

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 313/TT/2014**

**Coram:**

**Shri Jishnu Barua, Chairperson  
Shri I.S.Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas Kumar Singh, Member**

**Date of Order: 16.01.2024**

**In the matter of:**

Truing up of the tariff of 2011-14 period of 400 kV JPL Tamnar-PGCIL Raipur D/C Line-258.40 km and 2 nos. 315 MVA, 400/220 kV Transformer along with 4 nos. of 400 kV bays and 2 nos. of 220 kV bays at Tamnar Sub-station under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of tariff for the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 due to Hon'ble APTEL vide order dated 15.12.2023 setting aside CERC order dated 15.12.2017 in petition No.313/TT/2014 limited to the extent of equity, return on equity and interest on loan.

**And in the matter of:**

Jindal Power Limited (JPL),  
Tamnar-496107, District Raigarh,  
Chhattisgarh.

**...Petitioner**

**Vs**

1. Jindal Power Limited,  
OP Jindal STPP PO: Tamnar, Gharghoda Tehsil,  
District Raigarh, Chhattisgarh-496107.
2. Lanco Power Limited,  
Plot No. 397, Phase-III, Udyog Vihar,  
Gurgaon, Haryana-122016.
3. ACB (India) Limited,  
Chakabura, Korba,  
Chhattisgarh.
4. Chhattisgarh State Power Distribution Company Limited,  
P.O. Sunder Nagar,  
Dangania, Raipur- 492013.



5. Gujarat Urja Vikas Nigam Limited,  
Sardar Patel Vidyut Bhavan,  
Race Course, Vadodara-390007.
6. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, 5<sup>th</sup> floor, Bandra,  
East Mumbai-400051.
7. MP Power Trading Company Limited,  
Shakti Bhavan Vidyut Nagar,  
Rampur, Jabalpur-482008.
8. Goa Electricity Department,  
Government of Goa, 3<sup>rd</sup> Floor,  
Vidyut Bhavan, Panjim-403001.
9. Electricity Department,  
Union Territory of Daman & Diu Sachivalaya,  
Moti Daman, Daman-396210.
10. Electricity Department,  
UT of Dadra Nagar and Haveli, Secretariat,  
66 kV Amli Road, Silvassa-396230.
11. Power Grid Corporation of India Limited,  
Bhadravati HVDC, Sumthana Village, Bhadravathi Tehsil,  
District: Chandrapur, Maharashtra-442902.
12. Power Grid Corporation of India Limited,  
Vindhyachal HVDC, PO Vindhyanagar,  
Post Box No. 12, District: Singrauli,  
Madhya Pradesh-486885.
13. Power Grid Corporation of India Limited,  
Western Region-1 Headquarters, PO: Uppalwadi,  
Sampriti Nagar, Nagpur-400026.
14. Torrent Power Grid Limited,  
Torrent House, Off: Ashram Road,  
Ahmedabad-380009, Gujarat.
15. Western Region Transmission (Maharashtra) Private Limited,  
12<sup>th</sup> floor, Building No. 10-B, DLF Cyber City,  
Gurgaon-122002, Haryana.
16. Western Region Transmission Limited (GUJ REL),  
Western Region Transmission (Maharashtra) Private Limited,  
12<sup>th</sup> floor, Building No. 10-B, DLF Cyber City,  
Gurgaon-122002, Haryana



17. Bharat Aluminium Company Limited (BALCO),  
Bharat Aluminium Company Limited, Captive Power Plant -II,  
BALCO Nagar, Korba, Chhatisgarh-495684.
18. Jindal Steel & Power Limited,  
Dongamahua CPP, Kharsia Road,  
Raigarh, Chhattisgarh-496001.
19. ESSAR Power MP Limited,  
Thana Road, New Chunkumari Stadium, Waidhan,  
District -Singrauli, Madhya Pradesh-486886.
20. ESSAR Power Transmission Company Limited,  
A-5, Sector-3, Gautam Buddha Nagar,  
Noida, Uttar Pradesh-201301.
21. KSK Mahanadi Power Company Limited,  
8-2-293/82/A/431/A, Road No 22,  
Jubilee Hills, Hyderabad-500033.
22. EMCO Limited, Project Head,  
Plot No B-I, Mohabala MIDC Growth Centre,  
Post Tehsil-Warora, Distt-Chandrapur, Maharashtra.
23. Vandana Vidyut Company Limited,  
Director, Vandana Bhavan, M. G. Road,  
Raipur, Chhattisgarh.
24. Korba West Power Company Limited,  
Village Chhote Bhandar, P.O. Bade Bhandar, Tehsil: Pussore,  
District: Raigarh-496 100, Chhattisgarh.
25. DB Power Limited,  
Village - Baradarha, Post - Kanwali,  
District - Janjgir, Champa, Chhattisgarh-495695.
26. Jaypee Nigrie STPP,  
Jaiprakash Power Ventures Limited,  
Sector-128, Noida, Uttar Pradesh-201304.
27. Essar Steel India Private Limited,  
27<sup>th</sup> KM, Surat Hazira Road,  
Surat, Gujarat-394270.
28. Adani Power Limited,  
Shikhar, Near Adani House, Mithakhali Six Roads,  
Navarangapura, Ahmedabad-380 009.

**...Respondents**



## ORDER

It is an order being passed after the remand order consequent upon the order passed by the APTEL. The Appellate Tribunal for Electricity (hereinafter referred to as 'APTEL') has set aside the order passed in Petition No. 313/TT/2014 by this commission, by its judgement dated 15.12.2023 limited to the extent of equity, return on equity and interest on the loan. The relevant portions of the judgment dated 6.7.2023 are as follows:

*“.....The Captioned Appeals Nos. 143 of 2017 and 17 of 2018 filed by JPL, the Appellant have merit and allowed. The Impugned Orders dated 18.12.2015 in Petition No. 135/TT/2012, dated 08.02.2017 in Review Petition No. 6/RP/2016 in Petition No. 135/TT/2012 and the Order dated 15.12.2017 in Petition No. 313/TT/2014 passed by the Central Commission are set aside limited to the extent of equity, return on equity and interest on loan and in accordance with the observation and conclusion made in the preceding paragraphs. The claim of the Appellant shall be in accordance to Debt: Equity ratio of 80:20 for return on equity and interest on loan, considering the GFA of the transmission asset...”*

2. Accordingly, the consequent order is being passed in Petition No. 313/TT/2014.

### **Background**

3. The brief facts of the case are as follows:

- (a) The Petitioner had set up a Thermal Power Plant at Tamnar, District Raigarh, Chhattisgarh, having a capacity of 1000 (4 x 250) MW, and as a part of the generation project, the Petitioner had established a dedicated transmission line of 258.40 km in length for connecting the generating station to the inter-State transmission system (ISTS) for onward transmission of power. The generating units of the Petitioner's plant are also connected with the various units of another group company, i.e., Jindal Steel and Power Ltd (JSPL). JSPL had also set up a captive plant of 358 MW and was in the process of commissioning a 450 MW plant. JSPL intended to sell its surplus power through the use of the dedicated transmission line of JPL.



- (b) Subsequently, the Petitioner approached the Commission for a grant of an inter-State transmission license for the use of the aforesaid dedicated line as ISTS. The Commission vide order dated 9.5.2011 in Petition No. 105/2010 granted Transmission License to the Petitioner in respect of 400 kV D/C JPL Tamnar-Raipur (PGCIL) Transmission Line and 400/220/33 kV JPL Tamnar Substation (hereinafter 'Transmission Asset') for a period of 25 years. However, Petitioner had inadvertently failed to include additional transmission assets i.e., 2 numbers 400 kV line bays, 2 numbers 400 kV tie bays and 2 numbers 50 MVAR non-switchable Reactors at Raipur sub-station of PGCIL (hereinafter 'Additional Transmission Asset') in its application for grant of transmission licence. Therefore, at the time of determination of transmission charges from 9.5.2011 to 31.3.2014, in respect of the 'Transmission Asset' covered in the transmission licence issued vide order dated 9.5.2011 in Petition No. 105/2010, the Commission vide Order dated 18.12.2015 in Petition No. 135/TT/2012 did not consider the above 'Additional Transmission Asset'.
- (c) Thereafter, the Petitioner filed Petition No. 262/MP/2017 dated 30.11.2017, seeking an amendment to the Transmission License dated 9.5.2011 to include the 'Additional Transmission Asset'. The Commission vide order dated 30.4.2019 (hereinafter 'Amendment Order') in Petition No. 262/MP/2017 allowed the amendment and included the above 'Additional Transmission Asset' as part of the Transmission License granted to the Petitioner. The relevant portion of the Amendment Order dated 30.4.2019 is extracted as follows:
- “31. The transmission tariff of the left-out equipment i.e. 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAR non-switchable Reactors may be claimed by the Petitioner as per the extant CERC Tariff Regulations and the tariff would be granted from the date of issue of amended license as per order in the instant petition, after adjustment of depreciation. Further, the amendment of the license would be subject to the outcome of the Appeal No. 210 of 2016 in APTEL filed by CSPDCL.”*
- (d) Thus, the Commission, vide amendment order dated 30.4.2019 has directed *inter-alia* that the transmission charges for the 'Additional Transmission Asset' would be granted from the date of issue of amendment of licence i.e. 30.4.2019. Accordingly, the Petitioner has submitted the proposal for the



determination of transmission charges in respect of 'Additional Transmission Asset' for the 2019-24 tariff period in the instant petition. Further, as directed by the Commission, the Petitioner has adjusted the accumulated depreciation during 2011-19, while arriving at the capital cost.

- (e) Meanwhile, the Commission, *vide* order dated 18.12.2015 in Petition No. 135/TT/2012, allowed the tariff for the transmission asset from 9.5.2011 to 31.3.2014. However, RoE and IoL were not allowed, based on the financial data submitted by the Petitioner, but the Commission had given liberty to the Petitioner to submit segregated accounts, with equity allocated separately for transmission business along with the audited balance sheet of transmission and generation business at the time of true-up. As directed, the Petitioner filed the segregated Audited Balance Sheets between generation and transmission at the time of true-up in Petition No. 313/TT/2014. The Commission, *vide* order dated 15.12.2017 in Petition No. 313/TT/2014 considered the submissions of the Petitioner and trued-up the tariff for the 2009-14 period along with the determination of tariff of the 2014-19 tariff period.
- (f) Aggrieved by the order dated 18.12.2015 in Petition No. 135/TT/2012, the Petitioner filed Review Petition No. 6/RP/2016. However, the Petitioner's claim for Return on Equity (RoE) and Interest on Loan (IoL) was disallowed *vide* order dated 8.2.2017 in Review Petition No. 6/RP/2016. Aggrieved, the Petitioner filed Appeal No. 143 of 2017 before the Hon'ble APTEL against the Commission's above orders dated 18.12.2015 and 8.2.2017. Thereafter, the Petitioner filed Appeal No.17 of 2018 with the Hon'ble APTEL against the Commission's order dated 15.12.2017 in Petition No. 313/TT/2014.
- (g) Chhattisgarh State Power Distribution Company Limited (CSPDCL) had filed an Appeal No. 210/2016 before the APTEL against the Commission's order dated 9.5.2011 in Petition No.105/2010 in the context of rejection of its prayer for cancellation of the Transmission License of the Petitioner by the Commission. Further, CSPDCL has challenged the tariff order dated 18.12.2015 passed by this Hon'ble Commission in Petition No.135/TT/2012, wherein it has *inter-alia* challenged the nature of the transmission line of the Appellant and CPSDCL's liability to pay transmission charges as a



beneficiary of the Transmission System of the Petitioner. Appeal No. 210/2016 is pending adjudication, and the pleadings are complete in the matter before the APTEL.

4. The Respondents are distribution licensees, power departments and transmission licensees, who are procuring transmission services from the Petitioner, as the main beneficiaries of the Western Region

5. We have perused the APTEL's judgement dated 15.12.2023 in Appeal No. 143 of 2017 and 17 of 2018.

6. In its judgment, APTEL has decided that the impugned order dated 18.12.2015 in Petition No. 135/TT/2012, dated 08.02.2017 in Review Petition No. 6/RP/2016 in Petition No. 135/TT/2012 and the order dated 15.12.2017 in Petition No. 313/TT/2014 passed by the Central Commission are set aside limited to the extent of equity, return on equity and interest on loan and in accordance with the observation made and conclusion arrived at in the said order.

7. In view of the above, the Commission has to revise the Annual Fixed Charges (AFC) and its related computation for the tariff control period 2009-14 in subsequent paragraphs.

8. At para 12 of the order dated 15.12.2017, the Commission admitted a capital cost of ₹24228.42 lakh as on COD. No additional capital expenditure was approved from the 'date of grant of transmission license' till 31.3.2014.

### **Debt Equity Ratio**

9. In view of the APTEL judgment dated 15.12.2023 mentioned in para 6 above, the following Debt Equity ratio of 80:20 is allowed. Accordingly, the following capital structure is allowed:



	As on Date of issuance of Transmission License (₹ in lakh)	Debt Equity Ratio (in %)	Add-Cap	As on 31.3.2014 (₹ in lakh)	Debt Equity Ratio (in %)
Debt	19382.74	80.00	0.00	19382.74	80.00
Equity	4845.68	20.00	0.00	4845.68	20.00
<b>Total</b>	<b>24228.42</b>	<b>100.00</b>	<b>0.00</b>	<b>24228.42</b>	<b>100.00</b>

### Return on Equity

10. As per Regulation 15 of the 2009 Tariff Regulations, Return on Equity (RoE) has been computed and allowed as follows:

Particulars	(₹ in lakh)		
	2011-12	2012-13	2013-14
Opening Equity	4845.68	4845.68	4845.68
Addition due to additional capital expenditure	0	0	0
Closing Equity	4845.68	4845.68	4845.68
Average Equity	4845.68	4845.68	4845.68
Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
Tax rate for the year (in %)	20.008	20.008	20.961
Rate of Return on Equity (in %)	19.38	19.38	19.61
Return on Equity	838.89	938.94	950.27

### Interest on Loan

11. The Petitioner has claimed the weighted average rate of IoL based on its actual loan portfolio and rate of interest as on COD. As per the information submitted by the Petitioner, *vide* affidavit dated 25.9.2012, the instant transmission project was financed through various financial institutions and as per the tariff form 13 submitted by the petitioner in petition 135/TT/2012 filed for the determination of tariff for the period from the date of award of transmission license i.e. 9.5.2011 till 31.3.2014, the weighted average rate of interest (WAROI) of the actual loan was 10.09% before the loan was repaid. Since the Petitioner has repaid the actual loan on or before the date of issuance of the transmission license to the petitioner, IoL has been computed on the basis of the last available





weighted average rate of interest as per Clause 5 of regulation 16 of 2009 tariff regulation.

12. Accordingly, Interest on Loan has been computed and allowed as follows:

(₹ in lakh)			
Particulars	2011-12	2012-13	2013-14
Net Loan Opening	19382.74	18244.02	16972.97
Additions	0	0	0
Repayment During the year	1138.72	1271.05	1271.05
Net Loan Closing	18244.02	16972.97	15701.92
Average Loan	18813.38	17608.495	16337.445
Weighted Average Rate of Interest on Loan (in %)	10.09	10.09	10.09
Interest on loan	1696.00	1776.70	1648.45

### **Interest on Working Capital**

13. The date of allowing the Transmission License is 09.05.2011. In accordance with Regulation 18(3) of the 2009 Tariff Regulations, the rate of interest on working capital is considered as 11.75% (Base rate on 1.4.2011 i.e. 8.25% plus 350 basis points). Accordingly, as per Regulation 18 of the 2009 Tariff Regulations, Interest on working capital has been re-computed and allowed as follows:

(₹ in lakh)			
Particulars	2011-12	2012-13	2013-14
Maintenance Spare	66.90	78.83	83.32
O & M Expenses	41.60	43.80	46.29
Receivables	786.01	769.51	754.86
<b>Total</b>	<b>894.51</b>	<b>892.14</b>	<b>884.48</b>
Rate of Interest (in %)	11.75	11.75	11.75
<b>Interest on Working Capital</b>	<b>93.91</b>	<b>104.83</b>	<b>103.93</b>

### **Annual Fixed Charges**

14. Revised Annual Fixed Charges in view of the Hon'ble APTEL's order dated 15.12.2023 are as follows:



(₹ in lakh)			
Particulars	2011-12 (Pro-rata)	2012-13	2013-14
Depreciations	1138.72	1271.05	1271.05
Interest on Loan	1696.00	1776.70	1648.45
Return on Equity	838.89	938.94	950.27
Interest on Working Capital	93.91	104.83	103.93
O&M Expenses	446.01	525.54	555.49
<b>Total</b>	<b>4213.52</b>	<b>4617.06</b>	<b>4529.18</b>

15. Accordingly, the details of Annual Fixed Charges approved earlier and now being allowed pursuant to the Hon'ble APTEL order dated 15.12.2023 referred to above are as follows:

(₹ in lakh)			
Annual Fixed Charges	2011-12	2012-13	2013-14
Allowed earlier <i>vide</i> order dated 15.12.2017 in Petition No. 313/TT/2014	1628.86	1847.17	1878.56
<b>Allowed in the instant order</b>	<b>4213.52</b>	<b>4617.06</b>	<b>4529.18</b>

16. The difference between the Annual fixed charges recovered by the Petitioner in terms of order dated 15.12.2017 in Petition No. 313/TT/2014 and the Annual fixed charges determined by this order, shall be adjusted in terms of the provisions of Regulation 5(3) of the 2009 Tariff Regulations.

17. Accordingly, this order disposes of Petition No. 313/TT/2014 in terms of the remand directions of the APTEL

**sd/-**  
**(P. K. Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

**sd/-**  
**(I. S. Jha)**  
**Member**

**sd/-**  
**(Jishnu Barua)**  
**Chairperson**

