

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 201/TT/2025

Coram:

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

Date of Order: 30.10.2025

In the matter of:

Petition for truing up of the transmission tariff for the 2019-24 tariff period and determination of transmission tariff for the 2024-29 tariff period for Asset: Meerut-Moga 765 kV S/C Transmission Line along with associated bays at Meerut and Moga 765 /400 kV Sub-stations with 02 Numbers 240 MVAR line reactor (01 Number switchable and 01 Number non-switchable line reactor) each at Meerut and Moga under the **Northern Region System Strengthening Scheme-XXVI** under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003 and under Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

And in the matter of:

Power Grid Corporation of India Limited,
Registered office: B-9, Qutub Institutional Area,
Katwaria Sarai, New Delhi 110016
Corporate Centre: SAUDAMINI, Plot No-2,
Sector-29, Gurgaon-122001 (Haryana).

...Petitioner

Versus

- 1. Uttar Pradesh Power Corporation Limited,**
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226 001 (Uttar Pradesh).
- 2. Ajmer Vidyut Vitran Nigam Limited,**
Corporate Office, Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer – 305 004 (Rajasthan).
- 3. Jaipur Vidyut Vitran Nigam Limited,**
132 KV, GSS RVPNL, Sub-Station Building, Caligiri
Road, Malviya Nagar, Jaipur – 32 017 (Rajasthan).



- 4. Jodhpur Vidyut Vitran Nigam Ltd.,**
New Power House, Industrial Area,
Jodhpur – 342 003 (Rajasthan).
- 5. Himachal Pradesh State Electricity Board,**
Vidyut Bhawan, Kumar House Complex Building II
Shimla – 171 004 (Himachal Pradesh).
- 6. Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office,
Patiala – 147 001 (Punjab).
- 7. Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula – 134 109 (Haryana).
- 8. Jammu Kashmir Power Corporation Limited,**
220/66/33kV Gladni SS SLDC building, Narwal, Jammu.
- 9. BSES Yamuna Power Limited,**
B-Block, Shakti Kiran building, (Near Karkardooma Court)
Karkardooma 2nd Floor, New Delhi – 110 092.
- 10. BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place, New Delhi
- 11. Tata Power Delhi Distribution Limited,**
33 kV Sub-Station Building, Hudson Lane,
Kingsway Camp North Delhi – 110 009
- 12. Chandigarh Electricity Department,** Chandigarh
Administration Sector-9, Chandigarh.
- 13. Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road, Dehradun
(Uttarakhand)
- 14. North Central Railway,**
Allahabad (Uttar Pradesh)
- 15. New Delhi Municipal Council,**
Palika Kendra, Sansad Marg, New Delhi – 110 002.

...Respondent(s)



Parties Present: Shri Zafrul Hassan, PGCIL
Shri Vivek Kumar, PGCIL
Shri Vishal Sagar, PGCIL
Shri Ranjeet Pandey, PGCIL
Ms. Suriya Singh, PGCIL
Shri Ashish Alankar, PGCIL

ORDER

The instant Petition has been filed by the Power Grid Corporation of India Limited, a deemed transmission licensee, for truing-up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and for determination of the transmission tariff in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period in respect of the following transmission asset under the works associated with “**Northern Region System Strengthening Scheme – XXVI**” in the Northern Region:

Asset-1: Meerut - Moga 765 kV S/C Transmission Line along with associated bays at Meerut and Moga 765/400 kV Sub-stations with 02 Number 240 MVAR line reactor (01 Number switchable and 01 Number non-switchable line reactor) each at Meerut and Moga.

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

- a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 16 and 17 above.*
- b) Admit the capital cost claimed and additional capitalization incurred during 2019-24.*
- c) Allow the tariff on the capital cost including LD recovered to the extent of disallowed IDC & IEDC.*
- d) 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 Regulations 2019 and Tariff*



Regulations, 2024 as per para 16 & 17 above for respective block.

- e) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- f) Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- g) 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 2024-29 period, if any, from the respondents.*
- h) Allow the petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 23 above.*
- i) Allow the petitioner to file a separate petition before the Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 23 above.*
- j) Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares as per actual as mentioned at Para 23 above.*
- k) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 24 above.*
- l) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries and pass such other relief as 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 Investment Approval (IA) and expenditure sanction for the transmission project were accorded by the Board of Directors (BoD) of the Petitioner vide Memorandum dated 27.9.2012 at an estimated cost of



₹80334.00 lakh, including an IDC of ₹4466 lakh (based on 3rd Quarter, 2012 price level)

b. The scope of work covered under the transmission project is as follows:

Transmission Line:

- i. Meerut - Moga S/C Transmission Line.

Sub-station

- i. Extension of Meerut 765/400 kV sub-station;
- ii. Extension of Moga 765/400 kV sub-station; and

Reactive Compensation

- i. 02 Numbers 240 MVAR Line Reactors each at Meerut and Moga.

c. The Petitioner has filed the present Petition for the true-up of the transmission tariff for the 2019-24 tariff period and the determination of the transmission tariff for the 2024-29 tariff period for the following assets implemented in the Northern Region:

Asset No	Asset Name	COD
Asset-1	Meerut - Moga 765 kV S/C Transmission Line along with associated bays at Meerut and Moga 765/400 kV sub-station with 02 Numbers 240 MVAR line reactors (01 Number switchable and 01 Number non-switchable line reactor) each at Meerut and Moga.	12-5-2015

4. The COD of the transmission asset was approved, and the Commission determined the tariff from COD to 31.3.2019 vide order dated 20.8.2015 in Petition No. 87/TT/2015. The Petitioner had filed a Review Petition No. 59/RP/2016 against the order dated 20.8.2015 in Petition No. 87/TT/2015. The Commission, vide order dated 13.2.2018, had disposed of the said Review Petition No. 59/RP/2016 at the stage of admissibility. Vide the order dated 29.9.2021 in Petition No. 648/TT/2020, the Commission trued-up the tariff for the 2014-19 tariff period and determined the transmission tariff for the 2019-24 period.



5. The Respondents are distribution licensees, transmission licensees, and Power Departments, which are procuring transmission services from the Petitioner, mainly beneficiaries of the Northern Region.
6. 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. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. Respondents have filed their reply to the Petition after repeated reminders from the Commission during the hearings.
7. Respondent No. 1, BSES Rajdhani Pvt Ltd (BRPL), has filed its reply vide affidavit dated 2.7.2025. The Respondent has raised issues such as refund of the over-recovery of tax to the beneficiaries, excluding the capital cost of the Asset not in use, rejecting the claim for additional capitalisation for all assets, refund the over-recovery of Income-tax from the beneficiaries and rejecting claims regarding GST charges. The response given thereto by the Petitioner has been considered in the relevant portions of the order.
8. The hearings in this matter were held on 22.4.2025, 20.6.2025, and 22.7.2025, and the order was reserved.
9. This order is issued considering the submissions made by the Petitioner vide the affidavits dated 13.5.2025, 7.7.2025 and 7.8.2025. Further, BRPL filed an affidavit dated 2.7.2025, and the Petitioner's rejoinder dated 17.7.2025 have also been considered while passing the order.
10. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition.



TRUING-UP OF ANNUAL FIXED CHARGES FOR 2019-24 TARIFF PERIOD

11. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Asset-1 are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3883.57	3885.98	3888.41	3888.41	3888.41
Interest on Loan	2446.70	1937.00	1627.87	1627.35	1554.89
Return on Equity	4141.94	4144.39	4146.84	4146.84	4146.84
Interest on Working Capital	174.47	156.60	142.58	143.12	163.04
O&M Expenses	389.81	403.36	417.70	432.24	447.62
Total	11036.49	10527.33	10223.40	10237.96	10200.80

12. The details of the trued-up Interest on Working Capital (IoWC) claimed by the Petitioner in respect of the Asset-1 are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	32.48	33.61	34.81	36.02	37.30
Maintenance Spares	58.47	60.50	62.66	64.84	67.14
Receivables	1356.95	1297.89	1260.42	1262.21	1254.20
Total Working Capital	1447.90	1392.00	1357.89	1363.07	1358.64
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	174.47	156.60	142.58	143.12	163.04

Capital Cost for 2019-24 Tariff Period

13. The capital cost of the transmission system has been calculated in accordance with Regulation 19(1) and Regulation 19(3) of the 2019 Tariff Regulations.

14. The Commission, vide order dated 29.9.2021 in Petition No. 648/TT/2020, trued-up the transmission tariff for the 2014-19 tariff period and allowed the tariff for the 2019-24 tariff period. The capital cost of ₹73509.02 lakh was approved by the Commission for the transmission asset as on 31.3.2019, and the same has been considered as the opening capital cost as on 1.4.2019 for the purpose of the truing-up of the transmission tariff for the 2019-24 tariff period in accordance with Regulation 19 of the 2019 Tariff Regulations in the instant Petition.



15. The Commission, vide order dated 29.9.2021 in Petition No. 648/TT/2020, had allowed the capital cost as on 31.3.2019 for Asset-1 and Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost as allowed by the Commission in the aforesaid order are as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Capital Cost allowed up to 31.3.2019	Projected ACE	Capital Cost as on 31.3.2024
			2019-20	
Asset-1	80334.00	73509.02*	80.00	73589.02

* The Commission vide Order dated 29.9.2021 in Petition No. 648/TT/2020 disallowed IDC of ₹251.48 Lakh and IEDC of ₹79.21 Lakh due to time overrun for Asset-1 and disallowed ₹149.02 lakh of excess Initial spares under substation (Brown-field) head for Asset-1 as on 31.3.2019

16. BRPL, vide affidavit dated 2.7.2025, has submitted that the Petitioner has claimed accrual IDC as additional capitalisation, which is not as per the provisions of the 2024 Tariff Regulations. Hence, the accrual IDC and IEDC in additional capitalisation are liable to be rejected by the Commission. In response, the Petitioner has submitted that no accrual IDC balance is to be discharged during 2019-24. Therefore, the Petitioner has claimed 'Nil' accrual IDC during tariff period 2019-24 for the assets.

17. The Petitioner in the instant true-up Petition has claimed the following capital cost for the 2019-24 tariff period in respect of Asset-1:

(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Capital Cost allowed up to 31.3.2019/COD	ACE Claimed	Capital Cost as on 31.3.2024
			2020-21	
Asset-1	80334.00	73509.02*	87.07	73596.09

*LD amount ₹1.09 Lakh is added to Capital Cost to the extent of ₹1.09 lakh disallowed IDC and IEDC for Asset-1 vide order dated 29.9.2021 in Petition No 648/TT/2020.

Additional Capital Expenditure (ACE)

18. The Commission, vide order dated 29.9.2021 in Petition No. 648/TT/2020, allowed projected ACE for the 2019-24 tariff period for Asset-1 under Regulation 25(1)(d) of the 2019 Tariff Regulations for ACE beyond the cut-off date on account of balance payment



for works executed within the cut-off date. Accordingly, the projected ACE allowed for the 2019-24 period was as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Capital Cost allowed as on 31.3.2019	Actual ACE	Total Capital Cost as on 31.3.2024
			2019-24	
Asset-1	80334.00	73509.02	87.07	73596.09

19. Against this, the Petitioner has claimed the following ACE in respect of Asset-1 based on the actual expenditure in accordance with Regulation 25(1)(d) of the 2019 Tariff Regulations:

(₹ in lakh)

Particulars	Asset	Regulations	Actual ACE
			2020-21
Liability for works executed prior to the cut-off date	Asset-1	25(1)(d)	87.07

20. The Petitioner, vide RoP dated 22.4.2025 was directed to submit the reasons for claiming ACE beyond the cut-off date for the 2019-24 tariff period. In response, the Petitioner vide affidavit dated 13.5.2025 has submitted that the ACE claimed beyond the cut-off date on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date and has been claimed as per Regulation 25(1)(d) of the 2019 Tariff Regulations. The Petitioner has prayed that the ACE beyond the cut-off date may be allowed.

21. The Petitioner, vide the ROP dated 22.4.2025 was also directed to provide the reasons for the variation in the ACE claimed in the 2019-24 tariff period. In response, the Petitioner, vide affidavit dated 13.5.2025, has reiterated that the primary reason for the variation is that the ACE claimed is based on actual payment made to the vendor following the receipt of final invoices and after incorporating the amendments. The Petitioner has requested to allow the actual ACE incurred during the 2019-24 tariff period in the instant project and approve the transmission tariff as claimed in the Petition.



22. Further, vide the ROP dated 22.4.2025, the Petitioner was further directed to submit the details of Liquidated Damages. The Petitioner, vide affidavit dated 13.5.2025, has submitted that the Liquidated Damages amounting to ₹1.09 lakh were recovered from the contractor and deducted from the capital cost in the year 2020-21. The same has been added back to Capital Cost in the year 2020-21 to the extent of ₹1.09 lakh towards disallowed IDC and IEDC on account of time over-run not condoned.

23. The BRPL, vide affidavit dated 2.7.2025, raised a few queries from the Petitioner. The BRPL has prayed to consider the same before passing the Order in the instant Petition. The Respondent has pointed out that the Petitioner should verify the liability flow statement for additional capitalisation sought for the 2019-24 tariff period on account of undischarged liability towards final payment/withheld due to contractual exigencies and for works executed prior to the cut-off date from the independent agency. The Petitioner has not given a reason as to why contractual liabilities were discharged within the effective combined COD of the entire asset.

24. In response, the Petitioner, vide affidavit dated 17.7.2025, has submitted a section-wise break-up of its replies to the queries asked by the Respondent, and the same has been taken up in relevant sections of the Order. The Petitioner has reiterated that add-caps after the cut-off date are contractual liabilities for works executed earlier, which are within the original scope of work and not new liabilities. Hence, the associated expenditure is eligible for capitalisation under the regulatory provisions.

25. We have considered the submissions made by the Petitioner in the Petition and affidavits dated 13.5.2025 and 17.7.2025. ACE claimed by the Petitioner is allowed as the expenditure incurred after the cut-off date has been incurred towards works which are within the original scope and have been executed within the cutoff date and is permissible under Regulation 25(1)(d) of the 2019 Tariff Regulations as the expenditure



has been incurred for meeting liabilities for works of original scope executed prior to the cut-off date. The allowed ACE is summarised as under:

(₹ in lakh)

Assets	Apportioned Approved Cost (FR)	Capital Cost allowed as on 31.3.2019/ COD	Actual ACE	Total Capital Cost as on 31.3.2024
			2020-21	
Asset-1	80334.00	73509.02	87.07	73596.09

Debt-Equity ratio

26. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of tariff in respect of the Asset-1 during the 2019-24 tariff period are as follows:

Funding	Capital Cost as on 31.3.2019/COD (₹ in lakh)	(in %)	ACE in 2019- 24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	51456.32	70.00	60.949	70.00	51517.26	70.00
Equity	22052.70	30.00	26.121	30.00	22078.83	30.00
Total	73509.02	100.00	87.07	100.00	73596.09	100.00

Depreciation

27. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Asset as per depreciation rates specified in Regulation 33 of the 2019 Tariff Regulations.

28. The depreciation allowed for Asset-1 for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	73509.02	73509.02	73596.09	73596.09	73596.09
B	Addition during the year 2019-24 due to ACE	0.00	87.07	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	73509.02	73596.09	73596.09	73596.09	73596.09
D	Average Capital Cost (A+C)/2	73509.02	73552.56	73596.09	73596.09	73596.09



Asset						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
E	Average Capital Cost (90% depreciable assets)	73492.53	73534.94	73577.35	73577.35	73577.35
F	Average Capital Cost (100% depreciable assets)	16.49	17.62	18.74	18.74	18.74
G	Depreciable value (excluding IT equipment and software) (E*90%)	66143.28	66181.45	66219.62	66219.62	66219.62
H	Depreciable value of IT equipment and software (F*100%)	16.49	17.62	18.74	18.74	18.74
I	Total Depreciable Value (G+H)	66159.77	66199.06	66238.36	66238.36	66238.36
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
K	Balance useful life at the beginning of the year (Year)	3.00	4.00	5.00	6.00	7.00
L	Elapsed useful life at the beginning of the year (Year)	31.00	30.00	29.00	28.00	27.00
M	Depreciation during the year (D*J)	3883.57	3885.99	3888.41	3888.41	3888.41
N	Cumulative Depreciation at the end of the year	18593.85	22479.83	26368.24	30256.64	34145.05
O	Remaining Aggregate Depreciable Value at the end of the year	47565.92	43719.23	39870.12	35981.71	32093.30

29. The details of depreciation allowed vide order dated 29.9.2021 in Petition No. 648/TT/2020 in respect of the Asset, depreciation claimed by the Petitioner in the instant Petition, and trued-up depreciation approved in the instant order are as follows:

(₹ in lakh)					
Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	3885.80	3888.03	3888.03	3888.03	3888.03
Claimed by the Petitioner in the instant Petition	3883.57	3885.98	3888.41	3888.41	3888.41
Approved after true-up in this order	3883.57	3885.99	3888.41	3888.41	3888.41

Interest on Loan (IoL)

30. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual



loan portfolio and rate of interest.

31. We have considered the Petitioner's submissions and perused the records. IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the Asset-1 is as follows:

(₹ in lakh)

	Particulars	Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Loan					
A	Gross Normative Loan	51456.32	51456.32	51517.27	51517.27	51517.27
B	Cumulative Repayments up to the Previous Year	14710.28	18593.85	22479.83	26368.24	30256.64
C	Net Loan-Opening (A- B)	36746.04	32862.47	29037.44	25149.03	21260.62
D	Additions	0.00	60.95	0.00	0.00	0.00
E	Repayment during the year	3883.57	3885.99	3888.41	3888.41	3888.41
F	Net Loan-Closing (C+D- E)	32862.47	29037.44	25149.03	21260.62	17372.22
G	Average Loan (C+F)/2	34804.26	30949.96	27093.23	23204.83	19316.42
H	Weighted Average Rate of Interest on Loan (in %)	7.0299	6.2585	6.0084	7.0130	8.0496
I	Interest on Loan (G*H)	2446.70	1937.00	1627.87	1627.35	1554.89

32. The details of IoL allowed vide order dated 29.9.2021 in Petition No. 648/TT/2020 for the Asset-1, IoL claimed by the Petitioner in the instant Petition, and trued-up IoL approved in the instant order are as follows:

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	2523.90	2222.62	1935.25	1649.38	1357.96
Claimed by the Petitioner in the instant Petition	2446.70	1937.00	1627.87	1627.35	1554.89
Approved after true-up in this order	2446.70	1937.00	1627.87	1627.35	1554.89



Return on Equity (RoE)

33. The Petitioner has submitted that its Income Tax Assessment has been completed, and the Income Tax Department has issued assessment orders for FY 2019- 20 and FY 2020-21, with the income being assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner vide affidavit dated 9.4.2025 has submitted that the Income Tax Returns (ITRs) have been filed for the FY 2021-22, FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024). The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

Year	Claimed effective tax rate (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

34. The Petitioner, vide affidavit dated 9.4.2025, has submitted that the Income Tax assessment has been completed, and Assessment Orders have been issued by the Income Tax Department for FYs 2019-20 and 2020-21. Further, the Income Tax Assessment for FYs 2021-22, 2022-23, and 2023-24 are in progress with the Income Tax Authorities. The assessment orders for FYs 2019-20 and 2020-21, and ITRs for FYs 2021-22, 2022-23 and 2023-24 have been submitted vide affidavit dated 17.12.2024 in Petition No. 401/TT/2024. Further, the Income Tax Return for FY 2023-24 has now been filed, and accordingly, the revised computation of the effective tax percentage is as under:



Financial Year	Basis considered	Total Tax & Interest paid (Rs)	Assessed MAT Income under Sec 115 JB (Rs)	Effective Tax percentage	Grossed up ROE (Base rate/(1-t))
2019-20	Assessment Order	24,52,62,76,991	1,40,37,47,53,855	17.472%	18.782%
2020-21	Assessment Order	26,08,93,59,008	1,49,32,09,65,036	17.472%	18.782%
2021-22	Actual Tax paid	31,81,46,40,406	1,82,08,92,88,030	17.472%	18.782%
2022-23	Actual Tax paid	30,42,88,20,993	1,74,15,76,29,306	17.472%	18.782%
2023-24	Actual Tax paid	31,32,12,38,737	1,79,26,53,31,597	17.472%	18.782%

35. BRPL, in its reply dated 2.7.2025, has stated that the Petitioner may be directed to file the complete details of tax benefits claimed in the particular assessment year, and failure to submit such documents, the grossed-up rate on equity during the tariff period 2019-24 may be disallowed by the Commission.

36. The Petitioner has requested to allow it to claim the differential tariff on account of the trued-up ROE based on effective tax rate calculated on completion of Income-tax assessment/re-assessment for the FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on receipt of the respective assessment orders, directly from the beneficiaries, on year-to-year basis as provided in the regulation. Further, the audited statements pertaining to actual taxes paid during FYs 2014-15, 2015-16 and 2016-17 have already been submitted in the Petitions filed during the truing up of the 2014-19 tariff period and, therefore, the same are submitted in the instant Petition.

37. We note that the entities covered under the MAT regime are paying the Income Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate



for the purpose of grossing up the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates is considered for the purpose of grossing up the rate of RoE

Year	Notified MAT rates (in %) (Inclusive of surcharge & cess)	Effective Tax (in %) (t)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	17.472	15.500	18.782
2020-21	17.472	17.472	15.500	18.782
2021-22	17.472	17.472	15.500	18.782
2022-23	17.472	17.472	15.500	18.782
2023-24	17.472	17.472	15.500	18.782

38. We have considered the submissions of the Petitioner and BRPL. Accordingly, the trued-up RoE allowed in respect of the Asset-1 for the 2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	22052.70	22052.70	22078.82	22078.82	22078.82
B	Additions	0.00	26.12	0.00	0.00	0.00
C	Closing Equity (A+B)	22052.70	22078.82	22078.82	22078.82	22078.82
D	Average Equity (A+C)/2	22052.70	22065.76	22078.82	22078.82	22078.82
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	4141.94	4144.39	4146.84	4146.84	4146.84



39. The details of RoE approved vide order dated 29.9.2021 in Petition No. 648/TT/2020 for the Asset-1, RoE claimed by the Petitioner in the instant Petition, and trued-up RoE approved in the instant order are as follows:

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	4144.19	4146.45	4146.45	4146.45	4146.45
Claimed by the Petitioner in the instant Petition	4141.94	4144.39	4146.84	4146.84	4146.84
Approved after true-up in this order	4141.94	4144.39	4146.84	4146.84	4146.84

Operation & Maintenance Expenses (O&M Expenses)

40. The O&M Expenses claimed by the Petitioner for the Asset for 2019-24 tariff period are as follows:

(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	389.81	403.36	417.70	432.24	447.62

41. We have considered the Petitioner's submission. The O&M Expenses allowed for Asset-1 as per Regulation 35(3) of the 2019 Tariff Regulations are as follows:

(₹ in lakh)

Particulars	Asset				
	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Line: Meerut - Moga S/C Transmission Line (₹ in lakh/km)					
Line Length (km)	337.46	337.46	337.46	337.46	337.46
Norm: Single Circuit (Bundled conductor with four or more sub-conductors)	0.755	0.781	0.809	0.837	0.867
Total Transmission Line Expense	254.78	263.56	273.01	282.45	292.58
Sub-Station Bays: Extension of Meerut 765/400 kV sub-station; Extension of Moga 765/400 kV sub-station (₹ in lakh/bay)					
765kV Bay (Nos)	3	3	3	3	3



Norm: 765kV Bay	45.01	46.60	48.23	49.93	51.68
Total Sub-station Expense	135.03	139.80	144.69	149.79	155.04
Total O&M Expenses allowed (₹ in lakh)	389.81	403.36	417.70	432.24	447.62

42. The details of O&M Expenses allowed vide order dated 29.9.2021 in Petition No. 648/TT/2020, O&M Expenses claimed by the Petitioner in the instant Petition, and trued-up O&M Expenses approved in the instant order are as follows:

(₹ in lakh)					
Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	389.81	403.36	417.70	432.24	447.62
Claimed by the Petitioner in the instant Petition	389.81	403.36	417.70	432.24	447.62
Approved after true-up in this order	389.81	403.36	417.70	432.24	447.62

Interest on Working Capital (IWC)

43. IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FY 2021-22 & FY 2022-23 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

44. The components of the working capital and interest allowed thereon for Asset-1 for the 2019-24 are as follows:



(₹ in lakh)

	Particulars	Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Working Capital					
A	Working Capital for O&M Expenses (O&M Expenses for one month)	32.48	33.61	34.81	36.02	37.30
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	58.47	60.50	62.65	64.84	67.14
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /Annual transmission charges)	1356.95	1297.89	1260.42	1262.22	1254.20
D	Total Working Capital (A+B+C)	1447.90	1392.01	1357.88	1363.07	1358.64
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	174.47	156.60	142.58	143.12	163.04

45. The details of IWC allowed vide order dated 29.9.2021 in Petition No. 648/TT/2020 for the Asset-1, IWC claimed by the Petitioner in the instant Petition, and trued-up IWC approved in the instant order in respect of the Asset-1 are as follows:

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	175.70	160.68	146.60	143.40	139.81
Claimed by the Petitioner in the instant Petition	174.47	156.60	142.58	143.12	163.04
Approved after true-up in this order	174.47	156.60	142.58	143.12	163.04

Trued-up Annual Fixed Charges for 2019-24 Tariff Period

46. Accordingly, the annual fixed charges allowed after the truing-up for the 2019-24 tariff period in respect of Asset-1 are as follows:



(₹ in lakh)

	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Annual Transmission Charges					
A	Depreciation	3883.57	3885.99	3888.41	3888.41	3888.41
B	Interest on Loan	2446.70	1937.00	1627.87	1627.35	1554.89
C	Return on Equity	4141.94	4144.39	4146.84	4146.84	4146.84
D	Interest on Working Capital	174.47	156.60	142.58	143.12	163.04
E	O&M Expenses	389.81	403.36	417.70	432.24	447.62
F	Total (A+B+C+D+E)	11036.49	10527.34	10223.39	10237.97	10200.80

47. The details of the AFC allowed vide order dated 29.9.2021 in Petition No. 648/TT/2020 for Asset-1, AFC claimed by the Petitioner in the instant Petition, and trued-up AFC approved in the instant order in respect of the Asset-1 are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.9.2021 in Petition 648/TT/2020	11119.41	10821.13	10534.03	10259.51	9979.86
Claimed by the Petitioner in the instant Petition	11036.49	10527.33	10223.40	10237.96	10200.80
Approved after true-up in this order	11036.49	10527.34	10223.39	10237.97	10200.80

Determination of Annual Fixed Charges for the 2024-29 Tariff Period

48. The Petitioner has claimed the following transmission charges in respect of Asset-1 for the 2024-29 tariff period:

(₹ in lakh)

Particulars	Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3893.63	3891.47	3886.05	3881.31	751.86
Interest on Loan	1249.23	926.56	611.48	299.05	113.51
Return on Equity	4146.84	4146.84	4146.84	4146.84	4146.84
O&M Expenses	498.83	524.88	552.27	581.22	612.15
Interest on Working Capital	159.81	156.09	152.50	148.65	101.00
Total	9948.34	9645.84	9349.14	9057.07	5725.36

49. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for Asset-1 are as under:



(₹ in lakh)

	Asset-1				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	41.57	43.74	46.02	48.44	51.01
Maintenance Spares	74.82	78.73	82.84	87.18	91.82
Receivables	1226.51	1189.21	1152.63	1113.58	705.87
Total Working Capital	1342.90	1311.68	1281.49	1249.20	848.70
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	159.81	156.09	152.50	148.66	101.00

Capital Cost

50. Regulation 19 of the 2024 Tariff Regulations provides 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 checks in accordance with these regulations shall form the basis for the 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 and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being 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 the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets 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 up to 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 the 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).....

(p).....

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

(a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;

(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;

(c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;

(d) to (h).....

(i) Expenditure on account of change in law and force majeure events;

(4) & (5)

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

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

(b) De-capitalised Assets after the date of commercial operation on account of obsolescence;

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be decapitalised from the original project only after its redeployment;

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

(d)

(e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and

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



51. The Petitioner has claimed the following capital cost of the Asset-1 during the 2024-29 tariff period:

Assets	Capital Cost claimed as on 1.4.2024	ACE Claimed	Estimated Completion Cost
		2024-29	
Asset	73596.09	--	73596.09

52. We have considered the submissions of the Petitioner. The capital cost has been dealt with in line with Regulation 19(3) of the 2024 Tariff Regulations. The element-wise capital cost (i.e., land, building, transmission line, Sub-station and PLCC) as admitted by the Commission as on 31.3.2024 for the Asset has been considered as capital cost as on 1.4.2024 as per following details:

Element	Asset
Freehold Land	-
Leasehold Land	-
Building Civil Works & Colony	-
Transmission Line	67709.24
Sub Station	5800.36
PLCC	--
Batteries	67.75
IT Equipment (Incl. Software)	18.74
Total	73596.09

53. The trued-up capital cost of ₹73596.09 lakh for the Asset is considered as the admitted capital cost as on 1.4.2024 for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

54. Regulations 24 and 25 of the 2024 Tariff Regulations provide 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 which is not provided for in the original scope of work;*
- (f) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;*
Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and
- (g) *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 additional capital expenditure 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 cut-off date may be admitted by the Commission, subject to prudence check:

- (a) *Payment made against award of arbitration or for compliance with 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 which is not provided for in the original scope of work;*
- (c) *Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;*
- (d) *Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;*
- (e) *Force Majeure events;*
- (f) *Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and*

(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.

Provided that any claim of additional capitalization with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than ₹ 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses”

55. The Petitioner vide RoP dated 22.4.2025 was directed to submit the reasons for claiming the ACE beyond the cut-off date. In response, the Petitioner vide affidavit dated 13.5.2025, has submitted that the ACE claimed for the 2024-29 tariff period is on account of liability/ retention payment of works within the original scope and executed prior to the cut-off date and are covered under Regulation 25(1)(d) of the Tariff Regulations, 2024.

56. The Petitioner has not claimed any ACE for Asset-1 for the 2024-29 tariff period under Regulations 25(1)(d) of the 2024 Tariff Regulations. Accordingly, the ACE is summarized as under:

(₹ in lakh)

Asset	Apportioned Approved Cost as per FR	Capital Cost allowed as on 1.4.2024	Estimated ACE	Capital Cost as on 31.3.2029
			2024-29	
Asset-1	80334.00	73596.09	--	73596.09

Debt-Equity ratio

57. Regulation 18 of the 2024 Tariff Regulations provides as follows:

“18. Debt-Equity Ratio: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- 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 31.3.2024 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 1.4.2024, if the equity actually deployed as on 1.4.2024 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 1.4.2024, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, 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 1.4.2024 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.”

58. The debt-equity considered for the purpose of computation of tariff for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of tariff for the Asset for the 2024-29 tariff period is as follows:



Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	51517.26	70.00	0.00	---	51517.26	70.00
Equity	22078.83	30.00	0.00	---	22078.83	30.00
Total	73596.09	100.00			73596.09	100.00

Depreciation

59. Regulation 33 of the 2024 Tariff Regulations provides as follows:

"33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In the case of the tariff of all the units of a generating station or all elements of a transmission system including the 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 the 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 a 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, the weighted average life for the generating station or the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.

(3) The salvage value of the asset shall be considered as 10%, and depreciation shall be allowed up to the 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 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)

(5) Depreciation for Existing Projects shall be calculated annually based on the 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 generating station or transmission system, as the case may be, shall be spread over the balance useful life of the assets.

.....

(6) Depreciation for New Projects shall be calculated annually based on the Straight-Line Method and at rates specified in Appendix-II to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 15 years from the effective date of commercial operation of the generating station or the transmission system, as the case may be, shall be spread over the balance useful life of the assets.

.....

(7) In the case of the existing projects, the balance depreciable value as on 1.4.2024 shall be worked out by deducting the cumulative depreciation as admitted to by the Commission up to 31.3.2024 from the gross depreciable value of the assets.

(8) The generating company or the transmission licensee, as the case may be, shall submit the details of capital expenditure proposed to be incurred during five years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen years, whichever is lower, and in case of the transmission system shall equally spread the depreciable value over the balance useful life of the Asset or 10 years whichever is higher.

(9) 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-capitalised asset during its useful service

(10) Xxxxxx

(11) Xxxxxx

(12) Xxxxxx”

60. The depreciation has been worked out on the basis of the admitted capital expenditure as on 1.4.2024 and thereafter up to 31.3.2029. The WAROD has been worked out for Asset-1 as per the depreciation rates specified in the 2024 Tariff Regulations.

61. The depreciation allowed for Asset-1 under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:



(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	73596.09	73596.09	73596.09	73596.09	73596.09
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	73596.09	73596.09	73596.09	73596.09	73596.09
D	Average Capital Cost (A+C)/2	73596.09	73596.09	73596.09	73596.09	73596.09
E	Average Capital Cost (90% depreciable assets)	73577.35	73577.35	73577.35	73577.35	73577.35
F	Average Capital Cost (100% depreciable assets)	18.74	18.74	18.74	18.74	18.74
G	Depreciable value (excluding IT equipment and software) (E*90%)	66219.62	66219.62	66219.62	66219.62	66219.62
H	Depreciable value of IT equipment and software (F*100%)	18.74	18.74	18.74	18.74	18.74
I	Total Depreciable Value (G+H)	66238.36	66238.36	66238.36	66238.36	66238.36
J	Weighted average rate of Depreciation (WAROD) (in %)	5.29	5.29	5.28	5.27	5.27
K	Balance useful life at the beginning of the year (Year)	8.00	9.00	10.00	11.00	12.00
L	Elapsed useful life at the beginning of the year (Year)	26.00	25.00	24.00	23.00	22.00
M	Depreciation during the year (D*J)	3893.62	3891.47	3886.04	3881.31	751.86
N	Cumulative Depreciation at the end of the year	38038.67	41930.14	45816.18	49697.49	50449.34
O	Remaining Aggregate Depreciable Value at the end of the year	28199.68	24308.21	20422.18	16540.87	15789.01

Interest on Loan (IoL)

62. Regulation 32 of the 2024 Tariff Regulations provides as follows:

“32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered gross normative loans for the calculation of interest on loans.

(2) The normative loan outstanding as on 1.4.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2024 from the



gross normative loan.

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the 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 or allocated loan portfolio;

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

Provided further that if the generating station or the transmission system, as the case may be, does not have any actual loan, then the weighted average rate of interest of the loan portfolio of the generating company or the transmission licensee as a whole shall be considered.

Provided that the rate of interest on the loan for the installation of the emission control system commissioned subsequent to date of commercial operation of the generating station or unit thereof, shall be the weighted average rate of interest of the actual loan portfolio of the emission control system, and in the absence of the actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered, subject to a ceiling of 14%;

Provided further that if the generating company or the transmission licensee, as the case may be, does not have any actual loan, then the rate of interest for a loan shall be considered as 1-year MCLR of the State Bank of India as applicable as on April 01, of the relevant financial year.

(6) The interest on the 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.”

63. The Weighted Average Rate of IoL has been determined based on the rates prevailing as on 1.4.2024. The Petitioner has prayed that the change in interest rate due to the floating rate of interest, if any, applicable during the 2024-29 tariff period, may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true-up. IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff



Regulations. IoL allowed for the 2024-29 tariff period in respect of Asset-1 is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	51517.27	51517.27	51517.27	51517.27	51517.27
B	Cumulative Repayments upto Previous Year	34145.05	38038.67	41930.14	45816.18	49697.49
C	Net Loan-Opening (A-B)	17372.22	13478.60	9587.13	5701.09	1819.78
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	3893.62	3891.47	3886.04	3881.31	751.86
F	Net Loan-Closing (C+D-E)	13478.60	9587.13	5701.09	1819.78	1067.93
G	Average Loan (C+F)/2	15425.41	11532.86	7644.11	3760.44	1443.85
H	Weighted Average Rate of Interest on Loan (in %)	8.0985	8.0341	7.9994	7.9527	7.8621
I	Interest on Loan (G*H)	1249.23	926.56	611.48	299.06	113.52

Return on Equity (RoE)

64. Regulations 30 and 31 of the 2024 Tariff Regulations provide as follows:

“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.

(2) Return on equity for existing project 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 storage type hydro generating stations, pumped storage hydro generating stations and run-of- river generating station with pondage;

(3) Return on equity for new project achieving COD on or after 01.04.2024 shall be computed at the base rate of 15.00% for the transmission system, including the communication system, at the base rate of 15.50% for Thermal generating station and run-of-river hydro generating station and at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a 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 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;

.....”

“31. Tax on Return on Equity. (1) The 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. The effective tax rate 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 concerned generating company or the transmission licensee by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon.

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a generating company or transmission licensee has opted for Section 115BAA, the effective tax rate shall be tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

(2) The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

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

(3) The generating company or the transmission licensee, as the case may be, shall true up the effective tax rate for 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 2024-29 on actual gross income of any financial year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid for the generating company or the transmission licensee, as the case may be.

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, 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 with the applicable MAT rate including surcharge and cess.

Provided that in case a generating company or transmission licensee is paying tax under Section 115BAA, 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 with the tax rate including surcharge and cess as specified under Section 115BAA.

Provided that 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 a year-to-year basis.”

65. The Petitioner has submitted that the MAT rate applies to it. We have considered



the Petitioner's submissions and have perused the record.

66. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for Asset-1 for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	22078.82	22078.82	22078.82	22078.82	22078.82
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	22078.82	22078.82	22078.82	22078.82	22078.82
D	Average Equity (A+C)/2	22078.82	22078.82	22078.82	22078.82	22078.82
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	4146.84	4146.84	4146.84	4146.84	4146.84

Operation & Maintenance Expenses (O&M Expenses)

67. The O&M Expenses claimed by the Petitioner for Asset-1 for the 2024-29 period are as follows:

(₹ in lakh)					
Particulars	Asset-1				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses (₹ in lakh)	159.80	156.09	152.50	148.65	101.00

68. The norms specified under Regulation 36(3) of the 2024 Tariff Regulations provides as follows:

"36. Operation and Maintenance Expenses:

...

(3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the transmission system:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73



400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (₹ Lakh per MW)	1.04	1.10	1.16	1.22	1.28

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided that the O&M expense norms of Double Circuit quad AC line shall be applicable to for HVDC bi-pole line;

Provided that the O&M expenses of ± 500 kV Mundra - Mohindergarh HVDC bipole scheme (2500 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for HVDC bipole scheme;

Provided further that the O&M expenses for Transmission Licensees whose transmission assets are located solely in NE Region (including Sikkim), States of Uttarakhand, Himachal Pradesh, the Union Territories of Jammu and Kashmir and Ladakh, district of Darjeeling of West Bengal shall be worked out by multiplying 1.50 to the normative O&M expenses prescribed above.

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of substation bays, transformer capacity of the transformer/reactor/Static Var Compensator/Static Synchronous Compensator (in MVA/MVAR) and km of line length with the applicable norms for the operation and



maintenance expenses per bay, per MVA/MVAr and per km respectively.

.....”

69. We have considered the Petitioner's submissions. The O&M Expenses have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations, and the same are as follows:

(₹ in lakh)					
Asset					
Transmission Line: Meerut - Moga S/C Transmission Line (₹ in lakh/km)					
Line Length (km)	337.46	337.46	337.46	337.46	337.46
Norm: Single Circuit (Bundled conductor with four or more sub-conductors)	0.74	0.78	0.82	0.86	0.91
Total Transmission Line Expense	249.05	261.87	275.70	290.22	305.40
Sub-station Bays Extension of Meerut 765/400 kV sub-station; Extension of Moga 765/400 kV sub-station (₹ in lakh/bay)					
765kV Bay (Nos)	3	3	3	3	3
Norm: 765kV Bay	41.34	43.51	45.79	48.20	50.73
Total Sub-station Expense	124.02	130.53	137.37	144.60	152.19
Reactors: 02 Numbers 240 MVAR 765 kV Line Reactors each at Meerut and Moga					
Norm: (₹ in lakh/MVAr)	0.262	0.276	0.290	0.305	0.322
Total Transformer/ Reactor Expense	125.76	132.48	139.20	146.40	154.56
Total O&M Expenses allowed (₹ in lakh)	498.83	524.88	552.27	581.22	612.15

Interest on Working Capital (IWC)

70. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify as follows:

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

.....

(d) 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.

(2)

(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024- 29 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 Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.

(4) Interest on working capital shall be payable on a normative basis, notwithstanding that the generating company or the transmission licensee has not taken a loan for working capital from any outside agency.”

71. The Petitioner has considered the IWC rate to be 11.90% as on 1.4.2024. The IWC is worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The ROI considered is 11.90% (SBI 1-year MCLR, applicable as on 1.4.2024, of 8.65% plus 325 basis points) for the FY 2024-25 to FY 2028-29.

72. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of Asset-1 are as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	41.57	43.74	46.02	48.43	51.01
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	74.82	78.73	82.84	87.18	91.82
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1226.51	1189.21	1152.63	1113.58	705.87
D	Total Working Capital (A+B+C)	1342.90	1311.69	1281.50	1249.19	848.70



E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	159.80	156.09	152.50	148.65	101.00

Annual Fixed Charges of the 2024-29 Tariff Period

73. The annual transmission charges allowed in respect of Asset-1 for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3893.62	3891.47	3886.04	3881.31	751.86
Interest on Loan	1249.23	926.56	611.48	299.06	113.52
Return on Equity	4146.84	4146.84	4146.84	4146.84	4146.84
O&M Expenses	498.83	524.88	552.27	581.22	612.15
Interest on Working Capital	159.80	156.09	152.50	148.65	101.00
Total	9948.32	9645.84	9349.14	9057.08	5725.37

Filing Fee and Publication Expenses

74. The Respondent, BRPL vide affidavit dated 2.7.2025, has submitted that the Commission may not accept the claim of reimbursement of the fee paid by the Petitioner for filing the Petition and publication expenses. BRPL has further submitted that the Commission can allow such charges at its discretion under Regulation 94 (4) of the 2024 Tariff Regulations, but the exercise of such discretion is a judicial discretion in the adjudication of tariff, and to exercise this discretion, no justification has been given by the Petitioner. BRPL has further submitted that the Commission, in its order dated 11.9.2008 in Petition No. 129 of 2005, held that a Central Power Sector undertaking, in furtherance of their business interest, are statutorily required to approach the Commission for determination and approval of the tariff and, hence, declined the claim of a Central Power Sector undertaking for allowing the reimbursement of the application filing fee.

75. The Petitioner has submitted in its response that the reimbursement claimed for the fee paid by it, is for filing the Petition and publication expenses. The Petitioner has



further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations. In addition, the Petitioner has submitted that the Commission, in its various orders, had rejected similar contentions on the same issue and allowed the recovery of the Petition filing fee and publication of notices from the beneficiaries on a pro rata basis.

76. We have considered the submissions of the Petitioner and BRPL. The Commission, in its order dated 11.1.2010, in Petition No. 109 of 2009, held as under:

“85. The Commission after careful consideration has decided that filing fee will be reimbursed in the following cases:

- (a) Main petitions for determination of tariff;*
- (b) Petitions for revision of tariff due to additional capital expenditure;*
- (c) Petitions for truing up of expenditure.*

Filing fees paid for filing the Review Petitions, Interlocutory Applications and other Miscellaneous Applications will not be reimbursed in tariff. The Commission has decided to reimburse the expenses on publication of notices as such expenses are incurred to meet the statutory requirement of transparency in the process of determination of tariff.

86. Accordingly, expenses incurred by the Petitioner on application filing fees and publication of notices in connection with the present petition shall be directly recovered from the beneficiaries on pro rata basis.”

77. In view of the above, the Petitioner is entitled to reimbursement of the fee paid for filing the Petition and publication expenses incurred on this count directly from the beneficiaries or long-term customers, as the case may be, as per Regulation 94(1) of the 2024 Tariff Regulations.

Fees and Charges of Central Transmission Utility of India Limited (CTUIL)

78. The BRPL, in its replies vide affidavit 2.7.2025, submitted that the fee and charges of CTUIL will be allowed separately by the Commission through separate regulations.



79. The Petitioner has submitted that, as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of the CTUIL may be allowed separately through a separate regulation. The Petitioner has further submitted that in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner, which will be recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

80. It is apt here to refer to Regulation 99 of the 2024 Tariff Regulations, which provides as under:

“99. Special Provisions relating to Central Transmission Utility of India Ltd. (CTUIL): The fee and charges of CTUIL shall be allowed separately by the Commission through a separate regulation:

Provided that until such regulation is issued by the Commission, the expenses of CTUIL shall be borne by Power Grid Corporation of India Ltd. (PGCIL) which shall be recovered by PGCIL as additional O&M expenses through a separate petition.”

81. We have considered the submission of the Petitioner and perused Regulation 99 of the 2024 Tariff Regulations. In view of the explicit provision made under Regulation 99 of the 2024 Tariff Regulations, we permit the Petitioner, i.e., PGCIL, to bear the fees and charges expenses of CTUIL and recover the same as additional O&M Expenses through a separate Petition until such regulation is notified and issued by the Commission.

Licence Fee and RLDC Fees and Charges

82. The Petitioner has claimed reimbursement of the licence fee, RLDC Fees, and Charges. The Petitioner is allowed the reimbursement of the license fee in accordance with Regulation 94(4) of the 2024 Tariff Regulations for the 2024-29 tariff period. The Petitioner is also allowed to recover the RLDC fee and charges from the beneficiaries in terms of Regulation 94(3) of the 2024 Tariff Regulations for the 2024-29 tariff period.



Goods and Services Tax

83. The Respondent, BRPL vide affidavit 2.7.2025, has submitted that the transmission charges claimed herein are exclusive of GST, and in case GST is levied in the future, the same shall be additionally paid by the respondents and be charged and billed separately by the Petitioner along with additional taxes, if any. In this regard, the Petitioner is not tenable for such a prayer in this Petition.

84. The Petitioner has submitted that the transmission charges claimed herein are exclusive of GST, and in case GST is levied in the future, the same shall be additionally paid by the Respondents and be charged and billed separately by the Petitioner. It is also prayed that, if any additional taxes are payable, the Petitioner may pay them on account of the demand from the Government/Statutory Authorities, and that the Commission may allow them to be recovered from the beneficiaries.

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

Security Expenses, Insurance and Capital Spares

86. The Respondent, BRPL, vide affidavit 2.7.2025, has submitted that separate Petitions will be filed for security expense, insurance, and capital spares for the tariff period 2024-29, which may be allowed after a prudence check.

87. The Petitioner has submitted that, as per Regulation 36(3)(d) of the 2024 Tariff Regulations, the security expenses and capital spares of more than ₹10 lakh and insurance expenses incurred through the competitive bidding for the transmission system and associated communication system shall be allowed separately after a prudence check.



88. As regards the security expenses of the transmission assets, the Petitioner has submitted that it will file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the security expenses regarding Asset-1 are not claimed in the instant Petition.

89. The Petitioner has also submitted that it has not claimed insurance expenses in the instant Petition and has submitted that it shall file a separate Petition for claiming the overall insurance expenses and consequential Interest on Working Capital (IWC) on the same, considering the actual insurance expenses incurred by it for FY 2023-24 after escalating the same at 5.25% per annum to arrive at the estimated insurance expenses for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

90. The Petitioner has not claimed capital spares for the Asset in the instant Petition for the 2024-29 tariff period. According to the Petitioner, it will file a separate Petition for the capital spares consumed and consequential IWC thereon, on an actual basis, for the 2024-29 tariff period, as per the 2024 Tariff Regulations. The Petitioner has also submitted that it has filed Petition No. 45/MP/2024, claiming therein capital spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

91. The Petitioner in its response to the reply submitted by the BRPL, has stated that a separate Petition (Petition No. 330/MP/2025) has already been filed for truing up of security expenses for the period from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the Tariff Regulations, 2019 and recovery of security expenses for the period from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the Tariff Regulations, 2024.

92. We have considered the submissions of the Petitioner and BRPL and have perused the material placed on record. With respect to the truing--up of the security expenses



for the 2019-24 period, it is noted that the Petitioner has filed Petition No. 330/MP/2025 in this regard. Therefore, the truing-up of the security expenses for the 2019-24 period will be dealt with in accordance with the outcome in Petition No. 330/MP/2025.

93. Further, with respect to the Security Expenses, Insurance, and Capital Spares for the 2024-29 period, we deem it proper here to refer to Regulation 36(3) (d) of the 2024 Tariff Regulations, which provides as follows:

“36(3)

(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:

Provided that in case of self-insurance, the premium shall not exceed 0.12% of the GFA of the assets insured;

Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.”

94. We have perused Regulation 36(3)(d) of the 2024 Tariff Regulations and the Petitioner’s submissions. The Petitioner is allowed to file a single consolidated Petition comprising security expenses, capital spares individually costing more than ₹10 lakh and insurance expenses on the estimated basis as per the 2024 Tariff Regulations for the 2024-29 tariff period, as held in various orders, including orders in Petition Nos. 210/TT/2025 and 186/TT/2025.

Sharing of Transmission Charges

95. The Petitioner has submitted that the trued-up tariff for the 2019-24 tariff period shall be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers in terms of the 2010 Sharing Regulations, as amended from time to time, for



the applicable period. Further, the tariff for the 2024-29 tariff period shall be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers according to the 2020 Sharing Regulations, as amended from time to time, for the applicable period.

96. We have considered the Petitioner's submissions. The billing, collection, and disbursement of the transmission charges for Asset-1 shall be recovered in terms of the provisions of the Sharing Regulations, as amended and applicable, as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

97. To summarise:

- a. The trued-up Annual Fixed Charges (AFC) claimed and allowed for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	11036.49	10527.33	10223.40	10237.96	10200.80
AFC Allowed	11036.49	10527.34	10223.39	10237.97	10200.80

- b. The Annual Fixed Charges allowed for the 2024-29 tariff period in this order are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	9948.34	9645.84	9349.14	9057.07	5725.36
AFC Allowed	9948.32	9645.84	9349.14	9057.08	5725.37

98. This order disposes of the Petition No. 201/TT/2025, in terms of the above discussions and findings.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson

