

**THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 265/TT/2025

Coram:

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

Date of Order: 31.12.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under the Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for determination of the transmission tariff from the COD to 31.3.2024 for the transmission assets under “Upgradation of SCADA/RTUs/SAS in Central Stations and Strengthening of OPGW Network” in the Eastern Region.

And in the matter of:

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

...Petitioner

Versus

1. **Bihar State Power (Holding) Company Limited,**
Vidyut Bhawan, Bailey Road,
Patna-781001, Bihar.
2. **West Bengal State Electricity Distribution Company Limited,**
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Kolkata-700091, West Bengal.
3. **Grid Corporation of Orissa Limited,**
Shahid Nagar,
Bhubaneswar-751007, Odisha.
4. **Damodar Valley Corporation,**
DVC Tower, Maniktala
Civic Centre, VIP Road,
Kolkata-700054, West Bengal.
5. **Power Department, Government of Sikkim,**
Gangtok-737101, Sikkim.



6. **Jharkhand Bijli Vitran Nigam Limited,**
Engineering Building, H.E.C., Dhurwa,
Ranchi-834 004, Jharkhand.

...Respondent(s)

Parties Present: Shri Sunny Raman, Advocate, BSPHCL
Shri Nishant Kumar, Advocate, BSPHCL
Ms. Supriya Singh, PGCIL
Shri Amit Yadav, PGCIL
Shri Ashish Alankar, PGCIL
Shri Yatin Kalra, PGCIL

ORDER

The instant Petition has been filed by the Power Grid Corporation of India Limited for determination of the transmission tariff from the date of commercial operation (COD) to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of the four communication assets under the scheme “Upgradation of SCADA/RTUs/SAS in Central Sector Stations and Strengthening of OPGW network” in the Eastern Region.

2. Earlier, the Petitioner filed the Petition for the determination of the tariff of four communication assets. However, during the Commission’s proceedings dated 29.5.2025, the Petitioner intended to include three additional communication assets in the instant Petition and sought permission to amend the Petition. Accordingly, the Petitioner vide RoP for the hearing dated 29.5.2025, was allowed to file the amended Petition.

3. The Petitioner, vide affidavit dated 17.6.2025, filed the amended Petition including seven communication assets. The amended Petition has been filed for the determination of the transmission tariff of the following seven (7) communication assets (hereinafter referred to as “the communication assets”) from the COD to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and



Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) under the scheme “Upgradation of SCADA/RTUs/SAS in Central Sector Stations and Strengthening of OPGW Network” in the Eastern Region (hereinafter referred to as “the communication project”).

Asset-1: Talcher - Rourkela OPGW link (170.963 km)

Asset-2: Biharsharif - Kahalgaon OPGW link (233.234 km) and Biharsharif - Sasaram OPGW link (199.75 km)

Asset-3: Durgapur - Jamshedpur OPGW link (183.635 km)

Asset-4: Nabinagar(BRBCL) - Sasaram OPGW link (91.394 km) and LILO portion of Biharsharif - Balia at Ara OPGW link (10.192 km)

Asset-5: Upgradation of SAS (Sub-station Automation System Hardware/ License Upgradation) at 5 nos. locations viz. 765 kV Angul Sub-station, 400 kV Bolangir Sub-station, 400 kV Keonjhar Sub-station, 765 kV Sundargarh Sub-station and 400 kV Pandiabili Sub-station

Asset-6: Upgradation of SAS (Sub-station Automation System Hardware/ License Upgradation) at 2 nos. locations viz. 220/132 kV Birpara Sub-station and 220 kV New Melli Sub-station

Asset-7: Upgradation of SAS (Sub-station Automation System Hardware/ License Upgradation) at 9 nos. locations viz. 400 kV Chaibasa Sub-station, 765 kV Gaya Sub-station, 400 kV Kishenganj Sub-station, 765 kV New Ranchi Sub-station, 400 kV Chandwa Sub-station, 400 kV Daltonganj Sub-station, 400 kV Banka Sub-station, 400 kV Lakhisarai Sub-station and 765 kV Sasaram HVDC and implementation of BCU-based SAS at 2 nos. locations viz. 220 kV Ara Sub-station and 220 kV Purnea Sub-station.

4. The Petitioner has made the following prayers in the amended Petition:

“a) Admit the Petition filed in compliance with the Regulation 9 of the CERC Regulations.



- b) *Condone the delay in completion of subject assets on merit of the same being out of the control of Petitioner in line with CERC Regulations 2019 22(2) “uncontrollable factors” and approve the tariff as claimed.*
- c) *Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.*
- d) *Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para-34 above.*
- e) *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 34 above for respective block.*
- f) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*
- g) *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.*
- h) *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.*
- i) *Allow the petitioner to claim the overall security expenses and consequential IOWC on that security expenses as mentioned at para 39 above.*
- j) *Allow the initial spares claimed over permissible limit as invoked through Regulation 76 and 77 of 2019 Tariff Regulations i.e. “Power to Relax”.*
- k) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 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.*
- m) *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 the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice”



Background

5. The brief facts of the case are as under:

(a) The scope of the works under the instant communication project was discussed and approved in the 37th meeting of the ERPC and TCC held on 16th and 17th March, 2018.

(b) The Investment Approval (the IA) for the communication project was accorded by the Chairman and Managing Director (CMD) of the Petitioner's Company vide Memorandum No. C/CP/PA2021-09-0S-IA009 dated 31.12.2020 at an estimated cost of ₹7674 lakh, including an Interest During Construction (IDC) of ₹412 lakh, based on the June 2010 price level. The communication project was scheduled to be commissioned within 36 months of the date of IA. Therefore, the scheduled date of commissioning (SCOD) of the communication assets was 31.12.2023.

(c) The broad scope of the work as per the IA is as under:

- i. OPGW Fibre Optic Cable: 1178 km.
- ii. RTU Replacement: 17 nos.
- iii. Replacement of DCPS: 18 nos.
- iv. Implementation of BCU-based Sub-station Automation System at 2 nos. Sub-stations.
- v. SAS Upgradation (Hardware/License up-gradation): 21 nos.

6. The scope of the work covered under the various Petitions are as under:

Asset No.	Asset Name	COD	Remarks
Asset-1	Talcher - Rourkela OPGW link (170.963 km)	21.9.2023	Covered in the instant Petition
Asset-2	Biharsharif - Kahalgaon OPGW link (233.234 km) and Biharsharif - Sasaram OPGW link (199.75 km)	26.11.2023	
Asset-3	Durgapur - Jamshedpur OPGW link (183.635 km)	16.12.2023	
Asset-4	Nabinagar{BRBCL} - Sasaram OPGW link (91.394 km) and LILO portion of Biharsharif - Balia at Ara OPGW link (10.192 km)	31.12.2023	
Asset-5	Upgradation of SAS (Sub-station Automation System Hardware / License Upgradation) at 05 nos. locations viz. 765 kV Angul Sub-station, 400 kV Bolangir Sub-station, 400 kV Keonjhar Sub-station, 765 kV Sundargarh Sub-	10.2.2023	



	station & 400 kV Pandiabili Sub-station		
Asset-6	Upgradation of SAS (Sub-station Automation System Hardware / License Upgradation) at 2 nos. locations, viz. 220/132 kV Birpara Sub-station & 220 kV New Melli Sub-station	31.3.2023	
Asset-7	Upgradation of SAS (Sub-station Automation System Hardware / License Upgradation) at 9 nos. locations viz. 400 kV Chaibasa Sub-station, 765 kV Gaya Sub-station, 400 kV Kishenganj Sub-station, 765 kV New Ranchi Sub-station, 400 kV Chandwa Sub-station, 400 kV Daltonganj Sub-station, 400 kV Banka Sub-station, 400 kV Lakhisarai Sub-station & 765 kV Sasaram HVDC and Implementation of BCU based SAS at 2 nos. locations viz. 220 kV Ara Sub-station & 220 kV Purnea Sub-station	21.12.2023	
Balance Scope of Work (Commissioned in subsequent 2024-29 Tariff Period)			
-	Durgapur - Farakka OPGW link OPGW link (157.745 km)	23.6.2024	Petition for determination of the transmission tariff for the 2024-29 tariff period has been filed vide Diary No. 341/2025
-	Upgradation of RTU (Remote Terminal Unit) at 132/66 kV Gangtok Sub-station	4.8.2024	
-	Rangpo - Dikchu OPGW link (32.176 km) and Upgradation of RTUs at 4 nos. 400/220 kV Sub-stations, viz. Binaguri Sub-station, Muzzafarpur Sub-station, Jamshedpur Sub-station and Biharsharif Sub-station	12.9.2024	
-	Upgradation of RTUs at 4 nos. 400/220 kV Sub-stations viz. Baripada Sub-station, Indravati Sub-station, Rourkela Sub-station, Rengali Sub-station and upgradation of RTUs at 500 kV HVDC Talcher Station	20.12.2024	
-	Upgradation of SAS (Sub-station Automation System Hardware/ License Upgradation) at 400/220 kV Berhampore Sub-station	2.1.2025	
-	Upgradation of RTUs at 440/220 kV Purnea Sub-station	11.2.2025	
-	Upgradation of RTUs at 2 nos. 400/220 kV Sub-stations viz. Subhasgram Sub-station and Maithon Sub-station	5.3.2025	
-	Upgradation of RTUs at 500 kV HVDC Sasaram Station	2.4.2025	
Remarks: Entire scope of the transmission project has been commissioned by 2.4.2025.			

7. The Respondents are the Distribution Licensees, Transmission Licensees and Power Departments, which are procuring transmission services from the Petitioner, mainly the beneficiaries of the Eastern Region.

8. 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.

9. The hearing in this matter (amended Petition) was held on 19.8.2025, and the order was reserved.

10. It has been observed that the Commission vide RoP for the hearing dated 19.8.2025 directed the Respondents to file their respective replies to the amended Petition, if not already filed, within two weeks, with an advance copy to the Petitioner, who may file its rejoinder within a week thereafter. However, Bihar State Power (Holding) Company Limited (BSPHCL), Respondent No. 1, has filed its reply/written submission dated 7.10.2025, much beyond the timeline given by the Commission and the Petitioner also filed its rejoinder to the same on 15.10.2025, in the window other than the reply/Rejoinder window of the e-filing portal, without the approval of the Commission. Since BSPHCL and the Petitioner have not complied with the Commission's direction, we are not inclined to consider the reply/written submissions filed by BSPHCL, and the Petitioner's rejoinder thereto in this order.

11. Accordingly, this order is passed considering the submissions made by the Petitioner in the amended Petition vide affidavit dated 17.6.2025 and subsequent affidavit dated 3.9.2025.

12. Having heard the Petitioner's representative and the learned counsel for BSPHCL and perused the material on record, we proceed to dispose of the Petition.

ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

13. The details of the transmission charges claimed by the Petitioner in the instant Petition in respect of the communication assets from their COD to 31.3.2019 for the 2019-24 tariff period are as under:



Asset-1

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 193 days)
Depreciation	15.86
Interest on Loan	12.84
Return on Equity	14.11
O&M Expenses	6.76
Interest on Working Capital	0.93
Total	50.50

Asset-2

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 127 days)
Depreciation	27.16
Interest on Loan	22.21
Return on Equity	24.17
O&M Expenses	31.87
Interest on Working Capital	2.48
Total	107.89

Asset-3

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 107 days)
Depreciation	5.34
Interest on Loan	4.29
Return on Equity	4.76
O&M Expenses	4.08
Interest on Working Capital	0.39
Total	18.86

Asset-4

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 92 days)
Depreciation	4.43
Interest on Loan	3.63
Return on Equity	3.94
O&M Expenses	5.21
Interest on Working Capital	0.41
Total	17.62

Asset-5

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 50 days)	2023-24
Depreciation	1.20	13.11
Interest on Loan	0.45	4.35
Return on Equity	0.45	4.93
O&M Expenses	1.33	1.65
Interest on Working Capital	0.08	0.36
Total	3.51	24.40



Asset-6

(₹ in lakh)		
Particulars	2022-23 (Pro-rata for 1 days)	2023-24
Depreciation	0.01	3.65
Interest on Loan	0.00	1.24
Return on Equity	0.00	1.37
O&M Expenses	0.00	0.34
Interest on Working Capital	0.00	0.09
Total	0.01	6.69

Asset-7

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 102 days)
Depreciation	9.62
Interest on Loan	3.55
Return on Equity	3.61
O&M Expenses	6.91
Interest on Working Capital	0.55
Total	24.24

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

Asset-1

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 193 days)
O&M Expenses	1.07
Maintenance Spares	1.92
Receivables	11.78
Total Working Capital	14.77
Rate of Interest on working capital (in %)	12.00
Interest on Working Capital	0.93

Asset-2

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 127 days)
O&M Expenses	7.65
Maintenance Spares	13.78
Receivables	38.23
Total Working Capital	59.66
Rate of Interest on working capital (in %)	12.00
Interest on Working Capital	2.48

Asset-3

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 107 days)
O&M Expenses	1.16
Maintenance Spares	2.09
Receivables	7.93
Total Working Capital	11.18
Rate of Interest on working capital (in %)	12.00
Interest on Working Capital	0.39



Asset-4

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 92 days)
O&M Expenses	1.73
Maintenance Spares	3.11
Receivables	8.62
Total Working Capital	13.46
Rate of Interest on working capital (in %)	12.00
Interest on Working Capital	0.41

Asset-5

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 50 days)	2023-24
O&M Expenses	0.81	0.14
Maintenance Spares	1.46	0.25
Receivables	3.16	3.00
Total Working Capital	5.43	3.39
Rate of Interest on working capital (in %)	10.50	10.50
Interest on Working Capital	0.08	0.36

Asset-6

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 1 days)	2023-24
O&M Expenses	0.09	0.03
Maintenance Spares	0.17	0.05
Receivables	0.60	0.82
Total Working Capital	0.86	0.90
Rate of Interest on working capital (in %)	10.50	10.50
Interest on Working Capital	0.00	0.09

Asset-7

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 102 days)
O&M Expenses	2.07
Maintenance Spares	3.72
Receivables	10.69
Total Working Capital	16.48
Rate of Interest on working capital (in %)	12.00
Interest on Working Capital	0.55

Date of Commercial Operation (“COD”)

15. The Petitioner has claimed the following CODs under Regulation 5 of the 2019 Tariff Regulations in respect of the communication assets:

Asset No. & Asset Name	COD
Asset-1: Talcher - Rourkela OPGW link (170.963 km)	21.9.2023
Asset-2: Biharsharif - Kahalgaon OPGW link (233.234 km) and Biharsharif - Sasaram OPGW link (199.75 km)	26.11.2023



Asset-3: Durgapur - Jamshedpur OPGW link (183.635 km)	16.12.2023
Asset-4: Nabinagar{BRBCL} - Sasaram OPGW link (91.394 km) and LILO portion of Biharsharif - Balia at Ara OPGW link (10.192 km)	31.12.2023
Asset-5: Sub-station Automation System Hardware / License Upgradation at 5 nos. locations viz. 765 kV Angul Sub-station, 400 kV Bolangir Sub-station, 400 kV Keonjhar Sub-station, 765 kV Sundargarh Sub-station & 400 kV Pandiabili Sub-station	10.2.2023
Asset-6: Sub-station Automation System Hardware/ License Upgradation at 2 nos. locations viz. 220/132 kV Birpara Sub-station & 220 kV New Melli Sub-station	31.3.2023
Asset-7: Sub-station Automation System Hardware/ License Upgradation at 9 nos. locations viz. 400 kV Chaibasa Sub-station, 765 kV Gaya Sub-station, 400 kV Kishenganj Sub-station, 765 kV New Ranchi Sub-station, 400 kV Chandwa Sub-station, 400 kV Daltonganj Sub-station, 400 kV Banka Sub-station, 400 kV Lakhisarai Sub-station & 765 kV Sasaram HVDC and implementation of BCU based SAS at 2 nos. locations viz. 220 kV Ara Sub-station and 220 kV Purnea Sub-station	21.12.2023

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

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

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

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

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

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



17. The communication assets under the communication project comprises the Fibre Optic Communication Systems. The operating voltage for a communication system operation is a 24/48-volt D/C supply. Therefore, as per the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulation 2010 (CEA, 2010 Regulations), a minimum of 650 volts is required for inspection. Further, the Central Government has specified the notified voltage for the purpose of self-certification under Regulations 30 and 43 of the CEA, 2010 Regulations, as 11 kV, that is, up to 11 kV; no inspection is required by the CEA Inspector. Hence, the CEA Clearance Letter is not applicable to the instant communication assets.

18. In support of the CODs, the Petitioner has submitted the RLDC Energisation Certificate in accordance with the IEGC Regulations and Regulation 5 of the 2019 Tariff Regulations and Self-Declaration COD Certificates of all the communication assets considered in the amended Petition. The details of the same are as under:

Asset No.	SCOD	COD	Supporting Documents
Asset-1	31.12.2023	21.9.2023	ERLDC Certificate dated 9.11.2023 of completion of commissioning on 20.9.2023, COD Letter dated 10.11.2023
Asset-2		26.11.2023	ERLDC Certificate dated 2.2.2024 of completion of commissioning on 25.11.2023, COD Letter dated 5.2.2024
Asset-3		16.12.2023	ERLDC Certificate dated 28.5.2024 of completion of commissioning on 15.12.2023, COD Letter dated 7.6.2024
Asset-4		31.12.2023	ERLDC Certificate dated 2.2.2024 and 29.1.2024 of completion of commissioning on 30.12.2023, COD Letter dated 5.2.2024
Asset-5		10.2.2023	ERLDC Certificate dated 27.8.2024 certifying that data from Asset-5 is actively reporting from 9.2.2023, COD Letter dated 3.10.2024
Asset-6		31.3.2023	ERLDC Certificate dated 27.8.2024 certifying that data from asset-5 is actively reporting from 30.3.2023, COD Letter dated 5.9.2024
Asset-7		21.12.2023	ERLDC Certificate dated 19.7.2024 certifying that data from asset-5 is actively reporting from 20.12.2023, COD Letter dated 25.7.2024

19. Taking into consideration the submissions made by the Petitioner, the ERLDC Certificates and Self-declaration COD letters, the COD of Asset-1, Asset-2, Asset-3,



Asset-4, Asset-5, Asset-6 and Asset-7 is approved as 21.9.2023, 26.11.2023, 16.12.2023, 31.12.2023, 10.2.2023, 31.3.2023 and 21.12.2023, respectively, under Regulation 5(1) of the 2019 Tariff Regulations for the tariff purpose.

20. It has been observed that Asset-2, Asset-3, Asset-4 and Asset-7 are commissioned on 26.11.2023, 16.12.2023, 31.12.2023 and 21.12.2023 respectively. It has been noted that IEGC 2023 is effective from 1.10.2023, and as per Regulation 26(3)(a) of the IEGC 2023, the Petitioner is required to submit the CMD Certificate for the same. The Petitioner is directed to submit the CMD Certificates for Asset-2, Asset-3, Asset-4 and Asset-7 at the time of truing-up.

Capital Cost

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

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

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

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



(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway.

(k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;

(l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;

(m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;

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

(o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

(a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;

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

(c) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and

(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

(b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

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

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



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

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

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

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

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

22. The Petitioner has submitted the Auditor's Certificate dated 5.6.2024, 16.5.2024, 8.7.2024, 16.5.2024, 4.11.2024, 22.10.2024 and 12.6.2024 for Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, Asset-6 and Asset-7, respectively, and has claimed the capital cost incurred as on the COD and has projected the Additional Capital Expenditure (ACE) to be incurred, in respect of the communication assets as under:

Asset No.	FR Apportioned Approved Cost	Expenditure upto COD as per Auditor's Certificate	Projected ACE			Estimated Completion Cost
			2023-24	2024-25	2025-26	
Asset-1	748.72	462.33	0.00	161.12	104.00	727.45
Asset-2	1983.30	1170.05	116.00	556.21	89.43	1931.69
Asset-3	662.46	280.22	0.00	271.73	90.59	642.54
Asset-4	471.98	264.77	25.98	122.02	22.61	435.38
Asset-5	492.00	55.06	57.83	10.90	13.25	137.04
Asset-6	196.81	23.40	0.00	22.00	10.31	55.71
Asset-7	1059.94	208.48	21.48	74.22	148.70	452.88
Total	5615.21	2464.31	221.29	1218.20	478.89	4382.69

Cost Overrun

23. The Petitioner has submitted that the total apportioned approved cost of the communication assets as per the IA is ₹5615.21 lakh, and the estimated completion cost is ₹4382.69 lakh. Therefore, there is no cost overrun for the communication assets.



24. With respect to the reasons for cost variation between the FR apportioned approved cost and the estimated completion cost, the Petitioner has submitted that the price variation is due to the price difference between the time of project approval and the awarding of various contracts based on the competitive prices received through the competitive bidding. Furthermore, the contracts for various packages under the communication project were awarded to the lowest evaluated and responsive bidder based on competitive bidding. The awarded price reflects the lowest price offered during the bidding for various packages.

25. We have considered the Petitioner's submissions and have gone through the documents available on the record. We are of the view that, as compared to the FR cost, the estimated completion cost submitted by the Petitioner based on the Auditor's Certificate is lower by ₹1232.52 lakh. Since the claimed capital cost as on 31.3.2024 for the communication assets is ₹2464.31 lakh, and the estimated completion cost of ₹4382.69 lakh is within the FR cost. Therefore, there is no cost overrun associated with the communication assets.

Time Overrun

26. The Petitioner has submitted that, as per the Implementation Agreement (IA), the communication project was scheduled to be commissioned by 31.12.2023 (SCOD), against which the transmission assets namely, Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, Asset-6 and Asset-7 were put under commercial operation on 21.9.2023, 26.11.2023, 16.12.2023, 31.12.2023, 10.2.2024, 31.3.2024 and 21.12.2023, respectively, within the specified timeline without any time overrun.

27. We have considered the Petitioner's submission. Since the transmission assets were put into commercial operation within the scheduled commissioning time



as per the IA, there is no time overrun. The details of SCOD, COD, and time overrun in case of the communication assets are summarised as follows:

Asset No.	SCOD	COD	Delay
Asset-1	31.12.2023	21.9.2023	-
Asset-2		26.11.2023	-
Asset-3		16.12.2023	-
Asset-4		31.12.2023	-
Asset-5		10.2.2023	-
Asset-6		31.3.2023	-
Asset-7		21.12.2023	-

Interest During Construction (IDC)

28. The Petitioner has claimed IDC for the communication assets covered in the instant Petition and has submitted the statement showing IDC claim, discharge of IDC liability as on the COD, and thereafter as under:

(₹ in lakh)				
Asset No.	IDC as per the Auditor's Certificate	IDC discharged upto COD	IDC discharged during 2023-24	IDC discharged during 2024-25
Asset-1	1.85	0.00	0.00	1.85
Asset-2	30.29	22.75	0.71	6.83
Asset-3	0.00	0.00	0.00	0.00
Asset-4	8.21	5.10	0.78	2.34
Asset-5	0.00	0.00	0.00	0.00
Asset-6	0.00	0.00	0.00	0.00
Asset-7	0.00	0.00	0.00	0.00

29. We have considered the Petitioner's submissions. As discussed earlier in this order, there is no time overrun in the commissioning of the communication assets. The IDC on a cash basis up to the COD has been calculated based on the loan details provided in the statement, demonstrating the discharge of IDC and Form-9C for the communication assets. The IDC claimed and considered the communication assets as on the COD, along with the summary of discharge of the IDC liability up to the COD, and thereafter, for the purpose of tariff determination, subject to true up, is as under:

(₹ in lakh)					
Asset No.	IDC as per the	IDC Allowed	IDC discharged	IDC discharged	IDC discharged



	Auditor's Certificate		upto COD	during 2023-24	during 2024-25
Asset-1	1.85	1.85	0.00	0.00	1.85
Asset-2	30.29	30.29	22.75	0.71	6.83
Asset-3	0.00	0.00	0.00	0.00	0.00
Asset-4	8.21	8.21	5.10	0.78	2.34
Asset-5	0.00	0.00	0.00	0.00	0.00
Asset-6	0.00	0.00	0.00	0.00	0.00
Asset-7	0.00	0.00	0.00	0.00	0.00

Notional Interest During Construction (Notional IDC)

30. The Petitioner in the instant Petition has claimed Notional IDC for the communication assets in accordance with the provisions of Regulation 19(2)(b) of the 2019 Tariff Regulations, as under:

(₹ in lakh)		
Asset No.	Notional IDC Claimed	Notional IDC discharged upto COD
Asset-1	14.49	14.49
Asset-2	15.45	15.45
Asset-3	8.54	8.54
Asset-4	3.42	3.42
Asset-5	3.43	3.43
Asset-6	0.93	0.93
Asset-7	10.90	10.90

31. We have considered the Petitioner's submissions. As discussed earlier in this order, there is no time overrun in the commissioning of the communication assets.

32. The allowable Notional IDC has been worked out considering the information submitted by the Petitioner for the communication assets. The capital expenditure and the loan drawn and its repayment are considered as claimed by the Petitioner. Based on the same, the normative loan over and above the actual loan has been computed in accordance with the provisions of Regulation 19(2)(b) of the 2019 Tariff Regulations. The interest rate for the Notional IDC is based on the interest rate provided by the Petitioner, subject to truing up. Accordingly, the Notional IDC allowed for the communication assets are as under:



(₹ in lakh)

Asset No.	Notional IDC Claimed	Notional IDC Allowed	Notional IDC Disallowed	Notional IDC discharged upto COD
Asset-1	14.49	14.32	0.17	14.32
Asset-2	15.45	14.48	0.97	14.48
Asset-3	8.54	6.49	2.05	6.49
Asset-4	3.42	3.24	0.18	3.24
Asset-5	3.43	3.10	0.33	3.10
Asset-6	0.93	0.79	0.14	0.79
Asset-7	10.90	9.54	1.36	9.54

Incidental Expenditure During Construction (IEDC)

33. The Petitioner has claimed the IEDC for the communication assets as per the Auditor's Certificate, which has been discharged up to the COD. As there is no time overrun, the IEDC is allowed as per the Auditor's Certificate for the communication assets as under:

(₹ in lakh)

Asset No.	IEDC Claimed	IEDC Allowed	IEDC discharged upto COD
Asset-1	29.92	29.92	29.92
Asset-2	242.20	242.20	242.20
Asset-3	41.13	41.13	41.13
Asset-4	55.49	55.49	55.49
Asset-5	4.59	4.59	4.59
Asset-6	3.21	3.21	3.21
Asset-7	42.29	42.29	42.29

Initial Spares

34. The Initial Spares as claimed by the Petitioner for the communication assets in the instant Petition are as under:

(₹ in lakh)

Asset No.	Initial Spares as per the Auditor's Certificate	Initial Spares Claimed	Initial Spares discharged upto COD	Initial Spares discharged during 2024-25
Asset-1	23.50	23.50	0.00	23.50
Asset-2	53.09	53.09	44.86	8.23
Asset-3	22.43	22.43	0.00	22.43
Asset-4	11.52	11.52	9.96	1.56
Asset-5	0.00	0.00	0.00	0.00
Asset-6	0.00	0.00	0.00	0.00
Asset-7	14.08	14.08	11.90	2.18

Note: Excess Initial Spares of ₹1.43 lakh have been claimed for Asset-3.



35. The Initial Spares claimed for Asset-3 exceed the limit as specified in the 2019 Tariff Regulations by ₹1.43 lakh. The Petitioner has submitted that the increase in cost is due to the fact that the specified ceiling limit (3.50%) works well when the Initial Spares are looked at in totality from the project point of view, whereas, the communication project having various nos. of OPGW links and communication system, are more likely to adhere to permissible limit rather than when the same is looked at asset/ element/ link level on individual basis.

36. The Petitioner has further submitted that in case of the communication equipment (associated with OPGW link), the spares procurement is done for each of the installed communication items, i.e., SDH, card, gateway, ports, and interfaces, etc., to ensure high availability and reliability of the communication system. As such, even if a 01-unit SDH item is installed as the main item, its spare quantity would also be a whole single unit, rather than a fractional value. For to this reason, the Initial Spares procured for a communication system or the communication system alongside OPGW fibre, the Initial Spares at the asset level often exceed the permissible ceiling limit specified by the Commission.

37. The Initial Spares computed at the project level are ₹137.77 lakh against the claimed Initial Spares of ₹124.62 lakh for the communication assets, and as such, the Commission should exercise 'Power to Relax' the norms and allow the entire incurred cost of the Initial Spares.

38. Regulation 23(d) of the 2019 Tariff Regulations provides that the Initial Spares will be capitalised as a percentage of the plant and machinery cost up to the cut-off date, subject to the following ceiling norms:

"23. Initial Spares: Initial spares shall be capitalised as a percentage of the Plant and Machinery cost, subject to the following ceiling norms:



.....

(d) Transmission System

(i) Transmission line:	1.00%
(ii) Transmission sub-station	
- (Green Field):	4.00%
- (Brown Field):	6.00%
(iii) Series Compensation devices and HVDC Station:	4.00%
(iv) GIS Insulated Sub-station	
- (Green Field):	5.00%
- (Brown Field):	7.00%
(v) Communication System:	3.50%
(vi) Static Synchronous Compensator:	6.00%

39. We have considered the Petitioner's submission. It has been observed that the Initial Spares claimed by the Petitioner in respect of Asset-3 exceed the ceiling norms as specified in the 2019 Tariff Regulations. Hence, the Initial Spares for Asset-3 are restricted to the ceiling limit of 3.50%. Based on the information available on record, the Initial Spares for the communication assets are partially allowed in accordance with the respective percentages of the plant and machinery cost on the cut-off date on an individual basis. The Initial Spares allowed for the communication assets are as under:

(₹ in lakh)						
Asset No.	Plant and Machinery Cost (excluding IDC/IEDC, Land cost & Cost of Civil Works) (A)	Initial Spares as per the Auditor's Certificate/ Initial Claim (B)	Norms as per Regulation (in %) (C)	Ceiling amount as per Regulations (D=(A-B)*C/(100-C))	Initial Spares Allowed (E=min(B,D))	Excess Initial Spares Disallowed (F=B-E)
Asset-1	695.68	23.50	3.50	24.38	23.50	0.00
Asset-2	1659.20	53.09		58.25	53.09	0.00
Asset-3	601.41	22.43		21.00	21.00	1.43
Asset-4	371.68	11.52		13.06	11.52	0.00
Asset-5	132.45	0.00		4.80	0.00	0.00
Asset-6	52.50	0.00		1.90	0.00	0.00
Asset-7	410.59	14.08		14.38	14.08	0.00



40. With respect to the exercise of 'Power to Relax', the APTEL in its judgment dated 25.3.2011 in Appeal No. 130 of 2009 in the matter of "Ratnagiri Gas and Power Private Ltd. vs. CERC & Ors." observed as under:

"10.7. The above Regulations and the decision give the judicial discretion to the Central Commission to relax norms based on the circumstances of the case. However, such a case has to be one of those exceptions to the general rule. There has to be sufficient reason to justify relaxation. It has to be exercised only in exceptional case and where non-exercise of the discretion would cause hardship and injustice to a party or would lead to unjust result. In the case of relaxation of the Regulations the reasons have to be recorded in writing. Further, it has to be established by the party that the circumstances are not created due to act of omission or commission attributable to the party claiming the relaxation".

41. In terms of the APTEL's judgment dated 25.3.2011 (supra), the Central Commission is vested with the juridical discretion to relax the norms based on the circumstances of the case, and such a case has to be one of those exceptions to the general rule. The APTEL had further observed in the said judgment that the non-exercise of discretion would cause hardship and injustice to a party or would lead to unjust results, and such reasons must be recorded in writing.

42. In the facts and circumstances of the present case, the Petitioner has not placed any document to substantiate that, due to the specific design, the Petitioner needs to incur additional cost towards the communication equipment or the Initial Spares. Thus, the Commission is not inclined to exercise the 'Power to Relax' under Regulation 76 of the 2019 Tariff Regulations, the norms of the Initial Spares with respect to Asset-3, which has been notified after following the due process.

43. Further, with respect to the computation of the Initial Spares at the project level, after combining all the communication assets, we are of the view that since the individual COD of the communication assets fall within the 2019-24 tariff period, the same may be consolidated and considered in the 2024-29 tariff period after combining all the communication assets.



44. The Initial Spares discharge for the communication assets is allowed as claimed by the Petitioner, limiting the excess Initial Spares for Asset-3, and the Initial Spares discharged would be disallowed during 2024-25 as it has not been taken into consideration for the FY 2023-24.

(₹ in lakh)

Asset No.	Initial Spares Claimed	Initial Spares Allowed	Initial Spares discharged allowed upto COD	Initial Spares discharged allowed during 2024-25
Asset-1	23.50	23.50	0.00	23.50
Asset-2	53.09	53.09	44.86	8.23
Asset-3	22.43	21.00	0.00	21.00
Asset-4	11.52	11.52	9.96	1.56
Asset-5	0.00	0.00	0.00	0.00
Asset-6	0.00	0.00	0.00	0.00
Asset-7	14.08	14.08	11.90	2.18

Capital Cost Allowed as on the COD

45. Accordingly, the capital cost allowed in respect of the communication assets as on the COD is summarised as under:

(₹ in lakh)

Asset No.	Capital Cost as per the Auditor's Certificate till COD (A)	Less: IDC discharged after COD (B)	Add: Notional IDC (C)	Capital Cost as on COD (D=A-B+C)
Asset-1	462.33	1.85	14.32	474.80
Asset-2	1170.05	7.54	14.48	1176.99
Asset-3	280.22	0.00	6.49	286.71
Asset-4	264.77	3.12	3.24	264.90
Asset-5	55.06	0.00	3.10	58.16
Asset-6	23.40	0.00	0.79	24.19
Asset-7	208.48	0.00	9.54	218.02

Additional Capital Expenditure ("ACE")

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

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

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



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

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

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

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

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

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

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

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

47. The Petitioner has claimed the ACE against the communication assets as under:

(₹ in lakh)				
Asset No.	FR Apportioned	Expenditure upto COD as	Projected ACE	Estimated



	Approved Cost	per Auditor's Certificate	2023-24	2024-25	2025-26	Completion Cost
Asset-1	748.72	462.33	0.00	161.12	104.00	727.45
Asset-2	1983.30	1170.05	116.00	556.21	89.43	1931.69
Asset-3	662.46	280.22	0.00	271.73	90.59	642.54
Asset-4	471.98	264.77	25.98	122.02	22.61	435.38
Asset-5	492.00	55.06	57.83	10.90	13.25	137.04
Asset-6	196.81	23.40	0.00	22.00	10.31	55.71
Asset-7	1059.94	208.48	21.48	138.72	84.20	452.88
Total	5615.21	2464.31	221.29	1282.70	414.39	4382.69

48. The Petitioner has also submitted that the ACE incurred/projected to be incurred in the contextual communication assets is mainly on account of the balance/retention payments, within the original scope of work and, hence, the same is claimed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations. The liability flow statements submitted by the Petitioner vide affidavit 3.9.2025 are as under:

Asset-1

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	1.85	-	1.85	-	0.00

Asset-2

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	7.54	0.71	6.83	-	0.00

Asset-3

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	0.00	-	-	-	0.00



Asset-4

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			(₹ in lakh) Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	3.12	0.78	2.34	-	0.00

Asset-5

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			(₹ in lakh) Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	0.00	-	-	-	0.00

Asset-6

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			(₹ in lakh) Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	0.00	-	-	-	0.00

Asset-7

Party Name	Particulars	Outstanding Liability as on COD	Discharge (Regulation 24(1)(a))			(₹ in lakh) Outstanding Liability as on 31.3.2026
			2023-24	2024-25	2025-26	
M/s Sterlite Power Transmission System	Communication System	0.00	-	-	-	0.00

49. We have considered the Petitioner's submissions. The Petitioner has also projected ACE for FY 2024-25 and FY 2025-26. It has been observed that the instant tariff Petition is for the determination of the tariff for the 2019-24 tariff period, and the proposed ACE for FY 2024-25 falls under the 2024 Tariff Regulations, and the same will be dealt with as per the 2024 Tariff Regulations. The ACE claimed by the Petitioner for the 2019-24 tariff period has been allowed under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations.

50. Therefore, we have allowed the ACE as per the Auditor's Certificate, subject to truing up. Accordingly, the ACE allowed for the 2019-24 period is as under:



Asset-1

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
Addition in Gross Block	24(1)(b)	0.00
Total	-	0.00

Asset-2

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
IDC Discharge	24(1)(a)	0.71
Addition in Gross Block	24(1)(b)	116.00
Total	-	116.71

Asset-3

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
Addition in Gross Block	24(1)(b)	0.00
Total	-	0.00

Asset-4

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
IDC Discharge	24(1)(a)	0.78
Addition in Gross Block	24(1)(b)	25.98
Total	-	26.76

Asset-5

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
Addition in Gross Block	24(1)(b)	57.83
Total	-	57.83

Asset-6

(₹ in lakh)

Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
Addition in Gross Block	24(1)(b)	0.00
Total	-	0.00



Asset-7

(₹ in lakh)		
Particulars	Regulation of the 2019 Tariff Regulations	ACE Allowed (2023-24)
Balance and Retention Payments other than IDC	24(1)(a)	0.00
Addition in Gross Block	24(1)(b)	21.48
Total	-	21.48

51. Accordingly, the capital cost considered for the communication assets for the 2019-24 tariff period is as under:

(₹ in lakh)			
Asset No.	Capital Cost allowed as on COD	ACE Allowed (2019-2024)	Capital Cost as on 31.3.2024
Asset-1	474.80	0.00	474.80
Asset-2	1176.99	116.71	1293.70
Asset-3	286.71	0.00	286.71
Asset-4	264.90	26.76	291.66
Asset-5	58.16	57.83	115.99
Asset-6	24.19	0.00	24.19
Asset-7	218.02	21.48	239.50

Debt Equity Ratio

52. 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:

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

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



transmission system.

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

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

53. The debt-equity ratio considered for the purpose of computation of tariff for the 2019-24 tariff period is allowed as per Regulation 18(1) of the 2019 Tariff Regulations. The debt-equity considered for the purpose of computation of tariff for the communication assets for the 2019-24 tariff period is as under:

Asset-1

Funding	(₹ in lakh)					
	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	332.36	70.00	0.00	70.00	332.36	70.00



Equity	142.44	30.00	0.00	30.00	142.44	30.00
Total	474.80	100.00	0.00	100.00	474.80	100.00

Asset-2

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	823.89	70.00	81.70	70.00	905.59	70.00
Equity	353.10	30.00	35.01	30.00	388.11	30.00
Total	1176.99	100.00	116.71	100.00	1293.70	100.00



Asset-3

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	200.70	70.00	0.00	70.00	200.70	70.00
Equity	86.01	30.00	0.00	30.00	86.01	30.00
Total	286.71	100.00	0.00	100.00	286.71	100.00

Asset-4

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	185.43	70.00	18.73	70.00	204.16	70.00
Equity	79.47	30.00	8.03	30.00	87.50	30.00
Total	264.90	100.00	26.76	100.00	291.66	100.00

Asset-5

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	40.72	70.00	40.48	70.00	81.20	70.00
Equity	17.45	30.00	17.35	30.00	34.80	30.00
Total	58.16	100.00	57.83	100.00	115.99	100.00

Asset-6

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	16.93	70.00	0.00	70.00	16.93	70.00
Equity	7.26	30.00	0.00	30.00	7.26	30.00
Total	24.19	100.00	0.00	100.00	24.19	100.00

Asset-7

(₹ in lakh)

Funding	Capital Cost as on COD		ACE allowed in 2019-24		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	152.61	70.00	15.04	70.00	167.65	70.00
Equity	65.40	30.00	6.44	30.00	71.85	30.00
Total	218.02	100.00	21.48	100.00	239.50	100.00

Depreciation

54. 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.”*

55. The depreciation has been worked out considering the admitted capital expenditure as on the COD and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) at Annexure has been worked out for the communication assets as per the depreciation rates specified in the 2019 Tariff Regulations.

56. The depreciation allowed for the communication assets under Regulation 33 of the 2019 Tariff Regulations for the 2019-24 tariff period is as follows:



Asset-1

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 193 days)
A	Opening Gross Block	474.80
B	Addition during the year 2019-24 due to projected ACE	0.00
C	Closing Gross Block (A+B)	474.80
D	Average Gross Block (A+C)/2	474.80
E	Average Gross Block (90% depreciable assets)	474.80
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	427.32
H	Depreciable value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	427.32
J	Weighted average rate of Depreciation (WAROD) (in %)	6.33
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	15.00
M	Depreciation during the year (D*J)	15.85
N	Cumulative Depreciation at the end of the year	15.85
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	411.47

Asset-2

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 127 days)
A	Opening Gross Block	1176.99
B	Addition during the year 2019-24 due to projected ACE	116.71
C	Closing Gross Block (A+B)	1293.70
D	Average Gross Block (A+C)/2	1235.35
E	Average Gross Block (90% depreciable assets)	1235.35
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1111.81
H	Depreciable value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	1111.81
J	Weighted average rate of Depreciation (WAROD) (in %)	6.33
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	15.00
M	Depreciation during the year (D*J)	27.13
N	Cumulative Depreciation at the end of the year	27.13
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	1084.68

Asset-3

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 107 days)
A	Opening Gross Block	286.71
B	Addition during the year 2019-24 due to projected ACE	0.00
C	Closing Gross Block (A+B)	286.71
D	Average Gross Block (A+C)/2	286.71
E	Average Gross Block (90% depreciable assets)	286.71
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	258.04
H	Depreciable value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	258.04
J	Weighted average rate of Depreciation (WAROD) (in %)	6.33



K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	15.00
M	Depreciation during the year (D*J)	5.31
N	Cumulative Depreciation at the end of the year	5.31
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	252.74

Asset-4

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 92 days)
A	Opening Gross Block	264.90
B	Addition during the year 2019-24 due to projected ACE	26.76
C	Closing Gross Block (A+B)	291.66
D	Average Gross Block (A+C)/2	278.28
E	Average Gross Block (90% depreciable assets)	278.28
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	250.45
H	Depreciable value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	250.45
J	Weighted average rate of Depreciation (WAROD) (in %)	6.33
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	15.00
M	Depreciation during the year (D*J)	4.43
N	Cumulative Depreciation at the end of the year	4.43
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	246.02

Asset-5

		(₹ in lakh)	
	Particulars	2022-23 (Pro-rata for 50 days)	2023-24
A	Opening Gross Block	58.16	58.16
B	Addition during the year 2019-24 due to projected ACE	0.00	57.83
C	Closing Gross Block (A+B)	58.16	115.99
D	Average Gross Block (A+C)/2	58.16	87.08
E	Average Gross Block (90% depreciable assets)	58.16	58.16
F	Average Gross Block (100% depreciable assets)	0.00	28.92
G	Depreciable value (excluding IT equipment and software) (E*90%)	52.35	52.35
H	Depreciable value of IT equipment and software (F*100%)	0.00	28.92
I	Total Depreciable Value (G+H)	52.35	81.26
J	Weighted average rate of Depreciation (WAROD) (in %)	15.00	15.00
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00
L	Balance useful life at the beginning of the year (Year)	7.00	7.00
M	Depreciation during the year (D*J)	1.20	13.06
N	Cumulative Depreciation at the end of the year	1.20	14.26
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	51.15	67.01

Asset-6

		(₹ in lakh)	
	Particulars	2023-24 (Pro-rata for 1 days)	2023-24
A	Opening Gross Block	24.19	24.19
B	Addition during the year 2019-24 due to projected ACE	0.00	0.00



C	Closing Gross Block (A+B)	24.19	24.19
D	Average Gross Block (A+C)/2	24.19	24.19
E	Average Gross Block (90% depreciable assets)	0.00	0.00
F	Average Gross Block (100% depreciable assets)	24.19	24.19
G	Depreciable value (excluding IT equipment and software) (E*90%)	0.00	0.00
H	Depreciable value of IT equipment and software (F*100%)	24.19	24.19
I	Total Depreciable Value (G+H)	24.19	24.19
J	Weighted average rate of Depreciation (WAROD) (in %)	15.00	15.00
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00
L	Balance useful life at the beginning of the year (Year)	7.00	7.00
M	Depreciation during the year (D*J)	0.010	3.63
N	Cumulative Depreciation at the end of the year	0.010	3.64
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	24.18	20.55

Asset-7

	Particulars	(₹ in lakh) 2023-24 (Pro-rata for 102 days)
A	Opening Gross Block	218.02
B	Addition during the year 2019-24 due to projected ACE	21.48
C	Closing Gross Block (A+B)	239.50
D	Average Gross Block (A+C)/2	228.76
E	Average Gross Block (90% depreciable assets)	218.02
F	Average Gross Block (100% depreciable assets)	10.74
G	Depreciable value (excluding IT equipment and software) (E*90%)	196.21
H	Depreciable value of IT equipment and software (F*100%)	10.74
I	Total Depreciable Value (G+H)	206.95
J	Weighted average rate of Depreciation (WAROD) (in %)	15.00
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	7.00
M	Depreciation during the year (D*J)	9.56
N	Cumulative Depreciation at the end of the year	9.56
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	197.39

Interest on Loan (IoL)

57. 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."*

58. The Petitioner has submitted that in the tariff calculation for the 2019-24 period, IoL has been calculated on the basis of rate prevailing as on the COD/ 1.4.2019 for the respective loans and has further prayed that the change in the interest rate due to the floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff period of 5 years directly from/ with the beneficiaries.

59. We have considered the Petitioner's submissions. The Weighted Average Rate of Interest (WAROI) on the loan has been determined based on the rate prevailing as on 1.4.2019/COD. As the Petitioner has prayed that the change in the interest rate due to the floating rate of interest, if any, applicable during the 2019-24 tariff period be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true up. Therefore, the IoL has been allowed in accordance

with Regulation 32 of the 2019 Tariff Regulations. The IoL allowed for the communication assets for the 2019-24 tariff period are as under:

Asset-1

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 193 days)
A	Gross Normative Loan	332.36
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	332.36
D	Addition due to ACE	0.00
E	Repayment during the year	15.85
F	Net Loan-Closing (C+D-E)	316.51
G	Average Loan (C+F)/2	324.43
H	Weighted Average Rate of Interest on Loan (in %)	7.50
I	Interest on Loan (G*H)	12.83

Asset-2

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 127 days)
A	Gross Normative Loan	823.89
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	823.89
D	Addition due to ACE	81.70
E	Repayment during the year	27.13
F	Net Loan-Closing (C+D-E)	878.46
G	Average Loan (C+F)/2	851.18
H	Weighted Average Rate of Interest on Loan (in %)	7.51
I	Interest on Loan (G*H)	22.19

Asset-3

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 107 days)
A	Gross Normative Loan	200.70
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	200.70
D	Addition due to ACE	0.00
E	Repayment during the year	5.31
F	Net Loan-Closing (C+D-E)	195.39
G	Average Loan (C+F)/2	198.05
H	Weighted Average Rate of Interest on Loan (in %)	7.35
I	Interest on Loan (G*H)	4.26

Asset-4

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 92 days)
A	Gross Normative Loan	185.43
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	185.43



D	Addition due to ACE	18.73
E	Repayment during the year	4.43
F	Net Loan-Closing (C+D-E)	199.73
G	Average Loan (C+F)/2	192.58
H	Weighted Average Rate of Interest on Loan (in %)	7.49
I	Interest on Loan (G*H)	3.62

Asset-5

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata for 50 days)	2023-24
A	Gross Normative Loan	40.72	40.72
B	Cumulative Repayments up to the Previous Year	0.00	1.20
C	Net Loan-Opening (A-B)	40.72	39.52
D	Addition due to ACE	0.00	40.48
E	Repayment during the year	1.20	13.06
F	Net Loan-Closing (C+D-E)	39.52	66.94
G	Average Loan (C+F)/2	40.12	53.23
H	Weighted Average Rate of Interest on Loan (in %)	8.15	8.15
I	Interest on Loan (G*H)	0.45	4.34

Asset-6

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata for 1 days)	2023-24
A	Gross Normative Loan	16.93	16.93
B	Cumulative Repayments up to the Previous Year	0.00	0.01
C	Net Loan-Opening (A-B)	16.93	16.92
D	Addition due to ACE	0.00	0.00
E	Repayment during the year	0.01	3.63
F	Net Loan-Closing (C+D-E)	16.92	13.29
G	Average Loan (C+F)/2	16.93	15.11
H	Weighted Average Rate of Interest on Loan (in %)	0.00	8.15
I	Interest on Loan (G*H)	0.00	1.23

Asset-7

(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 102 days)
A	Gross Normative Loan	152.61
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	152.61
D	Addition due to ACE	15.04
E	Repayment during the year	9.56
F	Net Loan-Closing (C+D-E)	158.08
G	Average Loan (C+F)/2	155.35
H	Weighted Average Rate of Interest on Loan (in %)	8.15
I	Interest on Loan (G*H)	3.53

Return on Equity (RoE)

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



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

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

Provided that return on equity in respect of additional capitalization after cutoff date beyond the original scope, excluding additional capitalization 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 ₹ 1,000 crore;

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

(c) Effective Tax Rate for the year 2019-20 = ₹ 240 Crore / ₹ 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.”

61. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner’s submission and have gone through the record.



62. The Petitioner has claimed the RoE considering the base rate of 15.50% and effective tax rate of 17.47%, for the 2019-24 tariff period. The same has been considered, subject to truing-up.

63. Accordingly, the RoE allowed in respect of the communication assets for the 2019-24 tariff period, in accordance with Regulation 31 of the 2019 Tariff Regulation, is as under:

Asset-1

(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 193 days)
A	Opening Equity	142.44
B	Addition due to ACE	0.00
C	Closing Equity (A+B)	142.44
D	Average Equity (A+C)/2	142.44
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.47
G	Rate of Return on Equity (in %)	18.78
H	Return on Equity (D*G)	14.11

Asset-2

(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 127 days)
A	Opening Equity	353.10
B	Addition due to ACE	35.01
C	Closing Equity (A+B)	388.11
D	Average Equity (A+C)/2	370.60
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.47
G	Rate of Return on Equity (in %)	18.78
H	Return on Equity (D*G)	24.15

Asset-3

(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 107 days)
A	Opening Equity	86.01
B	Addition due to ACE	0.00
C	Closing Equity (A+B)	86.01
D	Average Equity (A+C)/2	86.01
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.47
G	Rate of Return on Equity (in %)	18.78
H	Return on Equity (D*G)	4.72

Asset-4



(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 92 days)
A	Opening Equity	79.47
B	Addition due to ACE	8.03
C	Closing Equity (A+B)	87.50
D	Average Equity (A+C)/2	83.48
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.47
G	Rate of Return on Equity (in %)	18.78
H	Return on Equity (D*G)	3.94

Asset-5

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata for 50 days)	2023-24
A	Opening Equity	17.45	17.45
B	Addition due to ACE	0.00	17.35
C	Closing Equity (A+B)	17.45	34.80
D	Average Equity (A+C)/2	17.45	26.12
E	Return on Equity (Base Rate) (in %)	15.50	15.50
F	Tax Rate applicable (in %)	17.47	17.47
G	Rate of Return on Equity (in %)	18.78	18.78
H	Return on Equity (D*G)	0.45	4.91

Asset-6

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata for 1 days)	2023-24
A	Opening Equity	7.26	7.26
B	Addition due to ACE	0.00	0.00
C	Closing Equity (A+B)	7.26	7.26
D	Average Equity (A+C)/2	7.26	7.26
E	Return on Equity (Base Rate) (in %)	15.50	15.50
F	Tax Rate applicable (in %)	17.47	17.47
G	Rate of Return on Equity (in %)	18.78	18.78
H	Return on Equity (D*G)	0.0037	1.36

Asset-7

(₹ in lakh)		
	Particulars	2023-24 (Pro-rata for 102 days)
A	Opening Equity	65.40
B	Addition due to ACE	6.44
C	Closing Equity (A+B)	71.85
D	Average Equity (A+C)/2	68.63
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.47
G	Rate of Return on Equity (in %)	18.78
H	Return on Equity (D*G)	3.59

Operation and Maintenance Expenses (O&M Expenses)



64. The Petitioner, vide Auditor's Certificate dated 12.11.2024 and 30.1.2025, has submitted the actual O&M Expenses for the communication assets covered in the instant Petition, and the same are as under:

(₹ in lakh)		
Particular	2022-23	2023-24
Asset-1	-	6.76
Asset-2	-	31.87
Asset-3	-	4.08
Asset-4	-	5.21
Asset-5	1.33	1.65
Asset-6	-	0.34
Asset-7	-	6.91

65. Regulation 35(4) of the 2019 Tariff Regulations specifies the norms of O&M Expenses for the communication system as under:

“35. Operation and Maintenance Expenses:

.....

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

66. We have considered the Petitioner's submissions. The actual O&M Expenses of the communication assets covered in the instant Petition are allowed. The Petitioner is directed to submit the breakup of the actual O&M Expenses at the time of truing-up.

(₹ in lakh)		
Particulars	2022-23	2023-24
Asset-1	-	6.76
Asset-2	-	31.87
Asset-3	-	4.08
Asset-4	-	5.21
Asset-5	1.33	1.65
Asset-6	-	0.34
Asset-7	-	6.91

Interest on Working Capital (IWC)



67. Regulations 34(1)(c), 34(3), 34(4) and Definition 3(7) of the 2019 Tariff Regulations provides 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:-

‘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;”

68. The Petitioner has considered the rate of IWC as 12.00% as on 1.4.2023. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered as 10.50% (State Bank of India's (SBI) 1-year Marginal Cost of Funds based Lending Rate (MCLR) of 7.00% as on 1.4.2022, plus additional 350 basis points) for 2022-23 and 12.00% (SBI 1-year MCLR of 8.50% as on 1.4.2023, plus additional 350 basis points) for 2023-24.

69. The components of the working capital and interest allowed thereon under Regulation 34 of the 2019 Tariff Regulations for the 2019-24 tariff period in respect of the communication assets are as under:



Asset-1

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 193 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.56
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	1.01
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	6.21
D	Total Working Capital (A+B+C)	7.78
E	Rate of Interest for working capital (in %)	12.00
F	Interest on Working Capital (D*E)	0.93

Asset-2

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 127 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.66
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	4.78
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	13.26
D	Total Working Capital (A+B+C)	20.69
E	Rate of Interest for working capital (in %)	12.00
F	Interest on Working Capital (D*E)	2.48

Asset-3

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 107 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.34
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.61
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	2.31
D	Total Working Capital (A+B+C)	3.26
E	Rate of Interest for working capital (in %)	12.00
F	Interest on Working Capital (D*E)	0.39

Asset-4

		(₹ in lakh)
	Particulars	2023-24 (Pro-rata for 92 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.43
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.78
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	2.17
D	Total Working Capital (A+B+C)	3.38
E	Rate of Interest for working capital (in %)	12.00
F	Interest on Working Capital (D*E)	0.41



Asset-5

(₹ in lakh)

	Particulars	2022-23 (Pro-rata for 50 days)	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.11	0.14
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.20	0.25
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	0.43	3.00
D	Total Working Capital (A+B+C)	0.74	3.38
E	Rate of Interest for working capital (in %)	10.50	12.00
F	Interest on Working Capital (D*E)	0.08	0.41

Asset-6

(₹ in lakh)

	Particulars	2022-23 (Pro-rata for 1 days)	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.03
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.05
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	0.0017	0.82
D	Total Working Capital (A+B+C)	0.0017	0.90
E	Rate of Interest for working capital (in %)	10.50	12.00
F	Interest on Working Capital (D*E)	0.0002	0.11

Asset-7

(₹ in lakh)

	Particulars	2023-24 (Pro-rata for 102 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.58
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	1.04
C	Working Capital for Receivables (Equivalent to 45 days of AFC)	2.97
D	Total Working Capital (A+B+C)	4.58
E	Rate of Interest for working capital (in %)	12.00
F	Interest on Working Capital (D*E)	0.55

Annual Fixed Charges (AFC) for the 2019-24 Tariff Period

70. The AFC allowed in respect of the communication assets for the 2019-24 tariff period are as under:

Asset-1

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 193 days)
Depreciation	15.85



Interest on Loan	12.83
Return on Equity	14.11
O&M Expenses	6.76
Interest on Working Capital	0.93
Total	50.48



Asset-2

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 127 days)
Depreciation	27.13
Interest on Loan	22.19
Return on Equity	24.15
O&M Expenses	31.87
Interest on Working Capital	2.48
Total	107.82

Asset-3

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 107 days)
Depreciation	5.31
Interest on Loan	4.26
Return on Equity	4.72
O&M Expenses	4.08
Interest on Working Capital	0.39
Total	18.76

Asset-4

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 92 days)
Depreciation	4.43
Interest on Loan	3.62
Return on Equity	3.94
O&M Expenses	5.21
Interest on Working Capital	0.41
Total	17.61

Asset-5

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 50 days)	2023-24
Depreciation	1.20	13.06
Interest on Loan	0.45	4.34
Return on Equity	0.45	4.91
O&M Expenses	1.33	1.65
Interest on Working Capital	0.08	0.41
Total	3.51	24.37

Asset-6

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 1 days)	2023-24
Depreciation	0.01	3.63
Interest on Loan	0.00	1.23
Return on Equity	0.00	1.36
O&M Expenses	0.00	0.34
Interest on Working Capital	0.00	0.11
Total	0.01	6.67



Asset-7

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 102 days)
Depreciation	9.56
Interest on Loan	3.53
Return on Equity	3.59
O&M Expenses	6.91
Interest on Working Capital	0.55
Total	24.14

Filing Fee and Publication Expenses

71. 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 reimbursement of the filing fee and the expenses incurred for the publication of notices in the application for approval of the tariff directly from the beneficiaries on a pro-rata basis, in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

72. We have considered the Petitioner's submissions. The Petitioner is entitled to reimbursement of the fees paid for filing the Petition and publication expenses incurred on this account directly from the beneficiaries or long-term customers, as the case may be.

Licence Fee and RLDC Fees and Charges

73. The Petitioner has claimed reimbursement of the licence fee, RLDC Fees and Charges. The Petitioner is allowed the reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner is also permitted to recover the RLDC fee and charges from the beneficiaries in terms of Regulation 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax



74. 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. Further, the additional taxes, if any, are paid by the Petitioner on account of the demand from the Government/ statutory authorities, and the Commission may allow them to be recovered from the beneficiaries.

75. 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.

Security Expenses, Insurance and Capital Spares

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

77. We have considered the Petitioner's submissions. The Petitioner has claimed consolidated security expenses on a projected basis for the FY 2019-24 tariff period on the basis of actual security expenses incurred in FY 2018-19 in Petition No. 260/MP/2020. Since the Commission, vide order dated 3.8.2021 in Petition No. 260/MP/2020, approved security expenses from 1.4.2019 to 31.3.2024, the Petitioner's prayer in the instant Petition for allowing it to file a separate Petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares



78. The Petitioner has not claimed capital spares for the communication assets in the instant Petition for the 2019-24 tariff period and had filed Petition No. 45/MP/2024, claiming therein the capital spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

79. We have considered the Petitioner's submissions. Petition No. 45/MP/2024 is pending before the Commission; therefore, the capital spares will be dealt with accordingly, after the disposal of the aforesaid Petition.

Sharing of Transmission Charges

80. With regard to the sharing of the transmission charges, the Petitioner has submitted that the transmission tariff as claimed by the Petitioner for the 2019-24 tariff period will be recovered on monthly basis in accordance with Regulation 57 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and will be shared by the beneficiaries and long-term transmission customers in Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from time to time.

81. We have considered the Petitioner's submissions. With effect from 1.11.2020, the sharing of transmission charges is governed by the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020. Accordingly, the billing, collection, and disbursement of the transmission charges approved in this order shall be governed by the provisions of the applicable 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.

Interim Tariff



82. 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 (PoC) charges.

83. We have considered the Petitioner's submissions. Since we have determined the transmission tariff for the transmission assets in this order, the prayer for an interim tariff becomes redundant.

84. To summarise:

- a) The AFC claimed, and the AFC allowed for the 2019-24 tariff period for the communication assets in this order are as follows:

Asset-1

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 193 days)
AFC Claimed	50.50
AFC Allowed	50.48

Asset-2

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 127 days)
AFC Claimed	107.89
AFC Allowed	107.82

Asset-3

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 107 days)
AFC Claimed	18.86
AFC Allowed	18.76

Asset-4

(₹ in lakh)	
Particulars	2023-24 (Pro-rata for 92 days)
AFC Claimed	17.62
AFC Allowed	17.61

Asset-5

(₹ in lakh)		
Particulars	2022-23 (Pro-rata for 50 days)	2023-24
AFC Claimed	3.51	24.40
AFC Allowed	3.51	24.37



Asset-6

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 1 days)	2023-24
AFC Claimed	0.01	6.69
AFC Allowed	0.01	6.67

Asset-7

(₹ in lakh)

Particulars	2023-24 (Pro-rata for 102 days)
AFC Claimed	24.24
AFC Allowed	24.14

85. Annexure to this order forms part of the order.

86. This order disposes of Petition No. 265/TT/2025 in terms of the above discussions and findings.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



Asset-1

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE	Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation (Pro-rata for 193 days)
		2023-24			2023-24
Fiber Optic/ OPGW	474.80	0.00	474.80	6.33	15.85
Total	474.80	0.00	474.80	6.33	15.85
			Average Gross Block		474.80
			WAROD (in %)		6.33

Asset-2

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE	Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation (Pro-rata for 127 days)
		2023-24			2023-24
Comm. System other than OPGW	184.09	18.25	202.34	6.33	4.24
Fiber Optic/ OPGW	992.91	98.46	1091.37	6.33	22.89
Total	1176.99	116.71	1293.70	6.33	27.13
			Average Gross Block		1235.35
			WAROD (in %)		6.33

Asset-3

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE	Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation (Pro-rata for 107 days)
		2023-24			2023-24
Comm. System other than OPGW	3.95	0.00	3.95	6.33	0.07
Fiber Optic/ OPGW	282.76	0.00	282.76	6.33	5.23
Total	286.71	0.00	286.71	6.33	5.31
			Average Gross Block		286.71
			WAROD (in %)		6.33

Asset-4

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE	Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation (Pro-rata for 92 days)
		2023-24			2023-24
Comm. System other than OPGW	47.58	4.82	52.40	6.33	0.80
Fiber Optic/ OPGW	217.31	21.94	239.25	6.33	3.63
Total	264.90	26.76	291.66	6.33	4.43
			Average Gross Block		278.28
			WAROD (in %)		6.33



Asset-5

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE		Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation	
		22-23	23-24			22-23 (Pro-rata for 50 days)	23-24
IT	58.16	0.00	57.83	115.99	15.00	1.20	13.06
Total	58.16	0.00	57.83	115.99	15.00	1.20	13.06
				Average Gross Block		58.16	87.08
				WAROD (in %)		15.00	15.00

Asset-6

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE		Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation	
		22-23	23-24			22-23 (Pro-rata for 1 days)	23-24
IT	24.19	0.00	0.00	24.19	15.00	0.01	3.63
Total	24.19	0.00	0.00	24.19	15.00	0.01	3.63
				Average Gross Block		24.19	24.19
				WAROD (in %)		15.00	15.00

Asset-7

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Allowed ACE	Admitted Capital Cost as on 31.3.2024	Depreciation Rate (in %)	Depreciation (Pro-rata for 102 days)
		2023-24			2023-24
IT	218.02	21.48	239.50	15.00	9.56
Total	218.02	21.48	239.50	15.00	9.56
			Average Gross Block		228.76
			WAROD (in %)		15.00

