

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 271/TT/2025

Coram:

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

Date of Order: 13.11.2025

In the matter of:

Approval under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003 read with Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Asset under "Wardha-Hyderabad 765 kV link" in the Southern Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Tamil Nadu Generation and Distribution Corporation Limited,
NPKRR Maaligai, 800, Anna Salai,
Chennai – 600002**
- 2. Kerala State Electricity Board Limited,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695004**
- 3. Electricity Department,
Government of Goa
Vidyuti Bhawan, Panaji– 403001, Goa**
- 4. Electricity Department,
Government of Pondicherry,
137, Netaji Subash Chandra Bose Salai,
Pondicherry - 605001**



- 5. Eastern Power Distribution Company of Andhra Pradesh Limited,**
APEPDCL, P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.
- 6. Southern Power Distribution Company of Andhra Pradesh Limited,**
19-13-65/A, Srinivasapuram, Tiruchanoor Road,
Tirupati – 517503, Andhra Pradesh
- 7. Andhra Pradesh Central Power Distribution Company Limited,**
Corporate Office, Beside Polytechnic College, ITI Road,
Vijayawada - 520008, Krishna District, Andhra Pradesh
- 8. Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad – 500 063, Telangana
- 9. Northern Power Distribution Company of Telangana Limited (TSNPDCL)**
H. No 2-5-3 1/2, Vidyut Bhawan, Corporate Office, Nakkal Gutta,
Hanamkonda, Warnagal – 506001, Telangana
- 10. Bangalore Electricity Supply Company Limited,**
Corporate Office, K. R. Circle,
BANGALORE – 560 001, Karnataka
- 11. Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opposite Parivar Hotel,
Gulbarga (Kalburgi) – 585102, Karnataka
- 12. Hubli Electricity Supply Company Limited,**
Navanagar, PB Road, HUBLI, Karnataka- 580025
- 13. Mangalore Electricity Supply Company Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan,
Kavoor Cross Road, Bejai, Mangalore – 575 004, Karnataka
- 14. Chamundeswari Electricity Supply Corporation Limited,**
Corporate Office, 29, Vijayanagara 2nd Stage,
Hinkal, Mysuru-570017, Karnataka
- 15. Vizag Transmission Limited,**
SAUDAMINI, Plot no. 2,
Sector 29, Gurgaon -122001

...Respondent(s)

Parties Present: Shri Zafrul Hasan, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Vishal Sagar, PGCIL



Ms. Supriya Singh, PGCIL
Shri Ashish Alankar, PGCIL
Shri Ranjeet Pandey, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited for truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and the determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period with respect to the following transmission assets (hereinafter referred to as the “Combined Asset”) under “Wardha-Hyderabad 765 kV link” in the Southern Region (hereinafter referred to as the ‘transmission project’).

Asset-1: Wardha – Nizamabad 765 kV D/C line along with associated bays, Nizamabad – Dichpalli 400 kV D/C line along with associated bays, Establishment of 765/400 kV GIS at Nizamabad with 2x1500 MVA transformers, 1x240 MVar Bus Reactor, 2x240 MVar Switchable Line Reactors along with associated bays, Extension of 765/400 kV Wardha Sub-station with 2x240 MVar Switchable Line Reactors along with associated bays and Extension of Dichpalli 400 kV Sub-station of TSTRANSCO.

Asset-2: Hyderabad (Maheshwaram)-Nizamabad 765 kV D/C Line and 2 Nos. 765 kV bays along with 1 No. of 240 MVar switchable line reactors, each at the Hyderabad (Maheshwaram) and Nizamabad Sub-stations, for both circuits of the Hyderabad - Nizamabad 765 kV D/C Line.

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



“a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 14 and 15 above.

b) Admit the capital cost claimed, and additional capitalization incurred during 2019-24 (Arbitral award) and also allow the projected additional capitalization during 2024-29.

c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 14 and 15 above for respective block.

d) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.

e) Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

f) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.

g) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 21 above.

h) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 21 above.

i) Allow the petitioner to file a separate petition before Hon’ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 21 above.

j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 22 above.

k) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.

and pass such other relief as Hon’ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”

Background

3. The brief facts of the case are as follows:



- a. Investment Approval (IA) for the transmission project was accorded by the Board of Directors of the Petitioner on 29.1.2015 vide Memorandum No. C/CP/Wardha-Hyderabad dated 3.2.2015 at an estimated cost of ₹366202 lakh, including an IDC of ₹28326 lakh based on the August 2014 price level.
- b. The entire scope of the transmission project is covered in the instant Petition. The details are as under:

Transmission Line

- i) Wardha-Nizamabad (Maheshwaram) 765 kV D/C line with anchoring at Nizamabad 765/400 kV Sub-station.
- ii) Nizamabad - Dichpalli 400 kV D/C line.

Sub-station

- i) Establishment of 765/400 kV GIS at Nizamabad with 2x1500 MVA transformers
- a) 4 Nos. 765 kV bays at Nizamabad for anchoring of Wardha-Hyderabad (Maheshwaram) 765 kV D/C line;
- b) 2 Nos. 765 kV transformer bays for 2x1500 MVA transformers;
- c) 1 Nos. 765 kV reactor bay for 1x240 MVar Bus reactor;
- d) 2 Nos. 400 kV transformer bays for 2x1500 MVA transformers;
- e) 2 Nos. 400 kV line bays for terminating the Nizamabad - Dichpalli 400 kV D/C line.
- ii) Extension of Hyderabad (Maheshwaram) 765/400 kV Sub-station
- a) 2 Nos. 765 kV bays for terminating Wardha - Hyderabad (Maheshwaram) 765 kV D/C line with anchoring at Nizamabad.
- iii) Extension of 765/400 kV Wardha Sub-station



- a) 2 Nos. 765 kV bays for terminating Wardha - Hyderabad (Maheshwaram) 765 kV D/C line with anchoring at Nizamabad.
- iv) Extension of Dichpalli 400 kV Sub-station of TSTRANSCO
 - a) 2 Nos. 400 kV bays for terminating Nizamabad - Dichpalli 400 kV D/C line.

Reactive Compensation

- i) Bus Reactors:
 - a) 1 No. 240 MVar 765 kV Bus Reactor at Nizamabad 765/400 kV Sub-station.
- ii) Line Reactors (765 kV):
 - a) 1 No. 240 MVar switchable line reactor each at Hyderabad (Maheshwaram) for both the circuits of Nizamabad - Hyderabad (Maheshwaram) 765 kV D/C line.
 - b) 1 No. 240 MVar switchable line reactor each at Nizamabad for both circuits of Nizamabad-Hyderabad (Maheshwaram) 765 kV D/C line.
 - c) 1 No. 240 MVar switchable line reactor each at Wardha for both circuits of Wardha - Nizamabad 765 kV D/C line.
 - d) 1 No. 240 MVar switchable line reactor each at Nizamabad for both circuits of Wardha - Nizamabad 765 kV D/C line.
- c. The transmission tariff for the transmission assets from the date of commercial operation to 31.3.2019 was allowed vide order dated 29.11.2017 in Petition No. 39/TT/2017 for Asset-1 and vide order dated 20.9.2018 in Petition No. 208/TT/2017 for Asset-2 in accordance with the 2014 Tariff Regulations.



- d. The details of commercial operation for the transmission assets, along with the time overrun, are as under:

Particulars	SCOD	COD	Effective COD	Time Over-run
Asset-1	29.5.2018	24.4.2017	12.6.2017 (For the Combined Asset as allowed by the Commission vide order dated 23.3.2021 in Petition No. 249/TT/2020)	Nil
Asset-2	29.5.2018	31.8.2017		

- e. The Commission vide order dated 23.3.2021 in Petition No. 249/TT/2020 had trued-up of the transmission tariff with respect to the Asset-1 and Asset-2 for the 2014-19 tariff period and determined the transmission tariff for the Combined Asset (comprising Asset-1 and Asset-2) for the 2019-24 tariff period and the same has been collectively referred to as "Combined Asset" for the 2019-24 & 2024-29 tariff period in the instant Petition.
- f. The Respondents are the distribution licensees, transmission licensees and power departments, which are procuring transmission services from the Petitioner, mainly beneficiaries of the Southern Region.
- g. 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 (hereinafter referred to as "the Act"). No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner.
- h. The hearing in this matter was held on 22.7.2025, and the order was reserved.



- i. This order is passed after considering the submissions made by the Petitioner vide affidavit dated 19.10.2024, affidavit dated 16.7.2025 in response to the technical validation letter, and affidavit dated 12.8.2025 in compliance with the directions passed by the Commission vide Record of Proceedings dated 30.7.2025.
- j. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition in the succeeding paragraphs.

Truing up of Annual Fixed Charges for the 2019-24 tariff period

4. The details of the trued-up transmission charges claimed by the Petitioner with respect to the Combined Asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	15555.63	15658.60	15693.13	15698.39	15699.69
Interest on Loan	13604.49	12013.94	10706.46	9798.98	8798.53
Return on Equity	16665.74	16786.49	16830.35	16836.99	16838.54
Interest on Working Capital	819.33	751.08	688.37	680.95	767.87
O&M Expenses	2987.33	3091.38	3200.29	3314.47	3430.23
Total	49632.52	48301.49	47118.60	46329.78	45534.86

5. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner with respect to the Combined Asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	248.94	257.62	266.69	276.21	285.85
Maintenance Spares	448.10	463.71	480.04	497.17	514.53
Receivables	6102.36	5954.98	5809.14	5711.89	5598.55
Total Working Capital	6799.40	6676.31	6555.87	6485.27	6398.93
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	819.33	751.08	688.37	680.95	767.87

Capital Cost for the 2019-24 Tariff Period

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



7. The Commission vide its order dated 23.3.2021 in Petition No. 249/TT/2020 allowed the capital cost as on 31.3.2019 with respect to the Combined Asset and Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details are as follows:

(₹ in lakh)

Particulars	Capital Cost allowed as on 1.4.2019	ACE admitted	Capital Cost allowed as on 31.3.2024
		2019-24	
Combined Asset	294319.57	2913.70	297233.27

8. The Petitioner has claimed capital cost as on 31.3.2019 with respect to the Combined Asset and actual ACE incurred vide the Auditor Certificate dated 25.9.2024 for the 2019-24 tariff period as under:

(₹ in lakh)

FR Apportioned Approved	Capital Cost claimed as on 1.4.2019	ACE Claimed					Capital Cost claimed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
366202.11	294319.45	2911.05	1375.19	181.57	54.15	0.84	298842.25

9. The Petitioner, vide the Auditor Certificate dated 25.9.2024, has claimed the capital cost up to 31.3.2019 as ₹294375.98 lakh, after adjustment of ₹406.26 lakh expenditure transfer to telecom towards 50% of 24 fibre cable OPGW cost used by telecom w.e.f. 1.4.2019. The Commission vide its TV letter dated 1.7.2025, directed the Petitioner to provide the reconciliation of an element-wise opening capital cost as on 1.4.2019 in a linked Excel format along with the Auditor Certificate. Furthermore, the Petitioner vide affidavit dated 16.7.2025, submitted the reconciliation of an element-wise opening capital cost as on 1.4.2019, along with the Auditor Certificate and the same is as under:



Particulars	Free-hold and	Buildin g and civil works	Transm ission Line	Substa tion	OPGW	Comm unication system excludi ng OPGW	IT	Batter y	Total
Cost as on 31.03.2019 as per Auditor's Certificate	933.41	3752.65	203356.45	84463.78	470.94	734.16	522.64	141.96	294375.99
IDC disallowed	26.11	4.00	0.00	16.78	0.00	0.77	-0.04	0.00	47.62
Initial spares disallowed	5.77	0.00	3.04	0.00	0.00	0.00	0.00	0.00	8.81
Cost allowed as on 31.03.2019	901.54	3748.65	203353.41	84447.00	470.94	733.39	522.68	141.96	294319.57
Initial spares as per revised calculation	0.00	0.00	-0.12	0.00	0.00	0.00	0.00	0.00	-0.12
Capital cost claimed as on 31.03.2019 in the instant petition	901.54	3748.65	203353.29	84447.00	470.94	733.39	522.68	141.96	294319.45

10. We have considered the Petitioner's submission. The capital cost allowed as on 31.3.2019 was ₹294319.57 lakh as per an order dated 23.3.2021 in Petition No. 249/TT/2020, after deducting an expenditure of ₹406.26 lakh (i.e., transfer to telecom towards 50% of the 24 fibre cable OPGW cost used by telecom). We have observed that while allowing the capital cost in the aforesaid order, the Commission had disallowed ₹47.62 lakh towards the IDC (due to computational error) and ₹8.81 lakh towards the Initial Spares. However, the Petitioner has claimed ₹294375.98 w.e.f. 1.4.2019 in the instant Petition, including the disallowed IDC and Initial Spares in the Auditor's Certificate. We have also observed that the Commission, in an order dated 23.3.2021 in Petition No. 249/TT/2020, has already dealt with the issue of IDC during



the truing up for the 2014-19 tariff period. Therefore, the capital cost of ₹294328.36 lakh (excluding the disallowed IDC of ₹47.62 lakh) has been worked out as on 31.3.2019 before an adjustment of excess Initial Spares. The adjustment of Initial Spares is discussed in the succeeding paragraphs.

Initial Spares

11. The Commission vide its order dated 23.3.2021 in Petition No. 249/TT/2020, Initial Spares allowed with respect to the Combined Asset for the 2014-19 tariff period are as follows:

(₹ in lakh)

Assets	Particulars	Plant and Machinery Cost as on cut-off date (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Worked out	Initial Spares Allowed
					$D = [(A-B)*C / (100-C)]$	
Asset-1	Sub-Station (GIS)	61002.91	2495.99	5.00	3079.31	2495.99
Asset-2	Sub-Station (GIS)	20773.36	1123.87	5.00	1034.18	1034.18
Total		81776.27	3619.86		4113.49	3530.17
Asset-1	Transmission Line	106986.00	1125.00	1.00	1069.30	1069.30
Asset-2	Transmission Line	83626.24	789.84	1.00	836.73	789.84
Total		190612.24	1914.84		1906.03	1859.14

12. As per the Appellate Tribunal for Electricity (APTEL) vide its Judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Petitioner has claimed the following Initial Spare for the transmission project as a whole for the 2019-24 tariff period. The details of Initial Spares as claimed by the Petitioner are as under:

(₹ in lakh)

Assets	Particulars	Plant and Machinery Cost as on cut-off date (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Worked out $D = [(A-B)*C / (100-C)]$
Asset-1	Sub-Station (GIS)	61126.97	2495.99	5.00	3085.84



Asset-2	Sub-Station (GIS)	21200.48	1123.87	5.00	1056.66
Total		82327.45	3619.86		4142.50
Asset-1	Transmission Line	107093.29	1125.00	1.00	1070.39
Asset-2	Transmission Line	83507.01	789.84	1.00	835.53
Total		190600.3	1914.84		1905.91

13. However, the Petitioner has submitted the amount of Plant and Machinery Cost and Initial Spares claimed vide the Auditor Certificate dated 25.9.2024 as under:

(₹ in lakh)

Assets	Particulars	Plant and Machinery Cost as on cut-off date (A)	Initial Spares Claimed (B)
Asset-1	Sub-Station (GIS)	61676.23	2495.99
Asset-2	Sub-Station (GIS)	21200.48	1123.87
Total		82876.71	3619.86
Asset-1	Transmission Line	107456.99	1125.00
Asset-2	Transmission Line	83319.79	789.84
Total		190776.78	1914.84

14. The Commission, vide order dated 23.3.2021 in Petition No. 249/TT/2020, held that the Initial Spares were allowed on the basis of the overall project cost in the 2019–24 tariff period when the transmission assets were combined and the overall project cost was determined. The relevant extract of the order is as under:

“23. As per APTEL’s judgement, the Initial Spares are to be allowed individually on the basis of the asset-wise cost and subsequently as a percentage of the overall project cost at the time of truing up. In the present case, though the transmission assets were put into commercial operation during the 2014-19 tariff period, the overall project cost of the assets is arrived at only when the transmission assets are combined while claiming the tariff for the 2019-24 tariff period. Therefore, the Initial Spares are allowed on the basis of the cost of the individual assets in the 2014-19 tariff period and the Initial Spares are allowed on the basis of the overall project cost in the 2019-24 period when the transmission assets are combined and the overall project cost is arrived at.”

15. As per the APTEL’s judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares have to be allowed as per the ceiling on the overall project cost. The relevant extract of the judgment is as under:



“8.13.....We do not agree with this methodology of restricting initial spares asset/element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true-up”

16. We have considered the Petitioner’s submission. In view of the above, the transmission project has been completed during the 2019-24 tariff period. Therefore, the Initial Spares have been allowed on the basis of the overall project cost for the 2019-24 tariff period, with the cut-off date as on 31.3.2020. Accordingly, the details of the Initial allowed for the Combined Asset are as follows:

(₹ in lakh)							
Assets	Particulars	Plant and Machinery Cost as on the cut-off date as per the Auditor Certificate dated 25.9.2024 (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Worked out $D = [(A-B)*C / (100-C)]$	Allowable Initial Spares	Excess Initial Spares
Asset-1	Substation (GIS)	61676.23	2495.99	5%	3114.75		
Asset-2	Substation (GIS)	21200.48	1123.87	5%	1056.66		
Total		82876.71	3619.86		4171.41	3619.86	0.00
Asset-1	T/L	107456.99	1125.00	1%	1074.06		
Asset-2	T/L	83319.79	789.84	1%	833.64		
Total		190776.78	1914.84		1907.70	1907.70	7.14
Grand Total		273653.49	5534.70		6079.11	5527.56	7.14

Capital Cost allowed as on 1.4.2019

17. The details of the capital cost worked out as on 1.4.2019, after adjustment of the total excess Initial Spares are as under:



(₹ in lakh)

Combined opening Capital Cost considered as on 01.4.2019 (before adjustment of Initial Spares) (A)	Excess Initial Spares claimed for the project as a whole (B)	Total Combined Capital Cost as on 1.4.2019 (C)=A-B
294328.36	7.14	294321.22

Additional Capital Expenditure (ACE)

18. The Commission, vide its order dated 23.3.2021 in Petition No. 249/TT/2020, had allowed ACE with respect to the Combined Asset under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations for the 2019-24 tariff period and the same are as under:

(₹ in lakh)

Capital Cost as on 31.3.2019	ACE allowed	Regulation
	2019-24	
Asset-1	2493.29	Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulation.
Asset-2	420.41	
Total	2913.70	

19. The Petitioner has claimed the ACE with respect to the Combined Asset based on the actual expenditure in accordance with Regulations 24(1)(a), 24(1)(b), and 25(1)(d) of the 2019 Tariff Regulations, and the details of the same are as under:

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Undischarged Liability and Payment made towards liability admitted for works within the original scope executed prior to the cut-off date	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulation	2911.05	0.00	0.00	0.00	0.00
Liability for works executed prior to the cut-off date	25(1)(d) of the 2019 Tariff regulation	0.00	1375.19	181.57	54.15	0.84
Total		2911.05	1375.19	181.57	54.15	0.84



20. The Commission, vide its technical validation letter dated 1.7.2025, directed the Petitioner to provide reasons regarding the variation of ₹504.00 lakh between the ACE claimed in the instant Petition for the 2019-24 tariff period and allowed ACE in the earlier Petition No. 249/TT/2020. The Petitioner, vide affidavit dated 16.7.2025, submitted the primary reason for variation in the allowed ACE and the actual ACE and stated that while projecting an estimated ACE, contracts had not been closed, and liabilities had not been finalised and the ACE claimed in the instant Petition is based on the actual payments made by the vendors after the receipt of final invoices, necessary amendments, and reconciliation in accordance with the contractual provisions.

21. The Commission, vide its RoP dated 22.7.2025 again directed the Petitioner to submit detailed justification of variation in the actual ACE of ₹4522.80 lakh which has been claimed in the instant Petition for the 2019-24 tariff period vis-à-vis the projected ACE of ₹2913.70 lakh has been claimed by the Petitioner for the 2019-24 tariff period vide the Commission's order dated 23.3.2021 in Petition No. 249/TT2020.

22. Further, in compliance with the RoP for the hearing dated 22.7.2025, the Petitioner vide affidavit dated 12.8.2025 has submitted that during filing of the earlier Petition No. 249/TT/2020, the ACE related to sub-station works at Nizamabad and Dichpalli had inadvertently underestimated at ₹951.00 lakh, whereas the actual payment made by the contractor amounted to ₹1495.00 lakh, leading to a variation of ₹544.00 lakh. Further, an additional expense of ₹250.00 lakh arose due to billing by M/s TGTRANSCO for the extension of bays at Dichpalli, which has been undertaken on a consultancy basis and invoiced after the filing of the earlier Petition No. 249/TT/2020. Moreover, a balance payment of ₹311.00 lakh due to M/s BHEL was not included earlier owing to the absence of necessary documentation, which was furnished later, and the payment was released.



23. The Petitioner, vide affidavit dated 16.7.2025 and 12.8.2025, has also submitted the Liability Flow Statement for claiming the discharge of liabilities under Regulation 24(1)(a) and 25(1)(d) of 2019 Tariff Regulations for 2019-24 tariff period. The details are as under:

									(₹ in lakh)
Party-Wise	Particulars	Outstanding Liability as on 31.3.2019	Liability Discharge					Outstanding Liability as on 31.3.2024	Additional liability (Unexecuted work)
			2019-20	2020-21	2021-22	2022-23	2023-24		2019-20
Hyosung	Sub-station	889.95	788.33	101.62	0.00	0.00	0.00	0.00	387.47
L&T		182.23	145.78	36.45	0.00	0.00	0.00	0.00	31.68
TBEA		235.53	225.10	10.43	0.00	0.00	0.00	0.00	0.00
Site Package		459.35	371.74	30.50	45.16	11.61	0.34	0.00	0.00
CG Power and Industrial Solution		5.13	5.13	0.00	0.00	0.00	0.00	0.00	0.00
Alstom,		142.49	135.66	6.83	0.00	0.00	0.00	0.00	0.00
ABB		3.53	3.53	0.00	0.00	0.00	0.00	0.00	0.00
BHEL		308.42	0.00	308.42	0.00	0.00	0.00	0.00	0.00
Kalyani Projects, , &	Building & Civil Works	289.20	0.00	258.11	14.36	16.73	0.00	0.00	179.20
Kesha Constructions		311.19	0.00	238.68	47.76	0.00	0.00	24.75	158.96
Other Site Packages,		58.00	0.00	59.73	0.00	0.37	0.00	(2.10)	76.97
TBEA,		25.22	25.22	0.00	0.00	0.00	0.00	0.00	0.00
A.K Gupta & Co.,		37.60	0.00	0.00	19.94	0.00	0.00	17.66	0.00
Pawan Agarwal		16.32	3.71	12.61	0.00	0.00	0.00	0.00	0.00
Girish R. Malani		42.75	12.83	29.92	0.00	0.00	0.00	0.00	0.00
ACIER Profile	Transmission Line	363.70	0.00	273.41	54.35	25.44	0.50	10.00	291.14
Sterlite,		65.87	65.87	0.00	0.00	0.00	0.00	0.00	0.00
Alstom	PLCC and OPGW	8.48	0.00	8.48	0.00	0.00	0.00	0.00	0.00
ZTT India Private Limited		2.73	2.73	0.00	0.00	0.00	0.00	0.00	0.00
Total		3447.69	1785.63	1375.19	181.57	54.15	0.84	50.31	1125.42



24. We have considered the Petitioner's submissions. We observe that the Petitioner has claimed the ACE on account of the discharge of liability and unexecuted work. Therefore, ACE claimed by the Petitioner under Regulation 24(1)(a), 24(1)(b), and 25(1)(d) of the 2019 Tariff Regulations for the 2019-24 tariff period is hereby allowed, and the details of the same are as under:

(₹ in lakh)

Asset	Particulars	Allowed ACE					Total (2019-24)
		2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Asset	Substation (GIS)	2094.42	494.25	45.16	11.61	0.34	2645.78
	Building and Civil work	456.89	599.05	82.06	17.10	0.00	1155.10
	T/L	357.01	273.41	54.35	25.44	0.50	710.71
	PLCC & OPGW	2.73	8.48	0.00	0.00	0.00	11.21
	Total	2911.05	1375.19	181.57	54.15	0.84	4522.80

25. Accordingly, the capital cost allowed as on 31.3.2024 with respect to the Combined Asset is as under:

(₹ in lakh)

Asset	Capital Cost Allowed as on 1.4.2019	Allowed ACE					Capital Cost as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Asset	294321.22	2911.05	1375.19	181.57	54.15	0.84	298844.02

Debt-Equity Ratio

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

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	206024.86	70.00	3165.96	70.00	209190.82	70.00
Equity	88296.36	30.00	1356.84	30.00	89653.20	30.00
Total	294321.22	100.00	4522.80	100.00	298844.02	100.00



Depreciation

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

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

(₹ in lakh)						
	Combined Asset					
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Depreciation					
A	Opening Gross Block	294321.22	297232.27	298607.46	298789.03	298843.18
B	Addition during 2019-24 due to ACE	2911.05	1375.19	181.57	54.15	0.84
C	Closing Gross Block (A+B)	297232.27	298607.46	298789.03	298843.18	298844.02
D	Average Gross Block (A+C)/2	295776.74	297919.86	298698.24	298816.10	298843.60
E	Freehold Land	933.41	933.41	933.41	933.41	933.41
F	Average Capital Cost (90% depreciable assets) (D-E-G)	294320.81	296463.93	297242.31	297360.17	297387.67
G	Average Capital Cost (100% depreciable assets)	522.52	522.52	522.52	522.52	522.52
H	Depreciable Value (excluding IT equipment and software) (F*90%) (D-E-G)	264888.73	266817.54	267518.08	267624.16	267648.90
I	Depreciable Value of IT equipment and software (G*100%)	522.52	522.52	522.52	522.52	522.52
J	Total Depreciable Value (H+I)	265411.25	267340.06	268040.60	268146.67	268171.42
K	Weighted average rate of Depreciation (WAROD) (in %)	5.259	5.255	5.253	5.253	5.253
L	Balance useful life of the asset	31	30	29	28	27
M	Elapsed life at the beginning of the year	1	2	3	4	5
N	Combined Depreciation during the year (D*K)	15553.97	15656.94	15691.48	15696.74	15698.03
O	Cumulative Depreciation at the end of the year	42120.18	57777.12	73468.59	89165.33	104863.36
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	223291.07	209562.94	194572.01	178981.34	163308.06



29. The details of depreciation allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020 with respect to the Combined Asset, depreciation claimed in the instant Petition, and trued-up depreciation approved in the instant order are as follows:

(₹ in lakh)					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020	15546.89	15615.53	15615.53	15615.53	15615.53
Claimed in the instant Petition	15555.63	15658.60	15693.13	15698.39	15699.69
Approved after trued-up in this order	15553.97	15656.94	15691.48	15696.74	15698.03

Interest on Loan (IoL)

30. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio as per the prevailing rate of interest. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved with respect to the Combined Asset is as follows:

(₹ in lakh)						
	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Loan					
A	Gross Normative Loan	206024.86	208062.59	209025.22	209152.32	209190.23
B	Cumulative Repayments up to Previous Year	26566.21	42120.18	57777.12	73468.59	89165.33
C	Net Loan-Opening (A-B)	179458.65	165942.41	151248.11	135683.73	120024.90
D	Additions	2037.74	962.63	127.10	37.91	0.59
E	Repayment during the year	15553.97	15656.94	15691.48	15696.74	15698.03
F	Net Loan-Closing (C+D-E)	165942.41	151248.11	135683.73	120024.90	104327.46
G	Average Loan (C+F)/2	172700.53	158595.26	143465.92	127854.31	112176.18
H	Weighted Average Rate of Interest on Loan (in %)	7.8776	7.5754	7.4630	7.6646	7.8441
I	Interest on Loan (G*H)	13604.67	12014.28	10706.83	9799.58	8799.27



31. The details of IoL allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020 for the Combined Asset, IoL claimed in the instant Petition, and trued-up IoL approved in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020	13709.24	12537.37	11292.73	10045.88	8788.07
Claimed in the instant Petition	13604.49	12013.94	10706.46	9798.98	8798.53
Approved after trued-up in this order	13604.67	12014.28	10706.83	9799.58	8799.27

Return on Equity (RoE)

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

33. The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

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

34. We have considered the Petitioner's submissions and have also gone through the record. We noted that the entities covered under the MAT regime are paying Income



Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the statement of Profit and Loss prepared in accordance with Schedule-II of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates is considered for the purpose of grossing up the rate of RoE:

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

35. Accordingly, the trued-up RoE allowed with respect to the Combined Asset for the 2019-24 tariff period is as follows:



(₹ in lakh)

	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	88296.36	89169.68	89582.24	89636.71	89652.95
B	Additions	873.32	412.56	54.47	16.25	0.25
C	Closing Equity (A+B)	89169.68	89582.24	89636.71	89652.95	89653.20
D	Average Equity (A+C)/2	88733.02	89375.96	89609.47	89644.83	89653.08
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	16665.84	16786.59	16830.45	16837.09	16838.64

36. The details of RoE allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020 for the Combined Asset, RoE claimed in the instant Petition, and trued-up RoE approved for the Combined Asset in the instant order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020	16665.81	16747.90	16747.90	16747.90	16747.90
Claimed in the instant Petition	16665.74	16786.49	16830.35	16836.99	16838.54
Approved after trued-up in this order	16665.84	16786.59	16830.45	16837.09	16838.64

Operation & Maintenance Expenses (O&M Expenses)

37. The Petitioner has claimed the following O&M Expenses in the instant Petition:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2987.33	3091.38	3200.29	3314.47	3430.23

38. We have considered the submissions of the Petitioner. The O&M Expenses allowed for the Combined Asset as per norms specified in the 2019 Tariff Regulations are as follows:



Particulars	Combined Asset				
	2019-20	2020-21	2021-22	2022-23	2023-24
Double Circuit (Twin Conductor)					
400 kV D/C Nizamabad-Dichapli transmission line: (Total Length of Line : 4.43 Km)					
Norms (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
O&M expenses allowed for Sub-stations	3.90	4.04	4.18	4.33	4.48
Double Circuit (Six Conductors)					
765 kV D/C Wardha - Nizamabad transmission line: (Total Length of Line: 289.04 Km) 765 kV D/C Hyderabad (Maheswaram) - Nizamabad transmission line: (Total Length of Line: 243.03 Km)					
Norms (₹ lakh/km)	1.322	1.368	1.416	1.466	1.517
O&M expenses allowed for Sub-stations	703.40	727.87	753.41	780.01	807.15
765 kV Wardha sub-station					
2 Nos. Line Bays for 765 kV D/C Wardha -Nizamabad Transmission line. 2 Nos. 2x240 MVar Switchable Line Reactor Bay.					
Norms (₹ lakh/bay)	45.01	46.60	48.23	49.93	51.68
O&M expenses allowed for Sub-stations	180.04	186.40	192.92	199.72	206.72
765 kV Nizamabad GIS sub-station ICT.					
2x1500 MVA, 765/400 kV ICT					
Norms (₹ lakh/MVA)	0.491	0.508	0.526	0.545	0.564
O&M expenses allowed for Sub-stations	1473.00	1524.00	1578.00	1635.00	1692.00
765 kV GIS sub-station					
Nizamabad Substation.					
2 Nos. Line Bay for 765 kV D/C Wardha - Nizamabad Transmission line. 2 Nos., 765/400 kV 1500 MVA ICT Bay. 2 Nos. Line Bay for 765 kV D/C Nizamabad - Maheswaram Transmission line. 2 Nos. Bays for 2x240 MVar Switchable Line Reactor for Nizamabad- Maheswaram Transmission line circuits. 1 No. 240 MVar Bus reactor Bay 2 Nos. 2x240 MVar Switchable Line reactor bay.					
Hyderabad (Maheswaram) Substation					
2 Nos. Line Bay for Nizamabad - Maheswaram Transmission line. 2 Nos. 2x240 MVar Switchable Line reactor bay					
Norms (₹ lakh/bay)*	31.507	32.62	33.761	34.951	36.176



Particulars	Combined Asset				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses allowed for Sub-stations	472.605	489.30	506.42	524.27	542.64
400 kV sub-station Extension of Dichapli Substation 2 Nos. Line Bay for 400 kV D/C Nizamabad - Dichpalli Transmission line.					
Norms (₹ lakh/bay)	32.15	33.28	34.45	35.66	36.91
O&M expenses allowed for Sub-stations	64.30	66.56	68.90	71.32	73.82
400 kV Nizamabad GIS sub-station 2 Nos. Line Bay for 400 kV D/C Nizamabad - Dichpalli Transmission line. 2 Nos. 765/400 kV 1500 MVA ICT Bay.					
Norms (₹ lakh/bay)*	22.505	23.296	24.115	24.962	25.837
O&M expenses allowed for Sub-stations	90.02	93.18	96.46	99.85	103.35
Total O&M Expenses allowed (₹ in lakh)	2987.26	3091.36	3200.29	3314.50	3430.16

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

39. Accordingly, the details of O&M Expenses allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020, O&M claimed in the instant Petition, and trued-up O&M Expenses approved in the instant order are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020	2987.26	3091.36	3200.29	3314.50	3430.16
Claimed by the Petitioner in the instant Petition	2987.33	3091.38	3200.29	3314.47	3430.23
Approved after trued-up in this order	2987.26	3091.36	3200.29	3314.50	3430.16

Interest on Working Capital (IWC)

40. IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for the FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the FY



2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FY 2021-22 & FY 2022-23 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24. The components of the working capital and interest allowed thereon with respect to the Combined Asset for the 2019-24 tariff period are as follows:

		(₹ in lakh)				
	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Working Capital					
A	Working Capital for O&M Expenses (O&M Expenses for one month)	248.94	257.61	266.69	276.21	285.85
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	448.09	463.70	480.04	497.17	514.52
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	6102.18	5954.82	5808.99	5711.78	5598.44
D	Total Working Capital (A+B+C)	6799.21	6676.14	6555.73	6485.16	6398.81
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	819.30	751.07	688.35	680.94	767.86

41. The details of IWC allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020 for the Combined Asset; IWC claimed in the instant Petition, and trued-up IWC approved in the instant order are as follows:

		(₹ in lakh)				
Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020		820.77	757.30	744.22	731.33	716.61
Claimed in the instant Petition		819.33	751.08	688.37	680.95	767.87
Approved after trued-up in this order		819.30	751.07	688.35	680.94	767.86



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

42. Accordingly, the Annual Fixed Charges allowed after the truing-up for the 2019-24 tariff period with respect to the Combined Asset are as follows:

S. No.	Particulars	Combined Asset				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	15553.97	15656.94	15691.48	15696.74	15698.03
B	Interest on Loan	13604.67	12014.28	10706.83	9799.58	8799.27
C	Return on Equity	16665.84	16786.59	16830.45	16837.09	16838.64
D	O & M Expenses	2987.26	3091.36	3200.29	3314.50	3430.16
E	Interest on Working Capital	819.30	751.07	688.35	680.94	767.86
F	Total (A+B+C+D+E)	49631.04	48300.24	47117.40	46328.85	45533.96

43. The details of AFC allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020 for the Combined Asset, AFC claimed in the instant Petition, and trued-up AFC approved in the instant order are as follows:

Particulars	Combined Asset				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.3.2021 in Petition No. 249/TT/2020	49729.97	48749.44	47600.67	46455.13	45298.26
Claimed in the instant Petition	49632.52	48301.49	47118.60	46329.78	45534.86
Approved after trued-up in this order	49631.04	48300.24	47117.40	46328.85	45533.96

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

44. The Petitioner has claimed the following transmission charges with respect to the Combined Asset for the 2024-29 tariff period:

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	15770.92	15694.86	15699.47	15619.33	15594.21
Interest on Loan	7553.39	6305.39	5060.42	3854.06	2654.79
Return on Equity	16839.98	16841.40	16843.15	16844.91	16844.91
Interest on Working Capital	717.93	704.59	692.66	678.84	669.79
O&M Expenses	2783.83	2931.40	3082.41	3243.69	3419.00
Total	43666.05	42477.64	41378.11	40240.83	39182.70



45. The Petitioner has claimed the following IWC with respect to the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	231.99	244.28	256.87	270.31	284.92
Maintenance Spares	417.57	439.71	462.36	486.55	512.85
Receivables	5383.49	5236.97	5100.19	4945.27	4828.48
Total Working Capital	6033.05	5920.96	5819.42	5702.13	5626.25
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	717.93	704.59	692.51	678.55	669.52

Capital Cost

46. Regulation 19 of the 2024 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 checks in accordance with these regulations shall form the basis for the determination of tariff for existing and new projects.

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating



station but does not include the transportation cost and any other appurtenant cost paid to the railway;

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

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

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

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

(o).....

(p).....

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

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

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

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

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

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

(4) & (5)

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

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

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

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

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

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

(d).....

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



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

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

Asset	Cost as per FR	Expenditure as on 31.3.2024	Projected ACE in 2024-29 Tariff Period	Estimated Completion Cost as on 31.3.2029
			2024-25	
Combined Asset	366202.11	298842.25	50.31	298892.56

*Custom duty refund of ₹2.76 Lakh collected from VIZAG customs and reduced from the additional capital expenditure during FY 2024-25.

48. Furthermore, the Petitioner vide affidavit dated 16.7.2025 has claimed the following capital cost of the Combined Asset during the 2024-29 tariff period as per the revised Auditor Certificate dated 15.7.2025:

Asset	Capital Cost claimed as on 31.3.2024	ACE Claimed						Estimated Completion Cost
		2024-25	2025-26	2026-27 (ACE)	2026-27 (De-cap)	2027-28	2028-29	
Combined Asset	298842.25	50.31	0.00	80.24	(17.92)	0.00	0.00	298954.88

49. We have considered the Petitioner’s submissions. The trued-up capital cost of ₹298844.02 lakh for the Combined Asset as on 31.3.2024 has been considered as the opening capital cost as on 1.4.2024 with respect to the Combined Asset for the 2024-29 tariff period in accordance with Regulation 19(3)(a) of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

50. The Regulations 24 and 25 of the 2024 Tariff Regulations provide as follows:

“24. Additional Capitalisation within the original scope and up to the cut-off date:

(1) The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original



scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

- (a) Undischarged liabilities recognized to be payable at a future date;
- (b) Works deferred for execution;
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;
- (e) Change in law or compliance of any existing law which is not provided for in the original scope of work;
- (f) For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;
Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and
- (g) Force Majeure events:

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

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

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

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

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

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

- (a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the



- provisions of these regulations;*
- (b) *The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;*
 - (c) *The replacement of such asset or equipment is necessary on account of obsolescence of technology; and*
 - (d) *The replacement of such asset or equipment has otherwise been allowed by the Commission.*

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

51. The Petitioner vide affidavit dated 16.7.2025 has claimed a net ACE of ₹112.63 lakh in the 2024-29 tariff period under Regulation 25(1)(d) and 25(2)(a) of the 2024 Tariff Regulations after adjusting the decapitalisation during the 2026-27. The details of the same are as under:

Particulars	Regulation	ACE Claimed		
		2024-25	2026-27 (ACE)	2026-27 (De-cap)
Balance and retention payments for liabilities other than IDC	25(1)(d)	50.31	0.00	0.00
Upgradation of SCADA Systems	25(2)(a)	0.00	80.24	17.92
Total		112.63		

**Custom duty refund of ₹2.76 Lakh collected from VIZAG customs and reduced from capital cost during FY 2024-25.*

52. The Petitioner, vide affidavit dated 16.7.2025, has claimed the net ACE ₹62.32 Lakh (Add Cap of ₹80.24 Lakh and De-Cap of ₹17.92 Lakh) and submitted that the upgradation of the SCADA System at the Nizamabad Sub-station is essential and has sought its consideration under the additional capitalization. The Petitioner has also submitted that the SCADA System is used for real-time monitoring and controlling the sub-stations, and any kind of failure in the system leads to non-visibility of the station at the RLDC level as well as at the remote-control levels, which hampers effective operation of the grid. The OEM has declared that the existing Windows 7-based system has already completed its useful life of 7 years and is no longer supported or provided



with security updates, thereby classifying it as a legacy system, and in accordance with the CEA (Cyber Security in Power Sector) Guidelines, 2021, to ensure security and reliable grid operations. The upgradation of the SCADA System has been proposed under Regulation 25(2)(a) of the CERC 2024 Tariff Regulations.

53. The Petitioner, vide affidavit dated 16.7.2025, has also submitted the details of decapitalization as ₹17.92 lakh associated with the upgradation of SCADA System under Regulation 25(2)(a) of the 2024 Tariff Regulations and the same are as under:

Year of De-capitalization	Equipment to be Capitalized	Year of Capitalization	Original Book Value of Asset being de-capitalized	Debt Equity ratio at the time of capitalization	Cumulative depreciation corresponding to the date of de-capitalization	Cumulative repayment of loan corresponding to the date of de-capitalization
2026-27	765 kV Sub-station Automation	2017-18	10.75	70:30	10.75	7.53
2026-27	400 kV Sub-station Automation	2017-18	7.17	70:30	7.17	5.02

54. We have considered the Petitioner's submissions. We observe that the Petitioner has projected the ACE of ₹50.31 lakh for the FY 2024-25 against the discharge of outstanding liability as on 1.4.2024 under Regulation 25(1)(d) of 2024 Tariff Regulations. Accordingly, the ACE of ₹50.31 lakh has been projected by the Petitioner against the discharge of liability allowed under Regulation 25(1)(d) of the 2024 Tariff Regulation. The Petitioner has also projected the Net ACE of ₹62.32 Lakh (Add Cap of ₹80.24 lakh and De-Cap of ₹17.92 lakh) against the upgradation of SCADA at Nizamabad Sub-station for the FY 2026-27 under Regulation 25(2)(a) of 2024 Tariff Regulation. The Petitioner has contended that the existing SCADA has a Window-7-based system, which is declared obsolete by OEM. The Petitioner has also submitted that the existing SCADA System has completed its useful life of 7 years.



55. The proposed ACE towards the replacement of the existing SCADA System has been claimed beyond the cut-off date. The COD of the Combined Asset is approved as 24.4.2017, and the Combined Asset has completed its 7 years (approx.) of useful life as on 31.3.2024. As per Regulation 2(87) of the 2024 Tariff Regulations, the useful life of the IT System, SCADA and Communication System, excluding OPGW, is 7 years. Therefore, its life span should be 7 years with 15% depreciation as per Appendix-I of the 2024 Tariff Regulations. However, we observe that the ACE claimed by the Petitioner is not covered under Regulation 25(2)(a) of the 2024 Tariff Regulation, as the subject asset has not been fully depreciated as per the Commission's order dated 23.3.2021 in Petition No. 249/TT/2020.

56. Accordingly, in light of the above consideration, the Net ACE of ₹62.32 Lakh (Add Cap of ₹80.24 Lakh and De-Cap of ₹17.92 Lakh) projected by the Petitioner against the upgradation of SCADA at Nizamabad Sub-station allowed provisionally under Regulation 25(2)(c) of 2024 Tariff Regulation. The Petitioner is directed to submit the actual ACE with all the supporting documents at the time of truing up. The ACE allowed for the 2024-29 tariff period is as follows:

Particulars	Regulation	ACE allowed		
		2024-25	2026-27	
			(ACE)	(De-cap)
Balance and retention payments for liabilities other than IDC	25(1)(d) of the 2024 Tariff Regulations	50.31	0.00	0.00
Upgradation of SCADA Systems	25(2)(c) of the 2024 Tariff Regulations	0.00	80.24	(17.92)
Total		112.63		

57. Accordingly, the details of the capital cost allowed as on 31.3.2024 and as on 31.3.2029 for the Combined Asset are as follows:



Asset	Capital Cost admitted as on 31.3.2024	ACE Allowed					(₹ in Lakh)
		2024-25	2025-26	2026-27	2027-28	2028-29	Capital Cost allowed as on 31.3.2029
Combined Asset	298844.02	50.31	0.00	62.32	0.00	0.00	298956.65

Debt-Equity Ratio

58. Regulation 18 of the 2024 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 1.4.2024, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2024 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2024, if the equity actually deployed as on 1.4.2024 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;



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

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2024, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2024 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.

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

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

(₹ in lakh)						
Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	209190.82	70.00	78.85	70.00	209269.66	70.00
Equity	89653.20	30.00	33.79	30.00	89686.99	30.00
Total	298844.02	100.00	112.63	100.00	298956.65	100.00

Depreciation

60. Regulation 33 of the 2024 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 the case of the tariff of all the units of a generating station or all elements of a transmission system including the communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

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



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

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

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

.....

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system, as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4)

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

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

.....

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

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

.....

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

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



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

(10) Xxxxx

(11) Xxxxx

(12) Xxxxx”

61. We have considered the Petitioner’s submissions. WAROD at Annexure-II has been worked out considering the depreciation rates for the Combined Asset specified in the 2024 Tariff Regulations. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and thereafter up to 31.3.2029. Accordingly, the depreciation allowed for the Combined Asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
	Combined Asset					
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation					
A	Opening Gross Block	298844.02	298894.33	298894.33	298956.65	298956.65
B	Addition during 2024-29 due to ACE	50.31	0.00	80.24	0.00	0.00
C	De-capitalization during the year	0.00	0.00	-17.92	0.00	0.00
D	Closing Gross Block (A+B-C)	298894.33	298894.33	298956.65	298956.65	298956.65
E	Average Gross Block (A+D)/2	298869.17	298894.33	298925.49	298956.65	298956.65
F	Freehold Land	933.41	933.41	933.41	933.41	933.41
G	Average Capital Cost (90% depreciable assets) (E-F-H)	297413.24	297438.40	297438.40	297438.40	297438.40
H	Average Capital Cost (100% depreciable assets)	522.52	522.52	553.68	584.84	584.84
I	Depreciable Value (excluding IT equipment and software) (G*90%)	267671.92	267694.56	267694.56	267694.56	267694.56
J	Depreciable Value of IT equipment and software (H*100%)	522.52	522.52	553.68	584.84	584.84
K	Total Depreciable Value (I+J)	268194.44	268217.08	268248.24	268279.40	268279.40
L	Weighted average rate of Depreciation (WAROD) (in %)	5.276	5.250	5.251	5.224	5.216
M	Balance useful life of the asset	26	25	24	23	22
N	Elapsed life at the beginning of the year	6	7	8	9	10
O	Combined Depreciation during the year (E*L)	15769.33	15693.17	15697.89	15617.52	15592.53



Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
P	Cumulative Depreciation at the Beginning of the Period	104863.36	120632.69	136325.86	152005.83	167623.34
Q	Less Adj. of Cumulative Depreciation pertaining to De-capitalized asset	0.00	0.00	17.92	0.00	0.00
R	Cumulative Depreciation at the end of the period	120632.69	136325.86	152005.83	167623.34	183215.87
S	Remaining Aggregate Depreciable Value at the end of the year(K-R)	147561.75	131891.22	116242.41	100656.05	85063.53

Interest on Loan (IoL)

62. Regulation 32 of the 2024 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 gross normative loans for the calculation of interest on loans.

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

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

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

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

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

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

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



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

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

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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	209190.82	209226.00	209226.00	209270.00	209270.00
B	Cumulative Repayments up to the Previous Year	104863.36	120633.00	136326.00	152011.00	167629.00
C	Net Loan-Opening (A-B)	104327.46	88593.30	72900.20	57258.50	41640.90
D	Additions	35.22	0.00	56.17	0.00	0.00
E	Adjustment of gross loan pertaining to de- capitalized asset	0.00	0.00	12.54	0.00	0.00
F	Repayment during the year	15769.33	15693.17	15697.89	15617.52	15592.53
G	Adjustment of cumulative repayment pertaining to the de-capitalized asset	0.00	0.00	12.54	0.00	0.00
H	Net Loan-Closing (C+D-E-F+G)	88593.35	72900.17	57258.45	41640.93	26048.40
I	Average Loan (C+H)/2	96460.40	80746.76	65079.31	49449.69	33844.67
J	Weighted Average Rate of Interest on Loan (in %)	7.8314	7.8100	7.7774	7.7963	7.8480
K	Interest on Loan (I*J)	7554.20	6306.32	5061.48	3855.25	2656.13

Return on Equity (RoE)

64. Regulations 30 and 31 of the 2024 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 for existing project shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station and at the base rate of 16.50% for storage type hydro generating stations, pumped storage hydro generating stations and run-of- river generating station with pondage;

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

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

.....”

“31. Tax on Return on Equity. (1) The rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the concerned generating company or the transmission licensee by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon.

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

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

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

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



(3) The generating company or the transmission licensee, as the case may be, shall true up the effective tax rate for every financial year based on actual tax paid together with any additional tax demand, including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2024-29 on actual gross income of any financial year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid for the generating company or the transmission licensee, as the case may be.

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, the generating company or the transmission licensee, as the case may be, shall true up the grossed-up rate of return on equity at the end of every financial year with the applicable MAT rate including surcharge and cess.

Provided that in case a generating company or transmission licensee is paying tax under Section 115BAA, the generating company or the transmission licensee, as the case may be, shall true up the grossed-up rate of return on equity at the end of every financial year with the tax rate including surcharge and cess as specified under Section 115BAA.

Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on a year-to-year basis.”

65. The Petitioner has submitted that the MAT rate is applicable to the Petitioner. Accordingly, the applicable MAT rate has been considered for the purpose of RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed with respect to the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	89653.20	89668.30	89668.30	89686.99	89686.99
B	Additions	15.09	0.00	24.07	0.00	0.00
C	Decrease due to De-capitalization	0.00	0.00	5.38	0.00	0.00
D	Closing Equity (A+B-C)	89668.30	89668.30	89686.99	89686.99	89686.99
E	Average Equity (A+D)/2	89660.75	89668.30	89677.64	89686.99	89686.99
F	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
G	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
H	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
I	Return on Equity (E*H)	16840.08	16841.50	16843.26	16845.01	16845.01



Operation & Maintenance Expenses (O&M Expenses)

66. The O&M Expenses claimed by the Petitioner with respect to the Combined Asset for the 2024-29 period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	2783.83	2931.40	3082.41	3243.69	3419.00

67. Regulation 36(3)(a) of the 2024 Tariff Regulations provide as under:

“36. Operation and Maintenance Expenses:

...

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24



Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
HVDC bipole scheme (₹ Lakh per MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

.....”

68. We have considered the Petitioner's submissions. The O&M Expenses for the 2024-29 tariff period have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations, and the same is as follows:

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Double Circuit (Twin Conductor)					
400 kV D/C Nizamabad - Dichapli transmission line: (Total Length of Line : 4.43 Km)					
Norms (₹ lakh/km)	0.861	0.906	0.953	1.003	1.056
O&M expenses allowed	3.81	4.01	4.22	4.44	4.68
Double Circuit (Six Conductors)					
765 kV D/C Wardha - Nizamabad transmission line: (Total Length of Line: 289.04 Km) 765 kV D/C Hyderabad (Maheswaram) - Nizamabad transmission line: (Total Length of Line: 243.03 Km)					
Norms (₹ lakh/km)	1.291	1.359	1.430	1.506	1.585



Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M expenses allowed	686.90	723.08	760.86	801.30	843.33
765 kV Wardha sub-station 2 Nos. Line Bays for 765 kV D/C Wardha - Nizamabad Transmission line. 2 Nos. 2x240 MVar Switchable Line Reactor Bay.					
Norms (₹ lakh/bay)	41.34	43.51	45.79	48.20	50.73
O&M expenses allowed	165.36	174.04	183.16	192.80	202.92
765 kV Nizamabad sub-station 2x1500 MVA, 765/400 kV ICT					
Norms (₹ lakh/MVA)	0.262	0.276	0.290	0.305	0.322
O&M expenses allowed	786.00	828.00	870.00	915.00	966.00
765 kV GIS sub-station Nizamabad Substation. 2 Nos. Line Bay for 765 kV D/C Wardha - Nizamabad Transmission line. 2 Nos. 765/400 kV 1500 MVA ICT Bay. 2 Nos. Line Bay for 765 kV D/C Nizamabad- Maheswaram Transmission line. 2 Nos. Bays for 2x240 MVar Switchable Line Reactor for Nizamabad - Maheswaram Transmission line circuits. 1 No. 240 MVar Bus reactor Bay 2 Nos. 240 MVar Switchable Line reactor bay.					
Hyderabad (Maheswaram) Substation 2 Nos. Line Bay for Nizamabad - Maheswaram Transmission line. 2 Nos. 2x240 MVar Switchable Line reactor bay					
Norms (₹ lakh/bay) *	28.938	30.457	32.053	33.740	35.511
O&M expenses allowed	434.07	456.86	480.80	506.10	532.67
400 kV sub-station Extension of Dichapli Substation 2 Nos. Line Bay for 400 kV D/C Nizamabad - Dichpalli Transmission line.					
Norms (₹ lakh/bay)	29.53	31.08	32.71	34.43	36.23
O&M expenses allowed for Sub-stations	59.06	62.16	65.42	68.86	72.46
400 kV Nizamabad GIS sub-station 2 Nos. Line Bay for 400 kV D/C Nizamabad - Dichapli Transmission line. 2 Nos., 765/400 kV 1500 MVA ICT Bay.					
Norms (₹ lakh/bay) *	20.671	21.756	22.897	24.101	25.361
O&M expenses allowed for Sub-stations	82.68	87.02	91.59	96.40	101.44
765 kV sub-station Reactor Nizamabad Substation.					



Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
2 Nos., 240 MVAR Switchable Line Reactor for Nizamabad - Maheswaram Transmission line circuits. 1 No. 240 MVAR Bus reactor 2 Nos. 240 MVAR Switchable Line reactor. Hyderabad (Maheswaram) Substation 2 Nos. 240 MVAR Switchable Line reactor for Nizamabad - Maheswaram Transmission line circuits. Wardha Substation 2 Nos. 240 MVAR Switchable Line reactor					
Norms (₹ lakh/MVAR)	0.262	0.276	0.290	0.305	0.322
O&M expenses allowed for Sub-stations	565.92	596.16	626.40	658.80	695.52
Total O&M Expenses allowed (₹ in lakh)	2783.81	2931.34	3082.44	3243.70	3419.02

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

Interest on Working Capital (IWC)

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

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

.....

(d) For Hydro generating station (including Pumped Storage Hydro generating station) and Transmission System:

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

(2)

(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024- 29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at Reference Rate of Interest as on 1st April of each of the financial year



during the tariff period 2024-29.

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

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

71. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period with respect to the Combined Asset are as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	231.98	244.28	256.87	270.31	284.92
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	417.57	439.70	462.37	486.56	512.85
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	5383.40	5236.88	5101.36	4947.58	4830.72
D	Total Working Capital (A+B+C)	6032.95	5920.86	5820.60	5704.44	5628.49
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	717.92	704.58	692.65	678.83	669.79

Annual Fixed Charges of the 2024-29 Tariff Period

72. The Annual Fixed Charges allowed with respect to the Combined Assets for the 2024-29 tariff period are as follows:



(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	15769.33	15693.17	15697.89	15617.52	15592.53
Interest on Loan	7554.20	6306.32	5061.48	3855.25	2656.13
Return on Equity	16840.08	16841.50	16843.26	16845.01	16845.01
O & M Expenses	2783.81	2931.34	3082.44	3243.70	3419.02
Interest on Working Capital	717.92	704.58	692.65	678.83	669.79
Total	43665.34	42476.91	41377.72	40240.31	39182.48

Filing Fee and Publication Expenses

73. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

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



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

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

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

License Fee and RLDC Fees and Charges

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

Goods and Services Tax

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



80. 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

81. The Petitioner has not claimed any Security Expenses regarding the Combined Asset in the instant Petition. The Petitioner has submitted that a separate Petition will be filed for truing up of Security Expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations.

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

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

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



“36(3)

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

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

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

85. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering the Petitioner's submissions, the Petitioner is allowed to file a single consolidated Petition comprising security expenses, capital spares individually costing more than ₹10 lakh and insurance expenses on an estimated basis as per the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

86. The Petitioner has submitted that the transmission charges for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers. Further, the tariff for the 2024-29 tariff period will be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations.

87. We have considered the Petitioner's submissions. The billing, collection, and disbursement of the transmission charges for the Combined Asset shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of



the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

88. To Summarise,

- i) The trued-up AFC claimed by the Petitioner and approved in the instant order with respect to the Combined Asset for the 2019-24 tariff period are as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	49632.52	48301.49	47118.60	46329.78	45534.86
AFC Approved	49631.04	48300.24	47117.40	46328.85	45533.96

- ii) The AFC claimed by the Petitioner and allowed in the instant order with respect to the Combined Asset for the 2024-29 tariff period are as follows:

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the instant Petition	43666.05	42477.64	41378.11	40240.83	39182.70
Allowed in the instant order	43665.34	42476.91	41377.72	40240.31	39182.48

89. Annexure(s) to this order form part of the order.

90. This order disposes of Petition No. 271/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



Annexure-I:

2019-24	Admitted Capital Cost as on 31.3.2019	Admitted ACE						Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
Capital Expenditure		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Freehold Land	933.41	0.00	0.00	0.00	0.00	0.00	0.00	933.41	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	3751.67	456.89	599.05	82.06	17.10	0.00	1155.10	4906.77	3.34	132.94	150.57	161.94	163.60	163.89
Transmission Line	203319.47	357.01	273.41	54.35	25.44	0.50	710.71	204030.18	5.28	10744.69	10761.34	10769.99	10772.10	10772.78
Sub-Station Equipments	84589.25	2094.42	494.25	45.16	11.61	0.34	2645.78	87235.03	5.28	4521.61	4589.95	4604.19	4605.69	4606.00
PLCC	1204.90	2.73	8.48	0.00	0.00	0.00	11.21	1216.11	6.33	76.36	76.71	76.98	76.98	76.98
IT Equipment	522.52	0.00	0.00	0.00	0.00	0.00	0.00	522.52	15.00	78.38	78.38	78.38	78.38	78.38
Total	294321.22	2911.05	1375.19	181.57	54.15	0.84	4522.80	298844.02		15553.98	15656.95	15691.48	15696.75	15698.03
										Average Gross Block (₹ in lakh)	295777	297920	298698	298816
										Weighted Average Rate of Depreciation %	5.2587	5.2554	5.2533	5.2530



Annexure-II:

2024-29	Admitted Capital Cost as on 31.3.2024	Projected ACE						Admitted Capital Cost as on 31.3.2029 (₹ in lakh)	Rate of Depreciation as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
Capital Expenditure		2024-25	2025-26	2026-27	2027-28	2028-29	Total			2024-25	2025-26	2026-27	2027-28	2028-29
Freehold Land	933.41	0.00	0.00	0.00	0.00	0.00	0.00	933.41	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	4906.77	42.41	0.00	0.00	0.00	0.00	42.41	4949.18	3.34	164.59	165.30	165.30	165.30	165.30
Transmission Line	204030.18	10.00	0.00	0.00	0.00	0.00	10.00	204040.18	5.28	10773.06	10773.32	10773.32	10773.32	10773.32
Sub-Station Equipments	87093.11	-2.10	0.00	0.00	0.00	0.00	-2.10	87091.01	5.28	4598.46	4598.41	4598.41	4598.41	4598.41
OPGW	473.60	0.00	0.00	0.00	0.00	0.00	0.00	473.60	6.33	29.98	29.98	29.98	29.98	29.98
PLCC	742.51	0.00	0.00	0.00	0.00	0.00	0.00	742.51	15.00	111.38	111.38	111.38	24.99	0.00
Battery	141.92	0.00	0.00	0.00	0.00	0.00	0.00	141.92	9.50	13.48	13.48	13.48	13.48	13.48
IT Equipment	522.52	0.00	0.00	62.32	0.00	0.00	62.32	584.84	15.00	78.38	1.30	6.02	12.04	12.04
Total	298844.02	50.31	0.00	62.32	0.00	0.00	112.63	298956.65		15769.33	15693.17	15697.89	15617.52	15592.53
									Average Gross Block (₹ in lakh)	298869.17	298894.33	298925.49	298956.65	298956.65
									Weighted Average Rate (%) of Depreciation %	5.276	5.250	5.251	5.224	5.216

