

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO. 262/TT/2025

Coram:

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

Date of Order: 05.12.2025

In the matter of:

Petition seeking approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003, and under Regulations 15(1)(a) and 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, for the determination of transmission tariff from the COD to 31.3.2024 for transmission asset, i.e., 01 No. 765 kV, 80 MVAR Single Phase Reactor at Bilaspur Substation under the "Procurement of Transformer and Reactor as per ERPC and WRPC Recommendations".

And in the matter of:

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

...Petitioner

Versus

- 1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur – 482008.**
- 2. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore- 452008.**
- 3. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, Plot No. G-9, A. K. Marg,
Bandra (East)- 400051, Mumbai.**



4. **Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara – 390007.
5. **Electricity Department,**
Vidyut Bhawan, Government of Goa,
Panaji– 403001, Goa.
6. **Electricity Department,**
Administration of Daman & Diu,
Nani Daman-396210, Daman.
7. **DNH Power Distribution Corporation Limited,**
Vidyut Bhawan, 66 kV Road, Near Secretariat,
Amli, Silvassa – 396230.
8. **Chhattisgarh State Power Distribution Company Limited,**
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh.

...Respondents

For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Arjun Malhotra, PGCIL
Ms. Supriya Singh, PGCIL
Shri Vishal Sagar, PGCIL
Shri Piyush Awasthi, PGCIL
Shri Ashish Alankar, PGCIL
Shri Yatin Kalra, PGCIL
Shri A. Naresh Kumar, PGCIL
Ms. Suchitra, PGCIL
Shri Amit Yadav, PGCIL

For Respondents : None

ORDER

The instant Petition has been filed by the Petitioner, Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, for the determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) from the Date of Commercial Operation (COD) to 31.3.2024 in respect of



the following asset (hereinafter referred to as “the transmission asset”) under “Procurement of Transformer and Reactor as per ERPC and WRPC Recommendations” (hereinafter referred to as “the transmission project”) in the Western Region:

Asset's Name	SCOD	COD
01 No. 765 kV, 80 MVAR Single Phase Reactor at Bilaspur Substation of WR-1	26.03.2024	6.10.2023

(*) This petition is filed in accordance with the 2019 Tariff Regulation as the only asset commissioned during the 2019-24 tariff block period. The remaining assets are scheduled for commissioning in the subsequent tariff block, starting in 2024, for which a separate tariff petition will be filed.

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

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

b) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para 30 above.

c) Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 30 above for respective block.

d) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.

e) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

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

g) Allow the petitioner to claim the overall security expenses and consequential IOWC on that security expenses as mentioned at para 34 above.



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

i) 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.

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

and pass such other relief as Hon'ble 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 scope of the transmission project was proposed and approved at the 44th TCC/ERPC meeting held on 29.9.2021 and 30.9.2021, and at the 41st TCC/WRPC meeting held on 21.2.2022 and 23.2.2022.
- b) Thereafter, the Investment Approval (the IA) for the transmission project was accorded by the Chairman and Managing Director (CMD) of the Petitioner on 27.12.2022, through a Memorandum dated 27.12.2022, with an estimated cost of ₹5042 lakh, including an Interest During Construction (IDC) of ₹165 lakh, at the September 2022 price level.
- c) The scope of work covered under the transmission project is as follows:

Substation:

- (i) 1 No. 400/220 kV, 105 MVA Single Phase Auto Transformer at Rangpo Substation of ER-2.
- (ii) 1 No. 765/400/33 kV, 500 MVA Single Phase Auto Transformer at Durg Substation of WR-1.



- (iii) 1 No. 765 kV, 80 MVAR Single Phase Reactor at Bilaspur Substation of WR-1.
- (iv) 1 No. 765 kV, 110 MVAR Single Phase Reactor at Wardha Substation of WR-1.

d) The scope of the work as per the IA covered under the various Petitions is as follows:

Sl. No.	Description	COD	Remark
1	1 No. 765 kV, 80 MVA Single Phase Reactor at Bilaspur Substation	6.10.2023	Covered under the instant Petition No. 262/TT/2025. This Petition is filed in accordance with the 2019 Tariff Regulations, for the sole asset commissioned during the 2019-24 tariff period.
2	1 No. 765/400/33 kV, 500 MVA Single Phase Auto Transformer at Durg Substation	31.7.2024	This is the only asset commissioned during the 2024-29 tariff period to date. The cost criteria under Regulation 9 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, have not yet been met, and therefore, the Petition for the determination of the tariff for this asset has not been filed.
3	1 No. 765 kV, 110 MVA Single Phase Reactor at Wardha Substation	The asset is yet to be commissioned	
4	1 No. 400/220 kV, 105 MVA Single Phase Auto Transformer at Rangpo Substation	The asset is yet to be commissioned	

e) The details of the transmission asset, including its Scheduled Date of Commercial Operation (SCOD), COD, and time overrun, are as follows:



Asset	SCOD	COD	Delay (in days)
1 No. 765 kV, 80 MVA Single Phase Reactor at Bilaspur Substation of WR-1	26.3.2024	6.10.2023	Nil

f) The transmission asset is the only asset commissioned during the 2019-24 tariff period. The remaining assets are scheduled to be commissioned in the following tariff period, in accordance with the 2024 Tariff Regulations, for which a separate tariff Petition will be filed.

4. The Respondents, primarily beneficiaries from the Western Region, are Distribution Licensees and Power Departments that are procuring transmission services from the Petitioner.

5. The Petitioner has served a copy of the Petition on the Respondents, and notice of this Petition has been published in newspapers in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as “the Act”). No comments or suggestions have been received from the public in response to the Petitioner’s notice published in the newspapers.

6. None of the Respondents has submitted their reply or raised any concerns regarding the current Petition.

7. The hearing in this matter was held on 26.8.2025, and the order was reserved. This order is issued considering the submissions made by the Petitioner, vide the affidavits dated 5.6.2024, 16.6.2025, and 10.7.2025.

8. Having heard the Petitioner’s representative and perused the material available on record, we proceed to dispose of the Petition.



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

9. The Petitioner has claimed the following transmission charges for the transmission asset for the 2019-24 tariff period:

(₹ in lakh)	
Particulars	2023-24 (pro-rata 178 days)
Depreciation	15.27
Interest on Loan	14.91
Return on Equity	16.30
Interest on Working Capital	0.70
O&M Expenses	0.00
Total	47.18

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

(₹ in lakh)	
Particulars	2023-24 (pro-rata 178 days)
O&M Expenses	0.00
Maintenance Spares	0.00
Receivables	11.93
Total Working Capital	11.93
Rate of Interest (in %)	12.00
Interest on Working Capital	0.70

Data of Commercial Operation (COD)

11. Regulation 5 of the 2019 Tariff Regulations provides as follows:

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

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

Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating



company or the other transmission licensee and the long-term customers of its transmission system, as the case may be, regarding the date of commercial operation:

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

- (a) Energization certificate issued by the Regional Electrical Inspector under Central Electricity Authority;
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;
- (c) Implementation Agreement, if any, executed by the parties;
- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.

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

- a) the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or
- b) the first date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or
- c) the date of two years from the date of commencement of production:

Provided that on earliest occurrence of any of the events under sub-clauses (a) to (c) of Clause (3) of this Regulation, the generating company shall declare the date of commercial operation of the integrated mine(s) under the relevant sub-clause with one-week prior intimation to the beneficiaries of the end-use or associated generating station(s);

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

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



12. The Petitioner, vide affidavit dated 5.6.2024, claimed the COD of the transmission asset as 6.10.2023. Thereafter, the Commission, vide Technical Validation (TV) letter dated 27.5.2025, directed the Petitioner to provide the Central Electricity Authority (CEA) Energisation Certificate and RLDC Certificate for the transmission asset covered under this Petition.

13. In response, the Petitioner, vide affidavit dated 16.6.2025, has submitted that since the transmission assets in the instant Petition are Cold Spares and kept idle without energising, the requirement of providing the CEA Energisation Certificate and RLDC Certificate is not applicable.

14. In support of the COD of the transmission asset, the Petitioner has submitted the self-declaration COD letter dated 10.10.2023 and the CMD Certificate as required under the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (hereinafter referred to as “the Grid Code”).

15. Taking into consideration the self-declared COD letter and CMD Certificate, the COD of the transmission asset is approved as 6.10.2023 for the purpose of determining the tariff.

Capital Cost

16. Regulation 19 of the 2019 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 check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.*

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity*



- less than 30% of the funds deployed;*
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
 - (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
 - (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
 - (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
 - (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
 - (h) Adjustment of revenue earned by the transmission licensee by using the 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 upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
 - (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
 - (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
 - (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
 - (n) Expenditure on account of change in law and force majeure events; and*
 - (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*

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

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



- (4) The capital cost in case of existing or new hydro generating station shall also include:
- cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
 - cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.
- (5) The following shall be excluded from the capital cost of the existing and new projects:
- The assets forming part of the project, but not in use, as declared in the tariff petition;
 - De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:
- Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be de-capitalised only after its redeployment;*
- Provided further that unless shifting of an asset from one project to another is of permanent nature, there shall be no de-capitalization of the concerned assets.*
- In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;
 - Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and
 - Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment."

17. The Petitioner, in an affidavit dated 5.6.2024, has claimed the capital cost incurred as on COD and the Additional Capital Expenditure (ACE) projected to be incurred for the transmission asset, and has submitted a copy of the Auditor's Certificate dated 15.3.2024 in support of the claim. The capital cost claimed by the Petitioner for the transmission asset is as follows:

Approved Cost as per FR	Capital Cost claimed as on COD	Projected ACE			Estimated Completion Cost
		2023-24	2024-25	2025-26	
826.57	571.78	52.84	34.34	15.00	673.97

(₹ in lakh)



Cost Overrun

18. The Petitioner has submitted that the total estimated completion cost of ₹673.97 lakh is within the approved FR cost of ₹826.57 lakh. Hence, there is no cost overrun concerning the transmission asset.

19. The Petitioner has further submitted that the reasons for cost variations between the apportioned approved costs and the estimated completion costs are the substation equipment cost and variations in IDC and Incidental Expenditure During Construction (IEDC).

20. Regarding the substation equipment cost, a reduction of ₹38 lakh is observed due to the open competitive bidding process and providing equal opportunity to all eligible firms, followed by awarding the contract to the lowest evaluated eligible bidder. The most competitive bid prices against tenders may be lower or higher than the cost estimates, depending on market conditions. While the lowest evaluated bidder is awarded the contract, variations in item prices are influenced by differing bids from multiple parties, which are beyond the Petitioner's control.

21. The Petitioner has submitted that the ₹25 lakh decrease in IDC is due to differences in the Rate of Interest (RoI) considered in the FR compared to actuals, which results in lower overall capital costs than those approved in the FR. Initially, IDC was calculated at a 9% interest rate for domestic loans subject to the actuals, and the actual IDC accrued is reflected in the Auditor's Certificate. The Petitioner has also submitted that there is a decrease of ₹89 lakh in IEDC because, in the IA, the IEDC and contingency rates were considered at 10.75% and 3%, respectively, whereas the IEDC considered in the Auditor's Certificate is based on actual expenditure.



22. We have considered the Petitioner's submissions. It is observed that the estimated completion cost of ₹673.97 lakh falls within the approved FR cost of ₹826.57 lakh for the transmission asset, and therefore, there is no cost overrun.

Time Overrun

23. According to the IA dated 27.12.2022, the transmission project was scheduled to be commissioned within 15 months of the IA, i.e., by 26.3.2024. However, the Petitioner claims that the transmission asset was commissioned on 6.10.2023, which is well before the SCOD.

24. We have considered the Petitioner's submissions. We note that, according to the IA, the SCOD of the transmission asset was 26.3.2024, and it was commissioned on 6.10.2023. Therefore, there is no delay in the transmission asset's completion.

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

25. The Petitioner has claimed the IDC for the transmission asset and has submitted the following statement showing the computation of IDC, the discharge of IDC liability as on COD, and thereafter:

(₹ in lakh)			
IDC as per the Auditor's Certificate	IDC Discharged up to COD	IDC discharged during 2023-24	IDC discharged during 2024-25
3.51	0.00	0.00	3.51

26. We have considered the Petitioner's submissions. The IDC for the transmission asset up to the COD is calculated based on the loan details provided in the statement discharging IDC and Form-9C. The IDC claimed and considered as on COD, along with a summary of the discharge of IDC liability up to the COD and thereafter, for the purpose of tariff determination, subject to revision at the time of truing up, is as follows:



(₹ in lakh)

IDC as per the Auditor's Certificate (A)	IDC Allowed (B)	IDC discharged as on COD (C)	IDC discharged after COD during 2024-25 (D)=(B)-(C)
3.51	3.51	0.00	3.51

27. The Petitioner, in its Auditor's Certificate, has claimed the IEDC of ₹6.58 lakh and has submitted that the entire amount of IEDC has been discharged as on COD.

28. We have considered the Petitioner's submissions. The IEDC of ₹6.58 lakh as claimed by the Petitioner is hereby allowed.

Initial Spares

29. The Petitioner has not claimed Initial Spares for the transmission asset in this Petition.

30. The capital cost allowed as on COD for the transmission asset is as follows:

(₹ in lakh)

Capital Cost claimed as on COD (A)	Undischarged IDC as on COD (B)	IEDC Disallowed (C)	Capital Cost as on COD (D)=(A-B-C)
571.79	3.51	0.00	568.28

Additional Capital Expenditure (ACE)

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

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

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

- (a) Undischarged liabilities recognized to be payable at a future date;*
- (b) Works deferred for execution;*
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*



- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;
- (e) Change in law or compliance of any existing law; and
- (f) Force Majeure events:

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

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

32. The Petitioner has claimed that the ACE incurred primarily relates to balance and retention payments, and therefore, it is claimed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations. According to the Auditor’s Certificate, the Petitioner has claimed the following capital cost concerning the transmission asset as on 31.3.2024:

(₹ in lakh)		
Capital Cost as on COD	ACE (in FY 2023-24)	Capital Cost as on 31.3.2024
571.79	52.84	624.63

33. The Petitioner, in its affidavit dated 10.7.2025, has submitted the details of works for the ACE during the year 2023-24, which are as follows:

(₹ in lakh)				
Party Name	Particulars	Outstanding Liability as on COD	Balance Work Executed	
			2023-24	Total (2019-24)
M/S Hitachi Energy India Limited - Supply	Substation	Nil	52.84	52.84

34. The Petitioner has further submitted that the ACE claimed for the transmission asset falls within the original scope of work and is claimed against unexecuted work.

35. We have considered the Petitioner’s submissions. The ACE claimed by the Petitioner is allowed under Regulation 24(1)(b) of the 2019 Tariff Regulations on



account of works deferred for execution. Accordingly, the ACE allowed for the 2019-24 tariff period in respect of the transmission asset is as follows:

(₹ in lakh)	
Particulars	2023-24
ACE, as per the Auditor's Certificate, is allowed under Regulation 24(1)(b) of the 2019 Tariff Regulations towards works deferred for execution.	52.84
Add: Undischarged IDC	0.00
ACE allowed in this order	52.84

36. It is observed that the Petitioner has claimed the estimated capital cost considering the ACE for FYs 2024-25 and 2025-26. The ACE claimed for FYs 2024-25 and 2025-26 is not within the scope of the 2019-24 tariff period and will be considered in the next tariff period. Therefore, the capital cost up to 31.3.2024 for the transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)		
Capital Cost as on COD	ACE Allowed	Capital Cost as on 31.3.2024
	2023-24	
568.28	52.84	621.12

Debt-Equity ratio

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

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

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;*
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;*
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

Explanation-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for



meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation."

38. The debt-equity ratio considered for the purpose of computation of tariff for the 2019-24 tariff period for the transmission asset is as follows:



Funding	Capital Cost as on COD (₹ in lakh)	(In %)	ACE during 2019-24 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(In %)
Debt	397.80	70.00	36.99	70.00	434.78	70.00
Equity	170.48	30.00	15.85	30.00	186.34	30.00
Total	568.28	100.00	52.84	100.00	621.12	100.00

Depreciation

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

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

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

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

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

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

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

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

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may



be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

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

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

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

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

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

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

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

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



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

40. The depreciation has been worked out considering the admitted capital expenditure as on COD and then up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD), provided in Annexure-I of this order, has been worked out as per the depreciation rates specified in the 2019 Tariff Regulations. The depreciation allowed for the transmission asset is as follows:

		(₹ in lakh)
Sl. No.	Particulars	2023-24 (Pro-rata 178 days)
A	Opening Gross Block	568.28
B	Addition during the year 2019-24 due to ACE	52.84
C	Closing Gross Block (A+B)	621.12
D	Average Gross Block (A+C)/2	594.70
E	Average Gross Block (90% depreciable assets)	594.70
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	535.23
H	Depreciable Value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	535.23
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.28
K	Balance useful life at the beginning of the year (Year)	25
L	Lapsed useful life at the beginning of the year (Year)	0
M	Depreciation during the year (D*J)	15.27
N	Cumulative Depreciation at the end of the year	15.27
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	519.96

Interest on Loan (IoL)

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

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

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.



(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.

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

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

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

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

(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered.

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

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

42. The Weighted Average Rate of Interest (WAROI) on the loans has been considered as claimed by the Petitioner. The Petitioner has prayed that any change in the interest rate due to the floating rate of interest applicable, if any, during the 2019-24 tariff period may be adjusted. Accordingly, the floating rate of interest, if applicable, shall be taken into account at the time of true-up. Therefore, the Interest on Loan (IoL) has been allowed for the transmission asset in accordance with Regulation 32 of the 2019 Tariff Regulations as under:



		(₹ in lakh)
	Particulars	2023-24 (Pro-rata 178 days)
A	Gross Normative Loan	397.80
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	397.80
D	Addition due to ACE	36.99
E	Repayment during the year	15.27
F	Net Loan-Closing (C+D-E)	419.51
G	Average Loan (C+F)/2	408.65
H	Weighted Average Rate of Interest on Loan (in %)	7.5000
I	Interest on Loan (G*H)	14.91

Return on Equity (RoE)

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

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

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope, excluding additional capitalization on account of emission control system, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.

Provided further that:

- i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;
- ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;
- iii. in case of a thermal generating station, with effect from 1.4.2020:
 - a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;



- b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODE) occurs plus 350 basis point, subject to ceiling of 14%.”

“31. Tax on Return on Equity. (1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

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

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

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

Illustration-

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

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

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

- (a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;
- (b) Estimated Advance Tax for the year on above is Rs 240 crore;
- (c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;
- (d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.



(3) *The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long-term customers, as the case may be, on year-to-year basis.”*

44. The Petitioner has submitted that the MAT rate applies to it. Therefore, the MAT rate for FY 2019-20 has been considered for the purpose of Return on Equity (RoE), which will be trued-up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE has been worked out and allowed for the transmission asset as follows:

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata 178 days)
A	Opening Equity	170.48
B	Addition due to ACE	15.85
C	Closing Equity (A+B)	186.34
D	Average Equity (A+C)/2	178.41
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782
H	Return on Equity (D*G)	16.30

Operation and Maintenance Expenses (O&M Expenses)

45. The Petitioner has not claimed any Operation and Maintenance Expenses (O&M Expenses) for the transmission asset during the 2019-24 tariff period.

Interest on Working Capital (IWC)

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

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



.....

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

- (i) Receivables equivalent to 45 days of annual fixed cost;
- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
- (iii) Operation and maintenance expenses, including security expenses for one month.

.....

(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

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

“3. Definitions. - In these regulations, unless the context otherwise requires:-

(7) **‘Bank Rate’** means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

47. The Petitioner has considered the rate of IWC as 12.00%. The IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The RoI considered is 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24. The components of the working capital and interest allowed for the transmission asset are as follows:

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata 178 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost / Annual Transmission Charges)	11.93
D	Total Working Capital (A+B+C)	11.93
E	Rate of Interest (in %)	12.00
F	Interest on Working Capital (D*E)	0.70



Annual Fixed Charges for the 2019-24 Tariff Period

48. The transmission charges allowed in respect of the transmission asset for the 2019-24 tariff period are as follows:

(₹ in lakh)	
Particulars	2023-24 (Pro-rata 178 days)
Annual Transmission Charges	
Depreciation	15.27
Interest on Loan	14.91
Return on Equity	16.30
O & M Expenses	0.00
Interest on Working Capital	0.70
Total	47.18

Filing Fee and the Publication Expenses

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

50. We have considered the Petitioner's submissions. The Petitioner shall be entitled to reimbursement of the filing fees and publication expenses related to the present Petition, directly from the beneficiaries on a pro-rata basis, in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

51. The Petitioner has sought reimbursement of the licence fee in accordance with Regulations 70(3) and 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall be entitled to reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled to recovery of the RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.



Goods and Services Tax

52. The Petitioner has submitted that under the Central Goods and Services Tax (CGST) Act, 2017, implemented w.e.f. 1.7.2017, the Government of India has exempted charges for transmission of electricity via Notification No. 12/2017 – Central Tax (Rate) dated 28.6.2017, at Serial No. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility,” by giving the applicable Goods and Services Tax (GST) rate as NIL. Hence, the AFC claimed by the Petitioner is exclusive of GST.

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

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

Security Expenses

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

56. In this regard, a separate Petition No. 260/MP/2020 was filed by the Petitioner before the Commission for claiming the overall security expenses and consequential



IOWC on the same wherein it was proposed to consider the actual security expenses incurred by the Petitioner for the FY 2018-19 after escalating the same at 3.51% per annum and estimated additional security expenses for the new substations to be commissioned in the future, for arriving at the estimated security expenses for the FYs 2019-20 2020-21, 2021-22, 2022-23 and 2023-24.

57. The Petitioner has further submitted that the Commission, vide order dated 3.8.2021, allowed the Petitioner to recover the estimated security expenses from the beneficiaries as per the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as “the 2020 Sharing Regulations”). The difference, if any, between the estimated security expenses and the actual security expenses calculated in accordance with the audited accounts, on a year-to-year basis, may be allowed to be recovered/refunded from the beneficiaries.

58. We have considered the Petitioner’s submissions. The Petitioner has claimed consolidated security expenses on a projected basis for the 2019-24 tariff period, based on actual security expenses incurred in FY 2018-19 in Petition No. 260/MP/2020. The Commission, through its order dated 3.8.2021 in Petition No. 260/MP/2020, approved security expenses from 1.4.2019 to 31.3.2024. Consequently, the Petitioner’s prayer in the instant Petition to allow it to file a separate Petition to claim the overall security expenses and consequential IWC has become infructuous.

Capital Spares

59. The Petitioner has sought reimbursement of capital spares at the end of the tariff period. The Petitioner has already filed a separate Petition No. 45/MP/2024 to claim capital spares under Regulation 35(3)(c) of the 2019 Tariff Regulations. Therefore, any



claim regarding capital spares will be addressed in accordance with the provisions of the 2019 Tariff Regulations, and these expenses are not being claimed in the present Petition through the relevant Tariff Forms.

Sharing of Transmission Charges

60. Regarding the sharing of transmission charges, the Petitioner has submitted that the transmission tariff claimed for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations. It will be shared with beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations or as amended from time to time.

61. We have considered the Petitioner's submissions. The COD of the transmission asset as approved in this order is 6.10.2023. Accordingly, the billing, collection, and disbursement of transmission charges shall be governed by the provisions of the 2020 Sharing Regulations, as provided in terms of Regulation 57 of the 2019 Tariff Regulations.

Interim Tariff

62. The Petitioner has prayed to allow the interim tariff, in accordance with Regulation 10(3) of the 2019 Tariff Regulations, to be included in the point-of-connection charges.

63. We have considered the Petitioner's submissions. As we have determined the transmission tariff for the transmission asset in this order, the prayer for an interim tariff becomes redundant.

64. To summarise, the AFC allowed for the 2019-24 tariff period for the transmission assets as follows:



(₹ in lakh)	
Particulars	2023-24 (Pro-rata 178 days)
AFC claimed	47.18
AFC allowed	47.18

65. Annexure-I to this order is an integral part of the order.

66. This order disposes of Petition No. 262/TT/2025 in terms of the above findings and discussions.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



ANNEXURE-I

(₹ in lakh)

Particulars	Admitted Capital Cost as on COD	ACE		Admitted Capital Cost as on 31.3.2024	Rate of Depreciation (in %)	Annual Depreciation
		2023-24	Total			2023-24
Sub Station	568.28	52.84	52.84	621.12	5.28	31.40
Total	568.28	52.84	52.84	621.12		31.40
Average Gross Block						594.70
Weighted Average Rate of Depreciation (in %)						5.28

