

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION NO. 185/TT/2024

Coram:

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

Date of Order: 01.06.2025

In the matter of:

Approval under Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for determination of transmission tariff from the COD to 31.3.2024 for **Asset-1:** 765 kV Spare (1-ph) Reactor unit at 765 kV Chilakaluripeta Sub-station and **Asset-2:** Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor at 765 kV Chilakaluripeta Sub-station in the Southern Region.

And in the matter of:

Power Grid Southern Interconnector Transmission System Limited,
Saudamini, Plot No-2,
Sector-29, Gurgaon-122001 (Haryana).

...Petitioner

Versus

1. Tamil Nadu Generation and Distribution Corporation Limited,
NPKRR, Maaligai, 800, Anna Salai,
Chennai-600002.
2. Power Company of Karnataka Limited,
5th Floor, KPTCL Building, Kaveri Bhawan,
Bangalore-560009.
3. Bangalore Electricity Supply Company Limited,
Corporate Office, K.R. Circle,
Bangalore- 560001, Karnataka.
4. Gulbarga Electricity Supply Company Limited,
Station Main Road, Gulbarga,
Karnataka-585102.



5. Hubli Electricity Supply Company Limited,
Navanagar, PB Road,
Hubli, Karnataka.
6. Mangalore Electricity Supply Company Limited,
Corporate Office, Paradigm Plaza, AB Shetty Circle,
Mangalore-575001, Karnataka.
7. Chamundeshwari Electricity Supply Corporation Limited,
927, LJ Avenue, Ground Floor,
New Kantharaj Urs Road, Saraswatipuram
Mysuru-570009, Karnataka.
8. Kerala State Electricity Board,
Vaidyuthi Bhawanam, Pattom,
Thiruvananthapuram-695004.
9. Southern Power Distribution Company of Telangana Limited,
6-1-50, Corporate Office, Mint Compound,
Hyderabad-500063.
10. Northern Power Distribution Company of Telangana Limited,
2-5-3 1/2, Vidyut Bhawan, Corporate Office,
Nakkal Gutta, Hanamkonda,
Warangal-506001, Telangana.
11. Electricity Department,
Government of Pondicherry,
Pondicherry-605001.
12. Electricity Department,
Government of Goa, Vidyuti Bhawan,
Panaji, Goa.
13. Southern Power Distribution Company of Andhra Pradesh Limited,
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517501.
14. Eastern Power Distribution Company of Andhra Pradesh,
P&T Colony, Seethmmadhara,
Vishakapatnam, Andhra Pradesh.
15. Andhra Pradesh Central Power Distribution Corporation Limited,
Corporate Office, Beside Polytechnic College,
ITI Road, Krishna District,
Vijaywada-520008, Andhra Pradesh.



16. Central Electricity Authority,
Sewa Bhawan, R.K. Puram, Sector-1,
New Delhi-110066.
17. CTUIL,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122001.

...Respondent(s)

Party Present: Shri G. Vijay, PGCIL

ORDER

The instant Petition has been filed by the Petitioner, Power Grid Southern Interconnector Transmission System Limited, a wholly owned subsidiary of Power Grid Corporation of India Limited (Power Grid), for the determination of the tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) for the period from COD to 31.3.2024 in respect of the following assets (hereinafter referred to as “the transmission assets”) in the Southern Region:

Asset-1: One spare unit (1-ph) of 80 MVAR reactor at 765 kV Chilakaluripeta Sub-station

Asset-2: NGR bypass arrangement to use switchable line Reactors (240 MVAR each) as bus reactors installed on each circuit of **(1)** Vemagiri-Chilakaluripeta 765 kV D/C line and **(2)** Chilakaluripeta-Cuddapah 765 kV D/C line at Chilakaluripeta 765 kV Sub-station

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

- “1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*
- 2) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition.*
- 3) Condone the time overrun in commissioning of Asset-2 covered under instant petition.*
- 4) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without*



making any application before the Commission as provided in Tariff Regulation 2019 as per para 8.5 above for respective block.

- 5) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*
- 6) *Allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 7) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the beneficiaries.*
- 8) *Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.*
- 9) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 10) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*
- 11) *Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges and*
- 12) *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 under:

- a) The Petitioner is an inter-State transmission licensee which has implemented the transmission project “Strengthening of Transmission System beyond Vemagiri” on a Build, Own, Operate and Maintain (BOOM) basis through the TBCB route, which has been successfully commissioned on 18.1.2020. Later, the CTUIL allocated the instant transmission assets to the Petitioner under the Regulatory Tariff Mechanism (RTM).



b) The implementation of Vemagiri-Chilakaluripeta 765 kV D/C line with 240 MVAR switchable line reactor at both ends of each circuit and Chilakaluripeta-Cuddapah 765 kV D/C line along with 240 MVAR switchable line reactors at both ends of each circuit was agreed upon in the 37th meeting of SCPSPSR held on 31.7.2014. In the 164th OCC meeting held on 25.2.2020, SRLDC had suggested implementing the NGR bypass arrangement for switchable line reactors at 765 kV Chilakaluripeta Sub-station to use them as bus reactors in case of the outage of the line.

c) In the 3rd meeting of SRPC(TP) held on 24.8.2021, it was agreed to implement NGR bypass arrangement to use switchable line reactors (240 MVAR each) as bus reactors installed on each circuit of Vemagiri-Chilakaluripeta 765 kV D/C line and Chilakaluripeta-Cuddapah 765 kV D/C line at Chilakaluripeta 765 kV Sub-station.

d) Subsequently, vide Office Memorandum (OM) Ref. No. C/CTU/AI/00/1stCCTP dated 16.11.2021, CTUIL allocated the following schemes under Regulatory Tariff Mechanism (RTM) to the Petitioner:

(a) Requirement of 765 kV spare (1-Ph) Reactor units at 765 kV Chilakaluripeta (Part-B) and

(b) Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor at 765 kV Chilakaluripeta.

e) The Investment Approval (IA) for the aforementioned RTM scheme was accorded by the Board of Directors of the Petitioners Company in its 66th meeting held on 29.7.2022 at an amount of ₹ 777.00 lakh including an IDC of ₹27.00 lakh for “765 kV spare (1-Ph) Reactors units at 765 kV Chilakaluripeta Sub-station” at



the September 2021 price level and ₹70.00 lakh for “by pass NGR to use Switchable Line Reactor as Bus Reactor at 765 kV Chilakaluripeta Sub-station”. The Commission granted the transmission licence vide order dated 18.7.2022 in Petition No. 69/TL/2022 to the Petitioner for the said schemes.

f) Subsequently, the RCE approval was accorded by the Board of Directors of the Petitioner’s company for Asset-1 at an estimated cost of ₹824.00 lakh, including an IDC of ₹21.00 lakh and for Asset-2 at an estimated cost of ₹122.00 lakh including an IDC of ₹21.00 lakh on 22.7.2024 and 9.8.2024, respectively.

g) The scope of work covered under the transmission scheme broadly includes:

Sub-station

- i. Requirement of 765 kV spare (1-Ph) Reactor unit at 765 kV Chilakaluripeta (Part-B)

765 kV

- a. 80 MVAR, 765 kV Reactor: 1 no.
- ii. Scheme to bypass NGR to use Switchable Line Reactor at Bus Reactor at 765 kV Chilakaluripeta

132 kV

- a. NGR bay: 4 nos.

h) As per CTUIL’s OM dated 16.11.2021, the implementation timeframe for Asset-1 and Asset-2 was 15 months and 6 months, respectively, from the date of issue of OM, i.e., by 15.2.2023 and 15.5.2022, respectively. However, as per IA dated 29.7.2022, the transmission Asset-1 and Asset-2 were scheduled to be commissioned within 13 months and 4.5 months, respectively, from the date of IA, i.e., by 28.8.2023 for Asset-1 and 13.8.2022 for Asset-2.



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

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

6. The hearing in the matter was held on 23.1.2025, and the order was reserved. This order is being issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 8.3.2024 and subsequent affidavits dated 11.9.2024 and 6.12.2024.

7. Having heard the Petitioner's representative and perused the material 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 for the 2019-24 tariff period:

Particulars	2023-24	
	Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
Depreciation	21.78	3.99
Interest on Loan	22.43	4.10
Return on Equity	23.24	4.25
Interest on Working Capital	1.01	0.19
O&M Expenses	0.00	0.00
Total	68.46	12.53

(₹ in lakh)



9. The Petitioner has claimed the following Interest on Working Capital (IWC) for the transmission assets for the 2019-24 tariff period:

Particulars	(₹ in lakh)	
	2023-24	
	Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
O&M Expenses	0.00	0.00
Maintenance Spares	0.00	0.00
Receivables	14.40	1.73
Total Working Capital	14.40	1.73
Rate of Interest (in %)	12.00	12.00
Interest on Working Capital	1.01	0.19

Date of Commercial Operation (COD)

10. The Petitioner has claimed the actual COD of Asset-1 and Asset-2 as 31.8.2023 and 12.5.2023, respectively. In support of the actual COD of the transmission assets, the Petitioner has submitted the Self-declaration COD Certificate and CEO Certificate for Asset-1 and CEA Energisation Certificate, Self-declaration COD Certificate, Trial Operation Certificate, and CEO Certificate for Asset-2.

11. Further, in response to the Commission's query raised in the RoP for the hearing dated 18.11.2024 regarding a copy of the CEA Energisation Approval Document for Asset-1, the Petitioner vide affidavit dated 6.12.2024 has submitted that Asset-1 pertains to "One Spare Unit (1-ph) of 80 MVAR Reactor at 765 kV Chilakaluripeta Sub-station" and the said equipment has been kept idle without energizing and, therefore, the CEA Certificate is not required.

12. Regulation 5 of the 2019 Tariff Regulations specifies 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.”*

13. We have considered the Petitioner’s submission and perused the documents submitted by the Petitioner. Taking into consideration the self-declaration COD letter dated 7.9.2023 and CEO Certificate for Asset-1 and CEA Energization Certificate dated 21.4.2023, NRLDC Certificate dated 6.6.2023 of completion of trial operation on 5.5.2023 and 11.5.2023, self-declaration COD letter dated 20.6.2023 and CEO Certificate for Asset-2, the COD of Asset-1 and Asset-2 is approved as 31.8.2023 and 12.5.2023, respectively.

Capital Cost

14. Regulation 19 of the 2019 Tariff Regulations specifies as follows:

“19 Capital Cost: (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in*



accordance with these regulations shall form the basis for determination of tariff for existing and new projects.

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the 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 trued up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of 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."

15. The Petitioner has claimed the following capital cost incurred as on the COD and Additional Capital Expenditure (ACE) projected to be incurred in respect of the transmission assets and has submitted the Auditor's Certificate dated 21.9.2023 and 3.1.2024 in support of the same:



(₹ in lakh)

Assets	FR Appportioned Approved cost	RCE Appportioned Approved cost	Capital Cost up to COD	Projected ACE			Estimated Completion Cost
				2023-24	2024-25	2025-26	
Asset-1	777	824	689.41	35.01	93.36	0.00	817.78
Asset-2	70	122	68.79	32.92	20.00	0.00	121.71
Total	847	946	758.20	67.93	113.36	0.00	939.49

Cost overrun

16. The Petitioner has submitted that the estimated completion cost is within the RCE appportioned approved cost. The details of the estimated completion cost vis-à-vis the FR appportioned approved cost for the transmission assets are as under:

(₹ in lakh)

Asset No.	Approved Cost (a)	Estimated Completion Cost (b)	Variation (c=b-a) (-decrease, +increase) (in %)
Asset-1	777	817.78	+40.78 (+6.05)
Asset-2	70	121.71	+51.71 (+77.14)
Total	847	939.49	+92.49 (+11.68)

17. The details of the item-wise variation of the transmission project as submitted by the Petitioner are as under:

Asset-1

(₹ in lakh)

Sr. No	Description	Cost as per FR	Estimated Capital Cost	Variation (-decrease, +increase)
		a	b	c = b - a
	Sub-station			
1	Misc. Civil Works	20	0	-20.00
2	Equipment cost	639	753.60	+114.60
3	IEDC	91	43.20	-47.80
4	IDC	27	20.98	-6.02
	Total	777	817.78	+40.78



Asset-2:

Sr. No	Description	Cost as per FR	Estimated Capital Cost	(₹ in lakh) Variation (-decrease, +increase)
		a	b	c = b - a
	Sub-station			
1	Misc. Civil Works	0	0	0
2	Equipment cost	61	114.87	+53.87
3	IEDC	8	5.6	-2.40
4	IDC	1	1.24	+0.24
	Total	70	121.71	+51.71

18. The Petitioner has submitted the detailed justification for the variation of the capital cost as under:

Asset-1

- a) **Variation in Interest During Construction (IDC) Cost:** IDC for the transmission project as per the approved DPR/IA was estimated as ₹27 lakh, whereas, based on the actual funds flow as per progress of the works, the IDC for the transmission project in the proposed RCE works out to ₹21 lakh. Thus, there is a decrease of ₹6 lakh in the IDC.
- b) **Variation in IEDC Cost:** As per the approved DPR/IA, the IEDC, including contingencies for the transmission project, was estimated at ₹91 lakh on total COD cost (i.e., IEDC @10.75% and contingency @3% on total COD cost), whereas, in the RCE, based on actual expenditure incurred, the IEDC works out to ₹43 lakh, resulting in a decrease of ₹48 lakh.
- c) **Variation in Equipment Cost:** Being a Government enterprise, the Petitioner has the obligation for indigenous development of manufacturers as well as to adhere to the Government of India guidelines in vogue with regard to procurement of goods and services. Accordingly, the Petitioner has been following a well-laid-out procurement policy which ensures both transparency



and competitiveness in the bidding process. The Open tender mode of award has been followed for the placement of awards under this project. Through this process, the best possible market prices for required products/services/as per the detailed design, are obtained, and contracts are awarded on the basis of the lowest evaluated eligible bidder. The best competitive bid prices against tenders may vary as compared to the cost estimate, depending on prevailing market conditions, design, and site requirements. Whereas, the estimates are prepared by the Petitioner as per well-defined procedures for cost estimation. The FR cost estimate is a broad, indicative cost worked out generally on the basis of average unit rates of recently awarded contracts/general practice. The cost estimate of the project is on the basis of the September, 2021 price level. Variation in equipment cost is attributable to the market forces prevailing at the time of bidding and due to the small quantity of expansion works involved under the project.

Asset-2

- a) **Variation in IDC Cost:** IDC for the project as per the approved DPR/IA was estimated at ₹1 lakh, whereas, based on the actual funds flow, the IDC works out to ₹12.4 lakh. Thus, there is an increase of ₹2.4 lakh in IDC.
- b) **Variation in IEDC Cost:** As per the IA, the IEDC, including contingencies for the project, was estimated at ₹8 lakh on total COD cost (i.e., IEDC @10.75% and contingency @3% on the total COD cost). In the RCE, it has been considered actual and further on element-wise amount @ 13.75% (10.75%-IEDC+3%-Contingency) up to the commissioning and contingency @ 3% on the balance



expenditure after the commissioning of the project, which works out to ₹6 lakh, resulting in a decrease of ₹2 lakh.

- c) **Variation in Equipment Cost:** Being a Government Enterprise, the Petitioner has the obligation for indigenous development of manufacturers as well as to adhere to the Government of India guidelines in vogue with regard to procurement of goods and services. Accordingly, the Petitioner has been following a well-laid-out procurement policy which ensures both transparency and competitiveness in the bidding process. An open tender mode of award has been followed for the placement of awards under this project. Through this process, the best possible market prices for required products/services/as per detailed design, are obtained, and contracts are awarded on the basis of the lowest evaluated eligible bidder. The best competitive bid prices against tenders may vary as compared to the cost estimate, depending on prevailing market conditions, design, and site requirements. Whereas, the estimates are prepared by the Petitioner as per the well-defined procedures for the cost estimate. The FR cost estimate is a broad, indicative cost worked out generally on the basis of average unit rates of recently awarded contracts/general practice. The cost estimate of the project is on the basis of the September 2021 price level. Variation in equipment cost is attributable to market forces prevailing at the time of bidding and due to the small quantity of expansion works involved under the project.

19. Further, in response to the Commission's query, the Petitioner, vide affidavit dated 6.12.2024, has submitted that in terms of the CTUIL's OM dated 16.11.2021, the estimated cost for Asset-1 and Asset-2 is ₹552 lakh and ₹32 lakh respectively, and as per the IA dated 2.8.2022, the estimated cost for Asset-1 and Asset-2 is ₹777 lakh and



₹70 lakh respectively. The Petitioner has further submitted that the CTUIL vide OM dated 16.11.2021, had provided only the total estimated cost, and the basis of preparation of the cost estimate was not known to the Petitioner. The major reasons for cost variation, according to the Petitioner, are as under:

- a) The Latest price level (September 2021) was considered at the time of cost estimation, which is likely to be different from what was considered for estimation by the CTUIL.
- b) FR cost is based on the detailed BOQ as per the actual site requirement.
- c) IEDC @10.75% considered in the FR cost estimate seems not to have been considered in CTUIL OM.
- d) IDC appears to be considered on the lower side in the cost estimate by CTUIL.

20. We have considered the Petitioner's submission and perused the documents. We have observed that the CTUIL vide OM dated 16.11.2021 has allocated the scheme to the Petitioner with an estimated cost of ₹550.00 lakh and ₹32.00 lakh for Asset-1 and Asset-2, respectively. However, the FR apportioned cost approved by the Petitioner for Asset-1 and Asset-2 is ₹777.00 lakh and ₹70.00 lakh, respectively, which is 41.27% and 118.75% higher than the estimated cost approved by the CTUIL for Asset-1 and Asset-2, respectively. Further, it has been observed that the estimated completion cost of ₹817.78 lakh and ₹121.71 lakh for Asset-1 and Asset-2 is 5.25% and 73.87%, respectively, higher than the FR apportioned approved cost for Asset-1 and Asset-2.

21. As per the Form-5A, it has been noted that the award cost of Asset-1 is ₹733.60 lakh and that of Asset-2 is ₹94.87 lakh. However, the completion cost of Asset-1 and Asset-2 is ₹817.78 lakh and ₹121.71 lakh, respectively, reflecting a variation of ₹84.18 lakh and ₹26.84 lakh for Asset-1 and Asset-2, respectively. The Petitioner has submitted



the RCE for the transmission assets, wherein the approved capital cost for Asset-1 is ₹824.00 lakh and for Asset-2 is ₹122.00 lakh. The RCE cost as compared to the FR cost is higher by approximately ₹47.00 lakh for Asset-1 and ₹52.00 lakh for Asset-2, respectively. As compared to the awarded cost, the completion cost is more by ₹91.00 lakh and ₹27.13 lakh for Asset-1 and Asset-2, respectively.

22. We approve the capital cost claimed by the Petitioner, subject to review at the time of true-up. Accordingly, the Petitioner is directed to justify the cost variations between the awarded cost and the completion cost. The Petitioner is also directed to submit the details of cost variations between the awarded and completion cost at the time of true-up.

23. Further, the Petitioner is directed to follow the procedure approved by the NCT in its 26th meeting held on dated 6.1.2025 and circulated vide letter CEA-PS-12-13/3/2019-PSPA-II Division-I/46489/2025 dated 30.1.2025, to avoid the variation between the FR cost and the estimated cost as approved by the CTUIL in future projects/schemes.

Time overrun

24. The Petitioner has submitted that as per the IA dated 2.8.2022, the transmission assets were scheduled to be commissioned within 15 months and 6 months from the date of IA, i.e., by 1.11.2023 for Asset-1 and 1.2.2023 for Asset-2, respectively. The details of actual commissioning of the transmission assets, as submitted by the Petitioner, are as follows:

Assets	IA date	SCOD as per IA	COD	Time overrun
Asset-1	2.8.2022	1.11.2023	31.8.2023	No Delay
Asset-2	2.8.2022	1.2.2023	12.5.2023	100 days



25. The Petitioner has submitted that Asset-1 was commissioned within the scheduled time. However, Asset-2 was commissioned with a delay of 100 days from the SCOD. The Petitioner has submitted the detailed justification for time overrun as under:

- (a) CTUIL vide OM dated 16.11.2021, allocated the following projects to the Petitioner through RTM mode with a time schedule of 15 months and 6 months
 - (1) Requirement of 765 kV spare (1-Ph) Reactor units at 765 kV Chilakaluripeta (Part-B) &
 - (2) Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor at 765 kV Chilakaluripeta.
- (b) The Petitioner filed Petition No. 69/TL/2022 on 3.2.2022 for the grant of a separate transmission licence for the implementation of the above projects. The Commission, vide order dated 18.7.2022, granted the transmission licence to the Petitioner in the said transmission licence Petition No. 69/TL/2022. Subsequently, the IA for subject projects was approved by the Board of Directors of the Petitioner on 2.8.2022.
- (c) The Petitioner put its best efforts into the timely completion of the works. Asset-1 was completed within the scheduled time, however, the works of Asset-2 were delayed due to the unwillingness of vendors for accepting the orders for a small quantity of foundation works, structures for BPI, GI Flat for earthing, and execution of foundation, erection works in the existing 765 kV switchyard, etc. Hence, the time overrun was beyond the control of the



Petitioner, and best efforts have been made to put the transmission assets under commercial operation.

26. In response to the Commission's query, the Petitioner vide affidavit dated 11.9.2024, has reiterated its submissions with respect to the time overrun and has provided the chronological details for each event of delay that affected the commissioning of Asset-2 as under:

	Reason for Delay	Delay from Date	Delay to Date	Delay (in days)
Asset-2	Delay in finalisation of vendors by the contractors for the supply of material due to non-willingness of the vendors to accept the orders for a small quantity of foundation bolts, structures for BPI, GI flat for earthing. With great difficulty, orders were placed by the agency. Further, the minimum process time required for manufacturing, inspection, dispatch of material, and receipt at the site	2.8.2022	1.11.2022	91
	Jumpering and Commissioning of one by one circuit after shutting down the reactors	1.5.2023	10.5.2023	9
	Total Delay			100

27. In response to the Commission's query, the Petitioner vide affidavit dated 6.12.2024 has submitted that CTUIL vide OM dated 16.11.2021 allocated the projects to the Petitioner for implementation through RTM mode within the time schedule of 15 months and 6 months for Asset-1 and Asset-2, respectively. The SCOD, as per the CTUIL's OM dated 16.11.2021, works out to be 15.2.2023 and 15.5.2022. Implementation of the transmission project includes the Investment Approval (IA), preparation of DPR, Award of Contract, and execution of the transmission project, which requires a minimum time for these preparatory activities.



28. The Petitioner has further submitted that apart from the reasons cited above, the Petitioner was also required to adhere to the regulatory requirements, like obtaining the transmission licence for the execution of the transmission project. The transmission licence Petition No. 69/TL/2022 was filed by the Petitioner before the Commission on 3.2.2022 for the grant of a separate transmission licence to the Petitioner for the implementation of the above project. The Commission granted the transmission licence to the Petitioner vide order dated 18.7.2022 in the said Petition and, subsequently, the IA for the projects was approved by the Board of Directors of the Petitioner on 2.8.2022. The Petitioner has further submitted that it took about 8 months, from the allocation of the project to the grant of the transmission licence to the Petitioner. Considering the delay in the grant of the transmission licence, the time schedule of 15 months and 6 months was considered from the date of the IA and, accordingly, the Petitioner has claimed the SCOD of Asset-1 and Asset-2 as 1.11.2023 and 1.2.2023, respectively, in the instant Petition.

Analysis and Decision

29. We have considered the Petitioner's submissions. The moot question that arises for our consideration is "What SCOD will be considered for the transmission assets covered under the instant transmission project?"

30. It has been observed that CTUIL vide OM No. C/CTU/AI/00/1stCCTP, dated 16.11.2021 has allocated the projects, i.e., (1) Requirement of 765 kV spare (1-Ph) Reactors units at 765 kV Chilkaluripeta (Part-B) (Asset-1) and (2) Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor at 765 kV Chilkaluripeta (Asset-2), to the Petitioner, for implementation through RTM mode within a time schedule of



15 months and 6 months. Therefore, the SCOD works out to be 15.2.2023 and 15.5.2022 as per the CTUIL's OM. As per CTUIL's OM dated 16.11.2021, the details of the SCOD, COD, and the time overrun for the transmission assets are as under:

Assets	SCOD as per CTUIL OM dated 16.11.2021	COD	Time Overrun w.r.t. SCOD as per CTUIL OM
Asset-1	15.2.2023	31.8.2023	197 days
Asset-2	15.5.2022	12.5.2023	362 days

31. The Petitioner in the instant Petition had not started the implementation of the transmission assets from the date of the CTUIL's OM. However, after the allocation of the transmission project, the Petitioner filed the transmission licence Petition No. 69/TL/2022 before the Commission on 3.2.2022 for the grant of a separate transmission licence for the implementation of the aforementioned transmission project. The Commission granted the transmission licence to the Petitioner on 18.7.2022 in Petition No. 69/TL/2022. Subsequently, the IA for the transmission project was approved by the Board of Directors of the Petitioner on 2.8.2022 (date of the signing of the approval from the competent authority); however, the 66th Board of Directors' meeting was held on 29.7.2022 through video conferencing. We have observed that the Petitioner has considered the IA date for the transmission project as 2.8.2022. Besides, considering the date of commissioning schedule of the transmission assets as mentioned in the IA, i.e., 13 months for Asset-1 and 4.5 months for Asset-2, the Petitioner has considered the commissioning schedule of the CTUIL's OM in arriving at the SCOD of the transmission assets, i.e., 15 months for Asset-1 and 6 months for Asset-2. Considering the CTUIL's OM commissioning schedule, the Petitioner has claimed the SCOD of the transmission assets as 1.11.2023 for Asset-1 and 1.2.2023 for Asset-2.



32. The Petitioner, on one hand has considered the IA date, i.e., 2.8.2022, for arriving at the SCOD of the transmission assets and, on the other hand, the Petitioner has considered the CTUIL's OM's implementation timeframe of 15 months and 6 months for commissioning of Asset-1 and Asset-2 which worked out as 1.11.2023 and 1.2.2023. Accordingly, the Petitioner has submitted that since the COD of Asset-1 is 31.8.2023, there is no time overrun in case of Asset-1, and the COD of Asset-2 is 12.5.2023, there is a time overrun of 100 days in case of Asset-2.

33. We have gone through the copy of the IA. We have observed that the Petitioner has not mentioned the SCOD of the transmission assets in the IA and has only mentioned the capital cost details in the IA, and has mentioned the SCOD in the DPR. The relevant extracts of Regulation 3(40) of the 2019 Tariff Regulations are extracted as under:

“(40) ‘Investment Approval’ means approval by the Board of the generating company or the transmission licensee or Cabinet Committee on Economic Affairs (CCEA) or any other competent authority conveying administrative sanction for the project including funding of the project and the timeline for the implementation of the project:

Provided that the date of Investment Approval shall reckon from the date of the resolution of the Board of the generating company or the transmission licensee where the Board is competent to accord such approval and from the date of sanction letter of competent authority in other cases;”

34. As per Regulation 3(40) of the 2019 Tariff Regulations, an IA is required to specify the timeline for the implementation of the project. However, the Petitioner has submitted the IA without mentioning the implementation timelines. In the absence of such timelines in the IA, we have considered the timelines mentioned in the CTUIL OM dated 16.11.2021.



35. The Petitioner has filed a transmission licence Petition, i.e., Petition No. 69/TL/2022 on 3.2.2022, and the Commission vide order dated 18.7.2022 granted the transmission licence to the Petitioner. The relevant extract of the order dated 18.7.2022 is as under:

“8. In our order dated 8.6.2022, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/ objections have been received. CTUIL in its letter dated 5.4.2022 has recommended for grant of transmission licence to the Petitioner. We are satisfied that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, Powergrid Southern Interconnector Transmission System Limited to establish the transmission scheme through RTM route as per the details given in paragraph 1 above.”

36. After obtaining the transmission licence on 18.7.2022, the Petitioner obtained the Board Approval on 2.8.2022 for implementation of the transmission project. The Petitioner has submitted the break-up of the construction/supply /service package details, and the same is as under:

S. No.	Name/No. of Construction /supply/service package	Scope of works ¹ (in line with head of cost break-ups as applicable)	Whether awarded through ICB/DCB/ Departmentally/ Deposit Work, etc.	No. of bids received	Date of Award	Date of Start of work	Date of Completion of Work
1	5002002072/ SUBSTATION/ DOM/ AQQ/ CC CS-1/ NGA-1/ NR1- 150035 dtd 24.08.22	Supply & Service Contract for extension of Cpeta SS with Spare Reactor			24-08-2022	24-08-2022	31-08-2023

Note:
 1 The scope of work in any package should be indicated in conformity of cost break-up in Form-5 to the extent possible.
 2 If there is any package, which need to be shown in Indian Rupee and foreign currency(ies), the same should be shown separately along with the currency, the exci

37. As per the construction/supply/service package details, it has been noted that the Petitioner has awarded the supply and service contract for the extension of the Chilakaluripeta Sub-station with a spare reactor on 24.8.2022, which is after the grant of the transmission licence. It has been observed that the CTUIL vide its OM dated



16.11.2021, had approved the projects under the RTM mode. However, the Petitioner filed the application for a transmission licence on 3.2.2022, with a delay of 79 days from the date of the project's approval. The Petitioner has not provided any justification for this delay in filing the licence Petition before the Commission. Therefore, the time overrun of 79 days is not condoned.

38. Subsequently, the Commission, vide its order dated 8.7.2022, granted the transmission licence to the Petitioner. It has been noted that the Commission took approximately 155 days to issue the licence to the Petitioner. In the case of Asset-2, the Petitioner awarded the work prior to the grant of the transmission licence, demonstrating that such action was feasible even before the formal issuance of the licence. However, in the case of Asset-1, which pertains to a spare reactor, the Petitioner awarded the work only after the transmission licence was granted, which is contrary to the approach adopted for Asset-2 by the Petitioner. As per Section 15(6) of the Electricity Act, 2003, the Appropriate Commission shall, as far as practicable, issue a licence within ninety days from the date of receipt of the application. In this instance, the delay of 65 days beyond the prescribed period is condoned for Asset-1, considering that it was awarded after the grant of the licence.

39. The Petitioner has contended that commissioning of Asset-2 was delayed due to the non-willingness of the vendors to accept the orders for a small quantity of foundation works, structures for BPI GI Flat for earthing, and execution of foundation, erection works in the existing 765 kV switchyard, etc. The Petitioner has submitted Form-12, wherein the Petitioner has mentioned that the time period from 2.8.2022 to 1.11.2022 (91 days) is delayed on account of the delay in finalisation of the vendors, and the time



period from 1.5.2023 to 10.5.2023 (9 days) is delayed on account of the shutdown of reactors.

40. We have considered the Petitioner's submissions. Regulation 22 of the 2019 Tariff Regulations provides as follows:

“22. Controllable and Uncontrollable factors: The following shall be considered as controllable and uncontrollable factors for deciding time over-run, cost escalation, IDC and IEDC of the project:

(1) “The “controllable factors” shall include but shall not be limited to the following:

a. Efficiency in the implementation of the project not involving approved change in scope of such project, change in statutory levies or change in law or force majeure events; and
b. Delay in execution of the project on account of contractor or supplier or agency of the generating company or transmission licensee.”

(2) “The “Uncontrollable factors” shall include the following:

a. Force Majeure Events;
b. Change in Law; and
c. Land Acquisition except where the delay is attributed to the generating company or the transmission licensee.

41. The Petitioner has submitted the break-up of the construction/supply /service package details, and the same is as under:

S. No.	Name/No. of Construction /supply/service package	Scope of works ¹ (in line with head of cost break-ups as applicable)	Whether awarded through ICE/DCB/ Departmentally/ Deposit Work, etc.	No. of bids received	Date of Award	Date of Start of work	Date of Completion of Work	Value of Award in (Rs. Lakh).
1	SR-1/C&M/I-2486/2022/ PO: 2434/ SAP PO: 6900011009/ Tele PO/VC: 2100054238 dtd 23.03.22	Supply, Installation, Testing and Commissioning of NGR Bypass arrangement to use SLR as Bus Reactor at 765kV Cpeta			23-03-2022	23-03-2022	12-05-2023	89.17
2	SR-1/C&M/WC-2776/LOA-2812/2022/CNMO-112919/022 dtd 12.09.22	Supply of Digital Input & Output cards and SAS Integration for NGR Bypass Scheme- GE T&D			12-09-2022	12-09-2022	12-05-2023	5.70



42. As per the construction/supply/service package details, it has been noted that the Petitioner awarded the supply, installation, testing, and commissioning of Asset-2 on 23.3.2022, which is prior to the grant of the transmission licence and also prior to the IA. Therefore, as the work order in respect of Asset-2 was awarded by the Petitioner within approximately 1.5 months from the date of the IA (in one of the contracts, well before the IA, the contention of the Petitioner that the vendors were unwilling to accept the orders due to the small quantity does not hold good and hence rejected.

43. Further, it has been observed that as per Regulation 22 of the 2019 Tariff Regulations, any kind of delay in the execution of a transmission project due to the contractor is categorized as a controllable factor. The claim of the Petitioner for the time overrun in the case of Asset-2 regarding the supply of materials is attributable to the contractor. Thus, as per Regulation 22 of the 2019 Tariff Regulations, the said delay falls under the category of controllable factors. Therefore, we are not inclined to condone the time overrun claimed by the Petitioner on the aforementioned grounds.

44. Accordingly, we are of the view that the time overrun in the commissioning of Asset-2 is attributable to the Petitioner. Therefore, the time overrun of 362 days with respect to Asset-2 is not condoned.

45. The summary of the SCOD, COD, and time overrun condoned and not condoned in respect of Asset-1 and Asset-2 is as under:

Sr. No.	Asset Name	SCOD	COD	Total time overrun	Time overrun condoned	Time overrun not condoned
1	Asset-1	15.2.2023	31.8.2023	197 days	65 days	132 days
2	Asset-2	15.2.2023	12.5.2023	362 days	-	362 days



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

46. The Petitioner has claimed the IDC in respect of Asset-1 and Asset-2 and has submitted the statement showing the computation of the IDC, discharge of IDC liability as on the COD, and thereafter is as under:

(₹ in lakh)

Assets	IDC as per Auditor's Certificate	IDC Discharged up to COD	IDC discharged during 2023-24
Asset-1	20.98	18.21	2.78
Asset-2	1.24	0.85	0.39

47. We have considered the Petitioner's submissions. As discussed above in this order, the time overrun of 132 days and 362 days in the commissioning of Asset-1 and Asset-2, respectively, has not been condoned. The drawl dates of certain loans were after the modified COD, i.e., 21.4.2023 in case of Asset-1, and the drawl dates of all of the loans were after the SCOD, i.e., 15.5.2022 in case of Asset-2. These loans are not considered for the computation of the IDC. The IDC claimed and considered as on the COD and the summary of discharge of IDC liability up to the COD and, thereafter, for the purpose of tariff determination, subject to its revision at the time of truing up, is as under:

(₹ in lakh)

Assets	IDC as per Auditor's Certificate	IDC Disallowed	IDC Allowed	IDC Discharged up to COD	IDC discharged during 2023-24
Asset-1	20.98	12.08	8.90	8.90	0.00
Asset-2	1.24	1.24	0.00	0.00	0.00

48. Further, the Petitioner has submitted that the entire amount of IEDC for the transmission assets has been discharged up to the COD. As the time overrun has been partially condoned in the case of Asset-1 and has been completely disallowed in the case of Asset-2, the IEDC has been disallowed on a proportionate basis. Accordingly,



the details of the IEDC claimed as per the Auditor's Certificate, IEDC disallowed, and IEDC allowed are as under:

(₹ in lakh)

Assets	IEDC claimed as per Auditor's Certificate (A)	IEDC disallowed due to time overrun not condoned (B)	IEDC Allowed (C)=(A-B)
Asset-1	43.20	8.73	34.47
Asset-2	5.60	3.74	1.86

49. The Petitioner has not claimed any Initial Spares in the instant Petition in respect of the transmission assets.

50. We have considered the Petitioner's submissions. Since the Petitioner has not claimed any Initial Spares, the same has not been allowed for the transmission assets in the instant order.

Capital Cost as on the COD

51. The capital cost allowed as on COD is as under:

(₹ in lakh)

Assets	Capital Cost claimed as on COD (Auditor's Certificate) (A)	IDC Disallowed (B)	Undischarged IDC as on COD (C)	IEDC Disallowed (D)	Capital Cost as on COD (A-B-C-D)
Asset-1	689.41	12.08	0.00	8.73	668.60
Asset-2	68.79	1.24	0.00	3.74	63.81

Additional Capital Expenditure (ACE)

52. Regulation 24 of the 2019 Tariff Regulations provides as under:

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

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



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

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

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

53. The ACE claimed by the Petitioner in respect of Asset-1 and Asset-2 is as under:

(₹ in lakh)

Asset	ACE		
	2023-24	2024-25	2025-26
Asset-1	35.01	93.36	0.00
Asset-2	32.92	20.00	0.00

54. The Petitioner has claimed that the ACE incurred/projected to be incurred is mainly on account of the balance/retention payments. Therefore, the same has been claimed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations.

55. Further, the Petitioner has submitted the liability flow statement vide affidavit dated 8.3.2024 for the ACE claimed under Regulation 24(1)(a) of the 2024 Tariff Regulations as under:

(₹ in lakh)

	Headwise/ Partywise	Outstanding liability as on COD (A)	FY 2023-24	Outstanding liability as on 31.3.2024 (A-B)
			Discharge (B)	
Asset-1	Hitachi Energy India Limited	63.23	3.89	59.34
	Jakson Limited	44.04	30.02	14.02
	Total	107.27	33.91	73.36



(₹ in lakh)				
Asset-2	Headwise/ Partywise	Outstanding liability as on COD (A)	FY 2023-24	Outstanding liability as on 31.3.2024 (A-B)
			Discharge (B)	
	Power Engineering Associates	32.92	32.92	0.00
	Total	32.92	32.92	0.00

56. The Petitioner has further submitted that the ACE of ₹1.10 lakh has been incurred/projected to be incurred, for Asset-1 in 2023-24, for the works deferred for execution, and has claimed the same under Regulation 24(1)(b) of the 2024 Tariff Regulations.

57. We have considered the Petitioner's submissions. It has been observed that the Petitioner has also claimed the ACE for 2024-25 and 2025-26 in respect of the transmission assets in the instant Petition. Therefore, the ACE claimed for FY 2024-25 and FY 2025-26 shall be dealt with as per the 2024 Tariff Regulations in a separate Petition.

58. Further, it has been observed that the ACE claimed by the Petitioner is on account of the balance/retention payments, works deferred for execution, and release of liabilities. Therefore, in terms of Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations, the ACE claimed by the Petitioner is hereby allowed. Accordingly, the details of ACE allowed for the 2019-24 tariff period are as under:

(₹ in lakh)		
Particulars	2023-24	
	Asset-1	Asset-2
ACE as per Auditor's Certificate	35.01	32.92
Add: IDC Discharged	0.00	0.00
ACE allowed	35.01	32.92



59. The capital cost considered for the transmission assets for the 2019-24 tariff period is as under:

(₹ in lakh)			
Asset	Capital Cost as on COD	Admitted Projected ACE 2019-24	Capital Cost as on 31.3.2024
Asset-1	668.60	35.01	703.61
Asset-2	63.81	32.92	96.73

Debt-Equity ratio

60. 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.”

61. The debt-equity ratio considered for the purpose of computation of tariff for the 2019-24 period for the transmission assets is as under:

Asset-1

Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	468.02	70.00	24.51	70.00	492.53	70.00
Equity	200.58	30.00	10.50	30.00	211.08	30.00
Total	668.60	100.00	35.01	100.00	703.61	100.00

Asset-2

Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(In %)
Debt	44.67	70.00	23.04	70.00	67.71	70.00
Equity	19.14	30.00	9.88	30.00	29.02	30.00
Total	63.81	100.00	32.92	100.00	96.73	100.00

Depreciation

62. 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 assets of the generating station and transmission system:

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



(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission 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.”

63. 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 'Annexure' has been worked out for the transmission assets as per the rates of depreciation specified in the 2019 Tariff Regulations. The depreciation allowed for the transmission assets is as under:



(₹ in lakh)

Sl. No.	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
A	Opening Capital Cost	668.60	63.81
B	Addition during the year 2019-24 due to ACE	35.01	32.92
C	Closing Capital Cost (A+B)	703.61	96.73
D	Average Capital Cost (A+C)/2	686.10	80.27
E	Average Capital Cost (90% depreciable assets)	686.10	80.27
F	Average Capital Cost (100% depreciable assets)	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	617.49	72.24
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00
I	Total Depreciable Value (G+H)	617.49	72.24
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28
K	Balance useful life at the beginning of the year (Year)	25	25
L	Lapsed useful life at the beginning of the year (Year)	0	0
M	Aggregate Depreciable Value	617.49	72.24
N	Depreciation during the year (D*J)	21.18	3.77
O	Cumulative Depreciation at the end of the year	21.18	3.77
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	596.31	68.48

Interest on Loan (IoL)

64. 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 de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered 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.”

65. The Weighted Average Rate of IoL (WAROI) has been considered on the basis of the rate prevailing as on the COD. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up. Therefore, the IoL has been allowed in accordance with Regulation 32 of the 2019 Tariff Regulations. The IoL has been allowed as under:

(₹ in lakh)			
	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
A	Gross Normative Loan	468.02	44.67
B	Cumulative Repayments up to the Previous Year	0.00	0.00
C	Net Loan-Opening (A-B)	468.02	44.67
D	Additions due to ACE	24.51	23.04
E	Repayment during the year	21.18	3.77



	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
F	Net Loan-Closing (C+D-E)	471.34	63.95
G	Average Loan (C+F)/2	469.68	54.31
H	Weighted Average Rate of Interest on Loan (in %)	7.9451	8.0365
I	Interest on Loan (G*H)	21.82	3.88

Return on Equity (RoE)

66. Regulations 30 of the 2019 Tariff Regulations provides 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 cut-off date beyond the original scope shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system

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.”

“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 is applicable to the Petitioner's company. Accordingly, the MAT rate applicable in 2019-20 has been considered for the purpose of RoE, which shall be trued-up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE, in respect of the transmission assets, has been worked out and allowed as under:

(₹ in lakh)

	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
A	Opening Equity (A)	200.58	19.14
B	Additions (B)	10.50	9.88
C	Closing Equity (C) = (A+B)	211.08	29.02
D	Average Equity (D) = (A+C)/2	205.83	24.08
E	Return on Equity (Base Rate) (in %)	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782
H	Return on Equity (D*G)	22.60	4.02

Operation & Maintenance Expenses (O&M Expenses)

68. The Petitioner has not claimed any O&M Expenses in respect of Asset-1 and Asset-2 in the instant Petition. Therefore, O&M Expenses have not been allowed in respect of Asset-1 and Asset-2 for the 2019-24 tariff period in this order.

Interest on Working Capital (IWC)

69. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4), and Regulation 3(7) of the 2019 Tariff Regulations specify 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;”

70. The Petitioner has submitted Form-11 for both the transmission assets and has computed IWC for the 2019-24 period, considering the SBI base rate plus 350 basis points as on 1.4.2023. The Petitioner has considered the rate of IWC as 12.00%.

71. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.5% plus 350 basis points) for 2023-24. The components of the working capital and interest allowed thereon are as under:

(₹ in lakh)			
	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual transmission charges)	14.00	1.64
D	Total Working Capital	14.00	1.64



	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
E	Rate of Interest (in %)	12.00	12.00
F	Interest on Working Capital	0.98	0.17

Annual Fixed Charges for the 2019-24 Tariff Period

72. The transmission charges allowed in respect of the transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)

	Particulars	2023-24	
		Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
A	Depreciation	21.18	3.77
B	Interest on Loan	21.82	3.88
C	Return on Equity	22.60	4.02
D	O&M Expenses	0.00	0.00
E	Interest on Working Capital	0.98	0.17
F	Total	66.58	11.84

Filing Fee and the Publication Expenses

73. The Petitioner has sought reimbursement of the fee paid by it for filing the Petition and publication expenses.

74. We have considered the Petitioner's submissions. 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 & RLDC Fees and Charges

75. The Petitioner has sought 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 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 fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

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

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

Security Expenses

78. The Petitioner has submitted that security expenses in respect of the transmission assets are not claimed in the instant Petition, and it would file a separate Petition for claiming the overall security expenses and the consequential IWC as per Regulation 35(3)(c) of the 2019 Tariff Regulations.

79. We have considered the Petitioner's submissions. The Petitioner has claimed the consolidated security expenses on a projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission, vide order dated 3.8.2021 in Petition No. 260/MP/2020, approved the security expenses from 1.4.2019 to 31.3.2024. 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

80. 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

81. With effect from 1.11.2020, the sharing of transmission charges is governed by the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (herein referred to as "the 2020 Sharing Regulations"). Therefore, the sharing of the transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the billing, collection, and disbursement of the transmission charges approved in this order shall be governed by the applicable provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

82. To summarise:

- a. Annual Fixed Charges (AFC) allowed for the 2019-24 tariff period for the transmission assets in this order are as under:

Particulars	(₹ in lakh)	
	2023-24	
	Asset-1 (Pro-rata 214 days)	Asset-2 (Pro-rata 325 days)
AFC claimed	68.46	12.53
AFC allowed	66.58	11.84



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

84. This order disposes of Petition No. 185/TT/2024 in terms of the above finding and discussions.

**sd/-
(Harish Dudani)
Member**

**sd/-
(Ramesh Babu V.)
Member**

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



Asset-1

2019-24	Admitted Capital Cost as on 1.4.2019/COD (₹ in lakh)	ACE (in lakh)		Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations (in %)	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2023-24	Total			2023-24
Sub-station	668.60	35.01	35.01	703.61	5.28	36.23
Total	668.60	35.01	35.01	703.61		36.23
				Average Gross Block (₹ in lakh)		686.10
				Weighted Average Rate of Depreciation (in %)		5.28

Asset-2

2019-24	Admitted Capital Cost as on 1.4.2019/COD (₹ in lakh)	ACE (in lakh)		Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations (in %)	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2023-24	Total			2023-24
Sub-station	63.81	32.92	32.92	96.73	5.28	4.24
Total	63.81	32.92	32.92	96.73		4.24
				Average Gross Block (₹ in lakh)		80.27
				Weighted Average Rate of Depreciation (in %)		5.28

