

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 73/TT/2023

**Coram:
Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 15.10.2024

In the matter of:

Approval under Regulation, 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the determination of transmission tariff from COD to 31.3.2024 for Asset 1- 09 Nos. Central Sector Communication Links, Asset 2- 01 No. Central Sector Communication Link, Asset 3- 09 Nos. State Sector Communication Links, Asset 4- 03 Nos. State Sector Communication Links, Asset 5 -02 Nos. State Sector Communication Links and Asset 6 -05 Nos. State Sector Communication Links under Project- "Establishment of Fiber Optic Communication System under Wide Band Communication Expansion Plan in North Eastern Region."

And in the matter of:

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

... Petitioner

Vs.

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



5. **Manipur State Power Distribution Corporation Limited,**
Keishampat, Imphal.

6. **Department of Power,**
Government of Nagaland,
Kohima, Nagaland.

7. **Tripura State Electricity Corporation Limited,**
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799001, Tripura.

... Respondent(s)

Parties Present:

Shri Mohd Mohsin, PGCIL

Shri Mukesh Bhakar, PGCIL

Shri Angaru Naresh Kumar, PGCIL

Ms. Ashita Chauhan, PGCIL

ORDER

Power Grid Corporation of India Limited has filed the instant Petition for the determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) from COD to 31.3.2024 in respect of the following assets (hereinafter referred to as “the transmission assets”) for the “Establishment of Fiber Optic Communication System under Wide Band Communication Expansion Plan (hereinafter referred to as the “transmission project”) in the North Eastern Region”:

Asset 1 – 09 Nos. Central Sector Communication Links,

Asset 2 - 01 No. Central Sector Communication Link,

Asset 3 - 09 Nos. State Sector Communication Links,

Asset 4 - 03 Nos. State Sector Communication Links,

Asset 5 - 02 Nos. State Sector Communication Links and

Asset 6 - 05 Nos. State Sector Communication Links.



2. The Petitioner has made the following prayers:

"1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.

2) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para –8.4 above.

3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8.5 above for respective block.

4) 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.

5) 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.

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

7) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 8.9 above.

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

9) 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.

10) Allow the initial spares as claimed in the instant petition on project level.

11) Condone the delay in completion of subject assets on merit of the same being out of the control of Petitioner in line with CERC Regulations'2019.

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

13) Allow Final tariff in accordance with Regulation 10 (5) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.



and pass such other relief as the 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 transmission project was approved in the 12th NERPC meeting dated 14.11.2011 and 15.11.2011 and the 13th NERPC meeting dated 9.7.2012 and 10.7.2012. Further, in the 14th NERPC meeting held on 4.9.2013, Mizoram requested to add an additional 58.5 km of OPGW links under the transmission project.

b. The Investment Approval (the IA) of the transmission project was accorded by the Competent Authority of the Petitioner in its 313th meeting held on 17.4.2015 and communicated vide the Memorandum Ref.: C/CP/FO-CS-NER dated 24.4.2015, at an estimated cost of Rs.8073 lakh, at December 2014 price level.

c. The scope of work covered as per the IA is as follows:

- Installation of an OPGW fibre optic cable on the EHV transmission line of the Petitioner and its constituents: the estimated length of such cable is approximately 1997 km.
- Installation of 83 nos. terminal equipment based upon Synchronous Digital Hierarchy (SDH) technology at sub-stations of the Petitioner and the constituents; 110 nos. Multiplexers/D&I/DACS at wideband nodes and Network Management Systems (NMS).
- D/C Power Supply- Presently envisaged at all wideband locations where equipment is to be installed. However, the requirement shall be optimized during the detailed engineering.
- Approach cable to provide connectivity between the OPGW and equipment.

d. The Competent Authority of the Petitioner approved the Revised Cost Estimate (RCE) for the transmission project in its 375th meeting held on



28.3.2020, which was communicated through Memorandum No. C/CP/PA1920-12-BH-RCE018 dated 31.3.2020. The estimated cost of the project is Rs.10344 lakh, including an IDC of Rs.1036 lakh based on September 2019 price levels. The revised scope of works as per the RCE is given below:

- The estimated length of the OPGW fibre optic cable installed on the EHV transmission line of the Petitioner and constituents is approximately 1975 km.
- The installation of 74 nos. terminal equipment based upon SDH technology at sub-stations of the Petitioner and the constituents; 129 nos. Multiplexers/D&I/DACS at wideband nodes and NMS.
- D/C Power Supply—This is currently envisaged at all wideband locations where equipment is to be installed. However, the requirement shall be optimized during detailed engineering.
- Approach cable to provide connectivity between OPGW and equipment.
- Hot line speech communication (computer dialing) system for grid operations for the NER Part under the Central Sector.

e. The following transmission assets are covered under the transmission project:

| Asset No. | Asset Name | COD | Remarks |
|-----------|--|-----------|------------------------------------|
| Asset-1 | Hot Line Speech Communication (Computer Dialing) System for Grid Operation” consists of PABX & associated items installed and commissioned in NERLDC & 07 nos. SLDCs (Assam, Meghalaya, Tripura, Nagaland, Mizoram, Arunachal Pradesh, Manipur) of North Eastern Region. | 17.7.2020 | Covered in Petition No. 23/TT/2022 |
| Asset-1 | 09 Nos. Central Sector Communication Links | 30.6.2020 | Covered in the instant Petition |
| Asset-2 | 01 No. Central Sector Communication Link | 19.3.2021 | |
| Asset 3 | 09 Nos. State Sector Communication Links | 19.3.2021 | |
| Asset 4 | 03 Nos. State Sector Communication Links | 19.4.2021 | |



| Asset No. | Asset Name | COD | Remarks |
|-----------|--|-----------|---------|
| Asset 5 | 02 Nos. State Sector Communication Links | 20.4.2021 | |
| Asset 6 | 05 Nos. State Sector Communication Links | 11.5.2021 | |

f. The details of the transmission assets commissioned till date covered in the instant Petition are as under:

| Assets | Asset Name | Link name | Quantity (in km) |
|---------|--|---|------------------|
| Asset-1 | 09 Nos. Central Sector Communication Links | 400 kV Surajamaninagar (TSECL)-Pallatana (OTPC) (36.714 km) | 610.79 |
| | | 400 kV Silchar- Melriat (143.016 km) | |
| | | 132 kV Agartala (79 Tilla)-R C Nagar (7.656 km) | |
| | | 132 kV Loktak (NHPC)-Imphal (PG) (34.982 km) | |
| | | 132 kV Khandong-Haflong (62.398 kms) | |
| | | 132 kV Dimapur (PG)-Doyang (NEEPCO) (91.567 km) | |
| | | 132 kV Doyang (NEEPCO)-Mokokchung (State) (26.913 km) | |
| | | 220 kV Mokokchung (PG)-Mariani (PG) (47.788 km) | |
| Asset-2 | 01 No. Central Sector Communication Link | 400 kV Mariani (PG)-Kathalguri (NEEPCO) (159.245 km) | 83.963 |
| | | 132 kV Loktak (NHPC)-Jiribam (PG) (83.963 km) | |
| Asset-3 | 09 Nos. State Sector Communication Links (Manipur) | 132 kV Loktak-Ningthoukhong (10.710 km) | 253.183 |
| | | 132 kV Yurembam-Yaingangpokpi (40.864 km) | |
| | | 132 kV Kakching-Churachandanpur (37.860 km) | |
| | | 132 kV Kakching-Chandel (16.321 km) | |
| | | 132 kV Kongba-Kakching with LILO at Thoubal (51.784 km) | |
| | | 132 kV Yaingangpokpi-Kongba (32.471 km) | |
| | | 132 kV Loktak-Rengpang (39.992 km) | |
| | | 132 kV Jiribam-Jiribam (0.135 km) | |
| Asset-4 | 03 Nos. State Sector Communication Links (Meghalaya) | 132 kV Ningthoukhang-Churachandanpur (23.046 km) | 55.197 |
| | | 132 kV Khleriat (State)-Khleriat (PG) (5.075 km) | |
| | | 132 kV Khleriat (State)-Lumshnong (25.190 km) | |
| Asset-5 | 02 Nos. State Sector Communication Links (Nagaland) | 132 kV Khleriat (State)-Leshka (HEP) (24.932 km) | 56.825 |
| | | 132 kV Wokha-Kohima (56.660 km) | |
| Asset-6 | 05 Nos. State Sector Communication Links (Tripura) | Nagarjan Sub-station-SLDC Nagaland (0.165 km) | 110.339 |
| | | 132 kV Agartala (TSECL)-Surajmaninagar (TSECL) (18.328 km) | |
| | | 66 kV Gumti HEP-Amarpur (TSECL) (21.94 km) | |
| | | 132 kV Pallatana (OTPC)-Udaipur (TSECL) (12.39 km) | |
| | | 66 kV 79 Tilla (TSECL)-Badharghat (TSECL) (12.39 km) | |
| | | 132 kV Udaipur-Rokhia GTP (45.291 km) | |



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

5. The Petitioner has served a copy of the Petition on the Respondents, and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (“the Act”). No comments or suggestions have been received from the general public in response to the aforesaid notice published in the newspapers by the Petitioner. No reply has been received from any of the Respondents.

6. The matter was heard on 27.2.2024, and the order was reserved after hearing the Petitioner's representatives. The order could not be issued before Member, Shri Arun Goyal, who was part of the coram, demitted office. Accordingly, the matter was heard on 28.8.2024, and the order was reserved.

7. Having heard the Petitioner's representatives and perused the documents on record, we proceed to dispose of the Petition.

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

8. The Petitioner has claimed the following transmission charges for the transmission assets from their respective commercial operation dates to 31.3.2024:

Asset-1

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|--|----------------|----------------|----------------|
| Depreciation | 116.35 | 163.57 | 168.33 | 168.76 |
| Interest on Loan | 93.08 | 120.67 | 112.30 | 100.05 |
| Return on Equity | 103.57 | 145.60 | 149.83 | 150.22 |
| O&M Expenses | 40.17 | 53.32 | 53.32 | 53.32 |
| Interest on Working Capital | 6.03 | 8.21 | 8.22 | 8.04 |



| Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|--------------|---------------------------------|---------------|---------------|---------------|
| Total | 359.20 | 491.37 | 492.00 | 480.39 |

Asset-2

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|----------------------------------|--------------------------------|--------------|--------------|--------------|
| Depreciation | 0.71 | 20.96 | 22.31 | 22.54 |
| Interest on Loan | 0.50 | 14.20 | 13.79 | 12.55 |
| Return on Equity | 0.63 | 18.65 | 19.86 | 20.07 |
| Operation & Maintenance Expenses | 0.25 | 7.12 | 7.12 | 7.12 |
| Interest on Working Capital | 0.04 | 1.05 | 1.08 | 1.06 |
| Total | 2.13 | 61.98 | 64.16 | 63.34 |

Asset-3

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|----------------------------------|--------------------------------|---------------|---------------|---------------|
| Depreciation | 2.72 | 78.69 | 81.75 | 82.39 |
| Interest on Loan | 2.09 | 57.67 | 54.40 | 49.22 |
| Return on Equity | 2.42 | 70.04 | 72.77 | 73.33 |
| Operation & Maintenance Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.10 | 2.90 | 2.94 | 2.87 |
| Total | 7.33 | 209.30 | 211.86 | 207.81 |

Asset-4

(Rs. in lakh)

| Particulars | 2021-22 (Pro rata for 347 days) | 2022-23 | 2023-24 |
|----------------------------------|---------------------------------|--------------|--------------|
| Depreciation | 14.54 | 18.91 | 19.91 |
| Interest on Loan | 10.77 | 12.87 | 12.33 |
| Return on Equity | 12.94 | 16.83 | 17.72 |
| Operation & Maintenance Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.50 | 0.64 | 0.65 |
| Total | 38.75 | 49.25 | 50.61 |

Asset-5

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|----------------------------------|---------------------------------|--------------|--------------|
| Depreciation | 19.84 | 22.10 | 22.24 |
| Interest on Loan | 14.19 | 14.43 | 13.07 |
| Return on Equity | 17.66 | 19.67 | 19.80 |
| Operation & Maintenance Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.68 | 0.74 | 0.72 |
| Total | 52.37 | 56.94 | 55.83 |



Asset-6

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|----------------------------------|---------------------------------|---------------|---------------|
| Depreciation | 36.94 | 42.78 | 43.14 |
| Interest on Loan | 27.22 | 28.57 | 25.94 |
| Return on Equity | 32.88 | 38.08 | 38.40 |
| Operation & Maintenance Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 1.27 | 1.44 | 1.41 |
| Total | 98.31 | 110.87 | 108.89 |

9. The Petitioner has claimed the following Interest on Working Capital (IWC) in respect of the transmission assets from their respective commercial operation dates to 31.3.2024:

Asset-1

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|------------------------------------|---------------------------------|--------------|--------------|--------------|
| O&M Expenses | 4.44 | 4.44 | 4.44 | 4.44 |
| Maintenance Spares | 8.00 | 8.00 | 8.00 | 8.00 |
| Receivables | 58.78 | 60.58 | 60.66 | 59.06 |
| Total Working Capital | 71.22 | 73.02 | 73.10 | 71.50 |
| Rate of Interest (in %) | 11.25 | 11.25 | 11.25 | 11.25 |
| Interest on Working Capital | 6.03 | 8.21 | 8.22 | 8.04 |

Asset-2

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|------------------------------------|--------------------------------|-------------|-------------|-------------|
| O&M Expenses | 0.59 | 0.59 | 0.59 | 0.59 |
| Maintenance Spares | 1.07 | 1.07 | 1.07 | 1.07 |
| Receivables | 7.37 | 7.64 | 7.91 | 7.79 |
| Total Working Capital | 9.03 | 9.30 | 9.57 | 9.45 |
| Rate of Interest (in %) | 11.25 | 11.25 | 11.25 | 11.25 |
| Interest on Working Capital | 0.04 | 1.05 | 1.08 | 1.06 |

Asset-3

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|------------------------------------|--------------------------------|--------------|--------------|--------------|
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 | 0.00 |
| Receivables | 25.38 | 25.80 | 26.12 | 25.55 |
| Total Working Capital | 25.38 | 25.80 | 26.12 | 25.55 |
| Rate of Interest (in %) | 11.25 | 11.25 | 11.25 | 11.25 |
| Interest on Working Capital | 0.10 | 2.90 | 2.94 | 2.87 |



Asset-4

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|------------------------------------|---------------------------------|-------------|-------------|
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 |
| Receivables | 5.03 | 6.07 | 6.22 |
| Total Working Capital | 5.03 | 6.07 | 6.22 |
| Rate of Interest (in %) | 10.50 | 10.50 | 10.50 |
| Interest on Working Capital | 0.50 | 0.64 | 0.65 |

Asset-5

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|------------------------------------|---------------------------------|-------------|-------------|
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 |
| Receivables | 6.81 | 7.02 | 6.86 |
| Total Working Capital | 6.81 | 7.02 | 6.86 |
| Rate of Interest (in %) | 10.50 | 10.50 | 10.50 |
| Interest on Working Capital | 0.68 | 0.74 | 0.72 |

Asset-6

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|------------------------------------|---------------------------------|--------------|--------------|
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 |
| Receivables | 13.61 | 13.67 | 13.39 |
| Total Working Capital | 13.61 | 13.67 | 13.39 |
| Rate of Interest (in %) | 10.50 | 10.50 | 10.50 |
| Interest on Working Capital | 1.27 | 1.44 | 1.41 |

Date of Commercial Operation (“COD”)

10. The Petitioner has claimed the COD of the transmission assets as follows:

Asset-1 on 30.6.2020, Asset-2 on 19.3.2021, Asset-3 on 19.3.2021, Asset-4 on 19.4.2021, Asset-5 on 20.4.2021 and Asset-6 on 11.5.2021.

11. The communication system under the transmission project comprises the Fibre Optic Communication Systems. Since the operating voltage for the communication system operation is 24/48-volt D/C supply, as per the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations 2010 (“the CEA 2010



Regulations”), a minimum of 650 volts is required for inspection. Further, since the Central Government has specified the notified voltage for the purpose of self-certification under Regulations 30 and 43 of the CEA 2010 Regulations, which is 11 kV i.e. up to 11 kV, no inspection is required by the CEA Inspector. Hence, the CEA clearance letter is not applicable in the case of the communication system.

12. In support of the COD of the transmission assets, the Petitioner has submitted a copy of the RLDC Charging Certificates dated 18.9.2020, 27.4.2021, 5.7.2021, 14.5.2021, 28.5.2021 and 23.7.2021 certifying that the successful trial operation was completed and self-declaration COD letters dated 24.9.2020, 31.5.2021, 7.7.2021, 31.5.2021, 31.5.2021 and 30.7.2021 with respect to the Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, and Asset-6, respectively.

13. Regulation 5 of the 2019 Tariff Regulations provides as under:

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

(2) *In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:*

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

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

- (a) Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;*
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;*
- (c) Implementation Agreement, if any, executed by the parties;*



- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.

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

- (a) the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or
- (b) the first date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or
- (c) the date of two years from the date of commencement of production:
Provided that on earliest occurrence of any of the events under sub-clauses (a) to (c) of Clause (3) of this Regulation, the generating company shall declare the date of commercial operation of the integrated mine(s) under the relevant sub-clause with one week prior intimation to the beneficiaries of the end-use or associated generating station(s);

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

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

14. The details of the RLDC Certificates and COD letters submitted by the Petitioner, in respect of the transmission assets are as follows:

| Assets | Description |
|----------------|--|
| Asset-1 | RLDC Certificate dated 18.9.2020 certifying the successful completion of the trial run on 30.6.2020. COD letter dated 24.9.2020. |
| Asset-2 | RLDC Certificate dated 27.4.2021 certifying the successful completion of the trial run on 19.3.2021. COD letter dated 31.5.2021. |
| Asset-3 | RLDC Certificate dated 5.7.2021 certifying the successful completion of the trial run on 19.3.2021. COD letter dated 7.7.2021. |



| | |
|----------------|--|
| Asset-4 | RLDC Certificate dated 14.5.2021 certifying the successful completion of the trial run on 19.4.2021. COD letter dated 31.5.2021. |
| Asset-5 | RLDC Certificate dated 28.5.2021 certifying the successful completion of the trial run on 20.4.2021. COD letter dated 31.5.2021. |
| Asset-6 | RLDC Certificate dated 23.7.2021 certifying the successful completion of the trial run on 11.5.2021. COD letter dated 30.7.2021. |

15. Considering the RLDC Charging Certificates and the Self-Declaration Certificates of COD, the CODs of the transmission assets are approved as 30.6.2020 for Asset-1, 19.3.2021 for Asset-2, 19.3.2021 for Asset-3, 19.4.2021 for Asset-4, 20.4.2021 for Asset-5, and 11.5.2021 for Asset-6.

Capital Cost

16. Regulation 19 of the 2019 Tariff Regulations provides as under:

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

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the Asset-before the date of commercial operation;*



- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway.*
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
- (n) Expenditure on account of change in law and force majeure events; and*
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*

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

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

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

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

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

- (a) The Asset-forming part of the project, but not in use, as declared in the tariff petition;*



(b) De-capitalised Asset-after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

(c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;

(d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and

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

17. The Petitioner has claimed the following capital cost for the transmission assets incurred as on the COD and the Additional Capital Expenditure (ACE) projected to be incurred until 2023-24:

(Rs. in lakh)

| Asset No. | FR Approved Cost | RCE Approved Cost | Expenditure Up to COD | Projected Expenditure | | | | Estimated completion Cost |
|--------------|------------------|-------------------|-----------------------|-----------------------|---------------|--------------|-------------|---------------------------|
| | | | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| Asset-1 | 2471.22 | 2729.46 | 2430.59 | 85.41 | 136.31 | 13.71 | 0.00 | 2666.02 |
| Asset-2 | 339.44 | 359.22 | 315.49 | 0.00 | 33.20 | 7.46 | 0.00 | 356.15 |
| Asset-3 | 1023.46 | 1305.42 | 1216.60 | 0.00 | 64.96 | 19.95 | 0.00 | 1301.51 |
| Asset-4 | 223.15 | 340.97 | 203.72 | 0.00 | 79.27 | 31.48 | 0.00 | 314.47 |
| Asset-5 | 229.73 | 380.79 | 317.24 | 0.00 | 29.57 | 4.56 | 0.00 | 351.37 |
| Asset-6 | 444.12 | 710.86 | 646.32 | 0.00 | 23.97 | 11.19 | 0.00 | 681.48 |
| Total | 4731.12 | 5826.72 | 5129.96 | 85.41 | 367.28 | 88.35 | 0.00 | 5671.00 |

18. The Petitioner vide affidavit dated 5.1.2024 has submitted the details of the estimated completion cost vis-à-vis FR apportioned approved cost for the transmission assets, and the same are as under:

(Rs. in lakh)

| Assets | FR Apportioned Approved Cost (a) | RCE Apportion Approved Cost (b) | Estimated Completion Cost as per Auditor's Certificate (c) | Cost Variation with FR (c-a) | Cost Variation with RCE (c-b) |
|---------|----------------------------------|---------------------------------|--|------------------------------|-------------------------------|
| Asset-1 | 2471.22 | 2729.46 | 2666.02 | 194.8 | (-)63.44 |
| Asset-2 | 339.44 | 359.22 | 356.15 | 16.71 | (-)3.07 |
| Asset-3 | 1023.46 | 1305.42 | 1301.51 | 278.05 | (-)3.91 |



| | | | | | |
|--------------|----------------|----------------|----------------|---------------|------------------|
| Asset-4 | 223.15 | 340.97 | 314.47 | 91.32 | (-)26.5 |
| Asset-5 | 229.73 | 380.79 | 351.37 | 121.64 | (-)29.42 |
| Asset-6 | 444.12 | 710.86 | 681.48 | 237.36 | (-)29.38 |
| Total | 4731.12 | 5826.72 | 5671.00 | 939.88 | (-)155.72 |

19. According to the Petitioner, there is a cost variation of Rs.195 lakh, Rs.17 lakh, Rs.278 lakh, Rs.91 lakh, Rs.122 lakh, and Rs.237 lakh in the case of Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, and Asset-6, respectively, with respect to FR apportioned approved cost. However, the estimated completion cost for Assets-1 to 6 is within the approved apportioned cost as per the RCE.

20. The main reasons for cost variation with respect to FR apportioned cost submitted by the Petitioner are as under:

OPGW and Associated Equipment Cost Variation (Rs.58 lakh):

21. The contracts for various packages under the transmission project were awarded to the lowest evaluated and responsive bidder on the basis of. Since the award prices represent the lowest prices available at the time of bidding on various packages, it is capturing the price level at the bidding stage. The Petitioner has been following a well-laid-down procurement policy that ensures transparency and competitiveness in the bidding process. The lowest possible market prices for required products/services/as per the detailed design are obtained, and contracts are awarded based on the lowest evaluated eligible bidder. The best competitive bid prices against tenders may vary compared to the cost estimates depending upon prevailing market conditions, design, and site requirements. The estimates are prepared by the Petitioner using well-defined procedures for the cost estimates. The FR cost estimate is a broad indicative cost worked out generally based on the average unit rates of



recently awarded contracts/bid prices. The Petitioner has submitted that the cost estimate of the transmission project is based on 3rd quarter, 2010 price level.

Interest During Construction (IDC) (increase of Rs. 296 lakh)

22. The IDC for the transmission assets, as per the FR cost, was estimated at Rs.307 lakh, the actual IDC is Rs.603 lakh. Thus, there is an increase of Rs.296 lakh with respect to the FR cost in IDC in the case of the transmission assets. The main reason for the increase in IDC is attributable to the increase in the Project Time Cycle and the increase in overall capital cost with respect to FR.

IEDC (Increase of Rs.64 lakh)

23. The Petitioner has submitted that the IEDC, including contingencies, for the transmission assets in approved FR cost, was estimated at Rs.535 lakh. However, IEDC works out to Rs.598 lakh based on the expenditure. Thus, IEDC under the transmission project has increased by Rs.64 lakh with respect to the FR cost. It has been further submitted that in the approved FR cost, IEDC, and contingency were considered @10.75% and 3%, respectively, as equipment cost, whereas the actual amount of IEDC will be considered at the time of the claim of the tariff. The main reasons for the increase in IEDC are attributable to an increase in the Project Time Cycle and an increase in overall capital cost concerning FR. The Petitioner has followed a robust and time-tested system of preparing cost estimates before obtaining the IA. After the IA, the award letters are placed on the executing agencies based on a tendering process as per the best industry practices and due diligence, including justification of bid prices vis-à-vis estimated cost before placing the awards. Further, the award for execution of the transmission assets was placed after following a transparent process of tendering, bid evaluation, and award of work to the lowest



technical and commercially responsive bid. Further, the actual cost incurred during the project execution was compiled, and the proposal for the RCE was submitted to the Board of Directors of the Petitioner. Before submission of a proposal to the Board of Directors, it was routed through the various departments for Management approval. Subsequently, it was submitted for approval by the Committee of Directors on Investment of Projects. It is clear from the above that there is a focused attention on cost efficiencies right from the project approval stage.

24. The Petitioner has submitted the reasons for cost variation of the complete project as per the RCE vis-a-vis FR cost approved in the IA, and the same are as follows:

Price Variation (PV) (Variation between awarded cost with respect to FR estimate) (Net increase of Rs.930 lakh: 11.51 %)

25. There has been an increase in the transmission project cost of Rs.930 lakh on account of price variation, which works out to 11.51% of the approved cost. The Petitioner has submitted that the contracts for various packages under the transmission project were awarded to the lowest evaluated and responsive bidder on the basis of Domestic/ Global Competitive Bidding after the publication of NITs in leading newspapers. Thus, the award prices represent the lowest prices available at the time of the bidding of various packages. The Petitioner has further submitted that the packages under the transmission project are firm price contracts. Hence, no LoA PV has been considered in the RCE of the transmission project. Thus, the price variation observed during the execution of the transmission project is attributable to the market forces prevailing at the bidding process of various packages awarded for the execution of the transmission project.



Variation in quantities of approved items & New Addition/Deletion (Net increase of Rs.474 lakh: 5.87 %)

26. The increase under the subject head is as under:

| Description | Amount (Rs. in lakh) | Remarks |
|---|----------------------|---|
| OPGW | 066 | Due to changes in the OPGW network and lengths of links during execution, and subsequent addition/ deletion of links, the requirement of OPGW fibre optic cable was changed, and accordingly, the total quantity inclusive spare for OPGW has increased from 2042 km to 2068 km (including spare of 93 km). |
| PDH/ Mux Equipment | 086 | The quantity of PDH/ Mux Equipment, including spares, has increased from 120 to 145 nos. to incorporate the requirement of 485/422 data communication at all Central Sector sub-station sites and for terminal servers (connected to LDC) at Misa and Badarpur. |
| Hot Line Speech Communication (Computer Dialing) System for Grid Operations (PABX System) | 322 | In the 14th TCC/ NERPC, approval was accorded for implementing a state-of-the-art PABX System for NLDC/ NERLDC and all SLDCs of NER to attain reliable grid operation, and it was decided to include the same under the transmission project. |
| TOTAL | 474 | |

Foreign Exchange Rate Variation (FERV) (Package) (Net increase of Rs.137 lakh: 1.70 %)

27. The project involves foreign currency payments in US dollars for the Fiber Optic Cabling packages. The details of the exchange rates considered are as under:

| Foreign Currency (in INR) | | |
|---------------------------|----------------------------------|---|
| | Approved DPR (December, 2014 PL) | RCE (September, 2018 PL) |
| 1 USD | 63.07 | Average rate varied from 64.51 to 72.25 |

28. Due to the variation in exchange rates, there is an actual/ anticipated increase of Rs.137 lakh under the head FERV of packages.

Other Reasons (IEDC & IDC) (Net increase of Rs.730 lakh: 9.05 %)

29. The total cost of the transmission project under the head 'IEDC and IDC' has increased by Rs.730 lakh in comparison to the approved cost, which works out to 9.05% as per the following break-up:



A. Increase in IEDC:

As per the IA, the IEDC, including contingencies for the transmission project as per the approved cost, was estimated at Rs.913 lakh. Based on the actual/ anticipated funds flow in the RCE, the IEDC, including contingencies, works out to be Rs.1130 lakh, resulting in an increase of Rs.217 lakh. Therefore, it can be said that in the RCE, contingency has been considered at 3% of the balance COD.

B. Increase in IDC:

IDC for the transmission project as per the approved cost was estimated at Rs.523 lakh, whereas, based on the actual/ anticipated funds flow, the IDC for the transmission project with respect to the RCE works out to Rs.1036 lakh. Thus, there is an increase of Rs.513 lakh in IDC. The main reasons for the increase in IDC are (i) the increase in the estimated cost of the project (excluding IDC) from Rs.7550 lakh to Rs.9308 lakh; (ii) the delay in commissioning of the links by 35 months from the approved DPR schedule.

30. The Petitioner has submitted that the estimated completion cost of the transmission assets is within the RCE-approved cost.

31. We have considered the Petitioner's submissions. As compared with FR cost, the estimated completion cost of asset-1 to asset-6 varies from Rs 1.95 Cr, Rs 0.17 Cr, Rs 2.78 Cr, Rs 0.91 Cr, Rs 1.22 Cr, and Rs 2.37 Cr, respectively with regard to FR apportioned approved cost. The estimated completion cost of the individual assets is within the apportioned approved capital cost of the transmission assets as per the RCE. The estimated completion cost of asset-1 to asset-6 is within RCE cost, therefore, we provisionally allow the capital cost claimed by the Petitioner. However,



the Petitioner is directed to submit the detailed reasons along with supporting documents of cost variation for consideration with respect to FR cost and apportioned RCE cost in respect of the transmission assets considered in the instant Petition at the time of truing up.

Time Over-run

32. The Petitioner has submitted that as per the IA dated 24.4.2015, the SCOD of the transmission assets was 23.10.2017, against which they were put under commercial operation with a certain time over-run. The details of the time over-run concerning the transmission assets are as follows:

| Assets | Asset Name | SCOD | Actual COD | Delay in days |
|---------------|--|-------------|-------------------|----------------------|
| Asset-1 | 09 Nos. Central Sector Communication Links | 23.10.2017 | 30.6.2020 | 981 |
| Asset-2 | 01 Nos. Central Sector Communication Link | | 19.3.2021 | 1243 |
| Asset-3 | 09 Nos. State Sector Communication Links | | 19.3.2021 | 1243 |
| Asset-4 | 03 Nos. State Sector Communication Links | | 19.4.2021 | 1274 |
| Asset-5 | 02 Nos. State Sector Communication Links | | 20.4.2021 | 1275 |
| Asset-6 | 05 Nos. State Sector Communication Links | | 11.5.2021 | 1296 |

33. The detailed reasons for the time over-run submitted by the Petitioner are as under:

a) Reasons for time over-run for Asset-1

There is a delay of 981 days in the commissioning of Asset-1 due to work being hampered by bandh, strike, flood, poor road condition, road blockage, storm/rain intermittent violence/ insurgency, unprecedented rains and flash floods, site hindrances and working space constraints during the period from July 2017 to



February 2019, which were beyond the control of the Petitioner. The chronology justifying the delay in the commissioning of Asset-1 is as follows:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|------------|----------------------------|---------------------------|----------------------|----------|---|
| 19.7.2017 | 31.10.2017 | 105 | 0 | 105 | Service | Unseasonal rain in Manipur. |
| 24.8.2017 | 25.8.2017 | 2 | 2 | 0 | Service | Indefinite total bandh in Imphal-Jiribam highway. |
| 7.10.2017 | 13.10.2017 | 7 | 7 | 0 | Service | Tripura bandh for the killing of the journalist. |
| 23.11.2017 | 23.11.2017 | 1 | 0 | 1 | Service | Indefinite strike in Nagaland. |
| 27.11.2017 | 29.11.2017 | 3 | 0 | 3 | Service | Bandh in Nagaland |
| 25.12.2017 | 28.12.2017 | 4 | 0 | 4 | Service | Heavy rain and floods in different parts of NER. |
| 1.2.2018 | 1.2.2018 | 1 | 0 | 1 | Service | Tribal students call bandh in Manipur. |
| 6.5.2018 | 30.9.2018 | 148 | 77 | 71 | Service | Heavy rain and floods in different parts of NER. |
| 16.7.2018 | 31.12.2018 | 169 | 0 | 169 | Service | Natural/weather constraints, like road conditions or floods. RoW issue at Tripura and Nagaland and Manipur-Assam border as stated in the 10th NETEST Meeting. |
| 22.7.2018 | 23.7.2018 | 2 | 2 | 0 | Service | 48 hrs strike in Manipur. |
| 7.8.2018 | 8.8.2018 | 2 | 2 | 0 | Service | 48 hrs General Strike in Manipur. |
| 28.8.2018 | 29.8.2018 | 2 | 2 | 0 | Service | 12 hrs bandh called by Cor Com in Manipur. |
| 15.10.2018 | 15.10.2018 | 1 | 1 | 0 | Service | 12 hrs bandh in Dimapur. |
| 10.12.2018 | 10.12.2018 | 1 | 1 | 0 | Service | Bharat Bandh. |
| 8.1.2019 | 9.1.2019 | 2 | 0 | 2 | Service | 24 hrs Bandh against CAB in Manipur. |
| 1.2.2019 | 1.2.2019 | 1 | 0 | 1 | Service | Heavy rain, flood in Tripura, Assam, Manipur and Nagaland. |
| 24.5.2019 | 30.10.2019 | 160 | 103 | 57 | Service | Heavy rain, flood in different parts of NER. |
| 11.7.2019 | 21.10.2019 | 103 | 0 | 103 | Service | Heavy rain, flood in Tripura, Assam, Manipur and Nagaland. |
| Total | | 714 | 197 | 517 | | |

b) Reasons for time over-run for Asset-2

There is a delay of 1243 days in the commissioning of Asset-2 due to work being hampered by the gang mobilisation owing to law and order problems in the State of Manipur, late execution of the job due to Covid-19 outbreak, bandh, strike, flood, poor road conditions, road blockage, storm/rain intermittent violence/insurgency, unprecedented rains and flash floods in Manipur during the period from October 2017 to December 2020, which were beyond the control of the



Petitioner. The chronology justifying the delay in the commissioning of Asset-2 is as under:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|------------|----------------------------|---------------------------|----------------------|----------|---|
| 17.10.2017 | 29.11.2018 | 683 | 0 | 683 | Service | The issue of difficulty in gang mobilization due to the law and order in Manipur. |
| 16.1.2018 | 17.1.2018 | 2 | 2 | 0 | Supply | 36 hrs Bandh in Manipur. |
| 10.6.2018 | 30.6.2018 | 20 | 0 | 20 | Service | Terrestrial rain lashes Manipur. |
| 31.7.2018 | 31.7.2018 | 1 | 1 | 0 | Service | 24 hrs General Strike in Manipur. |
| 17.8.2018 | 17.8.2018 | 1 | 1 | 0 | Service | 24 hrs Bandh in Manipur called in Zeliangrong in Imphal-Jiribam Road. |
| 9.9.2018 | 13.9.2018 | 5 | 5 | 0 | Service | 100 hrs blockade called by All Manipur Students' Union (AMSU) in Imphal-Jiribam Road. |
| 19.9.2018 | 19.9.2018 | 1 | 1 | 0 | Service | Blockage called by HPC Paper Mills Revival Action Committee. |
| 16.9.2018 | 21.9.2018 | 6 | 3 | 3 | Service | Flood in Manipur. |
| 27.9.2018 | 28.9.2018 | 2 | 2 | 0 | Service | 48 hrs Bandh called by Six students organisation. |
| 9.7.2019 | 30.7.2019 | 22 | 1 | 21 | Service | Flood in Manipur. |
| 25.7.2019 | 25.7.2019 | 1 | 1 | 0 | Service | 24 hrs Bandh over mysterious death of school girl. |
| 22.7.2019 | 11.12.2019 | 142 | 0 | 142 | Service | Non-availability of gang/gang withdrawal due to RoW issues. |
| 1.8.2019 | 1.8.2019 | 1 | 1 | 0 | Service | 14 hrs Bandh by All Manipur Excavator, local truck, tipper owner and workers association. |
| 9.8.2019 | 9.8.2019 | 1 | 1 | 0 | Service | JAC 19 hrs bandh |
| 21.9.2019 | 21.9.2019 | 1 | 1 | 0 | Service | Anti-merger bandh by National Revolutionary Front of Manipur. |
| 10.10.2019 | 10.10.2019 | 1 | 1 | 0 | Service | 15 hrs Bandh by Student Union over CAB. |
| 15.10.2019 | 15.10.2019 | 1 | 1 | 0 | Service | State-wide Manipur Bandh by military group. |
| 24.10.2019 | 30.10.2019 | 7 | 0 | 7 | Service | Heavy rain triggers fear of flood. |
| 1.11.2019 | 2.11.2019 | 2 | 2 | 0 | Service | COCOM Bandh. |
| 23.3.2020 | 8.5.2020 | 46 | 0 | 46 | Service | Late execution of work due to Covid-19. |
| 23.3.2020 | 31.8.2020 | 161 | 46 | 115 | Service | Complete lockdown due to Covid-19. |
| 4.7.2020 | 30.7.2020 | 26 | 26 | 0 | Service | Flood/landside in Manipur. |
| 1.9.2020 | 9.12.2020 | 80 | 0 | 80 | Service | Movement restriction, quarantine, SOP, night curfew due to Covid-19. |
| 14.9.2020 | 15.9.2020 | 2 | 0 | 2 | Service | 48 hrs Bandh by ATSUM. |
| 23.10.2020 | 30.10.2020 | 8 | 8 | 0 | Service | Flood/landside in Manipur. |
| 8.12.2020 | 8.12.2020 | 1 | 0 | 1 | Service | Bharat Bandh. |
| Total | | 1224 | 104 | 1120 | | |

c) Reasons for time over-run for Asset-3

There is a delay of 1243 days in the commissioning of Asset-3 due to work being hampered by the gang mobilization due to the law and order problem in the State



of Manipur, late execution of work due to the Covid-19 outbreak, bandh, strike, flood, poor road condition, road blockage, storm/rain intermittent violence/ insurgency, unprecedented rains, and flash floods in Manipur during the period from January 2018 to September 2020, which were beyond the control of the Petitioner. The chronology justifying the delay in the commissioning of Asset-3 is as under:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|------------|------------|----------------------------|---------------------------|----------------------|----------|--|
| 16.1.2018 | 17.1.2018 | 2 | 0 | 2 | Service | 36 hrs Bandh in Manipur. |
| 31.7.2018 | 31.7.2018 | 1 | 1 | 0 | Service | 24 hrs General Strike in Manipur. |
| 15.5.2018 | 29.11.2018 | 199 | 0 | 199 | Service | Issue of difficulties in gang mobilization due to the law and order in Manipur. |
| 10.6.2018 | 30.6.2018 | 20 | 0 | 20 | Service | Terrestrial rain lashes Manipur. |
| 17.8.2018 | 17.8.2018 | 1 | 1 | 0 | Service | 24 hrs bandh in Manipur called in Zeliangrong in Imphal-Jiribam Road. |
| 9.9.2018 | 13.9.2018 | 5 | 5 | 0 | Service | A 100-hour blockade was called by All Manipur Students' Union (AMSU) on Imphal-Jiribam Road. |
| 16.9.2018 | 21.9.2018 | 6 | 1 | 5 | Service | Flood in Manipur. |
| 19.9.2018 | 19.09.2018 | 1 | 1 | 0 | Service | The blockage was called by HPC Paper Mills Revival Action Committee. |
| 27.9.2018 | 28.9.2018 | 2 | 2 | 0 | Service | 48 hrs Bandh called by Six Students' Organization. |
| 9.7.2019 | 30.7.2019 | 22 | 1 | 21 | Service | Flood in Manipur. |
| 25.7.2019 | 25.7.2019 | 1 | 0 | 1 | Service | 24 hrs Bandh over mysterious death of school girl. |
| 1.8.2019 | 1.8.2019 | 1 | 0 | 1 | Service | 14 hrs Bandh by All Manipur Excavator, Local Truck, Tipper Owner and Workers Association. |
| 9.8.2019 | 9.8.2019 | 1 | 0 | 1 | Service | JAC 19 hrs bandh |
| 28.8.2019 | 10.11.2019 | 75 | 0 | 75 | Service | OPGW erection could not be completed due to the tower collapsed in the State TL. |
| 12.9.2019 | 15.7.2020 | 308 | 0 | 308 | Service | The miscreant problem faced during the execution of work. |
| 21.9.2019 | 21.9.2019 | 1 | 1 | 0 | Service | Anti-Merger bandh by National Revolutionary Front of Manipur. |
| 10.10.2019 | 10.10.2019 | 1 | 1 | 0 | Service | 15 hrs Bandh by Student Union over CAB. |
| 15.10.2019 | 15.10.2019 | 1 | 1 | 0 | Service | State-wide Manipur bandh by military group. |
| 24.10.2019 | 30.10.2019 | 7 | 0 | 7 | Service | Heavy rain triggers fear of flood. |
| 8.12.2019 | 11.12.2019 | 4 | 4 | 0 | Service | RoW issues. |
| 23.3.2020 | 8.5.2020 | 46 | 46 | 0 | Service | Late execution of work due to Covid-19. |



| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|-----------|----------------------------|---------------------------|----------------------|----------|--|
| 23.3.2020 | 31.8.2020 | 161 | 114 | 47 | Service | Complete Lockdown due to Covid-19. |
| 4.7.2020 | 30.7.2020 | 26 | 26 | 0 | Service | Flood/landslide in Manipur. |
| 1.9.2020 | 26.9.2020 | 26 | 0 | 26 | Service | Movement restriction, quarantine, SOP, night curfew due to Covid-19. |
| 14.9.2020 | 15.9.2020 | 2 | 2 | 0 | Service | 48 hrs Bandh by ATSUM. |
| Total | | 922 | 209 | 713 | | |

d) Reasons for time over-run for Asset-4

There is a delay of 1274 days in the commissioning Asset-4 due to work being hampered by late execution owing to the Covid-19 outbreak, bandh, strike, flood, poor road conditions, road blockage, unprecedented rains and flash floods in the State of Meghalaya during the period from June 2017 to March 2021, which were beyond the control of the Petitioner. The chronology justifying the delay in commissioning of Asset-4 is as under:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|-----------|------------|----------------------------|---------------------------|----------------------|----------|---|
| 1.6.2017 | 31.9.2017 | 122 | 0 | 122 | Service | The rainy season in Meghalaya led to a halt in work. |
| 27.2.2018 | 27.2.2018 | 1 | 0 | 1 | Service | Meghalaya Election. |
| 6.5.2018 | 8.5.2018 | 3 | 0 | 3 | Service | Landslide in Meghalaya. |
| 1.6.2018 | 31.9.2018 | 122 | 0 | 122 | Service | The rainy season in Meghalaya led to a halt in work. |
| 5.6.2018 | 30.6.2018 | 25 | 0 | 25 | Service | Community violence between Khasi-Sikh. |
| 10.9.2018 | 10.9.2018 | 1 | 1 | 0 | Service | Bharat Bandh. |
| 8.1.2019 | 9.1.2019 | 2 | 0 | 2 | Service | 2 day strike was called by the Central Trade Union. |
| 15.6.2019 | 15.8.2019 | 62 | 0 | 62 | Service | The rainy season in Meghalaya led to a halt in work. |
| 9.7.2019 | 30.7.2019 | 22 | 22 | 0 | Service | Flood/landslide in Meghalaya. |
| 28.2.2020 | 15.3.2020 | 16 | 0 | 16 | Service | Violence/curfew over CAA. |
| 23.3.2020 | 30.11.2020 | 252 | 0 | 252 | Service | Lock-down, movement restriction, curfew due to the Covid-19 pandemic. |
| 25.5.2020 | 10.6.2020 | 16 | 16 | 0 | Service | Flood/landslide in Meghalaya. |
| 23.9.2020 | 10.10.2020 | 17 | 17 | 0 | Service | Flood/landslide in Meghalaya. |
| 26.9.2020 | 18.4.2021 | 204 | 65 | 139 | Service | OPGW snapping and rectification of Khliehriat-Lumshnong Link. |
| 8.12.2020 | 8.12.2020 | 1 | 0 | 1 | Service | Bharat Bandh. |
| 15.2.2021 | 17.2.2021 | 3 | 0 | 3 | Service | Transporters' Strike. |
| 26.2.2021 | 26.2.2021 | 1 | 0 | 1 | Service | Bharat Bandh. |



| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|-----------|----------------------------|---------------------------|----------------------|----------|--------------------|
| 26.3.2021 | 26.3.2021 | 1 | 0 | 1 | Service | Bharat Bandh. |
| Total | | 922 | 209 | 713 | | |

e) Reasons for time over-run for Asset-5

There is a delay of 1275 days in the commissioning of Asset-5 due to work being hampered by bandh, strike, flood, poor road conditions, road blockage, unprecedented rains, Covid-19 outbreak, and flash floods in the State of Nagaland during the period from October 2017 to August 2020, which were beyond the control of the Petitioner. The chronology justifying the delay in the commissioning of Asset-5 is as under:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|------------|----------------------------|---------------------------|----------------------|----------|---|
| 31.10.2017 | 1.11.2017 | 2 | 0 | 2 | Service | 42 hrs Bandh in Nagaland. |
| 3.1.2018 | 4.1.2018 | 2 | 0 | 2 | Service | Indefinite Bandh in Kohima. |
| 1.2.2018 | 1.2.2018 | 1 | 0 | 1 | Service | 12 hrs Bandh at Nagaland. |
| 30.4.2018 | 2.5.2018 | 3 | 0 | 3 | Service | Indefinite strike in Nagaland. |
| 1.7.2018 | 30.7.2018 | 30 | 0 | 30 | Service | RoW issues in Kohima. |
| 8.7.2018 | 15.9.2018 | 9 | 0 | 9 | Service | Flood, landslides in Nagaland. |
| 31.10.2018 | 31.10.2018 | 1 | 0 | 1 | Service | 12 hrs Bandh in Nagaland. |
| 9.12.2018 | 9.12.2018 | 1 | 0 | 1 | Service | 12 hrs Bandh at Dimapur. |
| 18.12.2018 | 18.12.2018 | 1 | 0 | 1 | Service | Bandh in Wokha District of Nagaland. |
| 4.7.2019 | 15.11.2019 | 135 | 0 | 135 | Service | Flood, landslides in Nagaland. |
| 18.11.2019 | 18.11.2019 | 1 | 0 | 1 | Service | 18 hrs Nagaland Bandh. |
| 10.12.2019 | 10.12.2019 | 1 | 0 | 1 | Service | NE Student Union calls NE Bandh. |
| 14.12.2019 | 14.12.2019 | 1 | 0 | 1 | Service | 6 hrs Bandh at Nagaland. |
| 8.1.2020 | 8.1.2020 | 1 | 0 | 1 | Service | Bharat Bandh. |
| 6.3.2020 | 8.3.2020 | 3 | 0 | 3 | Service | Landslide by four lane construction in Nagaland. |
| 23.3.2020 | 30.11.2020 | 252 | 0 | 252 | Service | Lock-down, movement restriction, curfew due to Covid-19 pandemic. |
| 1.7.2020 | 31.8.2020 | 62 | 0 | 62 | Service | Heavy rainfall caused flood. |
| Total | | 708 | 0 | 708 | | |

f) Reasons for timer over-run of Asset-6

There has been a delay of 1296 days in the commissioning of Asset-6. The delay was caused by various factors, including bandhs, strikes, floods, poor road conditions, road blockages, unprecedented rains, the Covid-19 outbreak, and flash floods in the State



of Tripura from November 2017 to November 2020. These factors were beyond the control of the Petitioner. The timelines justifying the delay in the commissioning of Asset-6 are as follows:

| From | To | Period of Hindrance (days) | Overlapping period (days) | Net Hindrance (days) | Activity | Cause of Hindrance |
|--------------|------------|----------------------------|---------------------------|----------------------|----------|---|
| 23.11.2017 | 24.11.2017 | 2 | 0 | 2 | Service | Two days bandh in Tripura for killing of journalist. |
| 13.12.2017 | 13.12.2017 | 1 | 0 | 1 | Service | Nationwide strike called by BSNL |
| 18.12.2017 | 20.12.2017 | 3 | 0 | 3 | Service | MSRTC strike in Tripura. |
| 20.4.2018 | 31.9.2018 | 144 | 0 | 144 | Service | Delay in provision of ADSS cable by TSECL. (Not in the scope of the Petitioner) |
| 17.5.2018 | 30.6.2018 | 45 | 45 | 0 | Service | Flood in Tripura affected normal life. |
| 30.5.2018 | 31.5.2018 | 2 | 2 | 0 | Service | Two days strike in Tripura. |
| 2.8.2018 | 2.8.2018 | 1 | 1 | 0 | Service | BJP's ally strike in Tripura. |
| 10.9.2018 | 10.9.2018 | 1 | 0 | 1 | Service | Bharat Bandh affected Tripura's normal life. |
| 2.12.2018 | 02.12.2018 | 1 | 0 | 1 | Service | BJP's ally strike in Tripura for a separate State. |
| 23.3.2020 | 30.11.2020 | 252 | 0 | 252 | Service | Lock-down, movement restriction, curfew due to Covid-19 pandemic. |
| Total | | 452 | 48 | 404 | | |

34. We have considered the Petitioner's submissions. We have also gone through the documents placed on record. The Petitioner has submitted that the IA communication date was 24.4.2015. However, the board meeting for the IA was held on 17.4.2015. Accordingly, the date of the IA is considered as 17.4.2015. Hence, as per the IA dated 17.4.2015, the transmission assets were scheduled to be commissioned within 30 months from the date of the IA, i.e., by 17.10.2017, against which the transmission assets are put into commercial operation as under:

| Assets | SCOD | Actual COD | Delay in days |
|---------|------------|------------|---------------|
| Asset-1 | 17.10.2017 | 30.6.2020 | 987 |
| Asset-2 | | 19.3.2021 | 1249 |
| Asset-3 | | 19.3.2021 | 1249 |
| Asset-4 | | 19.4.2021 | 1280 |
| Asset-5 | | 20.4.2021 | 1281 |
| Asset-6 | | 11.5.2021 | 1302 |



35. It is noticed that as per the Petitioner's submission, the time over-run in respect of the transmission assets was mainly due to the bandhs, strikes, floods, poor road conditions, road blockage, storm/rain intermittent violence/ insurgency, unprecedented rains, flash floods, site hindrances and working space constraints, gang mobilization due to law and order in the States of Manipur, Meghalaya, Nagaland and Tripura, late execution of work due to the Covid-19 outbreak.

36. Based on the supporting documents and the details provided by the Petitioner, we have analysed the asset-wise time over-run as under:

Asset-1

37. The Petitioner has submitted that the time period from 19.07.2017 to 21.10.2019 (714 days) period of hindrance, out of which 197 days is overlapping and about net hindrance of 517 days of on account of heavy rains, floods in NER and bandhs which led to delay in commissioning of the Asset-1. we have gone through the submissions of the Petitioner. In support of the documentary evidence the Petitioner has provided the newspaper cuttings in respect of the heavy rain, bundh, and strikes that took place in the States of Manipur, Assam, Nagaland, and Tripura, etc., without substantiating that these activities hampered the progress of execution of work concerning the Asset-1.

38. Regulation 3(25) of 2019 Tariff Regulations defines "force majeure" as follows:

"(25) 'Force Majeure' for the purpose of these regulations means the events or circumstances or combination of events or circumstances including those stated below which partly or fully prevents the generating company or transmission licensee to complete the project within the time specified in the Investment Approval, and only if such events or circumstances are not within the control of the generating company or transmission licensee and could not have been avoided, had the generating company or transmission licensee taken reasonable care or complied with prudent utility practices:



(a) Act of God including lightning, drought, fire and explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, geological surprises, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred years; or”

As per the regulation mentioned above, the Petitioner has to submit data for the last hundred years to show that the rains during the above-mentioned period were abnormal. As the Petitioner has not submitted any such information to show that the rains during the said period were abnormal, we are not able to accept the Petitioner's claim that the rain during the said period was abnormal and it affected the execution of Asset-1. Hence, the delay of 341 days attributed to excess rainfall is not condoned. The Petitioner has submitted that due to bandhs, the Petitioner was not able to do any work. However, the Petitioner has submitted only random photographs and paper clipping and based on the same, we are not able to take a view for the delay due to bandhs. Hence, the delay of 176 days attributed to excess bandhs is not condoned.

30. The Petitioner only explained about the delay of 517 days whereas the total delay of asset-1 is 987 days, the balance period of 470 days the petitioner has not explained in this petition. As discussed above, we are not inclined to condone the time over-run of 987 days in the commissioning of Asset-1.

Asset-2

31. The Petitioner has claimed the total time over-run of 1249 days for Asset-2. However, the Petitioner has provided the supporting documents of hindrances only for 1120 days, i.e., from October 2017 to December 2020. The Petitioner has only provided newspaper clippings as supporting documents for the heavy rain, strikes, and other activities in the States of Manipur, Assam, Nagaland, and Tripura. The Petitioner has failed to show how these events obstructed the progress of work on Asset-2, resulting in a delay in its commissioning.



32. The Petitioner has contended that gang mobilisation was difficult due to law and order problems in Manipur and has placed on record a copy of the Minutes of the 19th TCC and 19th NERPC Meetings held on 28.11.2018 and 29.11.2018. A perusal of the issue raised by TCIL in the said meeting reveals that the aforementioned issue was not with respect to Asset-2.

33. The Petitioner has submitted the Ministry of Power (MoP) and Government of India (GoI) letters dated 27.7.2020 and 12.6.2021 in support of the time over-run due to the COVID-19 worldwide pandemic. The relevant extracts of letters dated 27.7.2020 and 12.6.2021 are as follows:

Dated 27.7.2020

“Sub: Extension to TSP/Transmission Licensees for completion of under construction inter-State transmission projects – reg.

Sir,

I am directed to state that transmission utilities have pointed out that construction activity at various transmission projects sites have been severely affected by the nationalised lockdown measures announced since 25th March 2020 to contain outbreak of COVID - 19 have requested for extension of Scheduled Commercial Operation Date (SCOD) for to mitigate the issues of disruption in supply chains and manpower, caused due to COVID-19 pandemic.

2. it has been therefore decided that;

- i. All inter-state transmission projects, which were under construction as on date of lockdown i.e. 25th March 2020, shall get an extension of five months in respect of their SCOD;*
- ii. This order shall not apply to those projects, whose SCOD dates was prior to 25th March 2020.*

Dated 12.6.2021

“Sub: Extension to TSP/Transmission Licensees for completion of under construction inter-State transmission projects – reg.

Sir,

I am directed to state that transmission utilities have approached this Ministry stating that construction activity at various transmission projects sites have been severely affected by the current second wave of COVID-19 pandemic and various measures taken by State/UT Governments to contain the pandemic; such as night curfew, imposition of section 144, weekend lockdown and complete lockdown. In this regard they have requested for extension of Scheduled Commercial Operation Date (SCOD)



for the undergoing Transmission projects to mitigate the issues of disruption in supply chains and manpower, caused due to COVID-19 pandemic.

2. The matter has been examined in the Ministry and it has been noted that unlike last year complete lock-down in the entire country, this time different States/UTs have ordered lock-down in their State/UTs as per their own assessments. Therefore, after due consideration, it has been decided that;

i. All inter-state transmission projects, which are under construction with SCOD coming after 01 April 2021 shall get an extension of three (3) months in respect of their SCOD;

ii. The commencement date of Long Term Access (LTA) to a generator by CTU based on completion of a transmission line, whose SCOD is extended by three (3) months due to COVID19 as mentioned above at point(i), shall also be extended by three (3) months.

3. This issue with the approval of Competent Authority.”

34. After analysing the submissions and documentary evidence of the Petitioner, it is observed that Asset-2 had already been delayed due to various other factors from October 2017, i.e., before the announcement of the lock-down due to Covid-19 on 25.3.2020, which is not condoned in the MoP letters as extracted above. Therefore, in view of the above, the extension of 05 months, as per the MoP letter dated 27.7.2020, is not applicable for Asset-2. Further, the extension of 3 months as per the MoP letter dated 12.6.2021 is also not applicable to Asset-2 as its SCOD was 17.10.2017, which was well before the aforesaid MoP letter.

35. In view of the above, we are of the view that the Petitioner has failed to produce any document substantiating the reasons contented by it, which has a direct impact on the delay in the commissioning of Asset-2. Therefore, we are not inclined to condone the time over-run of 1249 days in the commissioning of Asset-2.

Asset-3

36. On perusal of the Petitioner's submissions, it is noticed that the Petitioner has claimed the total time over-run of 1249 days for Asset-3, whereas the Petitioner has provided the supporting documents of obstructions for only 713 days, i.e., from January 2018 to September 2020. On examination of the record, we find that the



Petitioner has only provided the newspaper cuttings as the supporting documents in respect of heavy rain, bundh, and strikes that took place in the States of Manipur, Assam, Nagaland, Tripura, etc., without substantiating that these activities caused obstructions in the commissioning work of Asset-3.

37. On examination of the record, we do not find any supporting documents justifying the time over-run due to RoW issues, non-completion of OPGW work due to tower collapse, or miscreant problems faced during the construction. Further, the extension of time sought due to Covid-19 as per the MoP letters dated 27.7.2020 and 12.6.2021 is not applicable in the case of Asset-3, as its SCOD is 17.10.2017 which is well before the announcement of lock-down due to Covid-19 on 25.3.2020, which is not condoned in the MoP letter as extracted above. Therefore, in view of the above, the extension of 05 months as per the MoP letter dated 27.7.2020 is not applicable for Asset-3. Further, the extension of 3 months as per the MoP letter dated 12.6.2021 is also not applicable to Asset-2 as its SCOD was 17.10.2017, which was well before the aforesaid MoP letter.

38. In view of the above discussions, in the absence of the required documents, we are not inclined to condone the time over-run of 1249 days in the commissioning of Asset-3.

Asset-4

39. From the Petitioner's submissions, we note that the Petitioner has claimed the total time over-run of 1280 days for Asset-4. The Petitioner has, however, provided the supporting documents of hindrances for only 713 days, i.e., from June 2017 to March 2021, which include newspaper cuttings as the supporting documents in respect of heavy rain, bundh, and strikes that took place in the States of Manipur,



Assam, Nagaland, Tripura, etc. without substantiating that these activities delayed the progress of execution of Asset-4 and, therefore, caused a delay in commissioning of Asset-4. Further, the Petitioner has not submitted any supporting documents justifying the time over-run due to the lockdown implemented due to COVID-19, OPGW snapping, and rectification work during the project's construction stage.

40. In view of the above, we are of the view that the Petitioner has failed to produce any document substantiating the direct impact of reasons in the commissioning of Asset-4. Therefore, we are not inclined to condone the time over-run of 1280 days in the commissioning of Asset-4.

Asset-5

41. On perusal of the Petitioner's submissions, it is noticed that the Petitioner has claimed the total time over-run of 1281 days for Asset-5. The Petitioner has only provided the supporting documents of hindrances of 708 days, i.e., from October 2017 to August 2020, which are newspaper cuttings as the supporting documents in respect of heavy rain, bundh, and strikes that took place in the States of Manipur, Assam, Nagaland, Tripura, etc., without substantiating that these events obstructed the commissioning of Asset-5 and, therefore, caused a delay in the commissioning of Asset-5.

42. A perusal of the supporting documents submitted by the Petitioner against the time over-run of Asset-5 shows that all the reasons submitted by the Petitioner pertain to the duration of time after the SCOD. The Petitioner has not furnished any cogent reasons for the non-completion of Asset-5 nor submitted any convincing supporting documents justifying the time over-run due to RoW issues faced during the construction. We further observe that the extension of time due to Covid-19, as per the MoP letters dated 27.7.2020 and 12.6.2021, is also not applicable for Asset-5 for



the reason that its SCOD is 17.10.2017 which is well before 25.3.2020 and 1.4.2021 in terms of the said letters dated 27.7.2020 and 12.6.2021.

43. As the Petitioner has failed to produce any document to substantiate the direct impact of the reasons for the time over-run in the commissioning of Asset-5, we are not inclined to condone the delay of 1281 days in the commissioning of Asset-5.

Asset-6

44. On perusal of the Petitioner's submissions, we note that the Petitioner has claimed the total time over-run of 1302 days for Asset-6. However, the Petitioner has furnished the supporting documents of hindrances of 404 days, i.e., from November 2017 to November 2020. It is observed that the Petitioner has only provided the newspaper cuttings as the supporting documents in respect of heavy rain, bandh, and strikes that took place in the States of Manipur, Assam, Nagaland, Tripura, etc., without corroborating that these events that delayed the progress of Asset-6 and, therefore, caused a delay in the commissioning of Asset-6. On examination of the Petitioner's submissions, we note that all the reasons submitted by the Petitioner pertain to the duration of time after the SCOD. The Petitioner has failed to furnish the cogent reasons for the non-completion of Asset-6 within the scheduled time as per the IA. Further, the extension of the period due to Covid-19 as per the MoP letters dated 27.7.2020 and 12.6.2021 is also not applicable for Asset-6 for the reason that its SCOD is 17.10.2017 is much before 25.3.2020 and 1.4.2021 as per the said letters dated 27.2.2020 and 12.6.2021 respectively.

45. The Petitioner has submitted that the time period from 20.04.2018 to 31.09.2018 (144 days) is on account of delay in provision of ADSS cable by TSECL. We note that the installation of ADSS and hardware on electric pole structures to



complete the link was discussed and agreed upon in the meeting held on 19.4.2018 and on 20.4.2018 at SLDC Tripura. As per the minutes of the meeting, the scope of ADSS installation will be explored mutually by the TSECL and the Petitioner as the same is not included in NER FO expansion Package-1A-Supply/erection. However, the Petitioner has not submitted any supporting documents when the scope of ADSS installation was decided and when the requisite material and shut-downs, if required, were made available to the Petitioner to complete the work and how the same affected the overall commissioning of Asset-6.

46. In view of the above discussions, we are of the view that the Petitioner has failed to produce documents to substantiate the direct impact of the reasons for the delay in the commissioning Asset-6. Therefore, we are not inclined to condone the time over-run of 1302 days in the commissioning of Asset-6.

47. The details of the time over-run claimed by the Petitioner and time over-run condoned/ not condoned are summarized as under:

| Assets | SCOD | Actual COD | Delay in days | Delay Condoned in days | Delay Not Condoned in days |
|---------------|-------------|-------------------|----------------------|-------------------------------|-----------------------------------|
| Asset-1 | 17.10.2017 | 30.6.2020 | 987 | 0 | 987 |
| Asset-2 | | 19.3.2021 | 1249 | 0 | 1249 |
| Asset-3 | | 19.3.2021 | 1249 | 0 | 1249 |
| Asset-4 | | 19.4.2021 | 1280 | 0 | 1280 |
| Asset-5 | | 20.4.2021 | 1281 | 0 | 1281 |
| Asset-6 | | 11.5.2021 | 1302 | 0 | 1302 |

48. The Petitioner is given the liberty to submit the detailed justification of time over-run for each asset at the time of truing-up, and the same will be considered at the time of truing-up.



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

49. The Petitioner has claimed the actual IDC and IEDC with respect to the transmission assets. We have gone through the drawl schedule of the loans submitted by the Petitioner. As there was a time over-run and the time over-run has not been condoned, the IDC has been computed based on loan drawl up to the SCOD. Accordingly, the details of IDC allowed and disallowed with respect to the transmission assets are as under:

(Rs. in lakh)

| Assets | IDC claimed | IDC disallowed due to delay not condoned | IDC allowed |
|---------------|--------------------|---|--------------------|
| Asset-1 | 210.69 | 195.76 | 14.93 |
| Asset-2 | 40.94 | 40.94 | 0.00 |
| Asset-3 | 149.63 | 144.19 | 5.44 |
| Asset-4 | 37.05 | 31.97 | 5.08 |
| Asset-5 | 41.63 | 40.91 | 0.72 |
| Asset-6 | 123.07 | 108.55 | 14.52 |

50. The allowable IEDC has been worked out on the pro-rata basis of the total number of allowable days and the total number of days taken to execute the transmission asset. Accordingly, the details of IEDC allowed and disallowed in respect of the transmission assets are as follows:

(Rs. in lakh)

| Assets | IEDC Claimed | IEDC Disallowed due to time over-run not condoned | IEDC Allowed |
|---------------|---------------------|--|---------------------|
| Asset-1 | 284.39 | 147.66 | 136.73 |
| Asset-2 | 37.95 | 21.91 | 16.04 |
| Asset-3 | 138.67 | 80.07 | 58.60 |
| Asset-4 | 33.52 | 19.56 | 13.96 |
| Asset-5 | 37.43 | 21.84 | 15.59 |
| Asset-6 | 66.51 | 39.08 | 27.43 |



Initial Spares

51. The Petitioner has claimed the following Initial Spares with regard to the transmission assets covered in the instant Petition:

| (Rs. in lakh) | | | |
|---------------|-----------------------------|--|----------------------------|
| Assets | Parts | Plant and Machinery cost for calculation of Initial Spares (A) | Initial Spares Claimed (B) |
| Asset-1 | Communication System | 2170.94 | 73.41 |
| Asset-2 | | 277.26 | 6.34 |
| Asset-3 | | 1013.21 | 15.65 |
| Asset-4 | | 243.90 | 11.18 |
| Asset-5 | | 272.31 | 10.61 |
| Asset-6 | | 491.90 | 26.03 |

52. Regulation 23 (d) of the 2019 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> | 1.00% |
| <i>(ii) Transmission sub-station</i> | |
| <i>- (Green Field):</i> | 4.00% |
| <i>- (Brown Field):</i> | 6.00% |
| <i>(iii) Series Compensation devices and HVDC Station:</i> | 4.00% |
| <i>(iv) GIS Insulated Sub-station</i> | |
| <i>- (Green Field):</i> | 5.00% |
| <i>- (Brown Field):</i> | 7.00% |
| <i>(v) Communication System:</i> | 3.50% |
| <i>(vi) Static Synchronous Compensator:</i> | 6.00%” |

53. We have considered the Petitioner’s submissions. The details of the Initial Spares allowed as per Regulation 23(d) of the 2019 Tariff Regulation, in respect of the transmission assets, are as follows:

| (Rs. in lakh) | | | | | | |
|---------------|--|------------------------|----------------------|-----------------------------|----------------------------------|------------------------|
| Assets | Plant and Machinery cost for calculation of Initial Spares (A) | Initial Spares Claimed | Ceiling Limit (in %) | Initial Spares Worked out | Excess Initial Spares Disallowed | Initial Spares Allowed |
| | | (B) | (C) | $D = [(A-B) * C / (100-C)]$ | $[D-B]$ If $D > B$ | |
| Asset-1 | 2170.94 | 73.41 | 3.5 | 76.08 | 0.00 | 73.41 |
| Asset-2 | 277.26 | 6.34 | 3.5 | 9.83 | 0.00 | 6.34 |



| Assets | Plant and Machinery cost for calculation of Initial Spares (A) | Initial Spares Claimed | Ceiling Limit (in %) | Initial Spares Worked out | Excess Initial Spares Disallowed | Initial Spares Allowed |
|---------|--|------------------------|----------------------|-----------------------------|----------------------------------|------------------------|
| | | (B) | (C) | $D = [(A-B) * C / (100-C)]$ | $[D-B]$ If $D > B$ | |
| Asset-3 | 1013.21 | 15.65 | 3.5 | 36.18 | 0.00 | 15.65 |
| Asset-4 | 243.90 | 11.18 | 3.5 | 8.44 | 2.74 | 8.44 |
| Asset-5 | 272.31 | 10.61 | 3.5 | 9.49 | 1.12 | 9.49 |
| Asset-6 | 491.90 | 26.03 | 3.5 | 16.90 | 9.13 | 16.90 |

Capital Cost Allowed as on COD

54. Accordingly, the following capital cost is allowed in respect of the transmission assets as on COD, excluding the IDC and IEDC disallowed on account of non-condonation of delay:

| Assets | (Rs. in lakh) | | | | |
|---------|-------------------------------|---|--|---------------------------------|------------------------|
| | Capital cost claimed till COD | Less: IDC Disallowed due to time over-run | Less: IEDC Disallowed due to time over-run | Less: Initial Spares Disallowed | Capital Cost as on COD |
| Asset-1 | 2430.59 | 195.76 | 147.66 | 0.00 | 2087.17 |
| Asset-2 | 315.49 | 40.94 | 21.91 | 0.00 | 252.64 |
| Asset-3 | 1216.60 | 144.19 | 80.07 | 0.00 | 992.34 |
| Asset-4 | 203.72 | 31.97 | 19.56 | 2.74 | 149.45 |
| Asset-5 | 317.24 | 40.91 | 21.84 | 1.12 | 253.37 |
| Asset-6 | 646.32 | 108.55 | 39.08 | 9.13 | 489.56 |

Additional Capital Expenditure (“ACE”)

55. Regulations 24 and 25 of the 2019 Tariff Regulations provide as under:

“24. Additional Capitalization within the original scope and upto the cut-off date:

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

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

25. Additional Capitalisation within the original scope and after the cut-off date:

(1) The ACE incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cutoff date may be admitted by the Commission, subject to prudence check:

- a. 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;
- b. Change in law or compliance of any existing law;
- c. Deferred works relating to ash pond or ash handling system in the original scope of work;
- d. Liability for works executed prior to the cut-off date;
- e. Force Majeure events;
- f. Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and g) Raising of ash dyke as a part of ash disposal system.

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

- a. The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations.
- b. The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;
- c. The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
- d. The replacement of such asset or equipment has otherwise been allowed by the Commission.”

56. The Petitioner has claimed the ACE incurred/ projected to be incurred mainly because of the balance/ retention payments, under Regulation 24 of the 2019 Tariff Regulations. The Petitioner has claimed the following ACE in respect of the transmission assets during the 2019-24 tariff period:

(Rs. in lakh)

| Assets | ACE Claimed | | | |
|---------|-------------|---------|---------|---------|
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Asset-1 | 85.41 | 136.31 | 13.71 | 0.00 |
| Asset-2 | 0.00 | 33.20 | 7.46 | 0.00 |
| Asset-3 | 0.00 | 64.96 | 19.95 | 0.00 |
| Asset-4 | 0.00 | 79.27 | 31.48 | 0.00 |
| Asset-5 | 0.00 | 29.57 | 4.56 | 0.00 |
| Asset-6 | 0.00 | 23.97 | 11.19 | 0.00 |



57. We have considered the Petitioner's submissions. Since the ACE claimed is on account of the balance and retention payments, the same is allowed in terms of Regulation 24 of the 2019 Tariff Regulations. The details of the ACE allowed for the 2019-24 tariff period in respect of the transmission assets are as follows:

(Rs. in lakh)

| Assets | ACE Admitted | | | |
|---------|--------------|---------|---------|---------|
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Asset-1 | 85.41 | 136.31 | 13.71 | 0.00 |
| Asset-2 | 0.00 | 33.20 | 7.46 | 0.00 |
| Asset-3 | 0.00 | 64.96 | 19.95 | 0.00 |
| Asset-4 | 0.00 | 79.27 | 31.48 | 0.00 |
| Asset-5 | 0.00 | 29.57 | 4.56 | 0.00 |
| Asset-6 | 0.00 | 23.97 | 11.19 | 0.00 |

58. Accordingly, the capital cost allowed for the transmission assets as on 31.3.2024 is as follows:

(Rs. in lakh)

| Assets | Capital Cost upto COD | ACE Admitted | | | | Completion Cost Admitted |
|---------|-----------------------|--------------|---------|---------|---------|--------------------------|
| | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| Asset-1 | 2087.17 | 85.41 | 136.31 | 13.71 | 0.00 | 2322.60 |
| Asset-2 | 252.64 | 0.00 | 33.20 | 7.46 | 0.00 | 293.30 |
| Asset-3 | 992.34 | 0.00 | 64.96 | 19.95 | 0.00 | 1077.25 |
| Asset-4 | 149.45 | 0.00 | 79.27 | 31.48 | 0.00 | 260.20 |
| Asset-5 | 253.37 | 0.00 | 29.57 | 4.56 | 0.00 | 287.50 |
| Asset-6 | 489.56 | 0.00 | 23.97 | 11.19 | 0.00 | 524.72 |

Debt-Equity Ratio

59. Regulation 18 of the 2019 Tariff Regulations provides as under:

“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.”

60. The debt-equity ratio considered for the computation of tariff for the 2019-24 tariff period with respect to the transmission assets is as follows:

Asset-1

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.2024 (Rs. in lakh) | (in %) |
|----------------|---|---------------|---|---------------|---|---------------|
| Debt | 1461.02 | 70 | 164.80 | 70 | 1625.82 | 70 |
| Equity | 626.15 | 30 | 70.63 | 30 | 696.78 | 30 |
| Total | 2087.17 | 100 | 235.43 | 100 | 2322.60 | 100 |



Asset-2

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.2024 (Rs. in lakh) | (in %) |
|--------------|---------------------------------|-------------|--|------------|--|------------|
| Debt | 176.85 | 70 | 28.46 | 70 | 205.31 | 70 |
| Equity | 75.79 | 30 | 12.20 | 30 | 87.99 | 30 |
| Total | 252.64 | 100% | 40.66 | 100 | 293.30 | 100 |

Asset-3

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.202 4 (Rs. in lakh) | (in %) |
|--------------|------------------------------------|------------|-------------------------------------|------------|--|------------|
| Debt | 694.64 | 70 | 59.44 | 70 | 754.08 | 70 |
| Equity | 297.70 | 30 | 25.47 | 30 | 323.17 | 30 |
| Total | 992.34 | 100 | 84.91 | 100 | 1077.25 | 100 |

Asset-4

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.202 4 (Rs. in lakh) | (in %) |
|--------------|------------------------------------|------------|-------------------------------------|------------|--|------------|
| Debt | 104.62 | 70 | 77.53 | 70 | 182.14 | 70 |
| Equity | 44.84 | 30 | 33.22 | 30 | 78.06 | 30 |
| Total | 149.45 | 100 | 110.75 | 100 | 260.20 | 100 |

Asset-5

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.202 4 (Rs. in lakh) | (in %) |
|--------------|------------------------------------|------------|-------------------------------------|------------|--|------------|
| Debt | 177.36 | 70 | 23.89 | 70 | 201.25 | 70 |
| Equity | 76.01 | 30 | 10.24 | 30 | 86.25 | 30 |
| Total | 253.37 | 100 | 34.13 | 100 | 287.50 | 100 |

Asset-6

| Funding | Cost as on COD (Rs. in lakh) | (in %) | ACE during 2019-24 (Rs. in lakh) | (in %) | Cost as on 31.3.2024 (Rs. in lakh) | (in %) |
|--------------|------------------------------------|------------|--|------------|---|------------|
| Debt | 342.69 | 70 | 24.61 | 70 | 367.30 | 70 |
| Equity | 146.87 | 30 | 10.55 | 30 | 157.42 | 30 |
| Total | 489.56 | 100 | 35.16 | 100 | 524.72 | 100 |



Depreciation

61. Regulation 33 of the 2019 Tariff Regulations provides as under:

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

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

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

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

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

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

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

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

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

(5) *Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the 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 assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

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

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

a) twenty-five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or

b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or

c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”

62. We have considered the Petitioner's submissions. The depreciation has been worked out considering the admitted capital cost as on the COD and the ACE allowed during the 2019-24 tariff period. The Weighted Average Rate of Depreciation (WAROD) at the annexure has been worked out after considering the depreciation rates of IT and non-IT assets as specified in the 2019 Tariff Regulations. The depreciation allowed in respect of the transmission assets for the 2019-24 tariff period, subject to truing-up, is as follows:



Asset-1

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|----------|---|--|----------------|----------------|----------------|
| A | Opening Gross Block | 2087.17 | 2172.58 | 2308.89 | 2322.60 |
| B | Addition during the year 2019-24 due to projected ACE | 85.41 | 136.31 | 13.71 | 0.00 |
| C | Closing Gross Block (A+B) | 2172.58 | 2308.89 | 2322.60 | 2322.60 |
| D | Average Gross Block (A+C)/2 | 2129.88 | 2240.74 | 2315.75 | 2322.60 |
| E | Average Gross Block (90% depreciable assets) | 2129.88 | 2240.74 | 2315.75 | 2322.60 |
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 1916.89 | 2016.67 | 2084.17 | 2090.34 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 1916.89 | 2016.67 | 2084.17 | 2090.34 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33 | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 | 2 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 | 13 |
| M | Depreciation during the year (D*J) | 101.58 | 141.84 | 146.59 | 147.02 |
| N | Cumulative Depreciation at the end of the year | 101.58 | 243.42 | 390.00 | 537.02 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 1815.31 | 1773.25 | 1694.17 | 1553.32 |

Asset-2

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|----------|---|---|----------------|----------------|----------------|
| A | Opening Gross Block | 252.64 | 252.64 | 285.84 | 293.30 |
| B | Addition during the year 2019-24 due to projected ACE | 0.00 | 33.20 | 7.46 | 0.00 |
| C | Closing Gross Block (A+B) | 252.64 | 285.84 | 293.30 | 293.30 |
| D | Average Gross Block (A+C)/2 | 252.64 | 269.24 | 289.57 | 293.30 |
| E | Average Gross Block (90% depreciable assets) | 252.64 | 269.24 | 289.57 | 293.30 |
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 227.37 | 242.31 | 260.61 | 263.97 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 227.37 | 242.31 | 260.61 | 263.97 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33 | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 | 2 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 | 13 |
| M | Depreciation during the year (D*J) | 0.57 | 17.04 | 18.33 | 18.57 |



| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|--|---|----------------|----------------|----------------|
| N | Cumulative Depreciation at the end of the year | 0.57 | 17.61 | 35.94 | 54.51 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 226.80 | 224.70 | 224.67 | 209.46 |

Asset-3

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|----------|---|---|----------------|----------------|----------------|
| A | Opening Gross Block | 992.34 | 992.34 | 1057.30 | 1077.25 |
| B | Addition during the year 2019-24 due to projected ACE | 0.00 | 64.96 | 19.95 | 0.00 |
| C | Closing Gross Block (A+B) | 992.34 | 1057.30 | 1077.25 | 1077.25 |
| D | Average Gross Block (A+C)/2 | 992.34 | 1024.82 | 1067.27 | 1077.25 |
| E | Average Gross Block (90% depreciable assets) | 992.34 | 1024.82 | 1067.27 | 1077.25 |
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 893.10 | 922.33 | 960.54 | 969.52 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 893.10 | 922.33 | 960.54 | 969.52 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33% | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 | 2 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 | 13 |
| M | Depreciation during the year (D*J) | 2.24 | 64.87 | 67.56 | 68.19 |
| N | Cumulative Depreciation at the end of the year | 2.24 | 67.11 | 134.67 | 202.86 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 890.87 | 855.23 | 825.88 | 766.67 |

Asset-4

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|---|---|--|----------------|----------------|
| A | Opening Gross Block | 149.45 | 228.72 | 260.20 |
| B | Addition during the year 2019-24 due to projected ACE | 79.27 | 31.48 | 0.00 |
| C | Closing Gross Block (A+B) | 228.72 | 260.20 | 260.20 |
| D | Average Gross Block (A+C)/2 | 189.09 | 244.46 | 260.20 |
| E | Average Gross Block (90% depreciable assets) | 189.09 | 244.46 | 260.20 |
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 170.18 | 220.02 | 234.18 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 170.18 | 220.02 | 234.18 |



| | Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|----------|--|--|----------------|----------------|
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 |
| M | Depreciation during the year (D*J) | 11.38 | 15.47 | 16.47 |
| N | Cumulative Depreciation at the end of the year | 11.38 | 26.85 | 43.32 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 158.80 | 193.16 | 190.86 |

Asset-5

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|----------|---|--|----------------|----------------|
| A | Opening Gross Block | 253.37 | 282.94 | 287.50 |
| B | Addition during the year 2019-24 due to projected ACE | 29.57 | 4.56 | 0.00 |
| C | Closing Gross Block (A+B) | 282.94 | 287.50 | 287.50 |
| D | Average Gross Block (A+C)/2 | 268.15 | 285.22 | 287.50 |
| E | Average Gross Block (90% depreciable assets) | 268.15 | 285.22 | 287.50 |
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 241.34 | 256.70 | 258.75 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 241.34 | 256.70 | 258.75 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 |
| M | Depreciation during the year (D*J) | 16.09 | 18.05 | 18.20 |
| N | Cumulative Depreciation at the end of the year | 16.09 | 34.14 | 52.34 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 225.25 | 222.55 | 206.40 |

Asset-6

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|---|---|--|----------------|----------------|
| A | Opening Gross Block | 489.56 | 513.53 | 524.72 |
| B | Addition during the year 2019-24 due to projected ACE | 23.97 | 11.19 | 0.00 |
| C | Closing Gross Block (A+B) | 513.53 | 524.72 | 524.72 |
| D | Average Gross Block (A+C)/2 | 501.54 | 519.12 | 524.72 |
| E | Average Gross Block (90% depreciable assets) | 501.54 | 519.12 | 524.72 |



| | Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|----------|---|--|----------------|----------------|
| F | Average Gross Block (100% depreciable assets) | 0.00 | 0.00 | 0.00 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 451.39 | 467.21 | 472.25 |
| H | Depreciable value of IT equipment and software (F*100%) | 0.00 | 0.00 | 0.00 |
| I | Total Depreciable Value (G+H) | 451.39 | 467.21 | 472.25 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 6.33 | 6.33 | 6.33 |
| K | Lapsed useful life at the beginning of the year (Year) | 0 | 0 | 1 |
| L | Balance useful life at the beginning of the year (Year) | 15 | 15 | 14 |
| M | Depreciation during the year (D*J) | 28.27 | 32.86 | 33.21 |
| N | Cumulative Depreciation at the end of the year | 28.27 | 61.13 | 94.34 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 423.12 | 406.08 | 377.90 |

Interest on Loan (“IoL”)

63. Regulation 32 of the 2019 Tariff Regulations provides as under:

“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 de-capitalisation of such asset.*

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

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

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered; Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(5a) *The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system*



or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered.

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

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

64. The Weighted Average Rate of the IoL has been considered as claimed by the Petitioner. 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 interest rate, if any, will be considered at the time of truing-up.

65. The IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. The IoL allowed for the transmission assets are as follows:

Asset-1

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|---|---|---------------------------------------|---------------|--------------|--------------|
| A | Gross Normative Loan | 1461.02 | 1520.81 | 1616.23 | 1625.82 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 101.58 | 243.42 | 390.00 |
| C | Net Loan-Opening (A-B) | 1461.02 | 1419.23 | 1372.81 | 1235.82 |
| D | Addition due to ACE | 59.79 | 95.42 | 9.60 | 0.00 |
| E | Repayment during the year | 101.58 | 141.84 | 146.59 | 147.02 |
| F | Net Loan-Closing (C+D-E) | 1419.23 | 1372.81 | 1235.82 | 1088.80 |
| G | Average Loan (C+F)/2 | 1440.13 | 1396.02 | 1304.31 | 1162.31 |
| H | Weighted Average Rate of Interest on Loan (in %) | 7.489 | 7.492 | 7.500 | 7.502 |
| I | Interest on Loan (G*H) | 81.26 | 104.59 | 97.82 | 87.20 |

Asset-2

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|---|--------------------------------------|---------|---------|---------|
| A | Gross Normative Loan | 176.85 | 176.85 | 200.09 | 205.31 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 0.57 | 17.61 | 35.94 |
| C | Net Loan-Opening (A-B) | 176.85 | 176.28 | 182.47 | 169.37 |
| D | Addition due to ACE | 0.00 | 23.24 | 5.22 | 0.00 |
| E | Repayment during the year | 0.57 | 17.04 | 18.33 | 18.57 |
| F | Net Loan-Closing (C+D-E) | 176.28 | 182.47 | 169.37 | 150.80 |
| G | Average Loan (C+F)/2 | 176.56 | 179.37 | 175.92 | 160.08 |



| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|--|--------------------------------------|--------------|--------------|--------------|
| H | Weighted Average Rate of Interest on Loan (in %) | 6.433 | 6.436 | 6.450 | 6.470 |
| I | Interest on Loan (G*H) | 0.40 | 11.55 | 11.35 | 10.36 |

Asset-3

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|--|--------------------------------------|--------------|--------------|--------------|
| A | Gross Normative Loan | 694.64 | 694.64 | 740.11 | 754.08 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 2.24 | 67.11 | 134.67 |
| C | Net Loan-Opening (A-B) | 694.64 | 692.40 | 673.00 | 619.41 |
| D | Addition due to ACE | 0.00 | 45.47 | 13.97 | 0.00 |
| E | Repayment during the year | 2.24 | 64.87 | 67.56 | 68.19 |
| F | Net Loan-Closing (C+D-E) | 692.40 | 673.00 | 619.41 | 551.22 |
| G | Average Loan (C+F)/2 | 693.52 | 682.70 | 646.20 | 585.31 |
| H | Weighted Average Rate of Interest on Loan (in %) | 6.970 | 6.964 | 6.958 | 6.965 |
| I | Interest on Loan (G*H) | 1.72 | 47.54 | 44.96 | 40.77 |

Asset-4

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|---|--|---------------------------------------|--------------|--------------|
| A | Gross Normative Loan | 104.62 | 160.11 | 182.14 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 11.38 | 26.85 |
| C | Net Loan-Opening (A-B) | 104.62 | 148.73 | 155.29 |
| D | Addition due to ACE | 55.49 | 22.04 | 0.00 |
| E | Repayment during the year | 11.38 | 15.47 | 16.47 |
| F | Net Loan-Closing (C+D-E) | 148.73 | 155.29 | 138.82 |
| G | Average Loan (C+F)/2 | 126.67 | 152.01 | 147.05 |
| H | Weighted Average Rate of Interest on Loan (in %) | 7.000 | 6.951 | 6.976 |
| I | Interest on Loan (G*H) | 8.43 | 10.57 | 10.26 |

Asset-5

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|---|--|---------------------------------------|--------------|--------------|
| A | Gross Normative Loan | 177.36 | 198.06 | 201.25 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 16.09 | 34.14 |
| C | Net Loan-Opening (A-B) | 177.36 | 181.97 | 167.10 |
| D | Addition due to ACE | 20.70 | 3.19 | 0.00 |
| E | Repayment during the year | 16.09 | 18.05 | 18.20 |
| F | Net Loan-Closing (C+D-E) | 181.97 | 167.10 | 148.90 |
| G | Average Loan (C+F)/2 | 179.66 | 174.53 | 158.00 |
| H | Weighted Average Rate of Interest on Loan (in %) | 6.758 | 6.762 | 6.778 |
| I | Interest on Loan (G*H) | 11.51 | 11.80 | 10.71 |



Asset-6

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|---|---|--|----------------|----------------|
| A | Gross Normative Loan | 342.69 | 359.47 | 367.30 |
| B | Cumulative Repayments up to Previous Year | 0.00 | 28.27 | 61.13 |
| C | Net Loan-Opening (A-B) | 342.69 | 331.20 | 306.17 |
| D | Addition due to ACE | 16.78 | 7.83 | 0.00 |
| E | Repayment during the year | 28.27 | 32.86 | 33.21 |
| F | Net Loan-Closing (C+D-E) | 331.20 | 306.17 | 272.96 |
| G | Average Loan (C+F)/2 | 336.95 | 318.69 | 289.57 |
| H | Weighted Average Rate of Interest on Loan (in %) | 6.942 | 6.887 | 6.905 |
| I | Interest on Loan (G*H) | 20.83 | 21.95 | 20.00 |

Return on Equity (“RoE”)

66. Regulations 30 and 31 of the 2019 Tariff Regulations provide as under:

“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:

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

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

Illustration-

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

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

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

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

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

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

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

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax



authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

67. The Petitioner has submitted that the MAT rate applies to it. The applicable MAT rate has been considered for RoE, which shall be trued-up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed in respect of the transmission assets is as follows:

Asset-1

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|---|---|---------------------------------------|---------------|---------------|---------------|
| A | Opening Equity | 626.15 | 651.78 | 692.67 | 696.78 |
| B | Addition due to ACE | 25.62 | 40.89 | 4.11 | 0.00 |
| C | Closing Equity (A+B) | 651.78 | 692.67 | 696.78 | 696.78 |
| D | Average Equity (A+C)/2 | 638.96 | 672.22 | 694.72 | 696.78 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 90.42 | 126.25 | 130.48 | 130.87 |

Asset-2

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|---|--------------------------------------|--------------|--------------|--------------|
| A | Opening Equity | 75.79 | 75.79 | 85.75 | 87.99 |
| B | Addition due to ACE | 0.00 | 9.96 | 2.24 | 0.00 |
| C | Closing Equity (A+B) | 75.79 | 85.75 | 87.99 | 87.99 |
| D | Average Equity (A+C)/2 | 75.79 | 80.77 | 86.87 | 87.99 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 0.51 | 15.17 | 16.32 | 16.53 |

Asset-3

(Rs. in lakh)

| | Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|----------------------|--------------------------------------|---------|---------|---------|
| A | Opening Equity | 297.70 | 297.70 | 317.19 | 323.17 |
| B | Addition due to ACE | 0.00 | 19.49 | 5.99 | 0.00 |
| C | Closing Equity (A+B) | 297.70 | 317.19 | 323.17 | 323.17 |



| | | | | | |
|---|---|-------------|--------------|--------------|--------------|
| D | Average Equity (A+C)/2 | 297.70 | 307.44 | 320.18 | 323.17 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 1.99 | 57.74 | 60.13 | 60.70 |

Asset-4

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|---|---|------------------------------------|--------------|--------------|
| A | Opening Equity | 44.84 | 68.62 | 78.06 |
| B | Addition due to ACE | 23.78 | 9.44 | 0.00 |
| C | Closing Equity (A+B) | 68.62 | 78.06 | 78.06 |
| D | Average Equity (A+C)/2 | 56.73 | 73.34 | 78.06 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 10.13 | 13.77 | 14.66 |

Asset-5

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|---|---|------------------------------------|--------------|--------------|
| A | Opening Equity | 76.01 | 84.88 | 86.25 |
| B | Addition due to ACE | 8.87 | 1.37 | 0.00 |
| C | Closing Equity (A+B) | 84.88 | 86.25 | 86.25 |
| D | Average Equity (A+C)/2 | 80.45 | 85.57 | 86.25 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 14.32 | 16.07 | 16.20 |

Asset-6

(Rs. in lakh)

| | Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|---|---|------------------------------------|--------------|--------------|
| A | Opening Equity | 146.87 | 154.06 | 157.42 |
| B | Addition due to ACE | 7.19 | 3.36 | 0.00 |
| C | Closing Equity (A+B) | 154.06 | 157.42 | 157.42 |
| D | Average Equity (A+C)/2 | 150.46 | 155.74 | 157.42 |
| E | Return on Equity (Base Rate) (in %) | 15.50 | 15.50 | 15.50 |
| F | Tax Rate applicable (in %) | 17.472 | 17.472 | 17.472 |
| G | Rate of Return on Equity (Pre-tax) | 18.782 | 18.782 | 18.782 |
| H | Return on Equity (Pre-tax) (D*G) | 25.16 | 29.25 | 29.57 |



Operation & Maintenance Expenses (O&M Expenses)

68. The Petitioner has claimed the O&M Expenses for the Central Sector Asset-1 and Asset-2 at 2% of the capital cost. Further, the Petitioner has not claimed any O&M Expenses for the State Portion, i.e., for Assets- 3 to 6.

69. The O&M Expenses claimed by the Petitioner for Assets-1 and 2 are as under:

| (Rs. in lakh) | | | | | |
|---------------|-----------------------|---------|---------|---------|---------|
| Assets | Original project cost | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Asset-1 | 2666.02 | 40.17 | 53.32 | 53.32 | 53.32 |
| Asset-2 | 356.15 | 0.25 | 7.12 | 7.12 | 7.12 |

70. Regulation 35(4) of the 2019 Tariff Regulations provides as under:

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

71. The O&M Expenses are calculated at 2% of the project cost. The O&M Expenses for Assets-1 and 2 are allowed for the 2019-24 tariff period, subject to truing-up. The Petitioner is directed to submit the actual O&M Expenses duly certified by the Auditor at the time of truing-up of the tariff of the 2019-24 period. The O&M Expenses allowed are as follows:

| (Rs. in lakh) | | | | |
|---------------|---------|---------|---------|---------|
| Assets | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Asset-1 | 40.17 | 53.32 | 53.32 | 53.32 |
| Asset-2 | 0.25 | 7.12 | 7.12 | 7.12 |

Interest on Working Capital (“IWC”)

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

*“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;”

73. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 11.25% (SBI 1-year MCLR as on 1.4.2020 of 7.75% plus 350 basis points) for the FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 and 1.4.2022 of 7.00% plus 350 basis points) for the FY 2021-23 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24. The components of the working capital and interest allowed thereon for the transmission assets are as follows:

Asset-1

| Particulars | (Rs. in lakh) | | | |
|---|------------------------------------|-------------|-------------|-------------|
| | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
| Working Capital for O&M Expenses (O&M expenses for one month) | 4.44 | 4.44 | 4.44 | 4.44 |
| Working Capital for Maintenance Spares (15% of O&M expenses) | 8.00 | 8.00 | 8.00 | 8.00 |
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 52.18 | 53.37 | 53.65 | 52.40 |
| Total Working Capital | 64.63 | 65.81 | 66.09 | 64.84 |
| Rate of Interest for Working Capital | 11.25 | 10.50 | 10.50 | 12.00 |
| Interest on working capital | 5.48 | 6.91 | 6.94 | 7.78 |



Asset-2

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|---|-----------------------------------|-------------|-------------|-------------|
| Working Capital for O&M Expenses (O&M Expenses for one month) | 0.59 | 0.59 | 0.59 | 0.59 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 1.07 | 1.07 | 1.07 | 1.07 |
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 6.11 | 6.38 | 6.66 | 6.59 |
| Total Working Capital | 7.77 | 8.04 | 8.32 | 8.25 |
| Rate of Interest for Working Capital | 11.25 | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 0.03 | 0.84 | 0.87 | 0.99 |

Asset-3

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 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 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 0.00 | 0.00 | 0.00 | 0.00 |
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 20.89 | 21.25 | 21.57 | 21.17 |
| Total Working Capital | 20.89 | 21.25 | 21.57 | 21.17 |
| Rate of Interest for Working Capital | 11.25 | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 0.08 | 2.23 | 2.26 | 2.54 |

Asset-4

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|---|------------------------------------|-------------|-------------|
| Working Capital for O&M Expenses (O&M Expenses for one month) | 0.00 | 0.00 | 0.00 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 0.00 | 0.00 | 0.00 |
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 3.93 | 4.97 | 5.17 |
| Total Working Capital | 3.93 | 4.97 | 5.17 |
| Rate of Interest for Working Capital | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 0.39 | 0.52 | 0.62 |

Asset-5

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|---|------------------------------------|---------|---------|
| Working Capital for O&M Expenses (O&M Expenses for one month) | 0.00 | 0.00 | 0.00 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 0.00 | 0.00 | 0.00 |



| Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|---|------------------------------------|-------------|-------------|
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 5.52 | 5.74 | 5.63 |
| Total Working Capital | 5.52 | 5.74 | 5.63 |
| Rate of Interest for Working Capital | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 0.55 | 0.60 | 0.68 |

Asset-6

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|---|------------------------------------|-------------|-------------|
| Working Capital for O&M Expenses (O&M Expenses for one month) | 0.00 | 0.00 | 0.00 |
| Working Capital for Maintenance Spares (15% of O&M Expenses) | 0.00 | 0.00 | 0.00 |
| Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges) | 10.42 | 10.50 | 10.33 |
| Total Working Capital | 10.42 | 10.50 | 10.33 |
| Rate of Interest for Working Capital | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 0.97 | 1.10 | 1.24 |

Annual Fixed Charges for 2019-24 Tariff Period

74. The transmission charges allowed for the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 275 days) | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|------------------------------------|---------------|---------------|---------------|
| Depreciation | 101.58 | 141.84 | 146.59 | 147.02 |
| Interest on Loan | 81.26 | 104.59 | 97.82 | 87.20 |
| Return on Equity | 90.42 | 126.25 | 130.48 | 130.87 |
| O&M Expenses | 40.17 | 53.32 | 53.32 | 53.32 |
| Interest on Working Capital | 5.48 | 6.91 | 6.94 | 7.78 |
| Total | 318.91 | 432.91 | 435.15 | 426.19 |

Asset-2

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|-----------------------------------|--------------|--------------|--------------|
| Depreciation | 0.57 | 17.04 | 18.33 | 18.57 |
| Interest on Loan | 0.40 | 11.55 | 11.35 | 10.36 |
| Return on Equity | 0.51 | 15.17 | 16.32 | 16.53 |
| O&M Expenses | 0.25 | 7.12 | 7.12 | 7.12 |
| Interest on Working Capital | 0.03 | 0.84 | 0.87 | 0.99 |
| Total | 1.76 | 51.72 | 53.99 | 53.57 |



Asset-3

(Rs. in lakh)

| Particulars | 2020-21 (Pro-rata for 13 days) | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|-----------------------------------|---------------|---------------|---------------|
| Depreciation | 2.24 | 64.87 | 67.56 | 68.19 |
| Interest on Loan | 1.72 | 47.54 | 44.96 | 40.77 |
| Return on Equity | 1.99 | 57.74 | 60.13 | 60.70 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.08 | 2.23 | 2.26 | 2.54 |
| Total | 6.03 | 172.38 | 174.91 | 172.20 |

Asset-4

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 347 days) | 2022-23 | 2023-24 |
|-----------------------------|------------------------------------|--------------|--------------|
| Depreciation | 11.38 | 15.47 | 16.47 |
| Interest on Loan | 8.43 | 10.57 | 10.26 |
| Return on Equity | 10.13 | 13.77 | 14.66 |
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.39 | 0.52 | 0.62 |
| Total | 30.33 | 40.33 | 42.01 |

Asset-5

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 346 days) | 2022-23 | 2023-24 |
|-----------------------------|------------------------------------|--------------|--------------|
| Depreciation | 16.09 | 18.05 | 18.20 |
| Interest on Loan | 11.51 | 11.80 | 10.71 |
| Return on Equity | 14.32 | 16.07 | 16.20 |
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.55 | 0.60 | 0.68 |
| Total | 42.47 | 46.52 | 45.79 |

Asset-6

(Rs. in lakh)

| Particulars | 2021-22 (Pro-rata for 325 days) | 2022-23 | 2023-24 |
|-----------------------------|------------------------------------|--------------|--------------|
| Depreciation | 28.27 | 32.86 | 33.21 |
| Interest on Loan | 20.83 | 21.95 | 20.00 |
| Return on Equity | 25.16 | 29.25 | 29.57 |
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 0.97 | 1.10 | 1.24 |
| Total | 75.23 | 85.16 | 84.02 |

Filing Fee and Publication Expenses

75. The Petitioner has sought reimbursement of the fee 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.

Licence Fee and RLDC Fees and Charges

76. The Petitioner shall be entitled to reimbursement of the 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 to 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

77. The Petitioner has submitted that if GST is levied at any rate and at any point of time in the future on the 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.

78. We have considered the Petitioner's submissions. Since GST is not levied on transmission services at present, we consider the Petitioner's prayer premature.

Security Expenses

79. 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.

80. We have considered the Petitioner's submissions. 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 FY 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

81. 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

82. The COD for the transmission assets has been approved as follows:

Asset-1: 30.6.2020; Asset-2: 19.3.2021; Asset-3: 19.3.2021; Asset-4: 19.4.2021; Asset-5: 20.4.2021, and Asset-6: 11.6.2021.

Consequently, the billing, collection, and disbursement of transmission charges will be conducted in accordance with the provisions of the 2020 Sharing Regulations, as stipulated in Regulation 57 of the 2019 Tariff Regulations.

Interim Tariff

83. The Petitioner has prayed to allow the interim tariff in accordance with Regulation 10(3) of the 2019 Tariff Regulations to be included in the Point of Connection charges (PoC).

84. We have considered the Petitioner's submissions. We have determined the transmission tariff in respect of the transmission assets in this order and, as such, the



prayer of the Petitioner for the interim tariff becomes redundant. Therefore, we have not considered it in this order.

85. To summarise, the AFC allowed in respect of the transmission assets for the 2019-24 tariff period in this order are as follows:

| (Rs. in lakh) | | | | |
|---------------|----------------|----------------|----------------|----------------|
| Assets | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Asset-1 | 318.91 | 432.91 | 435.15 | 426.19 |
| Asset-2 | 1.76 | 51.72 | 53.99 | 53.57 |
| Asset-3 | 6.03 | 172.38 | 174.91 | 172.20 |
| Asset-4 | 0.00 | 30.33 | 40.33 | 42.01 |
| Asset-5 | 0.00 | 42.47 | 46.52 | 45.79 |
| Asset-6 | 0.00 | 75.23 | 85.16 | 84.02 |

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

87. This order disposes of Petition No. 73/TT/2023 in terms of the above findings and discussions.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



Annexure

Asset-1

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | | |
|-------------------------|------------------------|---------------|---------------|--------------|-------------|------------------------------|--------------------------|---------------------|----------------|----------------|----------------|
| | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | | | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| TL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| PLCC | 2087.17 | 85.41 | 136.31 | 13.71 | 0.00 | 2322.60 | 6.33 | 134.82 | 141.84 | 146.59 | 147.02 |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 2087.17 | 85.41 | 136.31 | 13.71 | 0.00 | 2322.60 | | 134.82 | 141.84 | 146.59 | 147.02 |
| Avg. Gross Block | | | | | | | | 2129.88 | 2240.74 | 2315.75 | 2322.60 |
| WAROD (in %) | | | | | | | | 6.33 | 6.33 | 6.33 | 6.33 |

Asset-2

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | | |
|-------------------------|------------------------|---------------|--------------|-------------|-------------|------------------------------|--------------------------|---------------------|---------------|---------------|---------------|
| | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | | | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| TL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| PLCC | 252.64 | 0.00 | 33.20 | 7.46 | 0.00 | 293.30 | 6.33 | 15.99 | 17.04 | 18.33 | 18.57 |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 252.64 | 0.00 | 33.20 | 7.46 | 0.00 | 293.30 | | 15.99 | 17.04 | 18.33 | 18.57 |
| Avg. Gross Block | | | | | | | | 252.64 | 269.24 | 289.57 | 293.30 |
| WAROD (in %) | | | | | | | | 6.33 | 6.33 | 6.33 | 6.33 |



Asset-3

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | | |
|--------------|------------------------|---------------|--------------|--------------|-------------|------------------------------|--------------------------|---------------------|----------------|----------------|----------------|
| | | 2020-21 | 2021-22 | 2022-23 | 2023-24 | | | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| TL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| PLCC | 992.34 | 0.00 | 64.96 | 19.95 | 0.00 | 1077.25 | 6.33 | 62.81 | 64.87 | 67.56 | 68.19 |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 992.34 | 0.00 | 64.96 | 19.95 | 0.00 | 1077.25 | | 62.81 | 64.87 | 67.56 | 68.19 |
| | | | | | | | Avg. Gross Block | 992.34 | 1024.82 | 1067.27 | 1077.25 |
| | | | | | | | WAROD (in %) | 6.33 | 6.33 | 6.33 | 6.33 |

Asset-4

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | | |
|-------------------|------------------------|---------------|--------------|-------------|------------------------------|--------------------------|-------------------------|---------------|---------------|---------------|
| | | 2021-22 | 2022-23 | 2023-24 | | | 2021-22 | 2022-23 | 2023-24 | |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 | |
| Transmission Line | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 | |
| PLCC | 149.45 | 79.27 | 31.48 | 0.00 | 260.20 | 6.33 | 11.97 | 15.47 | 16.47 | |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 | |
| Total | 149.45 | 79.27 | 31.48 | 0.00 | 260.20 | | 11.97 | 15.47 | 16.47 | |
| | | | | | | | Avg. Gross Block | 189.09 | 244.46 | 260.20 |
| | | | | | | | WAROD (in %) | 6.33 | 6.33 | 6.33 |



Asset-5

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | |
|-------------------------|------------------------|---------------|-------------|-------------|------------------------------|--------------------------|---------------------|---------------|---------------|
| | | 2021-22 | 2022-23 | 2023-24 | | | 2021-22 | 2022-23 | 2023-24 |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 |
| Transmission Line | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 |
| PLCC | 253.37 | 29.57 | 4.56 | 0.00 | 287.50 | 6.33 | 16.97 | 18.05 | 18.20 |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 |
| Total | 253.37 | 29.57 | 4.56 | 0.00 | 287.50 | | 16.97 | 18.05 | 18.20 |
| Avg. Gross Block | | | | | | | 268.15 | 285.22 | 287.50 |
| WAROD (in %) | | | | | | | 6.33 | 6.33 | 6.33 |

Asset-6

(Rs. in lakh)

| Capex | Capital Cost as on COD | Projected ACE | | | Capital Cost as on 31.3.2024 | Depreciation Rate (in %) | Annual Depreciation | | |
|-------------------------|------------------------|---------------|--------------|-------------|------------------------------|--------------------------|---------------------|---------------|---------------|
| | | 2021-22 | 2022-23 | 2023-24 | | | 2021-22 | 2022-23 | 2023-24 |
| Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.34 | 0.00 | 0.00 | 0.00 |
| Transmission Line | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 |
| Sub-station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 0.00 | 0.00 | 0.00 |
| PLCC | 489.56 | 23.97 | 11.19 | 0.00 | 524.72 | 6.33 | 31.75 | 32.86 | 33.21 |
| IT Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | 0.00 |
| Total | 489.56 | 23.97 | 11.19 | 0.00 | 524.72 | | 31.75 | 32.86 | 33.21 |
| Avg. Gross Block | | | | | | | 501.54 | 519.12 | 524.72 |
| WAROD (in %) | | | | | | | 6.33 | 6.33 | 6.33 |

