

**Central Electricity Regulatory Commission  
New Delhi**

**Petition No. 274/TT/2025**

**Coram:**

**Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member**

**Date of Order: 28.03.2025**

**In the matter of:**

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and Regulations 15(1)(a) and 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 transmission tariff of the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for "50 MVA Auto Transformer at Malda in Eastern Region".

**And in the matter of:**

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

**...Petitioner**

**Vs.**

- 1. Bihar State Power (Holding) Company Limited,**  
(Formerly Bihar State Electricity Board-BSEB)  
Vidyut Bhawan, Bailey Road,  
Patna - 800001, Bihar.
- 2. West Bengal State Electricity Distribution Company Limited,**  
Bidyut Bhawan, Bidhan Nagar,  
Block DJ, Sector-II, Salt Lake City,  
Kolkata - 700091, West Bengal.
- 3. Grid Corporation of Orissa Limited,**  
Shahid Nagar, Bhubaneswar - 751007, Odisha.
- 4. Damodar Valley Corporation,**  
DVC Tower, Maniktala,  
Civic Centre, VIP Road,  
Kolkata - 700 054, West Bengal.

5. **Power Department, Government of Sikkim,**  
Gangtok - 737101, Sikkim.

6. **Jharkhand Bijli Vitran Nigam Limited,**  
Engineering Building, H.E.C., Dhurwa,  
Ranchi - 834004, Jharkhand.

...Respondents

**Parties Present** : Shri Mohd Mohsin, PGCIL,  
Shri VC Sekhar, PGCIL,  
Shri Angaru Naresh, PGCIL,  
Shri Vishal Sagar, PGCIL,  
Shri Suchitra Rani Gautam, PGCIL,  
Shri Vivek kumar Singh, PGCIL,  
Shri Amit Yadav, PGCIL,  
Shri Anshul Garg, PGCIL,  
Shri Abhijit Daimari, PGCIL,  
Shri Arjun Malhotra, PGCIL.

### **ORDER**

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) for truing up of transmission tariff for the 2019-24 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and for the determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period in respect of the Asset namely 50 MVA Auto Transformer at Malda (hereinafter referred to as “the transmission asset”) in the Eastern Region.”

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 13 & 14 above.*

b) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any*

application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 13 & 14 above for respective block.

Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long-term customers / DIC, as and when the same materialized as per regulation 67 of 2019 and regulation 89 of 2024 tariff regulation. The petitioner may be allowed to recover the deferred tax liability materialized directly without making any application before the commission as provided in the regulations.

c) 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.

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

e) 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.

f) Allow the petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 20 above.

g) Allow the petitioner to claim the insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 20 above.

h) Allow the petitioner to claim the capital spares as per actual as mentioned at Para 20.

i) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 21 above.

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

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

## **Background**

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

(a) The capital cost of ₹ 283.46 lakh based on Gross Fixed Assets was considered by the Government of India for the transmission asset covered

in the instant Petition. The Petitioner has built the transmission asset in the Eastern Region and put under commercial operation w.e.f. 1.9.1995.

- (b) The Petitioner has filed the present Petition for truing up of transmission tariff for the 2019-24 and determination of transmission tariff for the 2024-29 tariff period for below asset in the Eastern Region:

<b>Asset No.</b>	<b>Asset Name</b>	<b>COD</b>	<b>Remarks</b>
1	50 MVA Auto Transformer at Malda	1.9.1995	Earlier covered in 311/TT/2019;

- (c) The transmission tariff for the period from 1.9.1995 to 31.3.2001 was notified by the Commission, vide its order dated 31.7.2002 in Petition No. 67/2000. The transmission tariff for the period from 1.4.2001 to 31.3.2004 was determined, vide order dated 30.6.2003 in Petition No. 64/2002; for the period from 1.4.2004 to 31.3.2009 in order dated 23.11.2005 in Petition No. 120/2004; and for the period from 1.4.2009 to 31.3.2014, vide order dated 13.4.2011 in Petition No. 103/2010. The transmission tariff for the 2009-14 period was trued up and transmission tariff for the period from 1.4.2014 to 31.3.2019 was determined vide, order dated 26.11.2015 in Petition No. 239/TT/2014.
- (d) Based on the APTEL judgment dated 22.1.2007 and 13.6.2007 in Appeal Nos. 81/2005 and 139/2006 respectively, the Commission, vide order dated 27.1.2021 in Petition No. 311/TT/2019, has revised the transmission tariff for the 2001-04, 2004-09 and 2009-14, trued up the transmission tariff for the 2014-19 and determined the AFC for the 2019-24 Tariff Period.

4. The Respondents include Distribution Licensees, Power Departments, and Transmission Licensees that receive transmission services from the Petitioner, primarily beneficiaries of the Eastern Region.

5. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (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. None of the Respondents have filed any reply in the matter despite notice.

6. The hearing in the matter was held on 13.3.2025 and the order was reserved.

7. The Commission, vide Record of Proceedings (RoP) dated 13.3.2025, directed the Petitioner to submit a copy of the Investment Approval (IA). In compliance with the RoP dated 13.3.2025, the Petitioner vide affidavit dated 21.3.2025 has submitted that it has installed and commissioned 50 MVA Auto Transformer at Malda Sub-station in Eastern Region w.e.f. 1.9.1995 and its transmission tariff for the period from 1.9.1995 to 31.3.2001 was notified by the Commission vide its order dated 31.7.2002 in Petition number 67/2000. The transmission tariff from 1.4.2001 to 31.3.2004 was determined vide order dated 30.6.2003 in Petition No. 64/2002; for the period from 1.4.2004 to 31.3.2009 in order dated 23.11.2005 in Petition No. 120/2004; and for the period from 1.4.2009 to 31.3.2014 vide order dated 13.4.2011 in Petition No. 103/2010. The tariff for the 2009-14 period was trued up and tariff for the period from 1.4.2014 to 31.3.2019 was determined vide order dated 26.11.2015 in Petition No.239/TT/2014.

8. The Petitioner, further submitted that revision of transmission tariff for 2001-04, 2004-09 and 2009-14 tariff periods and truing up of the transmission tariff of the period of the 2014-19 tariff period and for determination of the tariff of the 2019-24 tariff period have been approved by the Commission vide order dated 27.01.2021 in Petition No. 311/TT/2019. Since the asset is very old, the copy of the Investment Approval is not readily available, however, they are making efforts to trace the same and shall be submitted. The Petitioner also prayed, that the project had been subjected to scrutiny by the Commission on more than one occasion therefore, the same may be carried out based on earlier approved orders.

9. Further, in compliance to the RoP dated 13.3.2025, the Petitioner submitted vide affidavit dated 21.3.2025 that 01 No. 220/132 KV, 50 MVA ICT has been upgraded to 160 MVA ICT under ERSS-XX package at Malda Substation. The 50 MVA ICT was commissioned on 01.09.1995 and removed from service on 30.09.2019. The bays for 50MVA ICT have been utilized for 160 MVA in ERSS-XX project. The Debt: Equity ratio as on 31.03.2019 is 50:50 and the same debt: equity ratio has been considered for de-capitalization. The details are as follows:

(₹ in lakh)

Financial Year	Date/ Year of Decapitalization	De-cap amount	Debt	Equity	Cumulative repayment	Cumulative Depreciation
2021-22	30.09.2019	137.06	68.53	68.53	68.53	123.35

10. This order is being issued considering the Petitioner's submissions in the Petition vide affidavits dated 28.11.2024 and 21.3.2025. None of the Respondents have filed any reply despite notice.

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

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

12. The Commission, vide order dated 27.1.2021 in Petition No. 311/TT/2019 had allowed the following transmission charges for the transmission asset for the 2019-24 tariff period and the same is as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	7.39	0.00	0.00	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	24.53	14.72	14.72	14.72	14.72
Interest on working Capital	2.70	2.35	2.42	2.50	2.58
O&M Expenses	50.84	52.64	54.50	56.39	58.40
<b>Total</b>	<b>85.46</b>	<b>69.71</b>	<b>71.64</b>	<b>73.61</b>	<b>75.70</b>

13. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset for the 2019-24 period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	7.39	0.00	0.00	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	18.10	8.25	8.25	8.25	8.25
Interest on working Capital	2.33	1.74	1.68	1.73	2.05
O&M Expenses	44.68	39.94	41.35	42.79	44.30
<b>Total</b>	<b>72.50</b>	<b>49.93</b>	<b>51.28</b>	<b>52.77</b>	<b>54.60</b>

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

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	3.72	3.33	3.45	3.57	3.69
Maintenance Spares	6.70	5.99	6.20	6.42	6.65
Receivables	8.91	6.16	6.32	6.51	6.71
<b>Total Working Capital</b>	<b>19.33</b>	<b>15.48</b>	<b>15.97</b>	<b>16.50</b>	<b>17.05</b>
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
<b>Interest on Working Capital</b>	<b>2.33</b>	<b>1.74</b>	<b>1.68</b>	<b>1.73</b>	<b>2.05</b>

### **Capital Cost for the 2019-24 Tariff Period**

15. The Commission, vide order dated 27.1.2021 in Petition No. 311/TT/2019, trued-up the tariff for the 2014-19 period and granted the tariff for the 2019-24 tariff period. The capital cost of ₹ 283.46 lakh, on Gross Fixed Asset basis, has been

approved by the Commission for the transmission asset as on 31.3.2019 and the same has been considered as opening capital cost as on 1.4.2019 for the purpose of truing-up of transmission tariff for the 2019- 24 period in accordance with Regulation 19 of the 2019 Tariff Regulations in the instant Petition.

16. The Petitioner in the instant truing up Petition has submitted that 50 MVA ICT was replaced/ augmented by a 160 MVA ICT on dated 30.9.2019 in ERSS –XX project. (160 MVA was commissioned on 01.10.2019 in ERSS-XX and filed in Petition No: 09/TT/2023). The 50 MVA ICT had completed its service life of 24 years. When the subject ICT removed from the system, it has remaining 1 year of commercial life remaining. However, due to growing load demand in and around Malda Substation, the existing size of the ICT become insufficient and as per the deliberation in the 18<sup>th</sup> Standing committee meeting of ER vide agenda point no- 26, respective constituent confirmed, for upgradation of existing 50 MVA ICT by 160 MVA ICT. Thereafter, vide 162nd OCC meeting of ERPC, against point no-B15, all constituents also clarified that there is no requirement of the subject ICT in any of the ongoing system. Reference MOM attached for convenience.

17. Further, it is submitted that as there are no ICT of same rating available in the Eastern Region, there is no need to maintain it as a regional spare. At the time of replacement, the 50 MVA ICT had severe oil leakage problems and high value of furan and winding tan delta. All the major gaskets had become brittle and needed replacement. So, repairing of the old and out of service ICT is a costly work. Last DGA results also indicate DGA violation and as such, to keep the ICT in ready to use condition, the capital cost involvement is very high. As mentioned above there is no need for further capital infusion as the said ICT has no proposed offered services in future. The subject ICT has already completed 24 Years of service and further after



removal of service it has also completed considerable amount of time. Therefore, the subject ICT may be considered for retirement.

**De-capitalization:**

18. The Petitioner has submitted that at Malda Substation, 01 No 220/132 KV, 50 MVA ICT has been upgraded to 160 MVA ICT under ERSS-XX package. The 50 MVA ICT was commissioned on 1.9.1995 and removed from service on 30.9.2019. The bays for 50MVA ICT have been utilized for 160 MVA in ERSS-XX project. The Debt: Equity ratio is 50:50 as on 31.3.2019 and the same debt: equity ratio has been considered for de-capitalization. The detail of de-capitalization as submitted by the Petitioner is as follows:

(₹ in lakh)						
Financial Year	Date/ Year of Decapitalization	De-cap amount	Debt	Equity	Cumulative repayment	Cumulative Depreciation
2021-22	30.9.2019	137.06	68.53	68.53	68.53	123.35

19. We have considered the submissions of the Petitioner. Regulation 19(5) of the 2019 Tariff Regulations is extracted as under:

**“19. Capital cost:**

.....  
 (5) 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 replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

20. We have considered the submissions of the Petitioner. The Petitioner has deliberated the issue of replacement of 50 MVA ICT at Malda Sub-station in 18<sup>th</sup> SCM of ER and 162<sup>nd</sup> OCC meeting of ERPC.

21. The relevant extracts of the Minutes of 18<sup>th</sup> Standing Committee Meeting on Power System Planning of Eastern Region same are as follows:

**“26.0 Replacement of 220/132kV, 1x50MVA ICT at Malda**

26.1 Director (PSPA-2) stated that POWERGRID has informed that presently, there are 220/132kV, 2x160 MVA+1x50 MVA ICTs at Malda S/s. During the last summer, a peak demand to the tune of 270 MVA was observed against an installed transformation capacity of 370 MVA and 50 MVA ICT, which is 20 years old, is getting heavily loaded during summer and tripping of any 220/132kV ICT would lead to cascaded tripping. Accordingly, POWERGRID has proposed replacement of 50 MVA transformer with 200 MVA transformer.

26.2 WBSETCL stated that they are planning to shift some load incident on Malda 220/132 kV S/s and thus 160 MVA, 220/132 kV ICT would be sufficient for catering the load with N-1 contingency. Due to urgent requirement of replacement of the transformer, WBSETCL proposed to provide 160 MVA transformer, till the time POWERGRID arranges the same.

26.3 In view of increased loading at Malda S/s, members agreed the proposal for replacement of existing 50 MVA, 220/132 kV ICT at Malda with new 160 MVA, 220/132 kV ICT along with suitable modifications in bay equipment. 26.4 Further, regarding WBSETCL proposal for shifting 220/132 kV, 160 MVA transformer from their site to Malda S/s for interim period till POWERGRID procures the new 160MVA ICT, WBSETCL will coordinate with POWERGRID. However, WBSETCL will bear the cost of installation of 220/132 kV, 160 MVA (sourced from WBSETCL) ICT at Malda S/s for the interim period.”

22. The relevant extracts of the Minutes of Minutes of 162<sup>nd</sup> OCC Meeting, held on 22<sup>nd</sup> October, 2019 are is as follows:

**“Item No. B.15: Utilization of old 50 MVA ICT-IV at Malda SS—Powergrid**  
Under ERSS-XX package, 01 No 220/132 KV, 50 MVA ICT has been upgraded by 160 MVA ICT at Malda S/S. As off now the transformer is kept at respective S/S. If any constituents require the same the transformer may be refurbished for future use otherwise POWERGRID will decide alternatives. The old ICT was commissioned way back in 1995 and removed from service w.e.f. 24.07.2019.

Members may discuss.

Deliberation in the meeting

OCC advised all the constituents to submit the requisition to Powergrid in case they need 50 MVA, 220/132kV ICT.

West Bengal requested OCC to give them 7 days of time and they would revert back about the requirement of the spare 50 MVA ICT.

**Thereafter, WBSETCL confirmed that they don't need the 50 MVA spare ICT.”**

23. Taking into consideration of the above minutes of 18<sup>th</sup> SCM of ER and minutes of 162<sup>nd</sup> OCC, it is observed that 50 MVA ICT has been upgraded by 160 MVA ICT at

Malda S/S and the replaced 50 MVA ICT was not approved as Regional Spare and the 50 MVA ICT was removed from service w.e.f. 24.7.2019.

24. As per Regulations 19(5)(a) of the 2019 tariff Regulations, the assets forming part of the project, but not in use shall be excluded from the capital cost of the existing project. The Petitioner also submitted that the subject ICT has already completed 24 years of service and the instant ICT may be considered for retirement. We are of the view that the 50 MVA ICT removed from service w.e.f. 24.7.2019 and the Petitioner is not entitled tariff from 24.7.2019 due to the fact that the ICT not in use and the capital cost of the asset is excluded from 24.7.2019 instead of 30.9.2019.

25. The Petitioner has claimed the date of de-capitalisation as 30.9.2019, but the ICT is not in use and removed from service from 24.7.2019 and OCC and SCM also did not approve the same as Regional Spare, therefore, the date of de-capitalisation is considered as 24.7.2019.

### **Additional Capital Expenditure**

26. The Petitioner has not claimed any Additional Capital Expenditure (ACE) for the 2019-24 in respect of the transmission asset for the 2019-24 tariff period in the instant true-up Petition.

27. We have considered the Petitioner's submissions. The capital cost allowed for the transmission asset is as follows:

(₹ in lakh)			
Apportioned Approved Cost as per FR/RCE	Expenditure as on 31.3.2019	Expenditure during 2019-24 Tariff Block	Actual Capital Cost as on 31.3.2024
283.46	283.46	(-)137.06	146.40

28. The Petitioner has replaced 50 MVA ICT with 160 MVA ICT and has claimed the tariff for the 160 MVA ICT in Petition No.9/TT/2023 which is currently reserved for order. In the instant true-up petition, the Petitioner has claimed the true-up of the tariff

for the 2019-24 period and the tariff for the 2024-29 period for the ICT bays, and has de-capitalized the 50 MVA ICT from the instant project. It is observed that the Petitioner has utilized these existing ICT bays for the 160 MVA ICT (with a CoD of 1.10.2019), which is covered in Petition No. 9/TT/2023. We are of the view that the tariff for the 160 MVA ICT along with the ICT bays should be claimed in one petition to avoid the determination of the tariff for the ICT in one petition and the ICT bays in another petition. Therefore, we direct the Petitioner to de-capitalize the ICT bays from the instant project and re-capitalize with the ICT 160 MVA ICT at Malda Substation, while filing the true-up for the 2024-29 tariff period

### **Debt-Equity Ratio**

29. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of the tariff of the transmission asset for the 2019-24 tariff period is as follows:

Funding	Capital Cost as on 1.4.2019		ACE during the period 2019-24		Capital Cost as on 31.3.2024	
	(₹in lakh)	(in %)	(₹in lakh)	(in %)	(₹in lakh)	(in %)
Debt	* 130.62	50	(-) 63.16	50	67.46	50
Equity	* 130.62	50	(-) 63.16	50	67.46	50
<b>Total</b>	<b>* 261.24</b>	<b>100.00</b>	<b>(-) 126.32</b>	<b>100</b>	<b>134.92</b>	<b>100</b>

\* As considered in order dated 27.1.2021 in Petition No. 311/TT/2019, based on Net Fixed Asset basis. Debt, Equity and total includes Rs.63.16 lakh, Rs.63.16 lakh and Rs.126.32 lakh towards ICT.

30. Further, considering the first proviso to Regulation 18(3) of the 2019 Tariff Regulations the equity to be considered for the purpose of tariff as on 1.4.2020 works out to Rs.40.48 lakh (i.e. Rs.67.46 lakh x 30% / 50%). Accordingly, the gross normative loan of Rs.67.46 lakh and net equity of Rs.40.48 lakh has been considered for the purpose of tariff as on 1.4.2020.

## Depreciation

31. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 and thereafter up to 31.3.2024. Since the asset has already completed 12 years of life as on 1.4.2019, the depreciation for the period 2019-20 has been calculated by spreading the balance depreciable value as on 1.4.2019 over the remaining useful life of 1 year. Depreciation for ICT has been worked out separately for the period upto date of de-capitalisation i.e. 24.7.2019.

32. The depreciation allowed in respect of the transmission asset for the 2019-24 period is as follows:

(₹ in lakh)

S. No.	Particulars	ICT	Other Assets				
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening capital cost	137.06	146.40	146.40	146.40	146.40	146.40
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00	0.00
C	Closing capital cost (A+B)	137.06	146.40	146.40	146.40	146.40	146.40
D	Average capital cost (A+C)/2	137.06	146.40	146.40	146.40	146.40	146.40
E	Average capital cost (90% depreciable assets)	137.06	146.40	146.40	146.40	146.40	146.40
F	Average capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00	0.00
F1	Value of Freehold land	0.00	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	123.35	131.76	131.76	131.76	131.76	131.76
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00	0.00
I	Total depreciable value (G+H)	123.35	131.76	131.76	131.76	131.76	131.76
J	WAROD	Spread over	Spread over				
K	Elapsed useful life at the beginning of the year	24.00	24.00	25.00	26.00	27.00	28.00
L	Balance useful life at the beginning of the year	1.00	1.00	0.00	0.00	0.00	0.00
M	Remaining depreciable value (before providing depreciation for the year) (I - 'Q' of preceding period)	3.58	3.82	0.00	0.00	0.00	0.00
N	<b>Depreciation during the year (D*J)</b>	<b>3.58</b>	<b>3.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
N1	<b>Depreciation during the year (Pro-rata)</b>	1.12	3.82	0.00	0.00	0.00	0.00

O	Cumulative depreciation at the end of the year	120.90	131.76	131.76	131.76	131.76	131.76
P	Cumulative depreciation adjustment due to de-capitalisation	120.90	0.00	0.00	0.00	0.00	0.00
Q	Net cumulative depreciation at the end of the year (O-P)	<b>0.00</b>	<b>131.76</b>	<b>131.76</b>	<b>131.76</b>	<b>131.76</b>	<b>131.76</b>

33. The details of depreciation allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019, depreciation claimed in the instant Petition, and trued-up depreciation allowed for the transmission asset in the instant order are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019	7.39	0.00	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	7.39	0.00	0.00	0.00	0.00
Allowed after truing-up in this order (including ICT)	4.94	0.00	0.00	0.00	0.00

### Interest on Loan (IoL)

34. The Petitioner has claimed the 'nil' value of IoL for the tariff period 2019-24, normative loan balance being 'nil'. Accordingly, the Petitioner has not furnished Weighted Average Rate of Interest (WAROI) applicable during the tariff period 2019-24. The IoL has been calculated in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the transmission asset is as follows:

S.No.	Particulars	(₹ in lakh)					
		ICT	Other Assets				
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	63.16	67.46	67.46	67.46	67.46	67.46
B	Cumulative Repayments up to Previous Year	63.16	67.46	67.46	67.46	67.46	67.46
C	Net Loan-Opening (A-B)	0.00	0.00	0.00	0.00	0.00	0.00
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	0.00	0.00	0.00	0.00	0.00	0.00
E1	Repayment adjustment due to decapitalization of asset	0.00	0.00	0.00	0.00	0.00	0.00

S.No.	Particulars	ICT	Other Assets				
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
E2	Net Repayment of Loan (E - E1)	0.00	0.00	0.00	0.00	0.00	0.00
F	Net Loan-Closing (C+D-E2)	0.00	0.00	0.00	0.00	0.00	0.00
G	Average Loan (C+F)/2	0.00	0.00	0.00	0.00	0.00	0.00
H	Weighted Average Rate of Interest on Loan (in %)	0.00	0.00	0.00	0.00	0.00	0.00
I	<b>Interest on Loan (G*H)</b>	0.00	0.00	0.00	0.00	0.00	0.00

35. The details of IoL allowed vide order 27.1.2021 in Petition No. 311/TT/2019, IoL claimed in the instant Petition and trued-up IoL allowed the instant order in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019	0.00	0.00	0.00	0.00	0.00
Claimed by the Petitioner in the instant Petition	0.00	0.00	0.00	0.00	0.00
Allowed after truing-up in this order (including ICT)	0.00	0.00	0.00	0.00	0.00

### **Return on Equity (RoE)**

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

37. The Petitioner has further submitted that it is liable to pay income tax at 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 (in %) [(Base Rate)/(1-t)]
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

38. We have considered the Petitioner's submissions and have also gone through the record. We observe 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 the 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 of the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. The 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 considered 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 are considered for the purpose of grossing up the rate of RoE:



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

39. Accordingly, the trued-up RoE allowed in respect of the transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)

S. No.	Particulars	ICT	Other Asset				
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	63.16	67.46	* 40.48	40.48	40.48	40.48
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	63.16	67.46	40.48	40.48	40.48	40.48
D	Average Equity (A+C)/2	63.16	67.46	40.48	40.48	40.48	40.48
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in%)	17.472	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	18.782
H	<b>Return on Equity (D*G)</b>	<b>11.86</b>	<b>12.67</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>
I	<b>Return on Equity (Pro-rata)</b>	<b>3.73</b>	<b>12.67</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>

\* As dealt at Para no. 31 above.

40. The details of RoE allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019, RoE claimed in the instant Petition, and trued-up RoE allowed for the transmission 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 27.1.2021 in Petition No. 311/TT/2019	24.53	14.72	14.72	14.72	14.72
Claimed by the Petitioner in the instant Petition	18.10	8.25	8.25	8.25	8.25
Allowed after truing-up in this order (including ICT)	16.40	7.60	7.60	7.60	7.60

## Operation & Maintenance Expenses (O&M Expenses)

41. The Commission vide order dated 27.1.2021 in Petition No. 311/TT/2019 has allowed the following O&M Expenses with respect to the transmission asset for the 2019-24 period:

O&M Expenses	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
	50.84	52.64	54.50	56.39	58.40

42. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses with respect to the transmission asset for the 2019-24 period

O&M Expenses	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
	44.68	39.94	41.35	42.79	44.30

43. The Petitioner in the instant true up Petition has claimed the O&M expenses in respect of 50 MVA ICT upto 30.9.2019. However, O&M for the bays is continued.

44. We have considered the Petitioner's submission. It is observed that the decapitalization of 50 MVA ICT is considered as 24.07.2019. Therefore, the O&M of 50 MVA ICT is granted from 1.04.2019 to 24.07.2019. The O&M Expenses claimed by the Petitioner in the instant true-up Petition are as per Regulation 35(3) of the 2019 Tariff Regulations. The O&M Expenses has been worked out as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Sub stations: 220 kV Bays</b> <ul style="list-style-type: none"><li>1 No 220 kV ICT-IV Bay at Malda Sub-station.</li></ul>					
<b>Norms as per Regulations (Rs. Per bay)</b>	22.51	23.3	24.12	24.96	25.84
<b>O&amp;M Expenses</b>	<b>22.51</b>	<b>23.3</b>	<b>24.12</b>	<b>24.96</b>	<b>25.84</b>
<b>Sub stations: 132 kV Bays</b> <ul style="list-style-type: none"><li>1 No 132 kV ICT-IV Bay at Malda Sub-station.</li></ul>					
<b>Norms per Regulations (Rs. Per bay)</b>	16.08	16.64	17.23	17.83	18.46

<b>O&amp;M Expenses</b>	16.08	16.64	17.23	17.83	18.46
<b>Sub-stations: 220 kV ICT</b>					
• 1 No. of 50 MVA ICT at Malda Sub-station					
<b>Norms: 220 kV ICT (Rs. Per MVA)</b>	0.245	0.254	0.263	0.272	0.282
<b>O&amp;M Expenses*</b>	3.82*	-	-	-	-
<b>Total O&amp;M Expenses allowed</b>	<b>42.41</b>	<b>39.94</b>	<b>41.35</b>	<b>42.79</b>	<b>44.30</b>

*\*upto 24.07.2019 i.e., date of de-capitalization*

45. Accordingly, the O&M Expenses approved vide order dated 27.1.2021 in Petition No. 311/TT/2019, O&M Expenses claimed in the instant Petition, and trued-up O&M Expenses allowed in respect of the transmission asset in the instant order are as follows:

<b>Particulars</b>	<b>(₹ in lakh)</b>				
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019	50.84	52.64	54.50	56.39	58.40
Claimed by the Petitioner in the instant Petition.	44.68	39.94	41.35	42.79	44.30
Allowed after truing-up in this order (including ICT)	42.41	39.94	41.35	42.79	44.30

### **Interest on Working Capital (IWC)**

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

47. The components of the working capital and interest allowed thereon for the transmission asset are as follows:

(₹ in lakh)

S. No.	Particulars	ICT	Other Assets				
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M expenses for one month)	1.01	3.22	3.33	3.45	3.57	3.69
B	Working Capital for Maintenance Spares (15% of O&M expenses)	1.82	5.79	5.99	6.20	6.42	6.65
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	3.49	7.01	6.07	6.24	6.43	6.63
D	<b>Total Working Capital (A+B+C)</b>	<b>6.32</b>	<b>16.01</b>	<b>15.39</b>	<b>15.89</b>	<b>16.41</b>	<b>16.97</b>
E	Rate of Interest for working capital (in %)	12.05	12.05	11.25	10.50	10.50	12.00
F	<b>Interest on working capital (D*E)</b>	<b>0.76</b>	<b>1.93</b>	<b>1.73</b>	<b>1.67</b>	<b>1.72</b>	<b>2.04</b>
G	<b>Interest on working capital (Pro-rata)</b>	<b>0.24</b>	<b>1.93</b>	<b>1.73</b>	<b>1.67</b>	<b>1.72</b>	<b>2.04</b>

48. The details of IWC Expenses allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019, IWC claimed in the instant Petition, and trued-up IWC allowed in the instant order in respect of the transmission asset are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019	2.70	2.35	2.42	2.50	2.58
Claimed by the Petitioner in the instant Petition	2.33	1.74	1.68	1.73	2.05
Allowed after truing-up in this order (including ICT)	2.17	1.73	1.67	1.72	2.04

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

49. Accordingly, the Annual Fixed charges allowed after truing-up for the 2019-24 tariff period in respect of the transmission asset (including for pro-rata tariff for ICT) is as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	4.94	0.00	0.00	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00

Return on Equity	16.40	7.60	7.60	7.60	7.60
Interest on Working Capital	2.17	1.73	1.67	1.72	2.04
O&M Expenses	42.41	39.94	41.35	42.79	44.30
<b>Total</b>	<b>65.92</b>	<b>49.27</b>	<b>50.62</b>	<b>52.12</b>	<b>53.94</b>

50. The details of annual transmission charges allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019, annual transmission charges claimed in the instant Petition and trued-up annual transmission charges allowed in the instant order in respect of the transmission asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 27.1.2021 in Petition No. 311/TT/2019	85.46	69.71	71.64	73.61	75.70
Claimed by the Petitioner in the instant Petition	72.50	49.93	51.28	52.77	54.60
<b>Allowed after truing-up in this order</b>	<b>65.92</b>	<b>49.27</b>	<b>50.62</b>	<b>52.12</b>	<b>53.94</b>

### **DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2024-29 TARIFF PERIOD**

51. The Petitioner has claimed the following transmission charges for the transmission asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	8.25	8.25	8.25	8.25	8.25
Interest on working Capital	1.69	1.78	1.86	1.95	2.05
O&M Expenses	36.45	38.36	40.38	42.50	44.71
<b>Total</b>	<b>46.39</b>	<b>48.39</b>	<b>50.49</b>	<b>52.70</b>	<b>55.01</b>

### **Capital Cost**

52. Regulation 19 of the 2024 Tariff Regulations provides as follows:

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

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

(a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*

- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;
  - (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
  - (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
  - (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
  - (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
  - (g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
  - (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
  - (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
  - (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
  - (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
  - (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
  - (m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;
  - (n) Expenditure on account of change in law and force majeure events; and
  - (o) .....
  - (p) .....
- (3) The Capital cost of an existing project shall include the following:
- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
  - (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
  - (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
  - (d) to (h) .....
  - (i) Expenditure on account of change in law and force majeure events;
- (4) .....
- (5) .....
- (6) The following shall be excluded from the capital cost of the existing and new projects:
- (a) The assets forming part of the project but not in use, as declared in the tariff petition;
  - (b) De-capitalised Assets after the date of commercial operation on account of obsolescence;
  - (c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

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

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

*(d) .....*

*(e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and  
(f) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project that does not carry any liability of repayment.”*

53. The capital cost approved as on 31.3.2024 in accordance with Regulation 19(3) of the 2024 Tariff Regulations is ₹ 146.40 lakh and the same is considered as the opening capital cost for the transmission asset as on 1.4.2024 for the determination of transmission tariff for the 2024-29 period.

### **Additional Capital Expenditure**

54. The Petitioner has not claimed ACE in respect of the transmission asset for the 2024-29 tariff period.

55. Therefore, the detail of the capital cost allowed as on 31.3.2024 and as on 31.3.2029 is as follows:

(₹ in lakh)			
Apportioned approved cost as per FR/RCE	Expenditure as on 31.3.2024	Expenditure during 2024-29 tariff period	Actual capital cost as on 31.3.2029
		2024-29	
283.46	146.40	0.00	146.40

### **Debt Equity Ratio**

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

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

*Provided that:*

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*

- ii. *the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:*
- iii. *any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

*Explanation- The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilized 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 the approval of the competent authority in other cases regarding the 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 the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:*

*Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;*

*Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 96 of these regulations.*

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

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

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

57. The debt-equity ratio for the 2024-29 tariff period is dealt with in line with Regulation 18 of the 2024 Tariff Regulations. Accordingly, the debt-equity ratio



considered for the purpose of computation of tariff for the 2024-29 period for the transmission asset are as follows:

Funding	Capital Cost as on 1.4.2024		ACE during the period 2024-29	Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)		(₹ in lakh)	(in %)
Debt	67.46	50	0.00	67.46	50
Equity	67.46	50	0.00	67.46	50
<b>Total</b>	<b>134.92</b>	<b>100.00</b>	<b>0.00</b>	<b>134.92</b>	<b>100.00</b>

58. Further, as stated at Para No. 31 above, the gross normative loan of ₹.67.46 lakh and net equity of ₹.40.48 lakh has been considered for the purpose of tariff as on 1.4.2024.

### **Depreciation**

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

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

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

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

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

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

.....

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

*(4) .....*

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

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

*.....*

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

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

*.....*

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

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

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

*.....”*

60. The Petitioner has not claimed depreciation for the tariff period 2024-29, the remaining depreciable value as on 1.4.2024 is 'nil', the same is in order and no depreciation is allowed during the tariff period 2024-29.

## **Interest on Loan (IoL)**

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

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

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

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

62. The Petitioner has not claimed IoL during the tariff period 2024-29, the normative loan balance being 'nil'. Accordingly, IoL, has been considered as 'nil' for the tariff period 2024-29.

### **Return on Equity (RoE)**

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

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

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

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

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

*Provided further that:*

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

*.....”*

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

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

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

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

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

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

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

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

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

64. The Petitioner has submitted that the MAT rate applies to it.

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

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	40.48	40.48	40.48	40.48	40.48
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	40.48	40.48	40.48	40.48	40.48
D	Average Equity (A+C)/2	40.48	40.48	40.48	40.48	40.48

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (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	<b>Return on Equity (D*G)</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>

### **Operation and Maintenance Expenses (O&M Expenses)**

66. The O&M Expenses claimed by the Petitioner in respect of the transmission asset for the 2024-29 tariff period are as follows:

O&M Expenses	(₹ in lakh)				
	2024-25	2025-26	2026-27	2027-28	2028-29
	36.45	38.36	40.38	42.50	44.71

67. Regulation 36(3) of the 2024 Tariff Regulations provides as follows:

**“36. Operation and Maintenance Expenses:**

.....

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Norms for sub-station Bays (Rs Lakh per bay)</b>					
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
<b>Norms for Transformers/Reactors (Rs Lakh per MVA or MVAR)</b>					
O&M expenditure per MVA or per MVAR (Rs Lakh per MVA or per MVAR)	0.262	0.276	0.290	0.305	0.322
<b>Norms for AC and HVDC lines (Rs Lakh per km)</b>					
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 or more 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)	0.246	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
<b>Norms for HVDC stations</b>					
HVDC Back-to-Back stations (Rs Lakh per MW)	2.07	2.18	2.30	2.42	2.55
Gazuwaka BTB (Rs Lakh/MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (Rs Lakh/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  $\pm 500$  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 as per the norms specified in the 2024 Tariff Regulations. The O&M Expenses approved for the transmission asset for the 2024-29 tariff period as per Regulation 36 of the 2024 Tariff Regulations are as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Sub-stations: 220 kV Bays</b>					
• 1 No 220 kV ICT-IV Bay at Malda Sub-station.					
<b>Norms as per Regulations (Rs. Per bay)</b>	20.67	21.75	22.9	24.1	25.36
<b>O&amp;M Expenses</b>	<b>20.67</b>	<b>21.75</b>	<b>22.9</b>	<b>24.1</b>	<b>25.36</b>
<b>Sub-stations: 132 kV Bays</b>					
• 1 No 132 kV ICT-IV Bay at Malda Sub-station.					



<b>Norms per Regulations (Rs. Per bay)</b>	15.78	16.61	17.48	18.4	19.35
<b>O&amp;M Expenses</b>	15.78	16.61	17.48	18.4	19.35
<b>Total O&amp;M Expenses allowed</b>	<b>36.45</b>	<b>38.36</b>	<b>40.38</b>	<b>42.50</b>	<b>44.71</b>

### **Interest on Working Capital (IWC)**

69. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations provides 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.*

.....

*(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 has been worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The Rate of Interest (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 in respect of the transmission asset is as under:

		(₹ in lakh)				
Sl. No	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M expenses for one month)	3.04	3.20	3.37	3.54	3.73
B	Working Capital for Maintenance Spares (15% of O&M expenses)	5.47	5.75	6.06	6.38	6.71
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	5.64	5.88	6.14	6.40	6.70
D	<b>Total Working Capital (A+B+C)</b>	<b>14.14</b>	<b>14.83</b>	<b>15.57</b>	<b>16.32</b>	<b>17.13</b>
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	<b>Interest on working capital (D*E)</b>	<b>1.68</b>	<b>1.77</b>	<b>1.85</b>	<b>1.94</b>	<b>2.04</b>

### **Annual Fixed Charges for the 2024-29 Tariff Period**

72. The transmission charges allowed in respect of the transmission asset for the 2024-29 tariff period are as follows:

		(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	
Depreciation	0.00	0.00	0.00	0.00	0.00	
Interest on Loan	0.00	0.00	0.00	0.00	0.00	
Return on Equity	7.60	7.60	7.60	7.60	7.60	
O&M Expenses	36.45	38.36	40.38	42.50	44.71	
Interest on Working Capital	1.68	1.77	1.85	1.94	2.04	
<b>Total</b>	<b>45.74</b>	<b>47.73</b>	<b>49.83</b>	<b>52.04</b>	<b>54.35</b>	

### **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 fees 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 an 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 an additional O&M

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

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

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

84. The Petitioner has not claimed capital spares for the transmission 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.

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

“36(3)....

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

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

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

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

### **Sharing of Transmission Charges**

87. The billing, collection, and disbursement of transmission charges 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 summarize:

- a) The trued-up Annual Fixed Charges (AFC) approved in respect of the transmission asset (including pro-rata ICT) for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	72.50	49.93	51.28	52.77	54.60
AFC Approved	65.92	49.27	50.62	52.12	53.94

- b) The AFC allowed in respect of the transmission asset for the 2024-29 tariff period are as follows:

Particulars	(₹ in lakh)				
	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	46.39	48.39	50.49	52.70	55.01
AFC Allowed	45.74	47.73	49.83	52.04	54.35

89. This order disposes of Petition No. 274/TT/2025 in terms of the above discussions and findings.

**sd/-  
(Harish Dudani)  
Member**

**sd/-  
(Ramesh Babu V.)  
Member**

