

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 25/TT/2023

Coram:

**Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of Order: 14.03.2024

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the revision of truing up of the transmission tariff for the 2014-19 tariff block under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and the revision/ determination of the transmission tariff for the 2019-24 tariff block under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for transmission asset under “Removal of Constraints in 400 kV Bays Extensions at 400 kV Vemagiri Sub-station” in Southern Region.

And in the matter of:

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

...Petitioner

Vs.

1. Karnataka Power Transmission Corporation Limited (KPTCL),
Kaveri Bhavan, Bangalore-560009.
2. Transmission Corporation of Andhra Pradesh Limited (APTRANSCO),
Vidyut Soudha, Hyderabad-500082.
3. Kerala State Electricity Board (KSEB),
Vaidyuthi Bhavanam,
Pattom, Thiruvananthapuram-695004.
4. Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO),
NPKRR Maaligai, 800, Anna Salai, Chennai-600002.
5. Electricity Department,
Government of Pondicherry, Pondicherry-605001.



6. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL),
APEPDCL, P&T Colony,
Seethmmadhara, Vishakhapatnam, Andhra Pradesh.
7. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL),
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta, Tirupati-517501,
Chittoor District, Andhra Pradesh.
8. Central Power Distribution Company of Andhra Pradesh limited (APCPDCL),
Corporate Office, Mint Compound,
Hyderabad-500063, Telangana.
9. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL),
Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,
Warangal-506004, Telangana.
10. Bangalore Electricity Supply Company Limited (BESCOM),
Corporate Office, K. R. Circle
Bangalore-560001, Karnataka.
11. Gulbarga Electricity Supply Company Limited (GESCOM),
Station Main Road, Gulbarga, Karnataka.
12. Hubli Electricity Supply Company Limited (HESCOM),
Navanagar, PB Road,
HUBLI, Karnataka.
13. MESCOM Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001, Karnataka.
14. Chamundeswari Electricity Supply Corporation Limited (CESC),
927, L J Avenue,
Ground Floor, New Kantharaj Urs Road,
Saraswatipuram, Mysore-570009, Karnataka.
15. Electricity Department,
Government of Goa,
Vidyuti Bhawan, Panaji, Goa-403001.
16. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad-500082.



17. Tamil Nadu Transmission Corporation,
NPKRR Maaligai, 800, Anna Salai,
Chennai-600002.

...Respondent(s)

For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Mohd. Mohsin, PGCIL

For Respondents : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri M. Sethuraman, TANGEDCO

ORDER

Power Grid Corporation of India Limited has filed the instant petition for revising the trued up tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and the revision/ determination of the tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) for transmission assets under “Removal of Constraints in 400 kV Bays Extensions at 400 kV Vemagiri Sub-station” in Southern Region (hereinafter referred to as the “transmission assets”).

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

“1) Approve the estimated Completion cost and additional capitalization incurred during 2014-19, and also Actual/projected additional capitalization during 2019-24 tariff block.

2) Approve the revised trued-up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 11.2 and 12.0 above.

3) Allow the petitioner the shifting cost of line reactors as part of capital cost and also allow the capital cost of 02 nos shifted reactor under instant petition.

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 2014 and Tariff regulations 2019 as per para 11.2 and 12.0 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 respondents.

8) Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.

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.

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 follows:
 - a. The Investment Approval (IA) for implementation of the transmission project was accorded by the Board of Directors of the Petitioner's company on 27.1.2016, vide Memorandum Ref. No.: C/CP/Removal of Constraints in Vemagiri Sub-station dated 19.2.2016, at an estimated cost of ₹20788 lakh, including IDC of ₹1295 lakh (based on August, 2015 price level).
 - b. The scope of the work as per IA is as follows:



Transmission Lines:

- Both circuits of one LILO D/C portion of Simhadri-Vijaywada 400 kV Line at Vemagiri-I (AP) shall be LILOed at Vemagiri-II (PO) (D/C Portion and multi-circuit Portion).
- Both circuits of the Second LILO D/C portion of the Simhadri-Vijayawada 400 kV Line at Vemagiri-I (AP) shall be looped in at Vemagiri-II (PO). There shall be NO LOOP OUT. The open section of the 400 kV D/C line from Vemagiri-I (AP) shall be used to terminate the Kota Line.

Sub-stations:

- 400 kV Vemagiri-II (PG) GIS Sub-station Extension.
 - i. Line Bays: 06 numbers
 - ii. Shifting of 2 numbers of 63 MVar reactors from Gazuwaka to Vemagiri-II (PG) for utilization on Simhadri-II-Vemagiri-II (PG) 400 kV D/C Line.
- c. The Petitioner in Petition No.59/TT/2020 claimed ₹28.77 lakh as the cost of shifting the two reactors from Gazuwaka to Vemagiri and stated that the transmission charges for the two reactors would continue to be claimed under the original transmission project, i.e. “Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) in Southern and Eastern Region” (hereinafter referred to as “Gazuwaka Project”). However, the Commission vide order dated 17.5.2021 observed that the two reactors should be decapitalized from the Gazuwaka Project and included in the instant transmission project, i.e. “Removal of Constraints in 400 kV Bays Extensions at 400 kV Vemagiri Sub-station” in the Southern Region. The relevant portion of the order dated 17.5.2021 is as follows:



“Shifting of Reactors at Gazuwaka

15. The Petitioner has submitted that originally the two 63 MVAR reactors at Gazuwaka were included in Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) in Southern Region and Eastern Region for Vijaywada-Gazuwaka 400 kV D/C Transmission Line. The Commission approved the transmission tariff for these assets vide order dated 23.10.2006 in Petition No. 138/2005. The Commission vide order dated 17.12.2015 in Petition No. 509/TT/2014 trued up the tariff of the 2009-14 tariff period. The Vijaywada-Gazuwaka 400 kV D/C line was LILoed initially at Vemagiri-I on 1.4.2008 under SRSS VI (Petition No. 202/2010). Subsequently, LILo of Vijaywada-Gazuwaka at Vemagiri was further LILoed at Simhadri-II on 1.8.2011 under Transmission System associated with Simhadri-II Generation Projects (Petition No. 58/2011). However, tariff for these two reactors are being claimed and approved in the original Petition i.e. Petition No. 509/TT/2014 for Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) in Southern and Eastern Region. As these reactors at Gazuwaka end of Simhadri II-Gazuwaka Transmission Line have been shifted to Vemagiri II end of Simhadri II-Vemagiri-II 400 kV D/C Transmission Line, the Petitioner has submitted that the cost and tariff of the reactors has not been considered in the instant Petition. However, only the shifting cost of the reactors of ₹28.77 lakh has been considered under the head of 400kV equipment (LA, CSD, BPI etc). It is observed from Form 5 that the Petitioner has included amount of ₹28.77 lakh towards shifting cost of reactor in the estimated completion cost.

16. In a similar case, the Commission in order dated 28.9.2017 in Petition No.195/TT/2016 held that the assets that are shifted from one transmission system to another should be decapitalised in the books of account of the transmission system where the asset was originally put into commercial operation and capitalised in the books of account of the transmission system where it is shifted and the petitioner shall seek fresh determination of tariff from the date of capitalisation under the transmission system where the asset is shifted. The relevant portion of order dated 28.9.2017 in Petition No. 195/TT/2016 is as follows:

“6. The tariff of “40% FSC at Lucknow Sub-station” was allowed since 1.6.2007 and it has completed 10 years of its useful life. It is a case of inter-unit transfer. Since the proposed shifting of FSC from Lucknow to Sohawal is of permanent nature and as it involves two different schemes covered under different Investment Approvals, there will be a mismatch of recovery of the cost of the “40% FSC” over the 25 years. In order to address this issue, the Commission in the past has decided that in case of inter-unit transfer, the assets shall be decapitalised in the books of accounts of the transmission system where the asset was originally commissioned and capitalised in the books of accounts of the transmission system where it is transferred. In the instant case, the 40% FSC has been transferred from Lucknow to Sohawal end. Therefore, the said assets need to be de-capitalised from the books of accounts of the assets at Lucknow and capitalised in the books of account of assets at Sohawal. The petitioner is directed to carry out the decapitalisation and corresponding capitalisation of the assets within a period of six months and claim the revised tariff of the “40% FSC” at Sohawal Substation at the time of truing-up. In so far as the expenditure involved in inter-unit transfer is concerned, this is in the nature of revenue expenditure and is allowed as a onetime pass through. Since the “40% FSC” was dismantled and shifted to Sohawal and thereafter,



commissioned on 12.2.2016, the tariff of the assets shall be determined afresh with reference to the COD as 12.2.2016. Accordingly, the petitioner after carrying out necessary decapitalisation of the assets at Lucknow and capitalisation at Sohawal Sub-station shall seek fresh determination of the tariff with effect from 12.2.2016. Therefore, the tariff for “40% FSC at Sohawal Sub-station” is not allowed in this order.”

17. In the instant case, the petitioner has shifted the two 63 MVAR Reactors from Gazuwaka to Vemagiri and utilized these reactors on Simhadri-Vemagiri 400 kV D/C Transmission Line. Though the Petitioner has shifted the Reactors, the tariff and capital cost of these two reactors continued to be recovered under Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) Southern and Eastern Regions. In view of the Commission’s order dated 28.9.2017 in Petition No. 195/TT/2016 and similar other matters, the petitioner is directed to de-capitalize the two 63 MVAR Reactors from Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) Southern and Eastern Regions and re-capitalize the cost of the reactors in the instant transmission project. Accordingly the Petitioner is granted liberty in the instant petition to re-capitalise the two reactors in the transmission project and claim tariff for the transmission project afresh.

18. It is observed that the Petitioner has claimed an amount of ₹28.77 lakh as part of the capital cost, towards dismantling, shifting and transportation of the two 63 MVAR reactors. We are of the view that expenditure towards shifting, dismantling and transportation are of the nature of revenue expenditure and cannot be capitalized. Accordingly, amount of ₹28.77 towards transportation of reactor is not capitalized and excluded from the capital cost for the purpose of computation of tariff.”

- d. Accordingly, the Petitioner has decapitalised the two reactors from the Gazuwaka Project and recapitalized the two reactors in the instant transmission project as per the directions of the Commission in an order dated 17.5.2021 in Petition No. 59/TT/2020 and has claimed the revised trued up transmission charges for the 2018-19 tariff period and determination of tariff for the 2019-24 tariff period.
- e. The transmission assets were put into commercial operation on 29.3.2018. The details of the assets are as follows:

Asset	COD
Asset-I: a) Both circuits of one LILO D/C portion of Simhadri-Vijayawada 400kV Line at Vemagiri-I (AP) shall be LILoed at Vemagiri-II (PG) (D/C Portion and multi-circuit Portion) along with associated bays at Vemagiri-II (PG); b) Both circuits of Second LILO D/C portion of Simhadri- Vijayawada 400 kV Line at Vemagiri-I (AP) shall be looped in at Vemagiri-II (PG). There shall be NO LOOP	29.3.2018



OUT. The open section of the 400 kV D/C line from Vemagiri-I (AP) shall be used for termination of kV Kota Line alongwith associated bays at Vemagiri-II (PG).	
Asset-I(a) Shifting of 2 numbers of 63 MVAr reactors from Gazuwaka to Vemagiri-II (PG) for utilization on Simhadri-II-Vemagiri-II (PG) 400 kV D/C Line	29.3.2018

- f. The entire scope of the transmission project is covered under the instant petition.
- g. As per IA, the transmission asset was scheduled to be put into commercial operation within 30 months from the date of IA, i.e. by 26.7.2018. The transmission asset was put into commercial operation on 29.3.2018.
- h. The transmission tariff for the transmission asset from COD to 31.3.2019 was determined vide order dated 19.9.2018 in Petition No. 220/TT/2017.
- i. The revised trued-up transmission tariff claimed by the Petitioner for the 2014-19 tariff period is based on the trued-up tariff allowed in an order dated 17.5.2021 in Petition No. 59/TT/2020.
- j. The instant petition covers the revision of the trued-up tariff for the 2014-19 tariff period and the revision/ determination of tariff for the 2019-24 tariff block for the transmission assets.

4. The trued-up transmission tariff based on admitted capital cost of ₹12983.91 lakh as on COD and actual additional capitalization of ₹2424.66 lakh during 2014-19 for Asset-I was approved by the Commission vide order dated 17.5.2021 in Petition No. 59/TT/2020 for the 2014-19 tariff period, details of which are as follows:

(₹ in lakh)					
FR apportioned cost	Expenditure up to COD (As claimed)	Capital cost allowed as on COD	Add Cap 2014-2019 (admitted by the Commission)		Estimated completion cost (as allowed)
			2017-18	2018-19	
			20788.00	13339.63	

(*) Rs. 321.77 lakh Accrual IDC adjusted from COD and added in respective year of discharge.

(#) the capital cost has been adjusted on account computational differences of IDC amounting Rs 5.18 lakh.



@ Rs. 28.77 lakh deducted from the Capital Cost as on COD on account of transportation cost of reactor shifting

** Cost allowed after addition of cash IDC of Rs. 321.77 lakh discharge after COD and deduction of excess initial spares by Rs.13.51 lakh.

5. The trued-up transmission tariff approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 and the revised true-up transmission tariff claimed by the Petitioner for the 2014-19 tariff period for Asset-I and Asset-I(a) in the instant petition are as follows:

Particulars	₹ in lakh)	
	2017-18	2018-19
AFC approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 for Asset-I	21.55	2819.43
AFC claimed by the Petitioner in the instant petition for Asset-I	21.39	2801.20
AFC approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 for Asset-I(a)	-	-
AFC claimed by the Petitioner in the instant petition for Asset-I(a)	0.55	73.04

6. The transmission tariff approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 and the trued transmission tariff claimed by the Petitioner for the 2019-24 tariff period for Asset-I and Asset-I(a) in the instant petition are as follows:

Particulars	₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
AFC approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 for Asset-I	2782.57	2852.25	2788.11	2724.02	2658.73
AFC claimed by the Petitioner based on true-up in the instant petition for Asset-I	2640.26	2607.60	2579.37	2645.52	2697.91
AFC approved vide order dated 17.5.2021 in Petition No. 59/TT/2020 for Asset-I (a)	-	-	-	-	-
AFC claimed by the Petitioner based on true-up in the instant petition for Asset-I(a)	68.95	39.93	39.47	38.91	38.35

7. The Respondents, mainly beneficiaries of the Southern Region, are distribution licensees, transmission licensees and power departments which are procuring transmission service from the Petitioner.



8. The Petitioner has served the petition on the Respondents. TANGEDCO, Respondent No. 4, has filed its reply vide affidavit dated 25.9.2023. The Petitioner vide affidavit dated 26.9.2023 have filed its rejoinder to the reply of TANGEDCO.

9. The hearing in this matter was held on 27.9.2023, and the order was reserved.

10. This order is issued considering the submissions made by the Petitioner, vide affidavit dated 26.8.2022, TANGEDCO's filed reply, vide affidavit dated 25.9.2023, and the Petitioner's rejoinder, vide affidavit dated 26.9.2023 in the matter.

11. Having heard the representatives of the Petitioner, learned counsels for the Respondents and perused the material on record, we proceed to dispose of the petition.

REVISION OF TRUING UP FOR THE 2014-19 TARIFF PERIOD

12. The Petitioner has claimed the following trued-up tariff for the transmission asset for the 2014-19 tariff period:

(₹ in lakh)

Asset-I		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Depreciation	5.72	760.03
Interest on Loan	5.68	733.96
Return on Equity	6.39	851.67
O&M Expenses	3.06	385.38
Interest on Working Capital	0.54	70.16
Total	21.39	2801.20

(₹ in lakh)

Asset-I(a)		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Depreciation	0.27	32.72
Interest on Loan	0.00	5.73
Return on Equity	0.27	33.06
O&M Expenses	0.00	0.00
Interest on Working Capital	0.01	1.53
Total	0.55	73.04



13. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner for the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)

Asset-I		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
O&M Expenses	31.08	32.12
Maintenance spares	55.95	57.81
Receivables	433.85	466.87
Total working capital	520.88	556.80
Rate of interest (in %)	12.60	12.60
Interest on working capital	0.54	70.16

(₹ in lakh)

Asset-I(a)		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
O&M Expenses	0.00	0.00
Maintenance spares	0.00	0.00
Receivables	11.19	12.17
Total working capital	11.19	12.17
Rate of interest (in %)	12.60	12.60
Interest on working capital	0.01	1.53

Capital Cost

14. The Commission, vide order dated 17.5.2021 in Petition No. 59/TT/2020 has trued-up the transmission tariff for Asst-I for the tariff period 2014-19 based on the admitted capital cost as on COD and ACE and it is as follows:

(₹ in lakh)

FR apportioned approved cost	Expenditure up to COD	Add Cap 2014-2019		Cost as on 31.3.2019
		2017-18	2018-19	
20788.00	12983.91	559.34	1865.32	15408.57

15. The Petitioner, in the instant petition, has claimed the following capital cost as on COD and additional capital expenditure in 2017-18 and 2018-19:



(₹ in lakh)

Assets	FR apportioned approved cost	Expenditure up to COD	Add Cap 2014-2019		Cost as on 31.3.2019
			(as per Auditor's certificate)		
			2017-18	2018-19	
Asset I	20788.00	13339.63#	559.34	1557.06	15456.03
Asset-I(a)	--	619.62*	--	--	619.62

#Capital cost includes transportation cost of ₹28.77 lakh for shifting of 02 numbers of Reactors from Gazuwaka to Vemagiri Sub-station and also includes ₹321.77 lakh i.e. undischarged portion of IDC which was discharged during FY 2018-19

*As per auditor certificate ₹619.62 lakh pertains to 2 numbers reactors, which has been shifted from Gazuwaka under the project "Augmentation of capacity of Gazuwaka HVDC Back to Back project (500 MW), and capitalized in the subject project w.e.f. 29.3.2018. The same has been shown in the books of accounts in FY 2021-22 with retrospective Capitalization date as 28.3.2018.

16. The Commission, in order dated 17.5.2021 in Petition No. 59/TT/2020, held as follows:

"17. In the instant case, the petitioner has shifted the two 63 MVAR Reactors from Gazuwaka to Vemagiri and utilized these reactors on Simhadri-Vemagiri 400 kV D/C Transmission Line. Though the Petitioner has shifted the Reactors, the tariff and capital cost of these two reactors continued to be recovered under Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) Southern and Eastern Regions. In view of the Commission's order dated 28.9.2017 in Petition No. 195/TT/2016 and similar other matters, the petitioner is directed to de-capitalize the two 63 MVAR Reactors from Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) Southern and Eastern Regions and re-capitalize the cost of the reactors in the instant transmission project. Accordingly the Petitioner is granted liberty in the instant petition to re-capitalise the two reactors in the transmission project and claim tariff for the transmission project afresh."

17. The Petitioner has submitted that 02 numbers of 63 MVAR line reactors have been de-capitalized from its original project, "Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW) Southern and Eastern Regions". The Petitioner has submitted that the Commission, in an order dated 11.4.2022 in Petition No. 115/TT/2020, approved the tariff decapitalising these two reactors w.e.f. 24. 6.2017. The Petitioner has submitted that as per the directions in an order dated 17.5.2021 in Petition No. 59/TT/2020, the two reactors are re-capitalized in the instant transmission project. Accordingly, the Petitioner has claimed tariff for 2014-19 and 2019-24 under the instant petition after recapitalization of the two numbers of reactor at Vemagiri Sub-station w.e.f. 29.3.2018.



18. The Petitioner has submitted that expenditure towards shifting of reactors is part of IA has also been approved in 38th SCM dated 7.3.2015. Hence, the cost incurred towards dismantling, shifting and transporting the two 63 MVAR reactors is part of capital expenditure and has prayed to consider the same while allowing the tariff. The expenditure towards shifting, dismantling and transportation charges was excluded from the capital cost of Asset-I, as it was in the nature of revenue expenditure. The relevant portion of the said order dated 17.5.2021 in Petition No. 59/TT/2020 is as follows:

“18. It is observed that the Petitioner has claimed an amount of ₹28.77 lakh as part of the capital cost, towards dismantling, shifting and transportation of the two 63 MVAR reactors. We are of the view that expenditure towards shifting, dismantling and transportation are of the nature of revenue expenditure and cannot be capitalized. Accordingly, amount of ₹28.77 towards transportation of reactor is not capitalized and excluded from the capital cost for the purpose of computation of tariff.”

19. TANGEDCO has submitted that the Commission has already rejected the Petitioner’s claim, and the said expenditure is of the nature of the revenue expenditure. Therefore, the same may be disallowed.

20. We have considered the submissions of the Petitioner. As stated above, the expenditure towards shifting, dismantling and transportation charges was excluded from the capital cost of Asset I, as it was in the nature of revenue expenditure, in an order dated 17.5.2021 in Petition No.59/TT/2020. We do not find any reason to change our earlier decision in order dated 17.5.2021. Accordingly, the Petitioner’s claim for including the same in the capital cost of Asset I is disallowed.

21. The Commission has also already deliberated on the IDC calculation in its order dated 17.5.2021 in Petition No. 59/TT/2020. However, the Petitioner has revised the details of the opening loan as provided in Form-9C with respect to Asset-I. Hence, based on the information submitted by the Petitioner and the IDC computation sheet, the IDC allowed is as follows:



(₹ in lakh)

IDC claimed by Petitioner (as per Auditor Certificate)	Entitled IDC up to COD	IDC disallowed as on COD due to computation difference	Un-discharged portion of entitled IDC as on COD	IDC allowed on cash basis as on COD
A	B	C= A-B	D=B-E	E
519.97	510.25	9.72	317.23	193.02

Recapitalization of Asset-I(a)

22. The Petitioner has submitted that 02 numbers reactors were decapitalized from its original project covered under Petition No. 115/TT/2020 w.e.f. 24.6.2017, and the same is being recapitalized under the instant petition w.e.f. 29.3.2018 with a time gap of 278 days. The Petitioner has submitted that during this time period (278 days), the Petitioner had to service its debt in the form of Interest on Loan and, therefore, the Petitioner is entitled to carrying cost. The details of the carrying cost claimed by the Petitioner are as follows:

(₹ in lakh)

Original gross block	Normative loan (Debt: Equity: 73:27)	Interest rate (in %)	Carrying cost (normative loan X interest rate) (for 2017-18)	Pro-rata carrying cost (for 278 days)
619.62	452.32	7.7405	35.01	26.67

23. The Commission has considered the Petitioner's submissions. The Commission in an order dated 11.4.2022 in Petition No. 115/TT/2020 approved the de-capitalization of two 63 MVAR reactors at Gazuwaka Sub-station on 24.6.2017.

24. As per the observations made by the Commission in an order dated 17.5.2021 in Petition No.59/TT/2020, the transmission asset is allowed to be re-capitalized, minus the expenditure on shifting, dismantling and transportation. However, the expenditure on shifting, dismantling and transportation is allowed to be recovered directly from the beneficiaries covered under the instant petition as a one-time exercise.



25. The Petitioner has claimed an amount of ₹26.67 lakh towards carrying cost from 24.6.2017 to 29.3.2018. We have considered the submissions of the Petitioner. As per Regulation 9(6)(a) of the 2014 Tariff Regulations, the capital cost of the assets forming part of the project but “not in use” should be excluded from the capital cost. The Regulation 9(6) of 2014 Tariff Regulations provides as follows:

“9. Capital Cost:

.....

(6). The following shall be excluded or removed from the capital cost of the existing and new project:

(a) The assets forming part of the project, but not in use;

(b) Decapitalisation of Asset;

(c) In case of hydro generating station 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 two stage transparent process of bidding; and

(d) the proportionate cost of land which is being used for generating power from generating station based on renewable energy:

Provided that 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 shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation;”.

26. We have considered the date of decapitalization as 24.6.2017 and the date of recapitalization of the reactors as 29.3.2018 as per the order dated 11.4.2022 in Petition No. 115/TT/2020. Further, as per Regulation 9(6) of the 2014 Tariff Regulations, the transmission asset ‘not in use’ shall be excluded from the capital cost of the existing project. In the instant case, the reactors were not in use from 24.6.2017 to 29.3.2018. Accordingly, as provided in Regulation 9(6) of the 2014 Tariff Regulations, transmission charges are not allowed for the period from 24.6.2017 to 29.3.2018 as it was not in use. The actual date of de-capitalization of the reactors is already approved as 24.6.2017 and the Petitioner has claimed the recapitalization date as 29.3.2018. As per Regulation 9(6) of the 2014 Tariff Regulations, there is no provision for allowing carrying cost. Thus, the carrying cost claimed by the Petitioner is not admissible.



The details of assets recapitalized as per the order dated 11.4.2022 in Petition No. 115/TT/2020 is as follows:

(₹ in lakh)

Equipment Recapitalised	Original year of capitalization	Original book value of asset	Debt Equity ratio	Cumulative Depreciation	Cumulative Repayment
2 Numbers of line reactors at Gazuwaka	2006-07	619.62	73:27	358.80	360.31

Initial Spares

27. 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 the cut-off date, subject to the following ceiling norms:

<i>“(d) Transmission System</i>	
<i>(i) Transmission line :</i>	<i>1.00%</i>
<i>(ii) Transmission sub-station (Green Field) :</i>	<i>4.00%</i>
<i>(iii) Transmission sub-station (Brown Field) :</i>	<i>6.00%</i>
<i>(iv) Gas Insulated Sub-station :</i>	<i>5.00%</i>
<i>(iv) Series Compensation devices and HVDC Station :</i>	<i>4.00%</i>
<i>(v) Communication System :</i>	<i>3.5%”</i>

28. The Petitioner has submitted that the Initial Spares for the transmission line and sub-station (GIS) head has been calculated for the project and is excess w.r.t. the specified limit as per Regulation 13 of the 2014 Tariff Regulation. The Petitioner, however, submitted that the Appellate Tribunal for Electricity (the APTEL) vide judgment dated 14.9.2019 in Appeal No. 74 of 2017 has allowed the appeal of the Petitioner and has held that initial spares have to be seen as a percentage of total project cost and not individual cost of the asset. Accordingly, the Petitioner has claimed the following initial spares for Asset I:



(₹ in lakh)

Assets	Particulars	Plant & Machinery cost up to cutoff date (A)	Initial spares claimed (B)	Ceiling limit (in %) (C)	Initial spares worked out	Excess initial spares
					$D = [(A-B)*C / (100-C)]$	
Asset-I	Transmission line	8675.22	102.76	1.0	86.59	16.17
Asset-I	Sub-station (GIS)	6489.64	447.64	5.0	317.97	129.67

29. TANGEDCO has submitted that the Commission has restricted the initial spares based on the ceiling limit of individual assets in the original petition. The contracts for each element of the project were awarded to different agencies and executed in different time periods and, therefore, it is not appropriate to combine the initial spares exclusively permitted to be used as commissioning spares. TANGEDCO has submitted that the Petitioner should decapitalize the unused initial spares after the COD of the asset since the requirement of spares after COD will be taken care of from O&M Expenses. Hence, the Respondent requested that the initial spares may be restricted based on the capital cost of individual assets as restricted in the original order.

30. We have considered the submissions of the Petitioner and TANGEDCO. APTEL in judgment dated 14.9.2019 in Appeal No. 74 of 2017, has observed that the initial spares are to be allowed on the basis of the individual cost initially and later on at the time of trueing up on the basis of the total project cost. The relevant portion of the judgement dated 14.9.2019 is as follows:

“8.13We do not agree with this methodology of restricting initial spares asset / element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true-up.”

31. In the instant case, the Petitioner has claimed initial spares for only Asset-I consisting of the transmission line and the bays in the sub-station. There is no other claim for initial spares by



the Petitioner. Initial spares are to be allowed for Asset-I as per the norm of 1% and 5% for the transmission line portion and the bays in the sub-station, respectively. There is no combining of assets in the instant case, and therefore, APTEL's observation that the initial spares are to be allowed based on the individual asset-wise cost initially and subsequently on the basis of the overall project cost is not applicable in the present case.

32. It is observed that the Petitioner has claimed revised initial spares based on the revised capital cost as on the COD of the transmission assets. We approve the Initial Spares as per the norm for transmission line and sub-station under Regulation 13(d) of the 2014 Tariff Regulations considering the revised capital cost claimed by the Petitioner, excluding the cost of ₹28.77 lakh towards shifting of the reactors.

(₹ in lakh)

Assets	Particulars	Plant & Machinery cost up to cutoff date (A)	Initial spares claimed (B)	Ceiling limit (in %) (C)	Initial spares worked out	Excess initial spares
					$D = [(A-B)*C / (100-C)]$	
Asset-I	Transmission line	8675.22	102.76	1.00	86.59	16.17
Asset-I	Sub-station (GIS)	6460.87	447.64	5.00	316.49	131.15

Capital cost as on COD

33. The capital cost allowed as on COD is as follows:

(₹ in lakh)

Capital cost as per Auditor Certificate	Less: IDC due to		Less: reactor shifting charges	Less: excess initial spares disallowed	Capital cost as on COD
	Computation difference	Undischarged			
13339.63	9.72	317.23	28.77	147.32	12836.59



Additional Capital Expenditure

34. The Petitioner has claimed the following ACE for Asset-I and submitted the Auditor's Certificate in support of the same. The Petitioner has not claimed any additional capitalization for Asset-I (a).

Particulars	Additional Capitalization		Add: Accrual IDC discharged in 2018-19
	2017-18	2018-19	
Asset-I	559.34	1557.06	326.68

35. The Petitioner has submitted that the Asset-I has been capitalized w.e.f. 29.3.2018, and, accordingly, the cut-off date is 31.3.2021. Thus, additional capital expenditure during 2014-19 falls within the cut-off date. The Petitioner has submitted that the additional capitalization is on account of any undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date and work executed within the cut-off date. The additional capitalization for the years 2017-18 and 2018-19 assets has been claimed under Regulation 14(1)(i) and Regulation 14(1)(ii) of the 2014 Tariff Regulations.

36. We have considered the submissions of the Petitioner. The ACE claimed by the Petitioner for the years 2017-18 and 2018-19 is allowed under Regulation 14(1)(i) and Regulation 14(1)(ii) of the 2014 Tariff Regulations. Accordingly, the ACE approved for Asset-I for 2017-18 and 2018-19 is as follows:

Particulars	ACE	
	2017-18	2018-19
ACE claimed as per Auditor's Certificate	559.34	1557.06
Add: IDC Discharged	0.00	317.23
Total ACE allowed	559.34	1874.29

37. Accordingly, the capital cost of the transmission assets considered for 2018-19 is as follows:



(₹ in lakh)				
Assets	Capital cost as on COD	ACE allowed for 2017-18	ACE allowed for 2018-19	Capital cost as on 31.3.2019
Asset-I	12836.59	559.34	1874.29	15270.22
Asset-I(a)	619.62	0.00	0.00	619.62

Debt-Equity Ratio

38. The Petitioner has considered the debt-equity ratio of 70:30 as on COD of Asset-I. The same is approved, which is as follows:

Asset-I	Amount as on COD (₹ in lakh)	(in %)	Amount as on 31.3.2019 (₹ in lakh)	(in %)
Debt	8985.61	70.00	10689.15	70.00
Equity	3850.98	30.00	4581.07	30.00
Total	12836.59	100.00	15270.22	100.00

39. The Petitioner has considered the debt-equity ratio of 73:27 as on COD of Asset-I(a). The Commission has approved the debt-equity ratio of 72.97:27.03 vide order dated 11.4.2022 in Petition No. 115/TT/2020. Accordingly, the debt-equity ratio of 72.97:27.03 for Asset-I(a) has been considered, which is as follows:

Asset-1(a)	Amount as on COD (₹ in lakh)	(in %)	Amount as on 31.3.2019 (₹ in lakh)	(in %)
Debt	452.14	72.97	452.14	72.97
Equity	167.48	27.03	167.48	27.03
Total	619.62	100.00	619.62	100.00

Depreciation

40. Depreciation has been allowed as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. The Gross Block as on COD has been depreciated at Weighted Average Rate of Depreciation (WAROD). WAROD has been worked out (Annexure-I) after considering the depreciation rates of assets as prescribed in the 2014 Tariff Regulations. Since Asset-I(a) was not operational from 24.6.2017 to 29.3.2018, the accumulated depreciation as



allowed till the date of de-capitalization has been considered, and the useful life elapsed has not been considered as it was not in use close to a year. Accordingly, the revised trued-up depreciation allowed for the transmission assets for the 2017-19 period is as follows:

(₹ in lakh)

Asset-I			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Opening Gross Block	12836.59	13395.93
B	Addition during the year 2014-19 due to projected ACE	559.34	1874.29
C	Closing Gross Block (A+B)	13395.93	15270.22
D	Average Gross Block (A+C)/2	13116.26	14333.07
E	Total Depreciable Value (90%*D)	11804.63	12899.76
F	Weighted average rate of Depreciation (WAROD) (in %)	5.29	5.29
G	Lapsed useful life at the beginning of the year (Year)	0	0
H	Balance useful life at the beginning of the year (Year)	25	25
I	Depreciation during the year (D*F)	5.70	758.17
J	Cumulative Depreciation at the end of the year	5.70	763.87
K	Remaining Aggregate Depreciable Value at the end of the year	11798.93	12135.89

(₹ in lakh)

Asset-I(a)			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Opening Gross Block	619.62	619.62
B	Addition during the year 2014-19 due to projected ACE	0.00	0.00
C	Closing Gross Block (A+B)	619.62	619.62
D	Average Gross Block (A+C)/2	619.62	619.62
E	Total Depreciable Value (90%*D)	557.66	557.66
F	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28
G	Lapsed useful life at the beginning of the year (Year)	9	10
H	Balance useful life at the beginning of the year (Year)	16	15
I	Depreciation during the year (D*F)	0.27	32.72
J	Cumulative Depreciation at the end of the year	359.07	391.78
K	Remaining Aggregate Depreciable Value at the end of the year	198.59	165.87

- Cumulative Depreciation at opening has been considered as ₹358.80 lakh



Interest on Loan (IoL)

41. The Petitioner submitted that while filing the tariff petition for the 2014-19 period, the Petitioner had prayed for allowing the floating rate of interest on loan adjustments. As per the Commission's order dated 19.9.2018 in Petition No. 206/TT/2017, the weighted average rate of IoL has been considered, based on rate prevailing as on 1.4.2014 and, accordingly, the floating rate of interest on actual, applicable from time-to-time, if any, during 2014-19 tariff will be considered at the time of truing up or next revision of tariff.

42. The Petitioner has submitted that the Interest on Loan is claimed for Asset I(a) considering the normative loan at 73% of the capital cost, subtracting the loan amount repayment of ₹360.31 lakh. Weighted Average Rate of Interest (WAROI), as approved vide order dated 11.4.2022 in Petition No. 115/TT/2020, has been considered.

43. We have gone through the submissions of the Petitioner. In the case of Asset-I(a), it is observed that the normative loan has to be considered at 72.97% instead of 73%. In view of the above, the revised trued up Interest on Loan (IoL) calculated in accordance with Regulation 26 of the 2014 Tariff Regulations for the transmission assets for the 2017-19 period is as follows:

(₹ in lakh)			
Asset-I			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Gross Normative Loan	8985.61	9377.15
B	Cumulative Repayments up to Previous Year	0.00	5.70
C	Net Loan-Opening (A-B)	8985.61	9371.45
D	Addition due to ACE	391.54	1312.00
E	Repayment during the year	5.70	758.17
F	Net Loan-Closing (C+D-E)	9371.45	9925.28
G	Average Loan (C+F)/2	9178.53	9648.36
H	Weighted Average Rate of Interest on Loan (in %)	7.506	7.588
I	Interest on Loan (G*H)	5.66	732.16



(₹ in lakh)

Asset-I(a)			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Gross Normative Loan	452.14	452.14
B	Cumulative Repayments up to Previous Year	360.31	360.58
C	Net Loan-Opening (A-B)	91.83	91.56
D	Addition due to ACE	0.00	0.00
E	Repayment during the year	0.27	32.72
F	Net Loan-Closing (C+D-E)	91.56	58.84
G	Average Loan (C+F)/2	91.69	75.20
H	Weighted Average Rate of Interest on Loan (in %)	7.741	7.596
I	Interest on Loan (G*H)	0.06	5.71

Return on Equity

44. The Petitioner submitted that it is required to adjust grossed up rate of RoE at the end of every financial year (for the tariff period 2014-19) based on actual tax paid as per Regulation 25(3) of the tariff Regulation 2014-19 period dated 21.02.2014 in the truing up petition for the 2014-19 tariff block. The Petitioner is liable to pay income tax at MAT rates. Regulation 25(3) of the 2014 Tariff Regulations provides as follows:

“25. Tax on Return on Equity:

....

(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 of 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 has been granted trued-up tariff of 2014-19 by the Commission, vide order dated 18.4.2020 in Petition No. 247/TT/2019, order dated 27.4.2020 in Petition No. 274/TT/2019, order dated 23.4.2020 in Petition No. 245/TT/2019 and order dated 16.4.2020 in Petition No. 307/TT/2019 for transmission assets, where the following effective tax



rate based (for tariff block 2014-19) on notified MAT rates are considered for the purpose of grossing-up of rate of return on equity (RoE).

Year	Notified MAT rates (inclusive of surcharge & cess)	Effective tax (in %)	Grossed up ROE [(Base Rate)/(1-t)] (in %)
2014-15	20.961	20.961	19.611
2015-16	21.342	21.342	19.706
2016-17	21.342	21.342	19.706
2017-18	21.342	21.342	19.706
2018-19	21.549	21.549	19.758

46. The Petitioner has submitted that in line with the above regulation and the Commission's orders, the tariff for each year of the tariff period 2014-19 has been calculated considering the above Effective Tax percentage to arrive at grossed up ROE. The Petitioner has further submitted that it may be allowed to claim the differential tariff on account of the trued-up RoE based on the effective tax rate calculated as above and Income-tax assessment/re-assessment for 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 on receipt of the respective assessment orders, directly from the beneficiaries, on year-to-year basis as provided in the regulation. Income tax assessment for the year 2017-18 and 2018-19 has not yet been completed.

47. We have considered the submissions of the Petitioner. MAT rates considered in Petition No. 274/TT/2019 are considered for the purpose of grossing up the rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations, which are as follows:

YEAR	Notified MAT rates (inclusive of surcharge & cess)	Effective tax (in %)	Grossed up ROE (Base Rate/1-t) (in %)
2014-15	20.961	20.961	19.610
2015-16	21.342	21.342	19.705
2016-17	21.342	21.342	19.705
2017-18	21.342	21.342	19.705
2018-19	21.549	21.549	19.758



48. Based on the Rate of RoE arrived pre-tax, the revised trued-up RoE allowed for the transmission assets for the 2017-19 period is as follows:

(₹ in lakh)

Asset-I			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Opening Equity	3850.98	4018.78
B	Addition due to ACE	167.80	562.29
C	Closing Equity (A+B)	4018.78	4581.07
D	Average Equity (A+C)/2	3934.88	4299.92
E	Return on Equity (Base Rate) (in %)	15.50	15.50
F	Tax Rate applicable (in %)	21.342	21.549
G	Rate of Return on Equity (Pre-tax) (in %)	19.705	19.758
H	Return on Equity (Pre-tax) (D*G)	6.37	849.56

(₹ in lakh)

Asset-I(a)			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
A	Opening Equity	167.48	167.48
B	Addition due to ACE	0.00	0.00
C	Closing Equity (A+B)	167.48	167.48
D	Average Equity (A+C)/2	167.48	167.48
E	Return on Equity (Base Rate) (in %)	15.50	15.50
F	Tax Rate applicable (in %)	21.342	21.549
G	Rate of Return on Equity (Pre-tax) (in %)	19.705	19.758
H	Return on Equity (Pre-tax) (D*G)	0.27	33.09

Operation & Maintenance Expenses (O&M Expenses)

49. The details of the O&M Expenses claimed by the Petitioner and approved for the Asset-I under Regulation 29(4)(a) of the 2014 Tariff Regulations for the 2017-19 period are as follows:

(₹ in lakh)

Asset-I			
	Particulars	2017-18 (pro-rata for 3 days)	2018-19
Transmission Lines			
	2 nd LILO D/C Portion of Gazuwaka/Simhadri-II Vijayawada (NUNNA) at Vamagiri-I(AP)	13.95	13.95
	LILO of both circuits of 400 kV D/C Gazuwaka/ Simhadri-Vemagiri-I (AP)	15.4	15.4
Sub-station			



GIS Sub-station Bays	6	6
Norms		
Transmission Lines		
DC Twin / Triple Conductor	0.78	0.806
Multi Ckt Twin/ Triple	1.368	1.413
Sub-station		
GIS Substation Bays	56.84	58.73
O&M Expenses		
Transmission Lines	0.26	33.00
Substation	2.80	352.38
O&M Expenses	3.07	385.38

50. The Petitioner has not claimed any O&M Expenses for the Asset-I(a) for 2017-19 tariff period.

Interest on Working Capital (IWC)

51. The Petitioner has claimed IWC as per Regulation 28(1)(c) of the 2014 Tariff Regulations.

The trued-up IWC allowed for Asset-I and Asset-I(a) for 2017-19 period are as follows:

(₹ in lakh)

Asset-I		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Working Capital for O&M Expenses (O&M expenses for one month)	0.26	32.12
Working Capital for Maintenance Spares (15% of O&M expenses)	0.46	57.81
Working Capital for Receivables (Equivalent to two months of annual transmission charges)	3.56	465.88
Total Working Capital	4.27	555.81
Rate of Interest for working capital (in %)	12.60	12.60
Interest on working capital	0.54	70.03

(₹ in lakh)

Asset-I(a)		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00



Asset-I(a)		
Working Capital for Receivables (Equivalent to two months of annual transmission charges)	0.10	12.18
Total Working Capital	0.10	12.18
Rate of Interest for working capital (in %)	12.60	12.60
Interest on working capital	0.01	1.53

Approved Annual Fixed Charges for 2014-19 Tariff Period

52. Accordingly, annual transmission charges approved for Asset-I and Asset-I(a) after truing up for 2017-19 period are as follows:

(₹ in lakh)

Asset-I		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Depreciation	5.70	758.17
Interest on Loan	5.66	732.16
Return on Equity	6.37	849.56
O&M Expenses	3.07	385.38
Interest on Working Capital	0.54	70.03
Total	21.34	2795.30

(₹ in lakh)

Asset-I(a)		
Particulars	2017-18 (pro-rata for 3 days)	2018-19
Depreciation	0.27	32.72
Interest on Loan	0.06	5.71
Return on Equity	0.27	33.09
O&M Expenses	0.00	0.00
Interest on Working Capital	0.01	1.53
Total	0.61	73.05

53. Summary of comparison of AFC allowed in order dated 17.5.2021 in Petition No. 59/TT/2020, AFC claimed in the instant petition and Revised AFC approved vide this order for Asset-I and Asset-I(a) for 2017-18 and 2018-19 is as follows:



(₹ in lakh)		
Asset-I	2017-18	2018-19
Allowed earlier vide order dated 17.5.2021 in Petition No. 59/TT/2020	21.55	2819.43
As claimed by the Petitioner	21.39	2801.20
Allowed after Truing-up in this Petition	21.34	2795.30

(₹ in lakh)		
Asset-I (a)	2017-18	2018-19
Allowed earlier vide order dated 17.5.2021 in Petition No. 59/TT/2020	0.00	0.00
As claimed by the Petitioner	0.55	73.04
Allowed after Truing-up in this Petition	0.61	73.05

54. The expenditure incurred towards shifting, dismantling and transportation of Asset-I(a) is allowed to be recovered directly from the beneficiaries covered under the instant petition as a one-time exercise.

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

55. The Petitioner has claimed the following transmission charges for the transmission asset for the 2019-24 tariff period:

(₹ in lakh)					
Asset-I					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	824.95	833.60	843.69	884.22	921.49
Interest on Loan	732.78	676.43	621.38	596.12	563.98
Return on Equity	864.63	873.87	884.63	927.89	967.66
O&M Expenses	173.89	179.90	186.12	192.57	199.21
Interest on Working Capital	44.01	43.80	43.55	44.72	45.57
Total AFC	2640.26	2607.60	2579.37	2645.52	2697.91

(₹ in lakh)					
Asset-I (a)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.72	5.79	5.79	5.79	5.79
Interest on Loan	3.79	2.13	1.67	1.12	0.57
Return on Equity	31.42	31.42	31.42	31.42	31.42
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.02	0.59	0.59	0.58	0.57
Total AFC	68.95	39.93	39.47	38.91	38.35



56. The Petitioner has claimed the following Interest on Working Capital for the transmission assets:

(₹ in lakh)

Asset-I					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O & M Expenses	14.49	14.99	15.51	16.05	16.60
Maintenance Spares	26.08	26.99	27.92	28.89	29.88
Receivables	324.62	321.48	318.00	326.16	331.71
Total Working Capital	365.19	363.46	361.43	371.10	378.19
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	44.01	43.80	43.55	44.72	45.57

(₹ in lakh)

Asset-I(a)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	8.48	4.92	4.87	4.80	4.72
Total Working Capital	8.48	4.92	4.87	4.80	4.72
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	1.02	0.59	0.59	0.58	0.57

Capital Cost

57. Regulation 19(3) of the 2019 Tariff Regulations provides as follows:

“19. Capital Cost:

.....

(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 trued 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 upto 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.”



58. The capital cost has been dealt with in line with Regulation 19(3) of the 2019 Tariff Regulations. The element-wise capital cost (i.e. land, building, transmission line, sub-station and PLCC) as admitted by the Commission as on 31.3.2019 for the transmission asset are clubbed together, and the capital cost has been considered as capital cost for the transmission asset as on 1.4.2019, is as follows:

Particulars	(₹ in lakh)	
	Asset-I	Asset-I (a)
Transmission Line	8957.40	0.00
Sub Station	6037.09	619.62
PLCC	139.42	0.00
IT Equipment (Incl. Software)	136.30	0.00
Total	15270.22	619.62

Additional Capital Expenditure

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

“24. Additional Capitalization within the original scope and up to 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) *Undischarged 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.”*

60. The Petitioner has submitted the Additional Capital Expenditure for Asset-I and Asset-I(a) for the 2019-24 tariff period as follows:



(₹ in lakh)

Assets	FR Apportioned cost	Expenditure as on 31.3.2019	Projected Add Cap 2019-24 (as per auditor's certificate)					Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
			Asset-I	20788.00	15310.20	69.62	258.19	
Asset-I (a)	-	619.62	-	-	-	-	-	619.62

61. It is observed that the Petitioner has revised the capitalization of Asset-I for the 2019-24 period from its claim as per Petition No. 59/TT/2020, wherein the Petitioner had claimed ₹1725.79 lakh till 2019-20 against which the Commission had approved ₹1654.36 lakh excluding the excess initial spares of ₹71.34 lakh. The Petitioner has now claimed capitalization post cut-off date of the Asset I (31.3.2021) till 2022-23. Further, it is observed that the total additional capitalisation proposed has also increased from the value proposed in Petition No. 59/TT/2020. Hence, the Commission has considered the additional capitalization proposed by the Petitioner till the cut-off date as per Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations towards balance and retention payment and has not considered the additional capitalization post cut-off date due to non-submission of justification of ACE post cut-off date as proposed by the Petitioner. The Petitioner is given liberty to justify the same at the time of truing up.

(₹ in lakh)

Capital cost allowed on 1.4.2019	ACE allowed for the Period 2019-24					Estimated capital cost up to 31.3.2024
	2019-20	2020-21	2021-22	2022-23	2023-24	
15270.22	69.62	258.19	-	-	-	15598.03

62. The capital cost of the transmission Asset-I(a) considered for the 2019-24 tariff period, subject to truing-up, is as follows:

(₹ in lakh)

capital cost allowed on 1.4.2019	ACE allowed for the Period 2019-24	Estimated capital cost up to 31.3.2024
619.62	0.00	619.62



Debt Equity Ratio

63. 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.”

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



Asset-1	Capital cost as on COD (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	10689.15	70.00	10918.62	70.00
Equity	4581.07	30.00	4679.41	30.00
Total	15270.22	100.00	15598.03	100.00
Asset-1(a)	Capital cost as on COD (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	452.14	72.97	452.14	72.97
Equity	167.48	27.03	167.48	27.03
Total	619.62	100.00	619.62	100.00

Depreciation

65. 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 or 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 Asset-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 asset

(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 upto 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 asset 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.”

66. The Commission has considered the submissions of the Petitioner. WAROD has been worked out and placed as Annexure-II after considering the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The lapsed useful life of the transmission asset is considered as detailed in the truing-up for the 2014-19 tariff period, and the remaining depreciable value is spread across the remaining useful life of the asset (13 years) from 2020-



21 for Asset I(a). Depreciation allowed for the transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset-I						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	15270.22	15339.84	15598.03	15598.03	15598.03
B	Addition during the year 2019-24 due to projected ACE	69.62	258.19	0.00	0.00	0.00
C	Closing Gross Block (A+B)	15339.84	15598.03	15598.03	15598.03	15598.03
D	Average Gross Block (A+C)/2	15305.03	15468.93	15598.03	15598.03	15598.03
E	Average Gross Block (90% depreciable assets)	15168.72	15332.63	15461.72	15461.72	15461.72
F	Average Gross Block (100% depreciable assets)	136.30	136.30	136.30	136.30	136.30
G	Depreciable value (excluding IT equipment and software) (E*90%)	13651.85	13799.37	13915.55	13915.55	13915.55
H	Depreciable value of IT equipment and software (F*100%)	136.30	136.30	136.30	136.30	136.30
I	Total Depreciable Value (G+H)	13788.15	13935.67	14051.85	14051.85	14051.85
J	Weighted average rate of Depreciation (WAROD) (in %)	5.38	5.38	5.37	5.37	5.37
K	Lapsed useful life at the beginning of the year (Year)	1	2	3	4	5
L	Balance useful life at the beginning of the year (Year)	24	23	22	21	20
M	Depreciation during the year (D*J)	822.82	831.47	838.29	838.29	838.29
N	Cumulative Depreciation at the end of the year	1586.69	2418.16	3256.45	4094.73	4933.03
O	Remaining Aggregate Depreciable Value at the end of the year	12201.46	11517.50	10795.40	9957.11	9118.82

(₹ in lakh)

Asset-I(a)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	619.62	619.62	619.62	619.62	619.62
B	Addition during the year 2019-24 due to projected ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	619.62	619.62	619.62	619.62	619.62
D	Average Gross Block (A+C)/2	619.62	619.62	619.62	619.62	619.62
E	Average Gross Block (90% depreciable assets)	619.62	619.62	619.62	619.62	619.62
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	557.66	557.66	557.66	557.66	557.66



Asset-I(a)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	557.66	557.66	557.66	557.66	557.66
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	1.65	1.65	1.65	1.65
K	Lapsed useful life at the beginning of the year (Year)	11	12	13	14	15
L	Balance useful life at the beginning of the year (Year)	14	13	12	11	10
M	Depreciation during the year (D*J)	32.72	10.24	10.24	10.24	10.24
N	Cumulative Depreciation at the end of the year	424.50	434.74	444.99	455.23	465.47
O	Remaining Aggregate Depreciable Value at the end of the year	133.16	122.91	112.67	102.43	92.19

Interest on Loan (IoL)

67. 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 decapitalization of asset, 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 upto the date of decapitalisation 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”.



68. The weighted average rate of interest as proposed by the Petitioner is considered for Asset-I, and the weighted average rate of interest of IoL as approved in the order dated 11.4.2022 in Petition No. 115/TT/2020 is considered for Asset-I (a).

69. The Petitioner has prayed that the change in the interest rate due to the 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.

70. IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations.

IoL allowed for the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset-I						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	10689.15	10737.89	10918.62	10918.62	10918.62
B	Cumulative Repayments up to Previous Year	763.87	1586.69	2418.16	3256.45	4094.74
C	Net Loan-Opening (A-B)	9925.28	9151.19	8500.45	7662.17	6823.88
D	Addition due to ACE	48.73	180.73	0.00	0.00	0.00
E	Repayment during the year	822.82	831.47	838.29	838.29	838.29
F	Net Loan-Closing (C+D-E)	9151.19	8500.45	7662.17	6823.88	5985.59
G	Average Loan (C+F)/2	9538.24	8825.82	8081.31	7243.02	6404.73
H	Weighted Average Rate of Interest on Loan (in %)	7.66	7.64	7.63	7.63	7.61
I	Interest on Loan (G*H)	730.86	674.68	616.62	552.33	487.57

(₹ in lakh)

Asset-I(a)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	452.14	452.14	452.14	452.14	452.14
B	Cumulative Repayments up to Previous Year	393.29	426.01	436.25	446.50	452.14
C	Net Loan-Opening (A-B)	58.84	26.13	15.88	5.64	0.00
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	32.72	10.24	10.24	5.64	0.00
F	Net Loan-Closing (C+D-E)	26.13	15.88	5.64	0.00	0.00
G	Average Loan (C+F)/2	42.48	21.00	10.76	2.82	0.00
H	Weighted Average Rate of Interest on Loan (in %)	8.88	9.11	9.47	9.47	9.47
I	Interest on Loan (G*H)	3.77	1.91	1.02	0.27	0.00



Return on Equity (RoE)

71. 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 due to Change in Law, 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:

Rate of pre-tax return on equity = 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:

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."

72. The Petitioner has submitted that the MAT rate applies to it. As per Regulation 31(3) of the 2019 Tariff Regulations, the grossed-up rate of RoE at the end of every financial year shall be trued up 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 IT authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. The MAT rate applicable in the year 2019-20 has been considered for the purpose of RoE, which shall be trued up with the actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed with respect to the transmission assets for the 2019-24 tariff period is as follows:



(₹ in lakh)

Asset-I						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	4581.07	4601.95	4679.41	4679.41	4679.41
B	Addition due to ACE	20.89	77.46	0.00	0.00	0.00
C	Closing Equity (A+B)	4601.95	4679.41	4679.41	4679.41	4679.41
D	Average Equity (A+C)/2	4591.51	4640.68	4679.41	4679.41	4679.41
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	862.35	871.59	878.86	878.86	878.86

(₹ in lakh)

Asset-I(a)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	167.48	167.48	167.48	167.48	167.48
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	167.48	167.48	167.48	167.48	167.48
D	Average Equity (A+C)/2	167.48	167.48	167.48	167.48	167.48
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	31.46	31.46	31.46	31.46	31.46

Operation & Maintenance Expenses (O&M Expenses)

73. The Petitioner has not claimed any O&M Expenses for Asset-I(a). The Petitioner has claimed the following O&M Expenses for the Asset-I:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Lines					
2nd LILO D/C Portion of Gazuwaka/Simhadri-II Vijayawada (NUNNA) at Vamagiri-I(AP)	13.95	13.95	13.95	13.95	13.95
LILO of both circuits of 400 kV D/C Gazuwaka/Simhadri-Vemagiri-I (AP)	15.4	15.4	15.4	15.4	15.4
Sub-station					
GIS Sub-station Bays	6	6	6	6	6
Communication System	139.46	139.46	139.46	139.46	139.46
Norms					
Transmission Lines					
DC Twin / Triple Conductor	0.881	0.912	0.944	0.977	1.011
Multi Ckt Twin/ Triple	1.544	1.598	1.654	1.713	1.773
Sub-station					
GIS Sub-station Bays	22.505	23.296	24.115	24.962	25.837
Communication System (in %)	2	2	2	2	2
O&M Expenses					



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Lines	36.07	37.33	38.64	40.01	41.41
Sub-station	135.03	139.78	144.69	149.77	155.02
Communication System	2.79	2.79	2.79	2.79	2.79
O&M Expenses	173.89	179.90	186.12	192.57	199.22

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

“35 (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	0.26	0.27	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
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



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	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.”

75. The O&M Expenses approved for Asset-I for the 2019-24 tariff period as per Regulation 35(3)(a) of the 2019 Tariff Regulations is as follows:

	(₹ in lakh)				
O&M Expenses	2019-20	2021-22	2021-22	2022-23	2023-24
Asset-I	173.89	179.90	186.12	192.57	199.22



Interest on Working Capital (IWC)

76. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4) and Regulation 3(7) of the 2019

Tariff Regulations specify 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 truing-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.** - In these regulations, unless the context otherwise requires:-*

*(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;”*

77. 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% for the complete tariff period. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 12.05% (SBI 1year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-21 and 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for 2021-24. The components of the working capital and interest allowed thereon are as follows:



(₹ in lakh)

Asset-I					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	14.49	14.99	15.51	16.05	16.60
Working Capital for Maintenance Spares (15% of O&M Expenses)	26.08	26.98	27.92	28.89	29.88
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	323.83	320.35	315.31	308.11	300.04
Total Working Capital	364.40	362.33	358.74	353.04	346.52
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest on working capital	43.91	40.76	37.67	37.07	36.39

(₹ in lakh)

Asset-I(a)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00	0.00	0.00
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	8.48	5.45	5.34	5.24	5.19
Total Working Capital	8.48	5.45	5.34	5.24	5.19
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest on working capital	1.02	0.61	0.56	0.55	0.55

Annual Fixed Charges for the 2019-24 Tariff Period

78. The transmission charges allowed for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset-I					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	822.82	831.47	838.29	838.29	838.29
Interest on Loan	730.86	674.68	616.62	552.33	487.57
Return on Equity	862.35	871.59	878.86	878.86	878.86
O&M Expenses	173.89	179.90	186.12	192.57	199.22
Interest on Working Capital	43.91	40.76	37.67	37.07	36.39
Total	2633.83	2598.40	2557.56	2499.12	2440.33

(₹ in lakh)

Asset-I (a)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	32.72	10.24	10.24	10.24	10.24
Interest on Loan	3.77	1.91	1.02	0.27	0.00
Return on Equity	31.46	31.46	31.46	31.46	31.46
O&M Expenses	0.00	0.00	0.00	0.00	0.00



Asset-I (a)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Interest on Working Capital	1.02	0.61	0.56	0.55	0.55
Total	68.97	44.22	43.28	42.52	42.25

79. Summary of AFC allowed as per order dated 17.5.2021 in Petition No. 59/TT/2020, AFC claimed in the instant petition, and the revised AFC approved vide this order for Asset-I and Asset-1(a) for the 2019-24 tariff period is as follows:

(₹ in lakh)					
Particulars for Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed earlier vide order dated 17.5.2021 in Petition No. 59/TT/2020	2782.57	2852.25	2788.11	2724.02	2658.73
As claimed by the Petitioner	2640.26	2607.60	2579.37	2645.52	2697.91
Allowed after truing-up in this petition	2633.83	2598.40	2557.56	2499.12	2440.33

(₹ in lakh)					
Particulars for Asset-I(a)	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed earlier vide order dated 17.5.2021 in Petition No. 59/TT/2020	0.00	0.00	0.00	0.00	0.00
As claimed by the Petitioner	68.95	39.93	39.47	38.91	38.35
Allowed after truing-up in this petition	68.97	44.22	43.28	42.52	42.25

Filing Fee and Publication Expenses

80. The Petitioner has sought reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner shall be entitled to reimbursement of the filing fees and publication expenses in connection with the present petition directly from the beneficiaries on a pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

License Fee and RLDC Fees and Charges

81. The Petitioner has sought recovery of licensee fees and RLDC fees and charges from the beneficiaries in terms of Regulation 70(3) and 70(4) of the 2019 Tariff Regulations. The Petitioner shall be entitled to 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 fees and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations



for the 2019-24 tariff period.

Goods and Services Tax

82. 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.

83. We have considered the submissions of the Petitioner. Since GST is not levied on transmission service at present, the Petitioner's prayer is premature.

Security Expenses

84. The Petitioner has submitted that security expenses in respect of transmission assets are not claimed in the instant Petition, and it would file a separate petition for claiming the overall security expenses and consequential IWC.

85. We have considered the above submissions of Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on a projected basis for the 2019-24 tariff period based on actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The said petition has already been disposed of by the Commission vide order dated 3.8.2021. Therefore, 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

86. The Petitioner has sought reimbursement of capital spares at the end of the 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

87. With effect from 1.7.2011, the sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. However, with effect from 1.11.2020, the 2010 Sharing Regulations has been repealed, and the sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the transmission charges approved in this order for the transmission assets shall be recovered in accordance with the applicable Sharing Regulations as per Regulation 43 of the 2014 Tariff Regulations and Regulation 57(2) of the 2019 Tariff Regulations.

88. To summarise:

- (a) The revised trued-up AFC allowed in respect of the transmission assets for the 2017-19 period in this order are as follows:

(₹ in lakh)

AFC	2017-18 (pro-rata for 3 days)	2018-19
Asset-I	21.34	2795.30
Asset-I(a)	0.61	73.05

- (b) AFC allowed in respect of the transmission asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)

AFC	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I	2633.83	2598.40	2557.56	2499.12	2440.33
Asset-I(a)	68.97	44.22	43.28	42.52	42.25



89. The Annexure to this order forms part of the order.

90. This order disposes of Petition No. 25/TT/2023 in terms of the above findings and discussions.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(Jishnu Barua)
Chairperson



Annexure-I

Asset-I

(₹ in lakh)

Capital Expenditure	Admitted Capital Cost as on COD	ACE		Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Annual Depreciation	
		2017-18	2018-19			2017-18	2018-19
Building	0.00	0.00	0.00	0.00	3.34	0.00	0.00
Transmission Line	6692.68	559.34	1705.38	8957.40	5.28	368.14	427.93
Substation	5886.46	0.00	150.64	6037.10	5.28	310.80	314.78
PLCC	124.46	0.00	14.96	139.42	6.33	7.88	8.35
IT Equipment	132.99	0.00	3.31	136.30	5.28	7.02	7.11
Total	12836.59	559.34	1874.29	15270.22		693.85	758.17
Avg. Gross Block						13116.26	14333.07
WAROD (in %)						5.29	5.29

Asset-I (a)

(₹ in lakh)

Capital Expenditure	Admitted Capital Cost as on COD	ACE		Admitted Capital Cost as on 31-03-2024	Depreciation Rate (in %)	Annual Depreciation	
		2017-18	2018-19			2017-18	2018-19
Building	0.00	0.00	0.00	0.00	3.34	0.00	0.00
Substation	619.62	0.00	0.00	619.62	5.28	32.72	32.72
PLCC	0.00	0.00	0.00	0.00	6.33	0.00	0.00
IT Equipment	0.00	0.00	0.00	0.00	5.28	0.00	0.00
Total	619.62	0.00	0.00	619.62		32.72	32.72
Avg. Gross Block						619.62	619.62
WAROD (in %)						5.28	5.28



Annexure-II

Asset-I

Capital Expenditure	Admitted Capital Cost as on COD	Projected ACE					Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Annual Depreciation				
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
Transmission Line	8957.40	0.00	6.67	0.00	0.00	0.00	8964.07	5.28	472.95	473.13	473.30	473.30	473.30
Substation	6037.10	69.62	251.52	0.00	0.00	0.00	6358.24	5.28	320.60	329.07	335.71	335.71	335.71
PLCC	139.42	0.00	0.00	0.00	0.00	0.00	139.42	6.33	8.83	8.83	8.83	8.83	8.83
IT Equipment	136.30	0.00	0.00	0.00	0.00	0.00	136.30	15	20.45	20.45	20.45	20.45	20.45
Total	15270.22	69.62	258.19	0.00	0.00	0.00	15598.03		822.82	831.47	838.29	838.29	838.29
								Avg. Gross Block	15305.03	15468.93	15598.03	15598.03	15598.03
								WAROD (in %)	5.38	5.38	5.37	5.37	5.37

Asset-I (a)

Capital Expenditure	Admitted Capital Cost as on COD	Projected ACE					Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Annual Depreciation					
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24	
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	Spreading over				
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00					
Substation	619.62	0.00	0.00	0.00	0.00	0.00	619.62	5.28	32.72					
PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00					
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00	0.00					
Total	619.62	0.00	0.00	0.00	0.00	0.00	619.62		32.72	10.24	10.24	10.24	10.24	
								Avg. Gross Block	619.62	619.62	619.62	619.62	619.62	
								WAROD (in %)	5.28	1.65	1.65	1.65	1.65	

