

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 299/TT/2024

Coram:

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

Date of Order: 22.12.2025

In the matter of:

Petition for approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, for the determination of the transmission tariff from the COD to 31.3.2024 for the asset: Conversion of existing 50 MVAR Fixed Line Reactors on each circuit of Parli (PG)-Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors under “Transmission System for evacuation of power from RE projects in wind energy zones in Osmanabad area of Maharashtra (1 GW): Conversion of 50 MVAR Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors” in the Western Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur- 482008.**
- 2. Madhya Pradesh Audyogik Kendra,
Vikas Nigam (Indore) Limited, 3/54, Press Complex,
Agra-Bombay Road, Indore-452008.**
- 3. Maharashtra State Electricity Distribution Company Limited,
Hong Kong Bank Building, 3rd Floor,
M.G. Road, Fort, Mumbai-400001.**



4. **Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390007.
 5. **Electricity Department,**
Government of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001.
 6. **Electricity Department,**
Administration of Daman & Diu,
Daman-396210.
 7. **DNH Power Distribution Corporation Limited,**
Vidyut Bhawan, 66 kV Road,
Near Secretariat Amli, Silvassa-396230.
 8. **Chhattisgarh State Power Distribution Company Limited,**
P.O. Sunder Nagar, Dangania,
Raipur- 492013 (Chhattisgarh).
 9. **Kallam Transmission Limited,**
(A Consortium of IndiGrid 1 Limited and IndiGrid 2 Limited),
Unit No. 101, 1st Floor, Windsor Village,
Kolekalyan Off CST Road, Vidhyanagari Marg,
Santacruz (East), Mumbai- 400098 (Maharashtra).
- ...Respondents**

For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Ashish Alankar, PGCIL
Shri Yatin Kalra, PGCIL
Shri Divyanshu Mishra, PGCIL

For Respondents: None

ORDER

The Petitioner, Power Grid Corporation of India Limited (PGCIL), has filed this Petition to determine the transmission tariff from the Date of Commercial Operation (COD) to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) with respect to asset ‘Conversion of existing 50 MVAR Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end



into Switchable Line Reactors' (hereinafter referred to as "the transmission asset") under "Transmission System for evacuation of power from RE projects in Wind Energy Zones in Osmanabad area of Maharashtra (1 GW): Conversion of 50 MVA Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors" in the Western Region (hereinafter referred to as "the transmission project").

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

- 1) *"Approve the DOCO as claimed in the instant petition.*
- 2) *Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para – 7 above.*
- 3) *Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.*
- 4) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to a change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8 above for respective block.*
- 5) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on the publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of the petition.*
- 6) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 7) *Allow the petitioner to bill and adjust the impact on Interest on Loan due to a change in the Interest rate on account of floating rate of interest applicable during the 2019-24 period, if any, from the beneficiaries.*
- 8) *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 the 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.*
- 9) *Allow interim tariff in accordance with Regulation 10(3) of Central Electricity*



Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the purpose of inclusion in the PoC charges.

and pass such other relief as the 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:

- (i) The scheme of the transmission project was approved in the 2nd WRSCT meeting held on 21.5.2019 and in the 38th WRPC meeting held on 28.6.2019. Thereafter, the Ministry of Power (MoP), vide Office Memorandum (OM) dated 23.1.2020, assigned the transmission asset to the Petitioner for implementation under the Regulated Tariff Mechanism (RTM).
- (ii) The Investment Approval (the IA) for the transmission project was accorded by the Chairman and Managing Director (CMD) of the Petitioner on 16.5.2022 and circulated vide Memorandum dated 17.5.2022 with an estimated cost of ₹241 lakh, including an Interest During Construction (IDC) of ₹6 lakh, based on the December 2021 price level.
- (iii) Further, the Petitioner submitted the Revised Cost Estimates (RCE) for the transmission project, for which the approval was accorded by the CMD on 8.5.2024 and circulated vide Memorandum dated 13.5.2024 with an estimated cost of ₹261.26 lakh, including the IDC of ₹8 lakh based on the October 2023 price level.
- (iv) As per the IA dated 17.5.2022, the scope of work covered under the transmission project is as follows:



Substation:

- a) 400 kV Parli (PG) Substation Extension - Conversion of 50 MVAR Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors;
 - b) 2 nos. 400 kV Switchable Line Reactor Bays.
- (v) The entire scope of work covered under the transmission project has been completed by the Petitioner and is covered in the instant Petition.
- (vi) The Petitioner proposed the COD of the transmission asset as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations due to the delay in commissioning the associated transmission system, i.e., the LILO of both circuits of Parli (PG) – Pune (GIS) 400 kV D/C Line at Kallam PS under the scope of M/s Kallam Transmission Limited (a consortium of IndiGrid 1 Limited and IndiGrid 2 Limited) (hereinafter referred to as “KTL”). The details of the Scheduled Date of Commercial Operation (SCOD), COD, and time overrun of the transmission asset are as follows:

Asset Name	SCOD	COD	Delay
Conversion of existing 50 MVAR Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors.	27.6.2023	27.6.2023*	Nil

**Claimed under Regulation 5(2) of the 2019 Tariff Regulations*

4. The Respondents, mainly the beneficiaries of the Western Region, are the Distribution Licensees, Transmission Licensees, and Power Departments, which are procuring transmission services from the Petitioner.
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 (hereinafter referred to as “the Act, 2003”). No comments or suggestions have been received from the general public in response to the above notice published in the newspapers by the Petitioner.

6. The hearing in the matter was held on 29.5.2025 and 19.8.2025, and the order was reserved on 19.8.2025. None of the Respondents has filed their reply in the matter.

7. This order is being issued considering the Petitioner’s submissions in the Petition vide affidavit dated 17.11.2023 and the subsequent affidavits dated 26.5.2025 and 15.7.2025.

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

DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

9. The Petitioner has claimed the following transmission charges for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 279 days)
Depreciation	7.94
Interest on Loan	7.59
Return on Equity	8.47
Interest on Working Capital	2.80
O&M Expenses	56.27
Total AFC	83.07

10. The Petitioner has claimed the following Interest on Working Capital (IWC) for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 279 days)
O&M Expenses	6.15
Maintenance Spares	11.07



Particulars	2023-24 (pro-rata for 279 days)
Receivables	13.40
Total Working Capital	30.62
Rate of Interest (in %)	12.00
Interest on Working Capital	2.80

Date of Commercial Operation (“COD”)

11. The Petitioner has submitted that, as per the IA dated 17.5.2022, the transmission asset was scheduled to be commissioned within 18 months from the date of the transfer of the Special Purpose Vehicle (SPV) for the Tariff Based Competitive Bidding (TBCB) scope of works, i.e., by 27.6.2023. The Petitioner has claimed the COD of the transmission asset as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations, since the Petitioner completed its scope of work within the scheduled time; however, there has been a delay in commissioning the LILO of both circuits of Parli (PG) – Pune (GIS) 400 kV D/C Line at Kallam PS, executed by KTL under TBCB.

12. To support the COD of the transmission asset, the Petitioner has submitted the Central Electricity Authority (CEA) Energisation Certificates, WRDLC Trial-run Certificate, CMD Letter, and Notice issued by the Petitioner to KTL in accordance with Regulation 5(2) of the 2019 Tariff Regulations.

13. Further, in response to the Commission’s Technical Validation (TV) Letter dated 9.5.2025, the Petitioner has submitted an affidavit dated 26.5.2025 stating that the downstream transmission system being executed by KTL, i.e., the LILO of both circuits of Parli (PG) – Pune (GIS) 400 kV D/C Line at Kallam PS under TBCB, was completed on 6.2.2024.

Analysis and Decision on the COD

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

“5. Date of Commercial Operation: (1) *The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and*



associated communication system shall be determined in accordance with the provisions of the Grid Code.

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

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

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

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

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

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

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



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

15. We have considered the Petitioner’s submissions and have gone through the documents placed on record. In support of the COD claimed, the Petitioner has submitted the CEA Energisation Certificates dated 16.3.2023 and 7.4.2023 in respect of the individual switchable line reactor bay equipment, WRLDC Charging Certificate dated 5.6.2023 certifying the successful completion of the trial operation for the two bays on 30.3.2023 and 19.4.2023, the CMD Certificate, and one month’s Notice dated 26.4.2023 issued by the Petitioner to KTL as per Regulation 5(2) of the 2019 Tariff Regulations.

16. Further, the CEA Energization Certificates for the two bays dated 16.3.2023 and 7.4.2023, the Notice dated 26.4.2023, and the CMD Certificate submitted by the Petitioner in support of the COD claimed under Regulation 5(2) of the 2019 Tariff Regulations are as under:





Approval for Energisation

(under Regulation 43 of CEA(Measures relating to Safety and Electric Supply), Regulations,2010)

**Kind Attention:Mr. VIJAY MAHANT
400/220KV PARLI SUBSTATION,
AMBAJOGAI ,DISTRICT BEED,
MAHARASHTRA-431517**

Subject: Approval for Energisation of 420kV Circuit Breaker in Bay 406 in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 under regulation 43 of Central Electricity Authority (Measures relating to Safety and Electric Supply), Regulations 2010 (as amended till date).

Reference:

1. Your online Application No: A/2023/11319 Dated: 03/04/2023(NSWS ID:478564)
2. Form III submitted by 400/220 kV PGCIL Parli Substation

Whereas the inspection of 420kV Circuit Breaker in Bay 406 in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 was carried out on 05th April 2023 by the undersigned.

The Approval for energisation of 420kV Circuit Breaker in Bay 406 in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 is here by accorded subject to consistent compliance of relevant provisions of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010(as amended till date) by M/s PGCIL.

The List of Equipment Inspected are given below:

S.No	Name	Make	Serial No	Rating	Quantity
1	406-52R Circuit Breaker	Siemens	36855	420kV,4000A,63kA	01

The apparatus /Installations shown above shall be due for periodical inspection under regulation 30 after **two years** from the date of this inspection. This periodicity is subject to change by government notification.

P. Peddi Reddy

(P Peddi Reddy)
Deputy Director
For Chief Electrical Inspector
to the Govt. of India

Copy to: Chief Engineer (EI), Central Electricity Authority, 3rd Floor, NRPC Building, Katwaria Sarai, New Delhi





Government of India
Central Electricity Authority
Regional Inspectorial Organisation
Ground Floor, WRPC Building, F-3, MIDC Area
Marol, Andheri (East), Mumbai 400 093



ISO: 9001:2008

Email id: rlowestcea@nic.in

Ph: 022 - 28211003

No. WRIO/MH/Parli/PGCIL/A-11179/2023-0690-91

Dated: 16 MAR 2023

Approval for Energisation

(under Regulation 43 of CEA(Measures relating to Safety and Electric Supply), Regulations,2010)

Kind Attention:Mr. VIJAY MAHANT
400/220KV PARLI SUBSTATION,
AMBAJOGAI ,DISTRICT BEED,
MAHARASHTRA-431517

Subject: Approval for Energisation of 420kV Circuit Breaker in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 under regulation 43 of Central Electricity Authority (Measures relating to Safety and Electric Supply), Regulations 2010 (as amended till date).

Reference:

1. Your online Application No: A/2023/11179 Dated: 10/03/2023(NSWS ID:477862)
2. Form III submitted by 400/220 kV PGCIL Parli Substation

Whereas the inspection of 420kV Circuit Breaker in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 was carried out on 11th March 2023 by the undersigned.

The Approval for energisation of 420kV Circuit Breaker in the premises of 400/220KV PARLI SUBSTATION, AMBAJOGAI ,DISTRICT BEED, MAHARASHTRA-431517 is here by accorded subject to consistent compliance of relevant provisions of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010(as amended till date) by M/s PGCIL.

The List of Equipment Inspected are given below:

S.No	Name	Make	Serial No	Rating	Quantity
1	403-52R Circuit Breaker	Siemens	36854	420kV,4000A,63kA	01

The apparatus /Installations shown above shall be due for periodical inspection under regulation 30 after two years from the date of this inspection. This periodicity is subject to change by government notification.

P. Peddi Reddy
16/03/23

(P Peddi Reddy)
Deputy Director
For Chief Electrical Inspector
to the Govt. of India



**Certificate as per CERC Tariff Regulations 2019
And
CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016
(For Inter State Transmission System)**

It is to certify that the assets listed in below table, under the project "**Transmission System for Evacuation of Power from RE Projects in Wind Energy Zones in Osmanabad area of Maharashtra (1GW): Conversion of 50 MVAR Fixed Line Reactor on each circuit of Parli (PG)-Pune (GIS) 400kV D/C Line at Parli (PG) end into Switchable Line Reactors**" meets the following requirements for declaration of commercial operation.

"The assets along with the associated communication system confirm to the relevant Grid Standard and Grid Code and are capable of operation to their full capacity w.e.f. successful completion of trial operation as below:"

Sl. No.	Name of Asset	Date of completion of trial operation
1	400kV Line Reactor of Parli (PG)-Pune (GIS) circuit 1 at Parli(PG) substation as Switchable Line Reactor	30.03.2023 21:16 Hrs
2	400kV Line Reactor of Parli (PG)-Pune (GIS) circuit 2 at Parli (PG) substation as Switchable Line Reactor	19.04.2023 20:26 Hrs



(K Sreekant)
Chairman and Managing Director



पावर ग्रीड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)

आई.एस.ओ. 9001 : 2015 प्रमाणित कंपनी • ISO 9001 : 2015 Certified Company
महाराष्ट्र कंपनी • A Maharatna Company

पश्चिम क्षेत्र - I / Western Region - I

दिनांक : 26/04/2023

संदर्भ : पावरग्रीड / प.क्षे. I/परियोजना/ 760

प्रति / To

वितरण सूची के अनुसार / As per Distribution List

सूचना / NOTICE

पावरग्रीड " Transmission system for evacuation of Power from RE projects in Wind Energy Zones in Osmanabad area of Maharashtra (1GW) " परियोजना के तहत निम्नलिखित संपत्ति को कार्यान्वित कर रहा है।

- Conversion of 50MVAR Fixed Line Reactors on each circuit of Parli(PG)-Pune(GIS) 400kV D/C Line at Parli (PG) end into Switchable Line Reactors

इस संबंध में, यह सूचित किया जाता है कि उपर्युक्त संपत्ति को पूरा कर लिया गया है और नीचे दी गई तालिका के अनुसार सफलतापूर्वक चार्ज किया गया है।

इन संपत्तियों की अनुसूचित वाणिज्यिक संचालन तिथि / प्रस्तावित DOCO, 27/06/2023 है।

यह नोटिस CERC (Terms and Conditions of Tariff) Regulations 2019 के परंतुक 5(2) के अनुरूप जारी किया जा रहा है।

POWERGRID is implementing the following asset(s) under "Transmission system for evacuation of Power from RE projects in Wind Energy Zones in Osmanabad area of Maharashtra (1GW)" project

- Conversion of 50MVAR Fixed Line Reactors on each circuit of Parli(PG)-Pune(GIS) 400kV D/C Line at Parli (PG) end into Switchable Line Reactors.

In this regard, it is informed that the above said assets have been completed and are successfully charged as given in table below.

The scheduled commercial operation date / Proposed DOCO of these assets is 27/06/2023.

This notice is being issued in line with proviso 5(2) of CERC (Terms and Conditions of Tariff) Regulations 2019.

क्र	संपत्ति का नाम / Name of Asset	Commissioned on
1	Conversion of Fixed LR of 400kV Parli-Pune Line Ckt 1 to Switchable Line Reactor	29/03/2023
2	Conversion of Fixed LR of 400kV Parli-Pune Line Ckt 2 to Switchable Line Reactor	18/04/2023


(अरुण कुमार)
वरिष्ठ महाप्रबंधक (वाणिज्य)

17. Therefore, considering the required documents submitted by the Petitioner, the COD of the transmission asset is approved as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations.

Capital Cost

18. Regulation 19 of the 2019 Tariff Regulations provides as follows:



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

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;



- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and*
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*

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

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and*
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.*

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

- (a) The 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 de-capitalised only after its redeployment;

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

- (c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;*
- (d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and*
- (e) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment."*

19. The Petitioner has submitted the Auditor's Certificate dated 28.7.2023 and claimed the capital cost incurred as on the COD and the projected Additional Capital Expenditure (ACE) to be incurred with respect to the transmission asset as under:



Cost as on COD	Projected ACE				(₹ in lakh)
	2022-23	2023-24	2024-25	2025-26	Estimated Completion Cost
203.83	0.00	51.03	9.29	0.00	264.15

20. The Petitioner, through an affidavit dated 26.5.2025, has submitted the RCE with an estimated cost of ₹261.26 lakh and has claimed the revised estimated completion cost. The details of FR cost, RCE cost, capital cost incurred as on the COD, and the projected ACE for the transmission asset are as follows:

FR Apportioned Approved Cost	RCE Cost	Capital cost as on COD	Projected ACE			Estimated Completion Cost
			2022-23	2023-24	2024-25	
241.00	261.26	195.26	-	-	60.32	255.58

21. Subsequently, in compliance with the Record of Proceedings (RoP) dated 29.5.2025, the Petitioner, through an affidavit dated 15.7.2025, has submitted the revised Auditor's Certificate dated 20.6.2025 and has claimed the revised capital cost incurred as on the COD and the projected ACE to be incurred regarding the transmission asset. The details of these are as follows:

FR Apportioned Approved Cost	RCE Cost	Cost as on COD	Projected ACE			Estimated Completion Cost
			2023-24	2024-25	2025-26	
241.06	261.26	193.80	6.70	1.54	39.54	241.58

Cost Overrun

22. The Petitioner, vide affidavit dated 15.7.2025, has stated that the total approved FR cost is ₹241.06 lakh for the transmission asset, and as per the RCE, it has been revised to ₹261.26 lakh. The Petitioner has further submitted that the estimated completion cost of ₹241.58 lakh is slightly higher than the approved FR cost. However,



since the estimated completion cost falls within the approved RCE cost, there is no cost overrun concerning the transmission asset.

23. The Petitioner has also provided item-wise reasons for the cost variations between the FR approved cost and the estimated completion cost, and these are as follows:

(₹ in lakh)		
Apportioned Approved Cost (FR) (a)	Estimated Completion Cost (b)	Variation c = (b – a)
241.06	241.58	0.52

a) **Substation equipment, including Initial Spares (Increase of ₹24.07 lakh):**

For procurement, an open bidding process is followed to ensure equal opportunity for all eligible firms and to obtain the lowest possible market prices for the required products or services. Subsequently, the contracts are awarded to the lowest evaluated eligible bidder. The most competitive bid prices, compared to the tenders, may be either lower or higher than the estimated costs, depending on current market conditions. Additionally, regarding the cost of individual items in the substation packages, it is stated that these packages within the scope of work include numerous items, all of which are awarded through open competitive bidding. In this process, bids are received from multiple parties offering different rates for various BOQ items within the package. The lowest bidder is then evaluated on an overall basis. Therefore, item-wise unit prices in the contracts and their variation from the unit rates used in the FR estimates are beyond the Petitioner's control.

b) **IEDC (Decrease of ₹20.75 lakh):**

In the IA dated 17.5.2022, the Incidental Expenditure During Construction (IEDC) and contingency have been considered @10.75% and 3%, respectively, while the



IEDC has been included in the Auditor's Certificate based on the actual expenditure under the subject head.

c) IDC (Decrease of ₹2.74 lakh):

The decrease in the IDC is due to the variation in the rate of interest (RoI) considered in the FR as compared to the actuals, as well as the deployment of funds based on the actuals. In the FR, the IDC was calculated considering an interest rate of 10.50% on domestic loans, subject to actuals. The actual IDC accrued up to the COD has been included in the Auditor's Certificate.

24. We have considered the Petitioner's submissions. We observe that the estimated total completion cost of ₹241.58 lakh is marginally higher than the approved cost of ₹241.06 lakh, i.e. by ₹0.52 lakh. However, the estimated completion cost is within the approved RCE of ₹261.26 lakh; therefore, taking the RCE into account, there is no cost overrun with respect to the transmission asset.

Time Overrun

25. The Petitioner has submitted that, as per the IA dated 17.5.2022, the SCOD of the transmission asset was within 18 months from the date of SPV transfer for the TBCB scope of works, i.e., by 27.6.2023. The Petitioner proposed the COD of the transmission asset as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations. Thus, there is no time overrun. The details of the SCOD, COD, and time overrun concerning the transmission asset, as submitted by the Petitioner, are as follows:

Asset's Name	SCOD	COD	Time overrun
Conversion of 50 MVA Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors	27.6.2023	27.6.2023*	NIL

****Under Regulation 5(2) of the 2019 Tariff Regulations***



26. We have considered the Petitioner's submissions. After perusal of the documents placed on record, we observe that the transmission project was allocated to the Petitioner vide MoP OM dated 23.1.2020 to be implemented in the matching time frame of the Transmission System for evacuation of power from RE projects in Wind Energy zones in Osmanabad area of Maharashtra (1 GW), i.e. December 2021. The snapshot of the CTUIL's OM dated 23.1.2020 is as follows:

(1) Name of the Scheme: Transmission system for evacuation of power from RE projects in wind energy zones in Osmanabad area of Maharashtra (1 GW) - Conversion of 50MVAR fixed Line Reactors on each ckt of Parli (PG) – Pune (GIS) 400kV D/c line at Parli (PG) end into switchable line reactors

Sl. No.	Scope of the Transmission Scheme	Capacity /km
1	Conversion of 50MVAR fixed Line Reactors on each ckt of Parli (PG) – Pune (GIS) 400kV D/c line at Parli (PG) end into switchable.	400kV Reactor bays -2

The scheme to be implemented in matching time frame of Transmission system for evacuation of power from RE projects in wind energy zones in Osmanabad area of Maharashtra (1 GW) i.e. December 2021.

Accordingly, the Detailed Project Report (DPR) was prepared by the Petitioner, stating that the transmission project is scheduled to be commissioned progressively over 18 months from the date of IA (to be implemented by December 2021). The snapshot of the relevant extracts of DPR is as follows:

been decided.

3.0 SCOPE OF WORK

Substation

a) 400kV Parli (PG) Substation Extension

400kV

- Conversion of 50 MVar fixed line reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/c line at Parli (PG) end into switchable line reactors
- 2 nos. 400 kV switchable line reactor bays

4.0 PROJECT HIGHLIGHTS

a)	Project	Transmission system for evacuation of power from RE projects in wind energy zones in Osmanabad area of Maharashtra (1 GW): Conversion of 50 MVar fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/c line at Parli (PG) end into switchable line reactors
b)	Location of the Project	Western Region
c)	Project Cost	Rs. 2.55 Crores at December 2019 Price Level (including IDC of Rs. 0.11 Crores)
d)	Monthly Fixed Charges	Rs. 9.75 Lakhs on Base Cost Rs. 9.78 Lakhs on Projected Completed Cost
e)	Commissioning schedule	The project is scheduled to be commissioned progressively within 18 months from the date of investment approval (to be implemented by December 2021).

27. However, the Petitioner accorded the IA on 16.5.2022, after a lapse of 28 months from the date of allocation of the instant transmission scheme, with an implementation timeframe beyond 18 months from the scheduled date of commissioning as per CTUIL OM dated 23.1.2020 & DPR, i.e., by 27.6.2023.

28. Therefore, the Petitioner is directed to submit a detailed justification for the IA after such a considerable delay from the date of allocation of the transmission project by MoP, and the same shall be reviewed at the time of truing up.



29. Hence, provisionally, taking into consideration the IA dated 17.5.2022, the transmission asset is approved to be commissioned within the scheduled time under Regulation 5(2) of the 2019 Tariff Regulations. Thus, there is no time overrun. The details of the SCOD, COD and time overrun in respect of the transmission asset are as follows:

Asset's Name	SCOD as per the IA dated 17.5.2022	COD	Time over-run
Conversion of 50 MVAR Fixed Line Reactors on each circuit of Parli (PG) – Pune (GIS) 400 kV D/C Line at Parli (PG) end into Switchable Line Reactors	27.6.2023	27.6.2023*	NIL

**Under Regulation 5(2) of the 2019 Tariff Regulations*

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

30. The Petitioner, through the Auditor's Certificate, has claimed an IDC of ₹3.26 lakh for the transmission asset.

31. The IDC up to the COD has been calculated based on the loan details provided in the statement showing the discharge of the IDC and Form-9C for the transmission asset. The IDC claimed and considered as on the COD, along with a summary of the discharge of the IDC liability up to the COD and thereafter, for the purpose of determining the tariff for the transmission asset, subject to revision during the truing-up, are as follows:

(₹ in lakh)				
IDC claimed (A)	IDC disallowed (B)	IDC allowed (C)=(A)-(B)	IDC allowed as on COD (D)	IDC undischarged as on COD and allowed as ACE during 2023-24 (E)
3.26	0.00	3.26	1.80	1.46



32. The Petitioner has claimed the IEDC of ₹7.66 lakh for the transmission asset as per the Auditor's Certificate, which has been discharged up to the COD.

33. We have considered the Petitioner's submissions and find that the IEDC claim is in accordance with the Auditor's Certificate. The IEDC allowed for the transmission asset as follows:

(₹ in lakh)		
IEDC claimed (A)	IEDC disallowed (B)	IEDC allowed (C)=(A)-(B)
7.66	0.00	7.66

Initial Spares

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

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

35. The Petitioner has claimed the Initial Spares as under:

(₹ in lakh)					
Particulars	Plant and Machinery cost (A)	Initial Spares Claimed (B)	Ceiling Limit (in %) (C)	Initial Spares worked out	Excess Spares
				$D = \frac{(A-B)*C}{(100-C)}$	
Substation (Brown Field)	230.67	11.21	6	14.01	Nil

36. We have considered the Petitioner's submissions. It has been observed that the Initial Spares claimed by the Petitioner for the transmission asset are within the limit.



37. Therefore, in view of the above and as per Regulation 23(d) of the 2019 Tariff Regulations, the Initial Spares are being allowed subject to truing up. The details of the Initial Spares allowed for the transmission asset are as follows:

(₹ in lakh)

Plant and Machinery cost for calculation of Initial Spares	Initial Spares claimed	Norm as per Regulations (in %)	Initial Spares allowable	Excess Initial Spares	Initial Spares allowed
(A)	(B)	(C)	(D)=(A-B)/(100-C)*C	(E)	(F)=(B-E)
230.67	11.21	6	14.01	0.00	11.21

Capital Cost Allowed as on the COD

38. Accordingly, the capital cost allowed with respect to the transmission asset as on COD is as under:

(₹ in lakh)

Capital Cost claimed on COD	Less: Undischarged IDC as on COD	Capital Cost allowed as on COD
195.26	1.46	193.80

Additional Capital Expenditure (“ACE”)

39. Regulations 24 and 25 of the 2019 Tariff Regulations provide as follows:

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

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

- a. 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; and*
- e. Change in law or compliance of any existing law; and*
- f. Force Majeure events:*

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



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

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

(1) The 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 cutoff date may be admitted by the Commission, subject to prudence check:

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

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

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

40. The Petitioner, as per the Auditor’s Certificate dated 20.6.2025, has claimed the following ACE in respect of the transmission asset :

Projected ACE		
2023-24	2024-25	2025-26
5.24	1.54	39.54

(₹ in lakh)

41. The Petitioner has also submitted that the ACE incurred/projected to be incurred in respect of the transmission asset is mainly on account of the



balance/retention of payments and works deferred for execution under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations.

42. The Petitioner, vide affidavit dated 15.7.2025, has submitted the Liability Flow Statement for the ACE claimed in respect of the transmission asset for the 2019-24 tariff period, and the same is as follows:

		(₹ in lakh)				
Particulars		Outstanding Liability as on COD	Discharge of Liability (2019-24)	Outstanding Liability as on 31.03.2024	Unexecuted Works	
					2023-24	Total (2019-24)
Conversion of: LR to SLR Supply	SS	16.94	0.00	16.94	0.00	0.00
Conversion of: LR to SLR Service	SS	11.99	0.00	11.99	5.24	5.24
Conversion of: LR to SLR Service	IT	0.59	0.00	0.59	0.00	0.00
Total		29.52	0.00	29.52	5.24	5.24

43. The Petitioner has submitted that the admissibility of the ACE after the COD may be dealt with in accordance with Regulation 24 of the 2019 Tariff Regulations.

44. We have considered the Petitioner's submissions. It is noted that the Petitioner has also claimed the projected ACE for the years 2024-25 and 2025-26 for the transmission asset, which falls beyond the 2019-24 tariff period. Thus, the projected ACE beyond 2023-24 has not been considered, and the same shall be dealt with in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

45. We observe that the ACE claimed is on account of unexecuted works/works deferred for execution and is, therefore, allowed under Regulation 24(1)(b) of the 2019 Tariff Regulations. The ACE allowed for the 2019-24 tariff period concerning the transmission asset is as follows:



		(₹ in lakh)
Particulars	Regulations	ACE allowed (2023-24)
Addition in Gross Block-Unexecuted Works	Regulation 24(1)(b) of the 2019 Tariff Regulations	5.24
IDC discharged during the year 2023-24		1.46
Total		6.70

46. Accordingly, the capital cost allowed as on 31.3.2024 is as under:

(₹ in lakh)		
Capital Cost allowed as on COD	ACE Allowed (2023-24)	Capital Cost as on 31.3.2024
193.80	6.70	200.50

Debt-Equity Ratio

47. Regulation 18 of the 2019 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:

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

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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt:



equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

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

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

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

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

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

48. The debt-equity ratio considered for the purpose of computation of the tariff for the 2019-24 tariff period in respect of the transmission asset is as under:

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during the 2019-24 tariff period (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	135.66	70	4.69	70	140.35	70
Equity	58.14	30	2.01	30	60.15	30
Total	193.80	100	6.70	100	200.50	100

Depreciation

49. Regulation 33 of the 2019 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 case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:



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

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

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

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

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

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

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

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

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

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

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

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

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be



adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

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

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

- a) twenty-five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or*
- b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or*
- c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”*

50. The depreciation has been worked out considering the admitted capital expenditure as on the COD and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) placed at ‘Annexure-I’ has been worked out for the transmission asset as per the rates of depreciation specified in the 2019 Tariff Regulations. The depreciation allowed with respect to the transmission asset for the 2019-24 tariff period is as under:

		(₹ in lakh)
	Particulars	2023-24 (pro rata for 279 days)
A	Opening Gross Block	193.80
B	Addition during the years 2019-24 due to projected ACE	6.70
C	Closing Gross Block (A+B)	200.50
D	Average Gross Block (A+C)/2	197.15
E	Average Gross Block (90% depreciable assets)	197.15
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	177.44
H	Depreciable Value of IT equipment and software (F*100%)	0.00
I	Total Depreciable Value (G+H)	177.44
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.28
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	25.00
M	Depreciation during the year (D*J)	7.94



	Particulars	2023-24 (pro rata for 279 days)
N	Cumulative Depreciation at the end of the year	7.94
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	169.50

Interest on Loan (“IoL”)

51. Regulation 32 of the 2019 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 as gross normative loan for calculation of interest on loan.

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

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

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

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

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

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

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

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

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



52. The Weighted Average Rate of Interest (WAROI) on loans has been considered as claimed by the Petitioner. The Petitioner has prayed that any change in the interest rate due to the floating rate of interest, if any, applicable during the 2019-24 tariff period will be adjusted at the time of truing up. Accordingly, the floating rate of interest, if any, shall be considered while truing up the transmission tariff.

53. Therefore, the Interest on Loan (IoL) concerning the transmission asset has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations, which is as under:

		(₹ in lakh)
	Particulars	2023-24 (pro rata for 279 days)
A	Gross Normative Loan	135.66
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	135.66
D	Addition due to ACE	4.69
E	Repayment during the year	7.94
F	Net Loan-Closing (C+D-E)	132.41
G	Average Loan (C+F)/2	134.04
H	Weighted Average Rate of Interest on Loan (in %)	7.43
I	Interest on Loan (G*H)	7.59

Return on Equity ("RoE")

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

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

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

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

Provided further that:



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

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

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

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

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

Rate of pre-tax return on equity = Base rate / (1-t)

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



Illustration-

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

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

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

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

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

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50/(1-0.24) = 20.395\%$.

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

55. The Petitioner has submitted that the MAT rate is applicable to it, and the MAT rate for the 2019-24 tariff period has been considered for calculating Return on Equity (RoE), which will be trued-up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE allowed for the transmission asset is as follows:

(₹ in lakh)		
	Particulars	2023-24 (pro rata for 279 days)
A	Opening Equity	58.14
B	Addition due to ACE	2.01
C	Closing Equity (A+B)	60.15
D	Average Equity (A+C)/2	59.15
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782
H	Return on Equity (Pre-tax) (D*G)	8.47

Operation and Maintenance Expenses ("O&M Expenses")

56. The Petitioner has claimed the following Operation and Maintenance Expenses (O&M Expenses) for the transmission asset:



(₹ in lakh)

Particulars	2023-24
O&M Expenses	56.27

57. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as under:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (Rs Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.26	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (Rs. Lakh per 500 MW)	1666	1725	1785	1848	1913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2252	2331	2413	2498	2586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2468	2555	2645	2738	2834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1696	1756	1817	1881	1947



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2563	2653	2746	2842	2942

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 further that:

- the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;
- the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;
- 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 ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);
- the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;
- the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and
- the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.”

58. The O&M Expenses are approved for the transmission asset in accordance with Regulation 35(3)(a) of the 2019 Tariff Regulations as under:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 279 days)
Substation: Parli (PG)	
• 2 nos. 400 kV Switchable Line Reactor Bays	
Norms as per Regulations (₹ per Bay)	36.91
O&M Expenses	56.27



Interest on Working Capital (“IWC”)

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

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

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

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

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

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

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

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

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

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

(₹ in lakh)	
Particulars	2023-24 (pro rata for 279 days)
Working Capital for O&M Expenses (O&M Expenses for one month)	6.15
Working Capital for Maintenance Spares (15% of O&M Expenses)	11.07
Working Capital for Receivables	13.40



Particulars	2023-24 (pro rata for 279 days)
(Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	
Total Working Capital	30.62
Rate of Interest for Working Capital (in %)	12.00
Interest on Working Capital	2.80

Annual Fixed Charges for the 2019-24 Tariff Period

61. The transmission charges allowed for the transmission asset for the 2019-24 tariff period are as follows:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 279 days)
Depreciation	7.94
Interest on Loan	7.59
Return on Equity	8.47
O&M Expenses	56.27
Interest on Working Capital	2.80
Total	83.07

Filing Fee and Publication Expenses

62. The Petitioner has sought reimbursement for the fee paid for filing the present Petition and the publication costs. The Petitioner will be entitled to recover the filing fees and publication expenses directly from the beneficiaries on a pro-rata basis, in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

License Fee and RLDC Fees and Charges

63. The Petitioner shall be entitled to reimbursement of license fees in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period, as well as to recover the RLDC fee and charges in accordance with Regulation 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

64. The Petitioner has submitted that if the GST is levied at any rate and at any point of time in future on charges of the transmission of electricity, the same will be



borne and additionally paid by the Respondents to the Petitioner, and the same will be charged and billed separately by the Petitioner. Further, any additional taxes, if any, are to be paid by the Petitioner on account of demands from Government/Statutory Authorities; the same may be allowed to be recovered from the beneficiaries.

65. We have considered the Petitioner's submissions. Since the GST is not levied on the transmission service at present, the Petitioner's prayer is considered premature.

Security Expenses

66. The Petitioner has submitted that security expenses with respect to the transmission asset are not claimed in the instant Petition, and it would file a separate Petition for claiming the overall security expenses and the consequential IWC.

67. We have considered the Petitioner's submissions. The Petitioner filed Petition No. 260/MP/2020 claiming consolidated security expenses for all the transmission assets owned by it on a projected basis for the 2019-24 tariff period, based on the actual security expenses incurred in FY 2018-19. The said Petition has already been disposed of by the Commission vide its order dated 3.8.2021. Therefore, the Petitioner's prayer in the instant Petition for allowing it to file a separate Petition to claim the overall security expenses and the consequential IWC has become infructuous.

Capital Spares

68. The Petitioner has sought reimbursement of capital spares at the end of the tariff period. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.



Sharing of Transmission Charges

69. The Petitioner has prayed that the transmission charges for the 2019-24 tariff period be recovered monthly in accordance with Regulation 57 of the 2019 Tariff Regulations and the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, (hereinafter referred to as “the 2020 Sharing Regulations”), as amended from time to time.

70. Further, in compliance with the Technical Validation letter dated 9.5.2025, the Petitioner, through an affidavit dated 26.5.2025, has stated that the LILO of the 400 kV D/C Parli (PG)-Pune (GIS) Line at Kallam PS, being carried out by KTL under TBCB, was completed on 6.2.2024.

71. We have considered the Petitioner’s submissions. The COD of the transmission asset is approved as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations on account of the delay in the commissioning of the LILO of the 400 kV D/C Parli (PG) -Pune (GIS) Line at Kallam PS, being implemented by KTL under TBCB.

72. As per Regulation 13(12) of the 2020 Sharing Regulations, if the COD of the transmission asset has been approved under Regulation 5(2) of the 2019 Tariff Regulations, a transmission licensee has to bear the transmission charges for the transmission asset of the other transmission licensee till the COD of the interconnected transmission system under its scope.

73. Regulation 13(12) of the 2020 Sharing Regulations provides as follows:

“13. Treatment of transmission charges and losses in specific cases

“(12) In case of a transmission system where COD has been approved in terms of proviso (ii) of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or where deemed COD has been declared in terms of Transmission Service Agreement under Tariff based Competitive Bidding, the Yearly Transmission Charges for the transmission system shall be:



(a) paid by the inter-State transmission licensee whose transmission system is delayed till its transmission system achieves COD, or

(b) paid by the generating company whose generating station or unit(s) thereof is delayed, till the generating station or unit thereof, achieves COD, or

(c) shared in the manner as decided by the Commission on case to case basis, where more than one inter-State transmission licensee is involved or both transmission system and generating station are delayed.”

74. Further, w.e.f. 1.11.2023, Regulation 13(12) of the 2020 Sharing Regulations and subsequent amendments provide as follows:

“(12) For the cases other than those covered under Clauses (3), (6) or (9) of Regulation 13 of these regulations, the YTC for the inter-State transmission system or element thereof approved or declared as deemed COD shall be treated as follows:

(a) The inter-State transmission licensee shall be paid 50% of YTC of its inter-State transmission system for a period of six (6) months from the date of deemed COD or till the commencement of actual power flow, whichever is earlier.

(b) The inter-State transmission licensee shall be paid 100% of YTC of its inter-State transmission system from the seventh (7th) month till the commencement of actual power flow, in case actual power flow does not commence within a period of 6 months from the date of deemed COD.

(c) The charges under sub-clauses (a) and (b) of this Clause shall be disbursed from charges collected in terms of Clause (3) of Regulation 12 of these regulations:

Provided that in case of shortfall in the collection in terms of Clause (3) of Regulation 12 of these regulations, to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from charges collected under T-GNA and TGNARE in terms of Clause (3) of Regulation 11 of these regulations:

Provided further that in case of shortfall in charges collected under T-GNA and TGNARE to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from Deviation and Ancillary Service Pool Account under DSM Regulations.

(e) In case an inter-State transmission licensee is responsible for the delay in the commencement of power flow in the inter-State transmission system of another inter-State transmission licensee which has achieved deemed COD, inter-State transmission licensee of the delayed inter-State transmission system shall pay 50% of YTC of its transmission system OR 50% of YTC of the transmission system which has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD:

Provided that the liability of the delayed inter-State transmission licensee under this Clause shall not be affected, notwithstanding any provisions to the contrary in the Transmission Service Agreement or any other Agreement in force between the parties:



Provided further that if the delayed inter-State transmission licensee is levied liquidated damages for delay in completion of the transmission system in terms of the Transmission Service Agreement entered into with CTUIL, the amount of liquidated damages paid by such inter-State transmission licensee to CTU shall be offset to the extent of liability of the delayed inter-State transmission licensees in terms of this Clause and the balance amount, if any, shall be credited into Regional Transmission Deviation account under Clause (3) of Regulation 12 of these regulations.

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75. Since the COD of the transmission asset has been approved as 27.6.2023 under Regulation 5(2) of the 2019 Tariff Regulations on account of delay in commissioning of the associated downstream transmission system under the scope of KTL, taking into consideration the above-mentioned provisions of the 2020 Sharing Regulations, the transmission charges in respect of the transmission asset from 27.6.2023 to 6.2.2024 shall be borne by KTL, and, thereafter, the transmission charges for the transmission asset shall be recovered as per the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

Interim Tariff

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

77. We have considered the Petitioner's submissions. Since we have determined the transmission tariff with respect to the transmission asset in this order, the prayer for an interim tariff becomes redundant. Therefore, we have not considered it in this order.

78. To summarise, the Annual Fixed Charges allowed with respect to the transmission asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 279 days)
AFC Claimed	83.07
AFC Allowed	83.07



79. Annexure to this order given hereinafter forms part of the order.

80. This order disposes of Petition No. 299/TT/2024 in terms of the above findings and discussions.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



Annexure

(₹ in lakh)

Capex	Admitted Capital Cost as on COD	Projected ACE			Admitted Capital Cost as on 31-03-2024	Dep Rate	Annual Depreciation		
		2021-22	2022-23	2023-24			2021-22	2022-23	2023-24
Building	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00
Substation	193.80	0.00	0.00	6.70	200.50	5.28%	0.00	0.00	10.41
PLCC	0.00	0.00	0.00	0.00	0.00	6.33%	0.00	0.00	0.00
IT Equipment	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00
Total	193.80	0.00	0.00	6.70	200.50		0.00	0.00	10.41
Avg. Gross Block							0.00	0.00	197.15
WAROD									5.28%

