018	1.00	12-hour bandh affects normal life in some Assam districts
18	8.1.2019	9.1.2019	2.00	Bandh against Citizen Amendment Bill evokes total response across 7 North-East states
19	10.1.2019	11.1.2019	2.00	24-hour Assam Bandh as Tribals Protest Govt's Move to Grant ST Status to 6 Ethnic Groups
20	9.2.2019	9.2.2019	1.00	Agitators intensify stir as PM Narendra Modi reaches north east 12-hour Assam bandh called by Tai Ahom Yuva Parishad (TAYP) Section 144 imposed in Guwahati
Total			26.00	

C. Unprecedented Rainfall

c. There was a delay in execution due to heavy rainfall during March 2017 – July 2017. The unprecedented nature of the event affected the works being carried out by the Petitioner. The supply and transport works were brought to complete halt for a period of 4 months, whereas in the succeeding month, the Petitioner



had to carry out assessment of damage that had been caused to its civil and erection works. The unforeseen events had affected the supplies of the project as the major routes and modes of transport were rendered useless. This had led to cascading effect that pushed the schedule of Petitioner beyond its targeted date and severity of flood and contractors delay impacted the timely completion of work, among other undesired consequences.

D. Modification of Tertiary System Inter-Connection

d. The tertiary winding of the existing 3x105 MVA, 400/220/33 kV Autotransformer (ICT-I) which was under replacement had to be connected to the 33 kV System of Misa Sub-station consisting of 4 numbers 25 MVAR, 33 kV Shunt Reactors, which is not a very common practice in power system. As per the scheme, this 33 kV system had to be connected to the new 500 MVA, 400/220/33 kV Autotransformers (ICT-I & ICT-III), one of which was replacing the existing one, using 66 kV XLPE Cable. However, during final preparations for commissioning of the first new 500 MVA Transformer (ICT-I), which was ready in April 2018, it was found that connection of the 33 kV system is not feasible through cable. As such, the entire 33 kV system layout had to be revised, replacing the 66 kV cable with IPS Al tube connections. This resulted in major change of scope of work including up-gradation and modification of existing equipment/ structures/ foundations, supply of new equipment/ structures/ hardware and installation/ re-installation of equipment/ structures including foundation etc. This also necessitated demolition of 3 transformer Fire Walls, before restoration of the system. The finalization of the new scope of work including re-engineering, new equipment, rates etc. took quite some time and amendment to the contract could be issued only in November 2018. The supply of new items also took some time, which commenced in February 2019. The additional works pertaining to 1x500 MVA new ICT (ICT-I) at site was resumed after dispatch of materials that started in February 2019 after taking shut-down of the existing 3x105 MVA Transformer (ICT-I) including the 33 kV System. The shutdown of the system for commissioning of new 500 MVA ICT-I could not be taken earlier before finalization of the new scope as this would have resulted in indefinite outage of the system which was undesirable.



23. We have considered the submissions of the Petitioner. The Petitioner has submitted that the time over-run was on account of delay in transportation of transformer, bandhs called by various organisations, heavy rainfall and the modification of Tertiary System Inter-Connection. The petitioner has submitted documents in support of its contentions along with the petition.

24. The Petitioner has submitted that the transformers were struck while transportation from factory to site due to floods in Bihar and later were held up due to non-allowance of consignment in Brahmaputra River. The Petitioner has submitted a letter dated 14.8.2017 written by Sterling and Wilson Private Limited to PGCIL stating that 2 numbers of 500 MVA ICTs will reach Misa by road and to obtain permission of MORTH to cross Brahmaputra in Assam to reach Misa. The Petitioner has also submitted letter dated 10.11.2017 written after three months, vide which it requested the authorities concerned in Assam for permission for construction of temporary jetty at Singhat. These two letters and information submitted by the Petitioner does not show that part of the time over-run was due to issues in transportation of the transformers and how Bihar floods impacted the transportation in August 2017 as claimed by the Petitioner. As regards delay on account of Brahmaputra river crossing, in our view the Petitioner should have taken into consideration the time it would take for such crossing at the time of the IA. The Petitioner has not brought out any unprecedented situation while crossing the Brahmaputra river that led to delay. The Petitioner should have put in place proper planning while IA was granted rather than claiming such delays as uncontrollable. Anyway, the reasons cited by the Petitioner cannot be categorised as uncontrollable factors as defined in Regulation 12 of the 2014 Tariff Regulations. Accordingly, the entire delay due to transportation of transformer is not condoned.



25. The Petitioner has submitted that the execution of works was affected by bandhs called by various organizations for 26 days during 25.4.2017 to 9.2.2019 and has submitted paper clippings to show that there were bandhs. We observe that bandhs impacted the timely execution of the project. The reasons being beyond the control of the Petitioner, the delay of 26 days due to Bandhs called by various organizations is condoned.

26. The Petitioner has submitted documentary evidence for delay due to rainfall. The Commission observes that as per the trend of average rainfall over the past few years, the rainfall received in Assam in 2017 was not abnormally high. The Petitioner should have planned better to address issues arising because of rains. In our view, delay on this count was not beyond the control of the Petitioner. Hence, the delay of 4 months due to heavy rainfall is not condoned.

27. The Petitioner has submitted that one of the reasons for time over-run was the need to modify the existing Tertiary System as it was not compatible for the new the 500MVA ICT. The Petitioner has stated that the same amounted to a change in the scope and required amendment of contract, which was finalised and issued in November, 2018 and the additional works pertaining to the ICT resumed after dispatch of materials in February, 2019. We are of the view that the Petitioner should have assessed the compatibility of the existing infrastructure with the new 500 MVA ICT at the planning stage and accordingly planned the installation of the new ICT. The lapse was on the part of the Petitioner which led to revision of the contract midway and the consequent time over-run. As the time over-run on account of this reason is attributable to the Petitioner, we are not inclined to condone the same.



28. In view of the above discussions, out of total time over-run of 307 days, the delay of only 26 days due to bandhs by various organisations is condoned.

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

29. The Petitioner has claimed IDC of the transmission asset covered in the instant petition and has submitted the statement showing IDC claim, discharge of IDC liability as on date of commercial operation and thereafter as under:

(₹ in lakh)		
IDC as per Auditor Certificate	IDC Discharged up to COD	IDC discharged during 2019-20
88.34	79.49	8.85

30. The Petitioner has submitted IDC computation statement which consists of the name of the loan, drawl date, loan amount, interest rate and interest claimed. IDC is worked out based on the details given in the IDC statement. Further, the loan amount as on the date of commercial operation has been mentioned in Form 6 and Form 9C. While going through these documents, certain discrepancies have been observed such as mismatch in loan amount between IDC statement and Form 6 and Form 9C. The allowable IDC has been worked out based on the information available on record and relying on loan amount as per Form 9C. The time over-run of only 26 days has been condoned for Asset-I. Accordingly, IDC is worked out based on the details given in the IDC statement. IDC claimed and considered as on the date of commercial operation and summary of discharge of IDC liability up to date of commercial operation and thereafter for the purpose of tariff determination is as under:

(₹ in lakh)				
IDC as per Auditor Certificate	IDC Disallowed due to time over-run not condoned	IDC allowed	IDC discharged up to COD	IDC discharged during 2019-20
1	2	3=(2-1)	4	5
88.34	85.51	2.83	2.83	0.00



31. The Petitioner has claimed IEDC for the transmission asset as per the Auditor Certificate. The Petitioner has submitted that the entire IEDC mentioned in the Auditor Certificate is on cash basis and was paid up to the date of commercial operation. As the time over-run for Asset-I has not been completely condoned, there is disallowance of IEDC. Accordingly, details of IEDC claimed as per Auditor's Certificate, IEDC disallowed and IEDC allowed is as under:

(₹ in lakh)		
IEDC claimed as per Auditor certificate (A)	IEDC disallowed due to time over-run not condoned (B)	IEDC Allowed (A-B)
87.31	23.66	63.65

Initial Spares

32. Regulation 13(d) of the 2014 Tariff Regulations provides that Initial Spares shall be capitalised as a percentage of plant and machinery cost up to cut-off date, subject to the following ceiling norms:

*“(d) Transmission System
Transmission line: 1.00%
Transmission sub-station (Green Field): 4.00%
Transmission sub-station (Brown Field): 6.00%
Gas Insulated sub-station:5.00%
Communication System: 3.5%”*

33. The Initial Spares as claimed by the Petitioner are as under:

(₹ in lakh)					
Particulars	Plant & Machinery Cost (Excluding IDC, IEDC, Land Cost & Cost of civil works)	Initial Spares Claimed	Ceiling Limit as per Regulation of Tariff Regulation, 2014 (%)	Initial Spares claimed by the Petitioner (%)	Excess
Misa Sub-station (GIS)	2026.14	77.36	5.00	3.82	-

34. We have considered the submissions of the Petitioner. The initial spares claimed by the Petitioner are within ceiling of 5%, the norm specified in the 2014 Tariff Regulations. Since, the Petitioner's claim of initial spares is within the ceiling limit, the



Initial Spares allowed for the transmission asset as percentage specified in the 2014 Tariff Regulations is as under:

Particulars	Plant and Machinery cost (excluding IDC/IEDC, Land cost & Cost of Civil Works) (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (%)	Initial Spares allowable (₹ in lakh)	Initial Spares disallowed (₹ in lakh)	Initial Spares Allowed (₹ in lakh)
	A	B	C	$D = \frac{D}{[(A-B)*C/(100-C)]}$	E=(B-D)	
Sub-station	2026.14	77.36	5.00	102.57	-	77.36

35. The capital cost of the transmission asset has been calculated in accordance with Regulation 9(2) of the 2014 Tariff Regulations and is summarised as under:

(₹ in lakh)			
Capital Cost claimed as per Auditor's Certificate (A)	IDC disallowed due to time over-run not condoned (B)	IEDC disallowed due to time over-run not condoned (C)	Capital Cost allowed as on COD (D) = (A-B-C)
2000.70	85.51	23.66	1891.53

Additional Capital Expenditure (ACE)

36. As per Regulation 3(13) of the 2014 Tariff Regulations, the cut-off date for transmission asset is 31.3.2022. The Petitioner has not claimed any ACE for the 2014-19 period. Accordingly, no ACE has been allowed for the 2014-19 tariff period.

Debt-Equity ratio

37. Regulation 19(1) of the 2014 Tariff Regulations provides as follows:

“Debt-Equity Ratio: (1) For a project declared under commercial operation on or after 1.4.2014, the debt-equity ratio would be considered as 70:30 as on COD. 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.”*

38. The Petitioner has claimed debt-equity ratio of 70:30 as on the date of commercial operation. Debt-equity ratio of 70:30 is considered as provided under Regulation 19 of the 2014 Tariff Regulations. The details of the debt and equity as on the date of commercial operation and 31.3.2019 for transmission asset considered for the purpose of tariff determination for the 2014-19 period is as under:

Funding	Capital Cost (as on COD) (₹ in lakh)	(%)	Capital Cost (as on 31.3.2019) (₹ in lakh)	(%)
Debt	1324.07	70.00	1324.07	70.00
Equity	567.46	30.00	567.46	30.00
Total	1891.53	100.00	1891.53	100.00

Depreciation

39. Regulation 27 of the 2014 Tariff Regulations provides as follows:

“Depreciation:

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system including communication system or element thereof. 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 or elements thereof.

Provided that effective date of commercial operation shall be worked out 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 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 in case of hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant:

Provided further 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 generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

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.

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-II 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 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2014 from the gross depreciable value of the assets.*

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

(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 decapitalized asset during its useful services.”*

40. Regulation 3(67) of 2014 Tariff Regulations defines useful life as follows:

“(67) ‘Useful life’ *in relation to a unit of a generating station and transmission system from the COD shall mean the following, namely:*



(a) Coal/Lignite based thermal generating station	25 years
(b) Gas/Liquid fuel based thermal generating station	25 years
(c) AC and DC sub-station	25 years
(d) Gas Insulated Sub-station (GIS)	25 years
(e) Hydro generating station including pumped Storage hydro generating stations	35 years
(f) Transmission line (including HVAC & HVDC)	35 years
(g) Communication system	15 years

Provided that the useful life for AC and DC Sub-stations and GIS for which Notice Inviting Tender is floated on or after 01.04.2014 shall be considered as 35 years.

Provided further that the extension of life of the projects beyond the completion of their useful life shall be decided by the Commission.”

41. The Gross Block during the tariff period 2014-19 has been depreciated at Weighted Average Rate of Depreciation (WAROD) and is placed at (Annexure-I). WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations. The following tables show the depreciation allowed in the instant petition followed by depreciation claimed by the Petitioner in the instant petition and allowed in this order:

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Depreciation	
Opening Gross Block (A)	1891.53
ACE (B)	0.00
Closing Gross Block (C) = (A+B)	1891.53
Average Gross Block (D) = [(A+C)/2]	1891.53
Weighted Average Rate of Depreciation (WAROD) (%)	5.28
Balance useful life of the asset	25
Elapsed Life of the asset	0
Depreciable Value	1702.38
Depreciation during the year	0.82
Cumulative Depreciation	0.82
Remaining Depreciable Value	1701.55

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Claimed by Petitioner in the instant petition	0.86



Interest on Loan (IoL)

42. Regulation 26 of 2014 Tariff Regulations defines Interest on Loan as follows:

“26. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 19 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2014-19 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.

(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 generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.

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

(9) In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute:

Provided that the beneficiaries or the long term transmission customers /DICs shall not withhold any payment on account of the interest claimed by the generating company or the transmission licensee during the pendency of any dispute arising out of re-financing of loan.”

43. The Petitioner has claimed the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. Accordingly, IoL has been calculated based



on actual interest rate submitted by the Petitioner, in accordance with Regulation 26 of the 2014 Tariff Regulations. The following table shows IoL allowed in the instant petition followed by IoL claimed by the Petitioner in the instant petition and allowed in this order:

(₹ in lakh)	
Particulars	2018-19 (Pro- rata 3 days)
Interest on Loan	
Gross Normative Loan	1324.07
Cumulative Repayments up to Previous Year	0.00
Net Loan-Opening	1324.07
Additions	0.00
Repayment during the year	0.82
Net Loan-Closing	1323.25
Average Loan	1323.66
Weighted Average Rate of Interest on Loan (%)	8.2563
Interest on Loan	0.90

(₹ in lakh)	
Particulars	2018-19 (Pro- rata 3 days)
Claimed by Petitioner in the instant petition	0.95
Allowed in this order	0.90

Return on Equity (RoE)

44. The Petitioner has claimed RoE in respect of transmission asset in terms of Regulation 24(1), Regulation 24(2) and Regulation 25 of the 2014 Tariff Regulations, which provides as follows:

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.

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

(i) in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in Appendix-I:



- (ii) the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:
- (iii) additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:
- (iv) the rate of return of a new project shall be reduced by 1% 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)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system:
- (v) as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:
- (vi) additional RoE shall not be admissible for transmission line having length of less than 50 kilometers.”

25. Tax on Return on Equity:

(1) The base rate of return on equity as allowed by the Commission under Regulation 24 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 the 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 income on other income stream (i.e., income of non-generation or non-transmission business, as the case may be) shall not be considered 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 the generating company or the transmission licensee paying Minimum Alternate Tax (MAT) @ 20.96% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.2096) = 19.610\%$$

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

(a) Estimated Gross Income from generation or transmission business for FY 2014-15 is Rs 1000 crore.

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

(c) Effective Tax Rate for the year 2014-15 = 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 2014-15 to 2018-19 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 transmission customers/DICs as the case may be on year to year basis.”

45. The Petitioner has submitted that it is liable to pay income tax at MAT rates and has claimed the following effective tax rates for the 2014-19 tariff period:

Year	Claimed effective tax rate (in %)	Grossed up RoE (in %) [(Base Rate)/(1-t)]
2018-19	21.549	19.757

46. We have considered the submissions made by the Petitioner. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of RoE with the effective tax rate for the purpose of RoE. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of RoE. Accordingly, the MAT rate applicable during 2018-19 has been considered for the purpose of RoE in accordance with Regulation 25 (3) of the 2014 Tariff Regulations.

47. The MAT rate considered in the instant petition for the purpose of grossing up of rate of RoE for truing up in terms of the provisions of the 2014 Tariff Regulations is as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed up RoE (in %) [(Base Rate)/(1-t)]
2018-19	21.549	15.50	19.758



48. The following table shows the RoE allowed for the transmission asset in the instant petition followed by RoE claimed by the Petitioner in the instant petition and allowed in this order:

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Return on Equity	
Opening Equity (A)	567.46
Additions (B)	0.00
Closing Equity (C) = A+B	567.46
Average Equity (D) = (A+C)/2	567.46
Return on Equity (Base Rate) (%)	15.500
MAT Rate for respective year (%)	21.549
Rate of Return on Equity (%)	19.758
Return on Equity	0.92

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Claimed by Petitioner in the instant petition	0.97
Allowed in this order	0.92

Operation & Maintenance Expenses (O&M Expenses)

49. The Petitioner has not claimed any O&M Expenses for transmission asset for the 2014-19 period. Accordingly, no O&M expenses have been allowed to the Petitioner for 2014-19 period.

Interest on Working Capital (IWC)

50. Regulation 28(1)(c) and Regulation 3(5) of the 2014 Tariff Regulations specify as follows:

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

(a) *Xxxxx*

(b) *Xxxxx*

(c) *Hydro generating station including pumped storage hydro-electric generating station and transmission system including communication system:*

(i) *Receivables equivalent to two months of fixed cost;*

(ii) *Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and*

(iii) *Operation and maintenance 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 1.4.2014 or as on 1st April of the year during the tariff period 2014-15 to 2018-19 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.

(5) “**Bank Rate**” means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;”

51. IWC has been worked out as per the methodology provided in the Regulation 28 of the 2014 Tariff Regulations. The following tables show the IWC allowed in the instant petition followed by IWC claimed by the Petitioner in the instant petition and allowed in this order respectively:

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Interest on Working Capital	
WC for O&M Expenses (O&M Expenses for 1 month)	0.00
WC for Maintenance Spares (15% of O&M Expenses)	0.00
WC for Receivables (Equivalent to 2 months of annual fixed cost/ annual transmission charges)	54.66
Total Working Capital	54.66
Rate of Interest (%)	12.20
Interest on Working Capital	0.05

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Claimed by Petitioner in the instant petition	0.06
Allowed in this order	0.05

Approved Annual Fixed Charges for the 2014-19 Period

52. The annual fixed charges allowed for the instant transmission asset for the 2014-19 period are as follows:

(₹ in lakh)	
Particulars	2018-19 (Pro- rata) (3 days)
Depreciation	0.82
Interest on Loan	0.90
Return on Equity	0.92
O&M Expenses	0.00
Interest on Working Capital	0.05
Total	2.70



Filing Fee and the Publication Expenses

53. The Petitioner has sought reimbursement of fee paid by it for filing the Petition and publication expenses. We have considered the submissions of the Petitioner. Regulation 52 of the 2014 Tariff Regulations provides for reimbursement of filing fees and publication paid by the Petitioner. Accordingly, the Petitioner is 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 52 of the 2014 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

54. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 52 (2) (a) of the 2014 Tariff Regulations for the 2014-19 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 52 (2) (a) of the 2014 Tariff Regulations for 2014-19 tariff period.

Goods and Services Tax

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



Sharing of Transmission Charges

56. The billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of the 2010 Sharing Regulations as provided in Regulation 43 of the 2014 Tariff Regulations.

57. AFC allowed in respect of the transmission asset for 2014-19 period is as follows:

(₹ in lakh)	
Particulars	2018-19 (Pro-rata 3 days)
Annual Fixed Charges	2.70

58. We observe that the transmission asset was put into commercial operation on 29.3.2019 and the instant petition was filed on 10.2.2020. Thus, there is a delay of almost 11 months in filing the petition, though Regulation 7(1) of the 2014 Tariff Regulations provides for filing of application for determination of tariff before 180 days of the anticipated date of commercial operation. The petitioner has not given any reasons for the delay in filing the petition. As this delay in filing the petition would have implications for the beneficiaries in terms of interest, we are of the view that the beneficiaries should not be burdened with such interest. Accordingly, we direct the Petitioner not to charge any interest for the period of delay in filing the petition, i.e. from the date of commercial operation to the date of filing of petition (for the period from 29.3.2019 to 10.2.2020).



59. Annexure-I given hereinafter form part of the order.

60. This order disposes of Petition No. 68/TT/2021 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-I

2014-19	Admitted Capital Cost as on COD (₹ in lakh)	ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		Total			2018-19
Sub Station	1891.53	-	1891.53	5.28%	99.87
Total	1891.53	-	1891.53		99.87
Average Gross Block (₹ in lakh)					1891.53
Weighted Average Rate of Depreciation					5.28%

