

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 203/TT/2025

Coram:

**Shri Ramesh Babu V., Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 30.09.2025

In the matter of:

Approval 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 for trueing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Asset under **“Northern Region System Strengthening Scheme-XXVII”** in the Northern Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001.**
- 2. Ajmer Vidyut Vitran Nigam Limited,
Corporate Office, Vidyut Bhawan,
Panchsheel Nagar, Makarwali Road,
Ajmer-305004 (Rajasthan).**
- 3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub- Station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan).**
- 4. Jodhpur Vidyut Vitran Nigam Limited,
New Power House, Industrial Area,
Jodhpur-342003 (Rajasthan).**



5. **Himachal Pradesh State Electricity Board,**
Vidyut Bhawan,
Kumar House Complex Building II,
Shimla-171004.
 6. **Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala-147001.
 7. **Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula-134109 (Haryana).
 8. **Jammu Kashmir Power Corporation Limited,**
220/66/33 kV Gladni SS SLDC Building,
Narwal, Jammu.
 9. **BSES Yamuna Power Limited,**
B-Block, Shakti Kiran Building.
(Near Karkadooma Court),
Karkadooma 2nd Floor,
New-Delhi-110092.
 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-110009.
 12. **Chandigarh Electricity Department,**
Chandigarh Administration,
Sector-9, Chandigarh.
 13. **Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road,
Dehradun.
 14. **North Central Railway,**
Allahabad.
 15. **New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi-110002.
- ...Respondent(s)**



Parties Present: Shri Angaru Naresh Kumar, PGCIL
Shri G. Vijay, PGCIL
Shri Vivek Kumar Singh, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited 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 determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of the following Combined Asset (hereinafter referred to as “the transmission asset / Combined Asset”) under “**Northern Region System Strengthening Scheme-XXVII**” (hereinafter referred to as “the transmission project”) in the Northern Region:

Assets	Asset Name	COD
Asset-I	LILO of Dehar - Bhiwani 400 kV S/C Line at Rajpura Sub-station	27.6.2016
Asset-II	LILO of Dehar - Panipat 400 kV S/C Line at Panhckula Sub-station	2.4.2015
Asset-III	Extension of Chamera 400/220 kV Pooling Sub-station (GIS)- 01 no. 220 kV line bay	6.8.2014
Asset-IV	400 kV Anta Bay at Kota Sub-Station for 400 kV S/C Anta - Kota Line (Line owned by RVPNL)	19.3.2016

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 asset 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 and 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 at the end of tariff block 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 under:

- a. The Investment Approval (IA) in respect of the transmission project was accorded by the Board of Directors (BoD) of the Petitioner Company *vide* Memorandum No. C/CP/NRSS-XXVII dated 19.12.2012, in the meeting held on 6.12.2012, at an estimated cost of ₹9627.00 lakh, including an IDC of ₹445.00 lakh (based on August 2012 price level).



b. The scope of the transmission project was approved in the 29th Standing Committee Meeting (SCM) held on 29.12.2010 and the 19th (Special) NRPC Meeting held on 4.1.2011.

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

Transmission Line:

- i. LILO of Dehar – Bhiwani 400 kV S/C line at Rajpura Sub-station (PSTCL);
- ii. LILO of Dehar – Panipat 400 kV S/C line at Panchkula Sub-station;

Sub-station:

- i. Extension of Rajpura 400/220 kV Sub-station (PSTCL*).
- ii. Extension of Panchkula 400/220 kV Sub-station;
- iii. Extension of Kota 400/220 kV Sub-station- 1 no. 400 kV line bay;
- iv. Extension of Chamera 400/220 kV Pooling Sub-station (GIS) - 1 no. 220 kV line bay.

** The line bays were to be carried out on deposit work basis by PSTCL on behalf of the Petitioner*

d. The transmission tariff, from the dates of the commercial operation (COD) to 31.3.2019, in respect of Asset-I, Asset-II, and Asset-III was determined vide order dated 27.5.2016 in Petition No. 62/TT/2015 and for Asset-IV vide order dated 20.7.2018 in Petition No. 264/TT/2017. Further, the Commission, vide order dated 15.2.2022 in Petition No. 348/TT/2020, trued-up the transmission tariff for the transmission assets for the 2014-19 tariff period and determined the tariff for the 2019-24 tariff period after combining the transmission assets as “the Combined Asset” with the Effective COD as 11.11.2015.

e. The dates of commercial operation (COD) for the transmission assets, already approved, are as under:



Assets	COD
Asset-I	27.6.2016
Asset-II	2.4.2015
Asset-III	6.8.2014
Asset-IV	19.3.2016

4. The Respondents are distribution licensees, transmission licensees and power departments, which are procuring transmission services from the Petitioner, mainly the beneficiaries of the Northern Region.

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

6. This order is issued considering the submissions made by the Petitioner vide affidavits dated 19.9.2024 and 21.4.2025.

7. The hearing in this matter was held on 30.5.2025 and the order was reserved. 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

8. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Asset are as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	443.07	444.16	444.16	444.16	444.16
Interest on Loan	339.65	294.62	256.69	223.31	189.35
Return on Equity	445.67	446.78	446.78	446.78	446.78
Interest on Working Capital	27.06	24.98	23.06	22.91	26.00
O&M Expenses	197.11	204.03	211.20	218.61	226.28
Total	1452.56	1414.57	1381.89	1355.77	1332.57



9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the Combined Asset are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	16.43	17.00	17.60	18.22	18.86
Maintenance Spares	29.57	30.60	31.68	32.79	33.94
Receivables	178.59	174.40	170.37	167.15	163.84
Total Working Capital	224.59	222.00	219.65	218.16	216.64
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	27.06	24.98	23.06	22.91	26.00

Capital Cost for the 2019-24 Tariff Period

10. The capital cost of the transmission project has been considered in accordance with Regulation 19(1) and 19(3) of the 2019 Tariff Regulations.

11. The Commission vide order dated 15.2.2022 in Petition No. 348/TT/2020 allowed the capital cost as on the COD for the Combined Asset 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 under:

(₹ in lakh)			
Assets	Capital Cost allowed as on 1.4.2019	ACE	Capital Cost allowed as on 31.3.2024
		2019-20	
Combined Asset	7891.26*	48.40	7939.66

* Vide order dated 15.2.2022 in Petition No, 348/TT/2020, the IDC of ₹274.95 lakh, ₹20.32 lakh and ₹20.69 lakh and the IEDC of ₹59.33 lakh, ₹4.17 lakh and ₹8.28 lakh due to time overrun for Asset-I, Asset-II & Asset-IV, respectively and ₹44.08 lakh for the excess Initial Spares under the Sub-station (GIS) head & IDC of ₹6.45 lakh due to computational difference for Asset-III as on 31.3.2019, were disallowed.

12. The Petitioner, in the instant true-up Petition, has claimed the following opening capital cost and the actual ACE incurred for the Combined Asset for the 2019-24 tariff period:



Combined Asset	FR Apportioned Approved Cost	Capital Cost claimed as on 31.3.2019	(₹ in lakh)	
			ACE Claimed 2019-20	Capital Cost claimed as on 31.3.2024
	9627.00	7889.97#	39.26**	7929.23

*** LD amounting ₹36.54 lakh was recovered from the contractor and reduced from the capital cost in the year 2019-20, on its recovery in the Auditor's Certificate for Asset-IV. However, while computing tariff, the same has been added back to the capital cost to the extent of ₹28.97 lakh disallowed IDC & IEDC for Asset-IV, i.e., vide order dated 15.2.2022 in the year 2019-20.*

Additional ₹1.29 lakh of excess Initial Spares (for Asset-IV) restricted in the instant Petition.

13. The capital cost of ₹7891.26 lakh was approved by the Commission as on 31.3.2019 vide order dated 15.2.2022 in Petition No. 348/TT/2020. However, the Petitioner has claimed the excess Initial Spares of ₹1.29 lakh and that the same needs to be deducted from the capital cost as on 31.3.2019.

Initial Spares

14. The COD of the transmission assets is during the 2014-19 tariff period, therefore, the norms of the 2014 Tariff Regulations are being applied in calculating the Initial Spares in the instant truing up Petition. Regulation 13(d) of the 2014 Tariff Regulations provides that Initial Spares shall be capitalized as a percentage of plant and machinery cost up to the cut-off date, subject to the following ceiling norms:

*“(d) Transmission System
Transmission line: 1.00%
Transmission Sub-station (Green Field): 4.00%
Transmission Sub-station (Brown Field): 6.00%
Series Compensation devices and HVDC Station: 4.00%
Gas Insulated Sub-station: 5.00%
Communication System: 3.5%”*

15. The Commission has observed that the Petitioner, in Petition No. 348/TT/2020, had claimed the Initial Spares for the transmission assets as per the norms and the Commission vide order dated 15.2.2022 in Petition No. 348/TT/2020 allowed the Initial Spares as under:



Particulars	Asset type	Plant & Machinery cost upto cut-off date (excluding IDC and IEDC)	Initial Spares claimed	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per norms and APTEL judgement dated14.9.2019	Initial Spares allowed in 2014-19	Additional spares now allowed	
							Discharged upto 31.3.2019	Discharged in 2019-20
Asset-I	Sub-station	1191.01	84.48	6.00	172.77	70.63	13.85	3.47
Asset-II	Sub-station and PLCC	1043.74	45.87			45.87		
Asset-IV	Sub-station	643.59	41.28			37.81*		
Total		2878.34	171.63			154.31	17.32	
Asset-III	GIS Sub-station	869.22	85.34	5.00	41.26	41.26	0.00	
Asset-I	Transm ission Line	2338.99	23.32	1.00	35.80	23.39	0.00	
Asset-II	Transm ission Line	1240.10	12.02			12.40		
Total		3579.09	35.34			35.80		

*Initial Spares allowed for Asset-IV during 2014-19 period is ₹38.45 lakh wherein ₹3.47 lakh was discharged during 2019-20 and the excess Initial Spares of ₹2.83 lakh was to be disallowed from the year 2019-20. Therefore, only ₹37.81 lakh (₹38.45 lakh – ₹3.47 lakh + ₹2.83 lakh) is allowed during 2014-19 period.

16. The Initial Spares claimed by the Petitioner in the instant Petition are as under:

(₹ in lakh)

Assets	Particulars	Cost for Spare Calculation (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Allowable	Excess Initial Spares
					$D = [(A-B)*C / (100-C)]$	[B-D]
Asset-I	Transmission line	2338.99	23.32	1.0	23.39	-0.07
Asset-II	Transmission line	1240.10	12.02	1.0	12.40	-0.38
Total	Transmission line	3579.09	35.34	1.0	35.80	-0.46

(₹ in lakh)

Assets	Particulars	Cost for Spare Calculation (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Allowable	Excess Initial Spares
					$D = [(A-B)*C / (100-C)]$	[B-D]



Asset-III	Sub-station (GIS-Brown Field)	869.22	85.34	5.0	41.26	44.08
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(₹ in lakh)

Assets	Particulars	Cost for Spare Calculation (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Allowable	Excess Initial Spares
					$D = [(A-B)*C / (100-C)]$	[B-D]
Asset-I	Sub-station (Brown Field)	1191.01	84.48	6.0	70.63	13.85
Asset-II		1043.74	45.87	6.0	63.69	-17.82
Asset-IV		605.48	41.28	6.0	36.01	5.27
Total	Sub-station (Brown Field)	2840.23	171.63	6.0	170.34	1.29

17. In response to the Commission's direction regarding the details of the Initial Spares discharge statement along with the disallowances, the Petitioner has submitted that the Initial Spares for the transmission project have been calculated as per limit specified under Regulation 13 of the 2014 Tariff Regulations, and on the revised Auditor's Certificate. The excess Initial Spares of ₹45.38 lakh towards the Sub-station Head has been restricted from the capital cost as on 31.3.2019 (Initial Spares of ₹44.08 lakh (for Asset-III) have already been disallowed vide order dated 15.2.2022 in Petition No. 348/TT/2020, additional Initial Spares ₹1.29 lakh (for Asset-IV) has been restricted in the instant Petition). Therefore, the Petitioner has prayed to allow the Initial Spares as claimed in the instant Petition. The Initial Spares discharge statement is as under:

Assets	Particulars	Total Spare	Discharged up to 31.3.2019	Disallowance up to 31.3.2019	During 2019-20	Disallowance during 2019- 20	During 2020- 21
Asset-I	Transmission Line	23.32	23.32	0.00	0.00	0.00	0.00
	Sub-station	84.48	84.48	0.00	0.00	0.00	0.00
Asset-II	Transmission Line	12.02	12.02	0.00	0.00	0.00	0.00
	Sub-station	45.87	45.87	0.00	0.00	0.00	0.00
Asset-III	Sub-station (GIS)	85.34	85.34	44.08	0.00	0.00	0.00
Asset-IV	Sub-station	41.28	37.81	1.29	3.47	0.00	0.00

18. We have considered the Petitioner's submissions. The Commission has considered the ceiling limit of 6% for the Sub-stations, based on the ceiling limit



approved by the Commission vide order dated 15.2.2022 in Petition No. 348/TT/2020. Accordingly, the Initial Spares allowed in respect of the Combined Asset as per the norms under the 2014 Tariff Regulations are as under:

(₹ in lakh)							
Asset	Particulars	Plant and Machinery cost (excluding IDC and IEDC, land cost & cost of civil works) upto cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per the 2014 Tariff Regulations (in %)	Initial Spares allowable (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)
		A	B	C	$D = \frac{A \times B}{C \times (100 - C)}$	E=D-B	
Combined Asset	Sub-station (Brown Field)	2840.23	171.63	6.0	170.34	1.29	170.34

19. As discussed, there is an excess Initial Spare of ₹1.29 lakh and the same has been deducted from the capital cost and, accordingly, ₹7889.98 lakh have been considered as the opening capital cost as on 1.4.2019 for the purpose of truing up of the transmission tariff for the 2019-24 tariff period in accordance with Regulation 19(3)(a) of the 2019 Tariff Regulations.

Additional Capital Expenditure (ACE)

20. The Commission, vide order dated 15.2.2022 in Petition No. 348/TT/2020, has allowed the projected ACE for the 2019-24 tariff period for the Combined Asset under Regulation 25(1)(d) of the 2019 Tariff Regulations on account of the undischarged liability for works executed prior to the cut-off date. Accordingly, the approved ACE in respect of the Combined Asset for the 2019-24 tariff period is as under:

(₹ in lakh)	
Combined Asset	Approved ACE
	2019-20
	48.40



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

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Undischarged Liability for works executed prior to the cut-off date;	25(1)(d) of the 2019 Tariff Regulations	39.26	0.00	0.00	0.00	0.00
Total						

LD amounting ₹36.54 lakh were recovered from contractor and reduced from the capital cost in the year 2019-20, on its recovery in Auditor's Certificate for Asset-IV. However, while computing tariff the same has been added back to the capital cost to the extent of ₹28.97 lakh disallowed IDC & IEDC for Asset-IV i.e. vide order dated 15.2.2022 in the year of 2019-20

22. The Petitioner has further submitted that in case of the transmission assets, the Commission disallowed the IDC and IEDC on account of time overrun not condoned and reduced it from the capital cost as on the COD. Subsequently, the Liquidated Damages (LD) were recovered from the executing agency(ies) which were reduced from the capital cost as per the accounting procedures. The details of the IDC and IEDC disallowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 and the LD recovered in respect of Asset-IV for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset	IDC and IEDC Disallowed as on COD	LD Recovered	Year of LD Recovery
Asset-IV	28.97	36.54	2019-20

23. In response to the Commission's query regarding the details of LD recovery along with relevant documentary evidence, the Petitioner vide affidavit dated 21.4.2025 has submitted that the LD amounting to ₹36.54 lakh was recovered from the contractor for Asset-IV and reduced from the capital cost in the year 2019-20, as mentioned in the footnote of the Auditor's Certificate submitted by the Petitioner. However, while



computing the tariff, the same has been added back to the capital cost to the extent of the disallowed IDC and IEDC of ₹28.97 lakh as per order dated 15.2.2022 for Asset-IV in the year 2019-20.

24. The liability flow statement containing head-wise and party-wise details of the actual ACE incurred during the 2019-24 tariff period for the Combined Asset is as under:

Asset	Party Name	Particular	Year of Actual Capitalization	Outstanding Liability as on COD	(₹ in lakh)	
					Discharge	Total (2019-24)
Asset-IV	M/s. Larsen & Toubro Ltd	Sub-station	2016	39.26	39.26	39.26

25. The Petitioner has submitted that the disallowed IDC and IEDC to the extent of the LD recovered from the contractors is added back as the ACE in the respective years when such recovery is made as mentioned in the footnote of the Auditor's Certificate.

26. It has been noted that for Asset-IV, the LD was recovered from the contractor amounting to ₹36.54 lakh in FY 2019-20 and, accordingly, on its recovery, it was reduced for the accounting purpose from the gross ACE for that year which was ₹46.83 lakh. As such, after accounting for the recovered LD, the net ACE reflected in the Auditor's Certificate is ₹10.29 lakh. Accordingly, the LD amount recovered to the extent of the IDC/IEDC disallowed (i.e., ₹28.97 lakh), is added back to arrive at the ACE claimed for FY 2019-20 which is ₹39.26 lakh.

27. We have considered the Petitioners submissions. When the time overrun is attributable to the project developer, or its contractors, the cost of time overrun, i.e., IDC and IEDC has to be borne by the project developer and LD, if any, recovered can be retained by the Petitioner. In the instant case, time overrun in case of the transmission assets were not condoned. Accordingly, the IDC and IEDC for the period of time overrun



not condoned is deducted from the capital cost. The amount of the LD recovered to the extent of the IDC and IEDC disallowed has already been adjusted by the Petitioner from the ACE (as certified by the Auditor) for FY 2019-20. As such, the treatment of the LD recovered by the Petitioner is in order for the year FY 2019-20 and is in line with the 2019 Tariff Regulations.

28. We have considered the Petitioner's submissions. The ACE claimed by the Petitioner is allowed under Regulation 25(1)(d) of the 2019 Tariff Regulations on account of the undischarged liability for the works executed prior to the cut-off date. The ACE allowed for the Combined Asset for the 2019-24 tariff period is as under:

(₹ in lakh)			
Particulars	Regulation	Year	ACE allowed
Undischarged Liability for works executed prior to the cut-off date;	25(1)(d) of the 2019 Tariff Regulations	2019-20	39.26

29. The details of ACE claimed, and ACE allowed after the adjustment of the LD in respect of the Combined Asset for the 2019-24 tariff period is as under:

(₹ in lakh)							
Combined Asset	Apportioned Approved Cost	Capital Cost allowed as on COD	Allowed ACE				Total Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	
	9627.00	7889.97	39.26	0.00	0.00	0.00	7929.23

Debt-Equity ratio

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



Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	5522.98	70.00	27.48	70.00	5550.46	70.00
Equity	2366.99	30.00	11.78	30.00	2378.77	30.00
Total	7889.97	100.00	39.26	100.00	7929.23	100.00

Depreciation

31. 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 Combined Asset as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

32. The depreciation allowed for the Combined Asset for the 2019-24 tariff period is as under:

(₹ in lakh)						
Combined Asset						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Depreciation					
A	Opening Gross Block	7889.97	7929.23	7929.23	7929.23	7929.23
B	Addition during 2019-24 due to ACE	39.26	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	7929.23	7929.23	7929.23	7929.23	7929.23
D	Average Gross Block (A+C)/2	7909.60	7929.23	7929.23	7929.23	7929.23
E	Average Capital Cost (90% depreciable assets)	7666.19	7685.38	7685.38	7685.38	7685.38
F	Average Capital Cost (100% depreciable assets)	243.41	243.85	243.85	243.85	243.85
G	Depreciable Value (excluding IT equipment and software) (E*90%)	6899.57	6916.84	6916.84	6916.84	6916.84
H	Depreciable Value of IT equipment and software (F*100%)	243.41	243.85	243.85	243.85	243.85
I	Total Depreciable Value (G+H)	7142.98	7160.69	7160.69	7160.69	7160.69
J	Weighted average rate of Depreciation (WAROD) (in %)	5.60	5.60	5.60	5.60	5.60
K	Balance useful life of the asset (Year)	26	25	24	23	22
L	Lapsed life at the beginning of the year (Year)	3	4	5	6	7
N	Combined Depreciation during the year (D*J)	443.08	444.16	444.16	444.16	444.16



		Combined Asset				
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O	Cumulative Depreciation at the end of the year	1784.40	2228.56	2672.72	3116.87	3561.03
P	Remaining Aggregate Depreciable Value at the end of the year	5358.58	4932.13	4487.97	4043.82	3599.66

33. The details of depreciation allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 in respect of the Combined Asset; depreciation claimed by the Petitioner in the instant Petition and trued-up depreciation approved in the instant order are as under:

		(₹ in lakh)				
	Combined Asset	2019-20	2020-21	2021-22	2022-23	2023-24
	Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020	443.35	444.63	444.63	444.63	444.63
	Claimed by the Petitioner in the instant Petition	443.07	444.16	444.16	444.16	444.16
	Approved after true-up in this order	443.08	444.16	444.16	444.16	444.16

Interest on Loan (IoL)

34. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and rate of interest.

35. We have considered the Petitioner's submissions. The 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 Combined Asset is as under:

		(₹ in lakh)				
	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Loan					
A	Gross Normative Loan	5522.98	5550.46	5550.46	5550.46	5550.46
B	Cumulative Repayments upto Previous Year	1341.32	1784.40	2228.56	2672.72	3116.87
C	Net Loan-Opening (A-B)	4181.66	3766.06	3321.90	2877.75	2433.59
D	Additions	27.48	0.00	0.00	0.00	0.00



	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
E	Repayment during the year	443.08	444.16	444.16	444.16	444.16
F	Net Loan-Closing (C+D-E)	3766.06	3321.90	2877.75	2433.59	1989.43
G	Average Loan (C+F)/2	3973.86	3543.98	3099.82	2655.67	2211.51
H	Weighted Average Rate of Interest on Loan (in %)	8.5470	8.3133	8.2806	8.4087	8.5620
I	Interest on Loan (G*H)	339.64	294.62	256.68	223.31	189.35

36. The details of IoL allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 for the Combined Asset; IoL claimed by the Petitioner in the instant Petition and trued-up IoL approved in the instant order are as under:

		(₹ in lakh)				
Combined Asset		2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020		342.06	304.74	266.83	228.90	190.32
Claimed by the Petitioner in the instant Petition		339.65	294.62	256.69	223.31	189.35
Approved after true-up in this order		339.64	294.62	256.68	223.31	189.35

Return on Equity (RoE)

37. The Petitioner has submitted that its Income Tax Assessment has been completed, and the assessment orders have been issued by the Income Tax Department for the FY 2019- 20 and FY 2020-21 and the income has been assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner has further submitted that the Income Tax Returns (ITR) have been filed for FY 2021-22 and FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024).

38. 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

39. We have considered the Petitioner's submissions and have also gone through the record. We have noted that the entities covered under the MAT regime are paying 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 of the rate of RoE. Any under recovery or over-recovery of the grossed-up rates on the 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 are considered for the purpose of grossing up the rate of RoE:



Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective Tax (in %)	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

40. Accordingly, the trued-up RoE allowed in respect of the Combined Asset for the 2019-24 tariff period is as under:

		(₹ in lakh)				
	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	2366.99	2378.77	2378.77	2378.77	2378.77
B	Additions	11.78	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	2378.77	2378.77	2378.77	2378.77	2378.77
D	Average Equity (A+C)/2	2372.88	2378.77	2378.77	2378.77	2378.77
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
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)	445.67	446.78	446.78	446.78	446.78

41. The details of RoE approved vide order dated 15.2.2022 in Petition No. 348/TT/2020 for the Combined Asset; RoE claimed by the Petitioner in the instant Petition and trued-up RoE allowed in the instant order are as under:

		(₹ in lakh)				
Combined Asset		2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020		446.00	447.37	447.37	447.37	447.37
Claimed by the Petitioner in the instant Petition		445.67	446.78	446.78	446.78	446.78
Approved after true-up in this order		445.67	446.78	446.78	446.78	446.78



Operation & Maintenance Expenses (O&M Expenses)

42. The Petitioner in the instant true-up Petition has claimed the following O&M Expenses:

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	197.11	204.03	211.20	218.61	226.28

43. We have considered the Petitioner's submissions. The O&M Expenses allowed for the Combined Asset as per the norms specified in the 2019 Tariff Regulations are as under:

(₹ in lakh)					
Particulars	Combined Asset				
	2019-20	2020-21	2021-22	2022-23	2023-24
LILO of Dehar - Panipat Transmission Line – LILO of Dehar - Bhiwani Transmission Line 23.38 km D/C Twin Conductor					
Norms (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
O&M Expenses allowed for Transmission Line	20.60	21.32	22.07	22.84	23.64
Panchkula:2x400 kV Bay Kota:1x400 KV Kota Line Bay (RVPNL). Rajpura: Rajpura 2x400 kV BAY					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed for Sub-stations	160.75	166.40	172.25	178.30	184.55
Chamera:220 kV Bay-01 No. (GIS)					
Norms (₹ lakh/Bay)	15.757	16.310	16.884	17.472	18.088
O&M Expenses allowed for Sub-stations	15.76	16.31	16.88	17.47	18.09
Total O&M Expenses allowed (₹ in lakh)	197.10	204.03	211.20	218.61	226.28

44. Accordingly, the details of O&M Expenses allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 for the Combined Asset; O&M Expenses claimed by the Petitioner in the instant Petition and trued-up O&M Expenses approved in the instant order are as under:



(₹ in lakh)					
Combined Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020	197.10	204.03	211.20	218.61	226.28
Claimed by the Petitioner in the instant Petition	197.11	204.03	211.20	218.61	226.28
Approved after true-up in this order	197.10	204.03	211.20	218.61	226.28

Interest on Working Capital (IWC)

45. 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.

46. The components of the working capital and interest allowed thereon for the Combined Asset for the 2019-24 tariff period are as under:

(₹ in lakh)						
	Particulars	Combined 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)	16.43	17.00	17.60	18.22	18.86
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	29.57	30.60	31.68	32.79	33.94
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	178.59	174.40	170.37	167.15	163.84
D	Total Working Capital (A+B+C)	224.58	222.01	219.65	218.16	216.64
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)	27.06	24.98	23.06	22.91	26.00



47. The details of IWC allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 for the Combined Asset; IWC claimed by the Petitioner in the instant Petition and trued-up IWC approved in the instant order are as under:

(₹ in lakh)					
Combined Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020	27.11	25.13	23.21	22.99	22.73
Claimed by the Petitioner in the instant Petition	27.06	24.98	23.06	22.91	26.00
Approved after true-up in this order	27.06	24.98	23.06	22.91	26.00

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

48. Accordingly, the Annual Fixed Charges (AFC) approved after the truing-up for the 2019-24 tariff period in respect of the Combined Asset are as under:

(₹ in lakh)						
	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	443.08	444.16	444.16	444.16	444.16
B	Interest on Loan	339.64	294.62	256.68	223.31	189.35
C	Return on Equity	445.67	446.78	446.78	446.78	446.78
D	O & M Expenses	197.10	204.03	211.20	218.61	226.28
E	Interest on Working Capital	27.06	24.98	23.06	22.91	26.00
F	Total (A+B+C+D+E)	1452.56	1414.57	1381.89	1355.77	1332.56

49. The details of AFC allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020 for Combined Asset; AFC claimed by the Petitioner in the instant Petition and trued-up AFC approved in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 15.2.2022 in Petition No. 348/TT/2020	1455.62	1425.90	1393.24	1362.50	1331.33
Claimed by the Petitioner in the instant Petition	1452.56	1414.57	1381.89	1355.77	1332.57
Approved after true-up in this order	1452.56	1414.57	1381.89	1355.77	1332.56



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

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

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	447.27	422.41	412.51	396.76	113.16
Interest on Loan	151.00	113.38	77.95	43.81	21.97
Return on Equity	446.78	446.78	446.78	446.78	446.78
Interest on Working Capital	23.37	22.89	22.65	22.32	18.29
O&M Expenses	182.25	191.81	201.86	212.47	223.59
Total	1247.67	1197.27	1161.75	1122.14	823.79

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

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	15.19	15.98	16.82	17.71	18.63
Maintenance Spares	27.34	28.77	30.28	31.87	33.54
Receivables	153.82	147.61	143.23	137.97	101.56
Total Working Capital	196.35	192.36	190.33	187.55	153.73
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	23.37	22.89	22.65	22.32	18.29

Capital Cost

52. 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.”

53. The Petitioner has claimed the following capital cost for the Combined Asset during the 2024-29 tariff period:

Combined Asset	Apportioned Approved Cost	Capital Cost claimed as on 31.3.2024	(₹ in lakh)	
			ACE Claimed	Estimated Completion Cost as on 31.3.2029
			2024-25	
	9627.00	7929.23	0.00	7929.23

54. We have considered the Petitioner’s submissions. The capital cost has been dealt in line with Regulation 19(3)(a) of the 2024 Tariff Regulations. The trued-up capital cost of ₹7929.23 lakh for the Combined Asset as on 31.3.2024 is considered as the opening capital cost as on 1.4.2024 for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

55. The Petitioner has not claimed ACE in respect of the Combined Asset for the 2024-29 tariff period.

Debt-Equity ratio

56. 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:

- 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 1.4.2024, 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 96 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.”

57. The debt-equity ratio considered for the purpose of computation of the 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 Combined Asset for the 2024-29 tariff period is as under:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	5550.46	70.00	5550.46	70.00
Equity	2378.77	30.00	2378.77	30.00
Total	7929.23	100.00	7929.23	100.00

Depreciation

58. 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) Xxxxx

(11) Xxxxx

(12) Xxxxx”



59. The WAROD has been worked out for the Combined Asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

60. As the Combined Asset is completing 12 years of life on 1.4.2028, the remaining depreciable value of ₹1923.74 lakh as on 1.4.2028 lakh has been spread across the balance useful life of the Combined Asset in accordance with the 2024 Tariff Regulations.

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

(₹ in lakh)

Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation					
A	Opening Gross Block	7929.23	7929.23	7929.23	7929.23	7929.23
B	Addition during 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	7929.23	7929.23	7929.23	7929.23	7929.23
D	Average Gross Block (A+C)/2	7929.23	7929.23	7929.23	7929.23	7929.23
E	Average Capital Cost (90% depreciable assets)	7685.38	7685.38	7685.38	7685.38	7685.38
F	Average Capital Cost (100% depreciable assets)	243.85	243.85	243.85	243.85	243.85
G	Depreciable Value (excluding IT equipment and software) (E*90%)	6916.84	6916.84	6916.84	6916.84	6916.84
H	Depreciable Value of IT equipment and software (F*100%)	243.85	243.85	243.85	243.85	243.85
I	Total Depreciable Value (G+H)	7160.69	7160.69	7160.69	7160.69	7160.69
J	Weighted average rate of Depreciation (WAROD) (in %)	5.60	5.33	5.20	5.00	Spread-over depreciation
K	Balance useful life of the asset (Year)	21	20	19	18	17
L	Lapsed life at the beginning of the year (Year)	8	9	10	11	12
N	Combined Depreciation during the year (D*J)	444.25	422.41	412.50	396.76	113.16
O	Cumulative Depreciation at the end of the year	4005.28	4427.69	4840.19	5236.95	5350.11



		Combined Asset				
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
P	Remaining Aggregate Depreciable Value at the end of the year	3155.41	2733.00	2320.50	1923.74	1810.58

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 Interest on loans has been considered on the basis of the rate prevailing as on 1.4.2024. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of truing up. The IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed for 2024-29 tariff period in respect of the Combined Asset is as under:

(₹ in lakh)						
Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	5550.46	5550.46	5550.46	5550.46	5550.46
B	Cumulative Repayments upto Previous Year	3561.03	4005.28	4427.69	4840.19	5236.95
C	Net Loan-Opening (A-B)	1989.43	1545.18	1122.77	710.27	313.51
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	444.25	422.41	412.50	396.76	113.16
F	Net Loan-Closing (C+D-E)	1545.18	1122.77	710.27	313.51	200.35
G	Average Loan (C+F)/2	1767.31	1333.98	916.52	511.89	256.93
H	Weighted Average Rate of Interest on Loan (in %)	8.5439	8.4996	8.5048	8.5579	8.5497
I	Interest on Loan (G*H)	151.00	113.38	77.95	43.81	21.97

Return on Equity (RoE)

64. Regulations 30 and 31 of the 2024 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 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 gone through 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 the Combined Asset for the 2024-29 tariff period is as under:

(₹ in lakh)

Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	2378.77	2378.77	2378.77	2378.77	2378.77
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	2378.77	2378.77	2378.77	2378.77	2378.77
D	Average Equity (A+C)/2	2378.77	2378.77	2378.77	2378.77	2378.77
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
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)	446.78	446.78	446.78	446.78	446.78

Operation & Maintenance Expenses (O&M Expenses)

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



(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	182.25	191.81	201.86	212.47	223.59

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

“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 under:

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
LILO of Dehar-Panipat Transmission Line (9.06 km) LILO of Dehar-Bhiwani Transmission Line (14.32 km). Total: 23.38 km D/C Twin Conductor					
Norms (₹ lakh per km)	0.861	0.906	0.953	1.003	1.056
O&M Expenses allowed for Transmission Line	20.13	21.18	22.28	23.45	24.69
Panchkula: 2x400 kV BAY. Kota: 1x400 kV Kota Line Bay (RVPNL). Rajpura: RAJPURA 2x400 kV Bay					
Norms (₹ lakh per Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed for Sub-stations	147.65	155.40	163.55	172.15	181.15
Chamera: 220 kV Bay-01 No. GIS					
Norms (₹ lakh per Bay)	14.47	15.23	16.03	16.87	17.75
O&M Expenses allowed for Sub-stations	14.47	15.23	16.03	16.87	17.75
Total O&M Expenses allowed (₹ in lakh)	182.25	191.81	201.86	212.47	223.59



Interest on Working Capital (IWC)

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

“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 rate of IWC as 11.90% as on 1.4.2024. IWC has been 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 the Combined Asset are as under:



(₹ in lakh)

Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	15.19	15.98	16.82	17.71	18.63
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	27.34	28.77	30.28	31.87	33.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	153.82	147.61	143.23	137.97	101.56
D	Total Working Capital (A+B+C)	196.34	192.36	190.33	187.54	153.73
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)	23.36	22.89	22.65	22.32	18.29

Annual Fixed Charges of the 2024-29 Tariff Period

73. The AFC allowed for the Combined Asset for the 2024-29 tariff period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	444.25	422.41	412.50	396.76	113.16
Interest on Loan	151.00	113.38	77.95	43.81	21.97
Return on Equity	446.78	446.78	446.78	446.78	446.78
O&M Expenses	182.25	191.81	201.86	212.47	223.59
Interest on Working Capital	23.36	22.89	22.65	22.32	18.29
Total	1247.64	1197.27	1161.74	1122.13	823.79

Filing Fee and Publication Expenses

74. The Petitioner has claimed reimbursement of the fee paid by it 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.



75. We have considered the Petitioner's submissions. 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 in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

76. 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.

77. 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.”

78. We have considered the Petitioner's submissions 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.



License Fee and RLDC Fees and Charges

79. The Petitioner has claimed reimbursement of the license 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

80. 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 will be additionally paid by the Respondents and be charged and billed separately by the Petitioner. It is also prayed that additional taxes, if any, are paid by the Petitioner on account of the demand from the Government/ statutory authorities, and the Commission may allow the same to be recovered from the beneficiaries.

81. We have considered the Petitioner's submissions. 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 at this stage.

Security Expenses, Insurance and Capital Spares

82. The Petitioner has submitted that a separate Petition will be filed for 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 the transmission asset are not claimed in the instant Petition.



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

84. The Petitioner has not claimed the Capital Spares for the Combined Asset in the instant Petition for the 2024-29 tariff period. Accordingly, the Petitioner has submitted that 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 o. 45/MP/2024, claiming therein Capital Spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

85. We have considered the Petitioner's submissions and have perused the record. We deem it proper here to refer to Regulation 36(3) (d) of the 2024 Tariff Regulations which provides as under:

"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."



86. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering 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.

Sharing of Transmission Charges

87. The Petitioner has submitted as under:

(a) The trued-up tariff for the 2019-24 period will be recovered on monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers as per the 2010 Sharing Regulations/2020 Sharing Regulations, as amended for the applicable periods.

(b) The tariff for the 2024-29 period will be recovered on monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations, as amended from time to time.

88. We have considered the Petitioner's submissions. The billing, collection, and disbursement of the transmission charges for the Combined Asset shall be recovered in terms of the provisions of the Sharing Regulations 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.

89. To summarise:

(a) The details of the AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order for the Combined Asset are as under:



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC claimed	1452.56	1414.57	1381.89	1355.77	1332.57
AFC allowed	1452.56	1414.57	1381.89	1355.77	1332.56

(b) The details of the AFC claimed by the Petitioner in the instant Petition and AFC allowed for the 2024-29 tariff period for the Combined Asset in this order are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC claimed	1247.67	1197.27	1161.75	1122.14	823.79
AFC allowed	1247.64	1197.27	1161.74	1122.13	823.79

90. This order disposes of Petition No. 203/TT/2025, in terms of the above discussions and findings.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Ramesh Babu V.)
Member

