

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**New Delhi**

**Petition No. 309/TT/2023**  
**alongwith I.A. No. 87/2023**

**Coram:**

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

**Date of Order: 29.05.2025**

**In the matter of:**

Petition under Section 62 read with Section 79 of the Electricity Act, 2003 along with Regulations 111 to 113 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, for determination of transmission tariff of the deemed inter-State transmission lines owned by the West Bengal State Electricity Transmission Company Limited with the transmission system operated by the Central Transmission Utility of India Limited in terms of the Commission's order dated 5.9.2018 in Petition No. 7/Suo-Motu/2017, for inclusion in PoC transmission charges for the period FY 2014-15 to FY 2018-19 in accordance with the Central Electricity Regulatory Commission (Terms And Conditions of Tariff) Regulations, 2014.

**And in the matter of:**

**West Bengal State Electricity Transmission Company Limited,**  
Vidyut Bhavan, Bidhannagar,  
Block-DJ, Sector-II,  
Kolkata-700091

**...Petitioner**

**Vs.**

**1. Central Transmission Utility of India Limited,**  
B-9, Qutab Institutional Area Road,  
NRPC Colony, Block B,  
Katwaria Sarai,  
New Delhi-110019

**2. Powergrid Corporation of India Limited,**  
B-9, Qutab Institutional Area,  
Katwaria Sarai, South Delhi,  
Delhi-110016

**...Respondents**

**Parties present :** Ms. Molshree Bhatnagar, Advocate, WBSETCL  
Shri Nimesh Jha, Advocate, WBSETCL  
Ms. Shaida Das, Advocate, WBSETCL  
Ms. Kavya Bharadwaj, CTUIL



**ORDER**

The instant Petition has been filed by the West Bengal State Electricity Transmission Company Limited (WBSETCL), for the determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the FY 2014-15 to FY 2018-19, in respect of the following deemed inter-State transmission lines owned by the Petitioner and connected to the transmission system operated by the Respondent No.1, Central Transmission Utility of India Limited (CTUIL):

| Name of the Asset                                                 | Length                            | COD       |
|-------------------------------------------------------------------|-----------------------------------|-----------|
| 400 kV Single Circuit (“S/C”) Kolaghat-Baripada transmission line | 128.615 Circuit km<br>(“Ckt. km”) | 16.3.1992 |
| 220 kV S/C Santaldih-Chandil transmission line                    | 73.90 Circuit km                  | 1.4.1987  |

The aforesaid transmission lines have hereinafter been jointly referred to as “the transmission assets” in this order.

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

*“a) Allow the present petition and condone the delay, if any, in approaching this Hon’ble Commission for seeking determination of tariff of the subject Transmission Assets owned by the Petitioner with the transmission system operated by Central Transmission Utility Of India Limited (in terms of commission’s order dated 05.09.2018 in petition no. 07/Suo-Motu/2017 for inclusion in PoC transmission charges for the period FY 2014-15 to FY 2018-19 in accordance with the Central Electricity Regulatory Commission (Terms And Conditions Of Tariff) Regulations, 2014;*

*b) Approve the Transmission Tariff for the Tariff Block 2014-2019 for the assets covered under this Petition, in terms of the tariff filings.*

*c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges on account of Return on Equity due to change in applicable Minimum Alternate Corporate Income Tax as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before this Hon’ble Commission as provided under Clause 25 of the Central Electricity Regulatory Commission (Terms and Conditions Of Tariff) Regulations, 2014*



d) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, expenditure on publishing of notices in newspapers in terms of Regulation 52 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and other expenditures (if any) in relation to the filing of the petition;

e) Allow the petitioner to bill and recover Licensee Fee and RLDC Fee and charges separately from the DICs / beneficiaries in terms of the Regulation 52 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014;

f) Allow the Petitioner to bill and recover the Service Tax on Transmission Charges separately from the DICs/beneficiaries, if at any time service tax on transmission is withdrawn from negative list in future. Further, any taxes and duties including cess etc. imposed by any statutory / government/ municipal authorities; Pass such other order(s) / further order(s) that this Hon'ble Commission may deem fit in the interest of justice, equity and facts and circumstances of the present case.

g) Pass such other order(s) / further order(s) that this Hon'ble Commission may deem fit in the interest of justice, equity and facts and circumstances of the present case.

### **Prayer in IA No. 87/2023**

"a) Stay the operation of the Impugned Demand Letter(s) dated 01.07.2022 and 16.08.2022 to the extent prayed herein above;

(b) Direct CTU not to withhold/ deduct any amount legitimately due to the Applicant, from disbursement under the PoC mechanism;

(c) Pass such further and other order(s)/ direction(s) that this Hon'ble Commission may deem fit in the interest of the justice, equity and circumstances of the present case.

(D) Pass such order(s), further relief(s) in the facts and circumstances of the case as this Hon'ble Commission may deem just and equitable in favour of the Petitioner."

### **Background**

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

(a) The Commission vide order dated 14.3.2012 in Petition No. 15/SM/2012 held as follows:

"5. It has come to the notice of the Central Commission that the some of the owners/developers of the inter-State transmission lines of 132 kV and above in North Eastern Region and 220 kV and above in Northern, Eastern, Western and Southern regions as mentioned in the Annexure to this order have approached the Implementing Agency for including their transmission assets in computation of Point of Connection transmission charges and losses under the Central Electricity Regulatory Commission (Sharing of inter State Transmission Charges and Losses) Regulations, 2010 (hereinafter "Sharing Regulations").

6. As a first step towards inclusion of non-ISTS lines in the POC transmission charges, the Commission proposes to include the transmission lines connecting two States, for computation of POC transmission charges and losses. However, for the disbursement of transmission charges, tariff for such assets needs to be approved by the Commission in accordance



*with the provisions of Sharing Regulations. Accordingly, we direct the owners of these inter-State lines to file appropriate application before the Commission for determination of tariff for facilitating disbursement.*

*7. We direct the respondents to ensure that the tariff petitions for determination of tariff is filed by the developers/owners of the transmission line or by State Transmission Utilities where the transmission lines are owned by them in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, by 20.4.2012."*

(b) In pursuance of the directions of the Commission vide order dated 14.3.2012 in Petition No. 15/SM/2012, the Petitioner filed Petition No. 259/TT/2013 for the determination of tariff for the 2009-14 tariff period in respect of the transmission assets. The Commission, vide order dated 8.6.2015 in Petition No. 259/TT/2013, determined the transmission tariff in respect of the transmission assets from 1.4.2011 to 31.3.2014.

(c) The LILO of the 400 kV Kolaghat-Baripada S/C transmission line at Kharagpur 400 kV Substation was done on 28.4.2012. However, the LILO portion of the 400 kV Kolaghat-Baripada S/C transmission line was not included for the purpose of Annual Revenue Requirements (ARR) for the period from 1.4.2011 to 31.3.2014 in the Petition No. 259/TT/2013. The Petitioner, however, informed the Commission of the actual date of completion of the LILO portion through an affidavit dated 26.12.2014, filed in Petition No. 259/TT/2013.

(d) Due to calculation errors related to the configuration of the transmission lines, as identified in the order dated 8.6.2015 in Petition No. 259/TT/2013, the Commission, vide another order dated 29.6.2015 in Petition No. 259/TT/2013, approved the revised Yearly Transmission Charges (YTCs) of ₹1865.81 lakh, ₹2782.21 lakh, and ₹3204.84 lakh for FY 2011-12 (9 months from 1.7.2011 to 31.3.2012), FYs 2012-13 and 2013-14, respectively. These revised YTCs were determined for the 400 kV S/C Kolaghat-Baripada



transmission line and the 220 kV S/C Santaldih-Chandil transmission line, based on the line length in circuit-km, the ARR approved by the State Commission for FYs 2011-12, 2012-13, and 2013-14, and Point of Connection (PoC) cost data for the respective years. In the revised order, except for the rectification in calculation, all other terms of the original order remained unaltered. The Commission had previously, in order dated 8.6.2015 in Petition No. 259/TT/2013, approved the YTCs of ₹1693.81 lakh, ₹2538.09 lakh, and ₹2924.52 lakh for FY 2011-12 (9 months from 1.7.2011 to 31.3.2012), FY 2012-13, and FY 2013-14, respectively.

(e) The Commission, vide order dated 12.5.2017 in Petition No. 07/SM/2017, directed the owners/developers of the natural ISTS transmission lines (as mentioned in the annexure of the order dated 12.5.2017) to: (a) file the Petition for determination of tariff for FY 2014-2019 in accordance with 2014 Tariff Regulations, and (b) submit additional information with respect to said ISTS lines by way of an affidavit.

(f) According to the Petitioner, on 29.8.2019, in terms of the decision dated 30.9.2019, held in the 3<sup>rd</sup> Validation Committee bearing No. Engg/Tr.Pricing/Validation/L-1/44/2013/CERC, the Petitioner excluded the transmission assets from the computation of PoC Charges & Losses.

(g) Subsequently, the CTUIL, vide its letter dated 1.7.2022, sought a refund of the excess transmission charges collected by the Petitioner for transmission assets through the PoC Mechanism. In the said letter, CTUIL stated that since the Petitioner did not file a specific tariff determination Petition before this Commission under the 2014 Tariff Regulation for approval of the tariff for the 2014-2019 tariff period, the transmission charges disbursed to the Petitioner from 1.4.2014 onwards became redundant. As a result,



CTUIL emphasized that these excess transmission charges are now required to be refunded immediately.

(h) Aggrieved with the CTUIL's aforementioned decision, the Petitioner filed an Interlocutory Application bearing IA No. 87/2023 in the instant Petition, seeking a stay on CTUIL's demand letters dated 1.7.2022 and 16.8.2022, wherein CTUIL has sought a refund of the excess transmission charges collected by the Petitioner for the deemed ISTS lines through the PoC mechanism, in the absence of an approved tariff for FY 2014-15 to FY 2019-20.

(i) Accordingly, the Petitioner vide its letter dated 23.8.2022, approached the Commission, seeking a clarification regarding the affidavit dated 12.6.2017 and the manner in which it has been dealt with by the Commission for the purpose of calculating the YTC and subsequent inclusion of the same under the PoC Charges & Losses. The Petitioner expressed the view that, until receiving the CTUIL's letter dated 1.7.2022, it was under the impression that the said affidavit dated 12.6.2017 had been considered by the Commission, similar to a Petition, and that the YTC had been approved under the 2014 Tariff Regulations. During a subsequent meeting, the Petitioner was informed that the affidavit had not been considered by the Commission and that a formal tariff Petition under Section 62 needed to be filed for the determination of the tariff for the transmission assets.

(j) Accordingly, the Petitioner has filed the instant Petition for determination of transmission charges in respect of the transmission assets for the 2014-19 tariff period.



(k) The details of Annual Revenue Requirements (ARR) from 1.4.2014 to 31.3.2019, submitted by the Petitioner in respect of the transmission assets, are as follows:

| (₹ in lakh) |                                    |                                  |        |
|-------------|------------------------------------|----------------------------------|--------|
| FY          | YTC for 400 kV Kolaghat - Baripada | YTC for 220 kV Santaldih-Chandil | Total  |
| 2014-15     | 173.27                             | 46.33                            | 219.60 |
| 2015-16     | 172.44                             | 46.43                            | 218.87 |
| 2016-17     | 171.61                             | 46.46                            | 218.07 |
| 2017-18     | 170.77                             | 46.48                            | 217.25 |
| 2018-19     | 170.08                             | 46.55                            | 216.63 |

4. The Petitioner has served a copy of the Petition on the Respondent, 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.

5. The hearing in the matter was held on 31.1.2024, 16.7.2024, 20.8.2024, 23.10.2024, and 8.11.2024. The order in the matter was reserved on 8.11.2024.

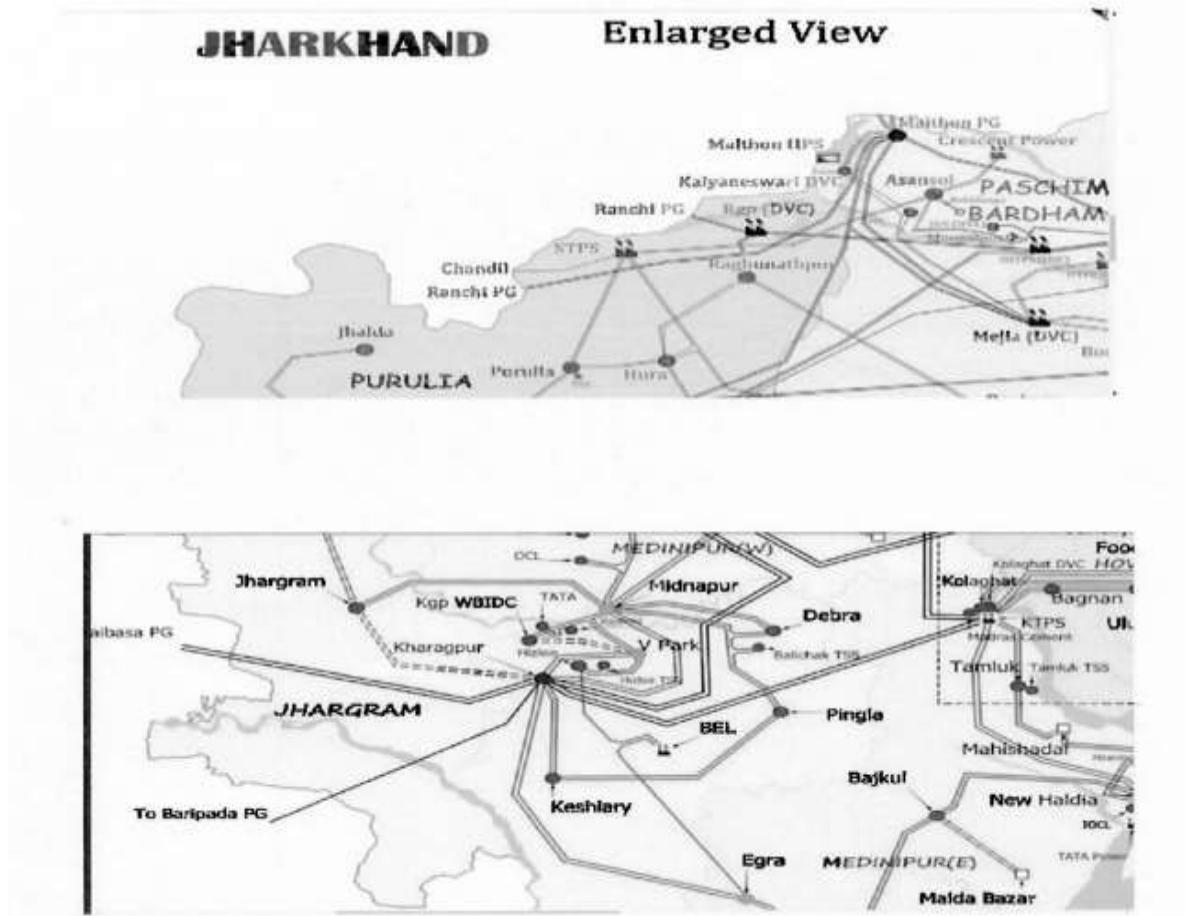
6. The CTUIL has not filed a reply to the main Petition but has filed its reply to the Interlocutory Application vide its affidavit dated 7.11.2024.

7. The Petitioner initially arrayed CTUIL as the sole Respondent in the instant Petition. However, the Petitioner subsequently filed the amended memo of parties dated 9.2.2024, impleading the Powergrid Corporation of India Limited (PGCIL) as another Respondent in the matter.

8. The Commission vide Record of Proceedings (RoP) dated 31.1.2024, directed the Petitioner to submit certain information on an affidavit. In compliance with the directions of the Commission, the Petitioner vide affidavit 15.2.2024 submitted the following information:



a. The Single Line Diagram (SLD) of the transmission assets covered in the instant Petition:



b. The 400 kV Kolaghat–Baripada transmission line, as referenced in the instant Petition, is physically existing and operational between West Bengal and Odisha, with a LILO at Kharagpur, while the 220 kV STPS-Chandil transmission line is present and operational between West Bengal and Jharkhand. However, the Power Supply Agreement (PSA) governing the power supply arrangement among the aforementioned States is not available.

c. The transfer of energy through the aforementioned transmission lines is duly acknowledged and accounted for by the Regional Load Dispatch Centre (RLDC), specifically the Eastern Regional Load Dispatch Centre (ERLDC). This is substantiated by the response received from ERLDC, as detailed

below:

|                       | 400 kV Kolaghat-Baripada transmission line |          | 220 kV Santaldih TPS-Chandil transmission line |        |
|-----------------------|--------------------------------------------|----------|------------------------------------------------|--------|
| Duration              | MWH                                        | MU       | MWH                                            | MU     |
| 1.4.2014 to 31.3.2015 | -1517084.26                                | -1517.08 | 269309.356                                     | 269.31 |
| 1.4.2015 to 31.3.2016 | -2340435.326                               | -2340.44 | 152070.848                                     | 152.07 |
| 1.4.2016 to 31.3.2017 | -1294739.86                                | -1294.74 | 028107.88                                      | 328.11 |
| 1.4.2017 to 31.3.2018 | -546711.0703                               | -546.71  | 345873.452                                     | 345.87 |
| 1.4.2018 to 31.3.2019 | -652636.7884                               | -652.66  | 338654.232                                     | 338.65 |
| 1.4.2019 to 31.3.2020 | -1365571.755                               | -1365.57 | 238312.72                                      | 238.31 |
| 1.4.2020 to 31.3.2021 | -754391.7667                               | -754.39  | 182095.8                                       | 182.10 |
| 1.4.2021 to 31.3.2022 | 843905.2256                                | 843.91   | 530599.404                                     | 530.60 |
| 1.4.2022 to 31.3.2023 | 888118.3692                                | 888.12   | 562420.292                                     | 562.42 |
| 1.4.2023 to 28.1.2024 | 414601.6249                                | 414.60   | 161232.788                                     | 161.23 |

d. The certification regarding the availability of transmission assets for the 2014-19 tariff period, as well as the availability status of the transmission lines for FYs 2019-20 to 2023-24, has not been provided by ERLDC. This information is conspicuously absent in ERLDC's communication. The Petitioner was informed that the Regional Power Committees (RPCs) certify the transmission systems owned by Regional and inter-Regional ISTS Licensees only after verification from the concerned RLDCs. It was further informed that ERPC does not certify the availability of transmission systems falling under the jurisdiction of the State Transmission Utility (STU). In this regard, the Petitioner has referred to a copy of the email dated 12.2.2024, which is as under:



From: CE SLDC <ce.wbslde@gmail.com>  
Sent: Mon, 12 Feb 2024 13:53:59 GMT+0530  
To: corporate.rac@wbsetcl.in, g\_dutta0304@rediffmail.com  
Subject: Fwd: Availability Certificate

----- Forwarded message -----

From: **Shyam Kejriwal** <shyam.kejriwal@gov.in>  
Date: Mon, Feb 12, 2024, 1:35 PM  
Subject: Availability Certificate  
To: <ce.wbslde@gmail.com>

Madam,

With reference to your email dated 08.02.2024 i.r.o petition no. 309/TT/2023 and 324/TT/2023, it is intimated that RPCs certify the availability of transmission system of Regional and Inter-regional ISTS Licensees after the same is verified by the concerned RLDCs. We do not certify the availability of any transmission system within the STU jurisdiction. This is as per the existing tariff regulations of CERC.

This is for your information

Regards

SHYAM KEJRIWAL  
SE (OPERATION)  
ERPC, Kolkata

- e. The year-wise power flow data for FYs 2014-19, 2019-20, 2020-21, 2021-22, and 2022-23, as furnished by the ERLDC, is as follows:

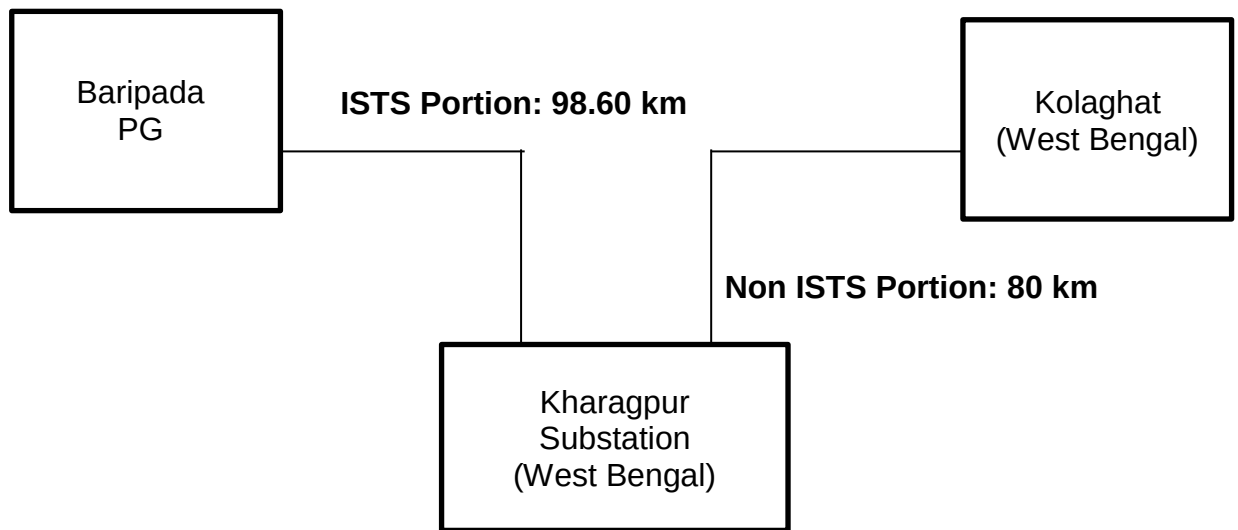
|                       | 400 kV Kolaghat-Baripada transmission line |          | 220 kV Santaldih TPS-Chandil transmission line |        |
|-----------------------|--------------------------------------------|----------|------------------------------------------------|--------|
| Duration              | MWH                                        | MU       | MWH                                            | MU     |
| 1.4.2014 to 31.3.2015 | -1517084.26                                | -1517.08 | 269309.356                                     | 269.31 |
| 1.4.2015 to 31.3.2016 | -2340435.326                               | -2340.44 | 152070.848                                     | 152.07 |
| 1.4.2016 to 31.3.2017 | -1294739.86                                | -1294.74 | 028107.88                                      | 328.11 |
| 1.4.2017 to 31.3.2018 | -546711.0703                               | -546.71  | 345873.452                                     | 345.87 |
| 1.4.2018 to 31.3.2019 | -652636.7884                               | -652.66  | 338654.232                                     | 338.65 |
| 1.4.2019 to 31.3.2020 | -1365571.755                               | -1365.57 | 238312.72                                      | 238.31 |
| 1.4.2020 to 31.3.2021 | -754391.7667                               | -754.39  | 182095.8                                       | 182.10 |
| 1.4.2021 to 31.3.2022 | 843905.2256                                | 843.91   | 530599.404                                     | 530.60 |
| 1.4.2022 to 31.3.2023 | 888118.3692                                | 888.12   | 562420.292                                     | 562.42 |
| 1.4.2023 to 28.1.2024 | 414601.6249                                | 414.60   | 161232.788                                     | 161.23 |

- f. On the question of necessity of LILO of the 400 kV Kolaghat-Bripada S/C Transmission Line at Khargpur 400 kV Substation, the Petitioner has submitted that the rationale for establishing the LILO for the transmission line is to strengthen the Extra High Voltage (EHV) transmission network, thereby



improving reliability and enhancing the availability of the transmission corridor. Further, it is pertinent to note that the implementation of the LILO has resulted in a modification of the transmission line length under the ISTS, leading to the following adjustments in line lengths:

- i. Line length of 400 kV Kharagpur-Baripada (ISTS portion): 98.6 km
- ii. Line length of 400 kV Kolaghat-Kharagpur portion: 80 km



9. The CTUIL did not file any reply to the main Petition but has, however, submitted its reply to the IA vide an affidavit dated 7.11.2024. In response to the CTUIL's reply, the Petitioner filed its rejoinder vide affidavit dated 29.11.2024.

10. This order is issued after considering the submissions made by the Petitioner in the Petition vide affidavits dated 8.6.2023, 31.8.2023, and 15.2.2024, the Petitioner's IA dated 8.6.2023, reply filed by CTUIL vide affidavit dated 7.11.2024, and the Petitioner's rejoinder dated 29.11.2024.

11. Having heard the learned counsel for the Petitioner and representatives of CTUIL, and perused the material available on record, we proceed to dispose of the Petition.



**IA No. 87/2023**

12. The Petitioner, in its IA No. 87/2023, has primarily submitted that CTUIL (Respondent) issued demand letters dated 1.7.2022 and 16.8.2022, seeking a refund of excess transmission charges collected by the Petitioner through the Point of Connection (PoC) mechanism for the deemed ISTS lines, in the absence of an approved tariff for the period from FY 2014-15 to FY 2019-20.

13. In reply to the IA No. 87/2023, the CTUIL vide its affidavit dated 7.11.2024 has submitted as follows:

a. The Commission vide order dated 8.6.2015 in Petition No. 259/TT/2013 approved the tariff in respect of the transmission assets, which was subsequently revised vide order dated 29.6.2015. The details of the revised tariff are as follows:

| Name of transmission line                        | 2011-12 | 2012-13 | 2013-14 |
|--------------------------------------------------|---------|---------|---------|
| 400 kV S/C Kolaghat – Baripada transmission line | 1450.50 | 2169.34 | 2564.59 |
| 220 kV S/C Santaldih-Chandil Transmission line   | 415.31  | 612.87  | 640.24  |
| Total                                            | 1865.81 | 2782.21 | 3204.84 |

b. The 2014 Tariff Regulations were notified on 21.2.2014. As per proviso (i) to Regulation 7(8) of the 2014 Tariff Regulations, the transmission licensee, shall continue to bill the beneficiaries or the transmission customers/DICs at the tariff approved by the Commission and tariff applicable as on 31.3.2014 for the period starting from 1.4.2014 till approval of tariff by the Commission in accordance with these regulations. Therefore, as per the provisions of the 2014 Tariff Regulations, the last available tariff of FY 2013-14 for the Petitioner's transmission lines, was continued to be included in the PoC computations by the Implementing Agency (NLDC), pending approval of the tariff for the 2014-19 tariff period. Accordingly, CTUIL billed and disbursed the transmission charges to the Petitioner.



- c. The Petitioner was required to file a tariff Petition for the 2014-19 block, and the same was not filed by it.
- d. The Commission, vide order dated 12.5.2017 in Petition No. 07/SM/2017, also directed all STUs to file tariff Petitions in accordance with the 2014 Tariff Regulations. However, despite the said directions of the Commission, the Petitioner did not file the required tariff Petition for the 2014-19 tariff period. As a result, the tariff approved for the FY 2013-14 for the Petitioner's transmission lines continued to be included in the PoC components.
- e. The issue of non-availability of approved tariff was raised during the Validation Committee's meeting for FY 2019–20, Q3 period held on 29.8.2019, wherein it was decided by the Validation Committee that STUs whose approved tariff was not available as on 31.3.2019, shall not be considered under the PoC calculations until further directions from the Commission. Accordingly, the billing of the Petitioner was discontinued w.e.f October 2019 as per the decision of the Validation Committee, due to the non-availability of the approved tariff as on 31.3.2019.
- f. The details of the billing of the Petitioner vis-à-vis the approved tariff are as follows:

| (₹ in lakh) |                              |                 |         |                                         |
|-------------|------------------------------|-----------------|---------|-----------------------------------------|
| FYs         | Commission's Order Reference | Approved Tariff | Billed  | Difference to be recovered from WBSETCL |
| 2011-12     | 259/TT/2013 dated 29.6.2015  | 1865.81         | 1865.81 | 0.00                                    |
| 2012-13     | 259/TT/2013 dated 29.6.2015  | 2782.21         | 2782.21 | 0.00                                    |
| 2013-14     | 259/TT/2013 dated 29.6.2015  | 3204.84         | 3204.84 | 0.00                                    |
| 2014-15     |                              |                 | 3204.84 | -3204.84                                |
| 2015-16     |                              |                 | 3204.84 | -3204.84                                |
| 2016-17     |                              |                 | 3204.84 | -3204.84                                |



|                           |              |                |                 |                  |
|---------------------------|--------------|----------------|-----------------|------------------|
| 2017-18                   |              |                | 3204.84         | -3204.84         |
| 2018-19                   |              |                | 3204.84         | -3204.84         |
| 2019-20<br>(up to Sep'19) |              |                | 1602.42         | -1602.42         |
|                           | <b>Total</b> | <b>7852.87</b> | <b>25479.51</b> | <b>-17626.64</b> |

g. CTUIL, vide letters dated 1.7.2022 and 17.11.2023, informed the Petitioner to refund an amount of ₹171.27 crore (₹176.27-5.0) to CTUIL for adjustment with DICs. However, following the Petitioner's intimation through its letter dated 28.03.2024, confirming that the tariff Petition for the 2014-19 and 2019-24 tariff period had been filed, CTUIL did not issue any further demand or request letters to the Petitioner.

h. The tariff in respect of the Petitioner's transmission lines for the FY 2011-14 was approved by the Commission based on ARR and indicative cost data used in PoC computations. In similar cases of deemed ISTS lines, the tariffs approved using ARR and indicative cost are generally on a higher side as compared to the tariff approved for similar aged lines considering capital cost as per the tariff regulations. Considering the COD of Petitioner's transmission lines, the tariffs for the 2014-19 and 2019-24 tariff periods are expected to be significantly lower as compared to the approved tariff for FY 2013-14 of ₹3204.84 lakh and included in PoC calculations from 1.4.2014 to 30.9.2019. Accordingly, even after tariff approval for the 2014-19 and 2019-24 tariff periods, the Petitioner has to refund a substantial amount to the DICs.

i. The current status of the refundable amount by the Petitioner is as follows:

|                                                               |  | (₹ in lakh)                             |
|---------------------------------------------------------------|--|-----------------------------------------|
|                                                               |  | Difference to be recovered from WBSETCL |
| Description                                                   |  |                                         |
| To be refunded by WBSETCL                                     |  | -17626.64                               |
| Already refunded back to pool DICs from withheld disbursement |  | 501.11                                  |
| Withheld disbursement by CTUIL as on 31.10.2024               |  | 22.27                                   |
| <b>Total</b>                                                  |  | <b>-17103.26</b>                        |



14. In response to the above submissions of the CTUIL, the Petitioner, in its rejoinder, vide affidavit dated 11.12.2024, has mainly submitted as follows:

- a. Pursuant to the Commission's order dated 12.5.2017 in Petition No. 07/SM/2017, the Petitioner directed the owners of the ISTS transmission lines to file a Petition for the determination of tariff for FY 2014-19 as per the 2014 Tariff Regulations and also to provide further information concerning the ISTS lines through an affidavit. The Petitioner submitted the available data regarding the transmission assets vide affidavit dated 12.6.2017 for the determination of the tariff for FY 2014-19 under the 2014 Tariff Regulations and prayed that the data provided by it may be used for the determination of the tariff for the transmission assets. Nevertheless, the exclusion of the transmission assets from the PoC mechanism, as per the decision of the 3<sup>rd</sup> Validation Committee dated 29.8.2019, which came to the Petitioner's knowledge only upon receipt of CTUIL's letter dated 1.7.2022, wherein a refund of transmission charges was sought. On enquiry from the Commission's Secretariat on 23.8.2022 it was informed that the Petitioner's affidavit dated 12.6.2017 was not considered for tariff computation and as such the Petitioner filed the present Petition for the determination of tariff of its deemed ISTS lines. The nature and treatment of the transmission assets remains the same and they are still being utilized to carry the inter-state power, and as such there is no question of non-payment of the PoC charges by CTUIL on the ground of non-approval of the tariff. Further, the State Commission in its ARR orders from FY 2015–16 to FY 2017–18 has already adjusted the amount received as transmission charges of the



transmission assets for the respective years. According to the Petitioner, the amount received towards ISTS charges has already been passed on to the beneficiaries. Therefore, CTUIL's refund claim is untenable. Further, CTUIL's comparison with tariffs of other assets is hypothetical and without any basis. The Petitioner has submitted that when the present Petition is allowed and the tariff is determined by the Commission, the Petitioner would receive transmission charges for the FY 2019-24, which have been withheld by the CTUIL for the said period on the ground that the tariff of the transmission assets has not been determined. Accordingly, any difference in the amount being claimed by the Petitioner in the instant Petition pursuant to the determination of the tariff can be adjusted later.

- b. The Commission, while determining the transmission tariff of the transmission assets vide order dated 8.6.2015 in Petition No. 259/TT/2013, approved a uniform methodology for inclusion of transmission lines used for inter-State transmission of power under the PoC mechanism. In accordance with the said methodology, based on Ckt. km length ARR, and PoC cost data, the YTC in respect of the transmission assets was determined for the 2009-14 tariff period. The submission of CTUIL that the tariff for similar transmission lines is lower, based on capital cost and the applicable Tariff Regulations, is baseless as the CTUIL has neither produced any relevant document nor placed any order on record to substantiate its claim, thereby rendering its submissions devoid of evidentiary value. Moreover, in the absence of an approved tariff for the 2014-19 and 2019-24 tariff periods, CTUIL's assertion that the tariff, when determined, would be



lower than that approved for FY 2011-14 is without any basis. Such pre-determined conclusions, particularly without any challenge to the Commission's aforementioned order dated 8.6.2015, are unfounded and merit no consideration.

- c. CTUIL's assertion that the tariff, yet to be determined by the Commission, would be lower than the previously approved tariff for FY 2011-14, amounts to a pre-judgment of the tariff determination process under Section 62 of the Electricity Act, 2003, and is therefore untenable. The Petitioner further submits that the ISTS charges received have already been passed on to the beneficiaries, and as such, no question of reimbursement arises. Additionally, the claim of CTUIL regarding 50% of the amount in the nature of interim relief sought without filing a substantive Petition. Such a claim requires adjudication in the separate proceedings and cannot be considered within the scope of the present Petition.

15. We have considered the submissions of the Petitioner and the CTUIL.

16. The Petitioner was required to file the tariff Petition for the 2014–19 tariff period in accordance with Regulation 6(1) of the 2014 Tariff Regulations. The relevant extract of Regulation 6(1) of the 2014 Tariff Regulations provides as follows:

***"CHAPTER - 3 PROCEDURE FOR TARIFF DETERMINATION***

***6. Tariff determination***

***(1) Tariff in respect of a generating station may be determined for the whole of the generating station or stage or generating unit or block thereof, and tariff in respect of a transmission system may be determined for the whole of the transmission system or transmission line or sub-station or communication system forming part of transmission system:***

***Provided that:***

***(i) where all the generating units of a stage of a generating station or all elements of a transmission system have been declared under commercial operation prior to 1.4.2014, the generating company or the transmission licensee, as the case may be, shall file consolidated petition in respect of the entire generating station or transmissions system for the purpose of determination of tariff for the period 2014-***



15 to 2018-19.”

17. Further, Regulation 7(3) of the 2014 Tariff Regulations provides as under:

**“7. Application for determination of tariff:**

*(3) In case of an existing generating station or transmission system including communication system or element thereof, the application shall be **made not later than 180 days from the date of notification of these regulations** based on admitted capital cost including any additional capital expenditure already admitted up to 31.3.2014 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2014-15 to 2018-19.”*

18. In terms of Regulation 7(3) of the 2014 Tariff Regulations, the Petitioner was required to file the true-up Petition within 180 days from the date of notification of the said Regulations. As the 2014 Tariff Regulations came into effect from 1.4.2014, the Petitioner was obligated to file the tariff Petition for determination of the tariff for the 2014-19 tariff period by 1.10.2014. However, the Petitioner did not file any such Petition by the said due date.

19. Furthermore, Regulation 7(8) of the 2014 Tariff Regulations provides as follows:

**“7. ....**

*8) In case of the existing projects, the generating company or the transmission licensee, as the case may be, may be allowed tariff by the Commission based on the admitted capital cost as on 1.4.2014 and projected additional capital expenditure for the respective years of the tariff period 2014-15 to 2018-19 in accordance with the Regulation 6:*

*Provided that:*

*(i) the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the transmission customers / DICs at the tariff approved by the Commission and applicable as on 31.3.2014 for the period starting from 1.4.2014 till approval of tariff by the Commission in accordance with these regulations.”*

20. As per Regulation 7(8) of the 2014 Tariff Regulations, in case of existing transmission projects, the tariff can be continued till approval of the tariff by the Commission in accordance with the said regulations. The transmission assets are deemed natural ISTS, and the Petitioner does not possess the capital cost details of these assets. Due to the non-submission of capital cost data by the Petitioner, the



Commission adopted a methodology based on ARR for the determination of the tariff for the 2009-14 tariff period. Accordingly, the Commission vide order dated 29.6.2015 in Petition No. 259/TT/2013, granted a tariff from 1.7.2011 to 31.3.2014. However, the Petitioner did not file any Petition for true-up the tariff for the 2009-14 tariff period and determination of the tariff for the 2014-19 tariff period. It is further observed that, for the purpose of determining the tariff for deemed ISTS lines during the 2014-19 tariff period, the Commission revised the methodology, and based on which, the tariff has been approved for several STUs.

21. It is also observed that in view of the failure of several STUs to file the tariff Petitions, the Commission vide order dated 5.9.2018 in Petition No. 07/SM/2017 held as follows:

*"It was noticed by the Commission that a number of State Utilities, owners /developers of the inter-State transmission lines connecting two States have not filed the tariff petitions in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations"). The Commission vide order dated 12.5.2017 directed the State Utilities, owners/developers of the inter-State transmission lines connecting two States at the voltage of 132 kV and above in North Eastern Region and at 220 kV and above in Northern, Eastern, Western and Southern to file tariff petitions for determination of tariff for inclusion in the computation of Point of Connection transmission charges and losses in terms of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations. Pursuant to the said order of the Commission, some of the owners/developers of these lines have filed tariff petitions. However, the following entities have not filed the tariff petitions despite a lapse of more than a year: -*

- (a) Punjab State Transmission Corporation Limited (PSTCL)*
- (b) Power Development Department of Jammu & Kashmir (PDD)*
- (c) Gujarat Energy Transmission Corporation Limited (GETCO)*
- (d) Jharkhand State Electricity Board (JSEB)*
- (e) West Bengal State Electricity Distribution Company Limited (WBSEDCL)*
- (f) Haryana Vidyut Prasaran Nigam Limited (HVPNL)*
- (g) Assam Electricity Grid Corporation Limited (AEGCL)*
- (h) Meghalaya Energy Corporation Limited (MECL)*
- (i) Tripura State Electricity Corporation Limited (TSECL).*

2. Since the tariff period 2014-19 is drawing a close in the next seven months and the State Utilities as mentioned above have not filed the tariff petitions, the present petition was listed for hearing and for further directions on 21.8.2018. However, none of the State Utilities appeared on the schedule date of hearing. We direct the above utilities to file the tariff petitions within two months in respect of the transmission lines connecting two States which are within their purview in terms of the 2014 Tariff Regulations. The State utilities are directed to submit the following information



alongwith the petition on affidavit, with a copy to the beneficiaries of the respective lines:-

- a) A certificate from the respective RPCs stating that the transmission lines carry inter-State power.
- a) Length of the transmission lines in km specifying S/C or D/C.
- b) Date of commercial operation of transmission lines.
- c) Line-wise capital cost, duly certified by an auditor, if available. In such cases, in line with Central Electricity Regulatory Commission (Terms and Conditions) of Tariff Regulations, 2014, utilities may be directed to submit historical cost, if available, duly certified by Auditor and the information at (b) to (e) below.
- d) Funding pattern of the assets, i.e. the actual debt and equity considered towards the transmission assets as on date of commercial operation;
- e) Repayment schedule and interest rates of the loan(s) availed as per Form-9C of 2014 Tariff Regulations, alongwith supporting documents;
- f) Cumulative depreciation against the assets as on 31.3.2014;
- g) In case norms for O&M have not been finalized by the SERC, actual audited O&M Expenses for that fiscal year.

5. If the tariff petitions are not filed by the concerned State Utilities, within two months from the date of issue of this order it will be presumed that these utilities are not interested to claim the tariff for the inter-State transmission lines within their control and the tariff wherever earlier granted for these lines would be taken off from the computation of PoC charges on expiry of two months from the date of issue of this order."

22. The Petitioner has submitted that, in compliance with the directions of the Commission issued vide order dated 12.5.2017 in Petition No. 07/SM/2017, it filed an affidavit dated 12.6.2017 in the said proceedings. However, when Petition No. 07/SM/2017 was listed for hearing on 21.8.2018, none of the State Utilities, including the Petitioner, appeared on the scheduled date of hearing. It is pertinent to note that the Commission's direction required the filing of a tariff Petition for the relevant period and not any submission by way of an affidavit in the proceedings of Petition No. 07/SM/2017. Subsequently, CTUIL, vide its letter dated 1.7.2022, requested the Petitioner to refund the excess transmission charges in respect of deemed ISTS lines of WBSETCL, amounting to ₹171.27 crore. Following the receipt of CTUIL's communication, the Petitioner filed the present tariff Petition seeking the determination of the tariff for the 2014-19 period.

23. We have carefully considered the Petitioner's and CTUIL's submissions and have perused the record. Before making any observation on IA No. 87 of 2023, we



would like to deal with the prayer of the Petition for condonation of delay in filing the present Petition.

24. A perusal of the record shows that the Commission vide its order dated 12.5.2017 in Petition No. 7/SM/2017, directed the owners of the ISTS transmission lines to file a tariff Petition for the determination of tariff for the 2014-19 tariff period as per the 2014 Tariff Regulations along with information concerning the ISTS lines. However, no tariff Petition came to be filed by the Petitioner in compliance with the directions of the said order dated 12.5.2017. On examination of the record in Petition No. 7/SM/2017, we note that the Petitioner had filed an affidavit dated 12.6.2017, wherein the tariff details of the transmission assets for FYs 2014-15, 2015-16, 2016-17, and 2017-18, with certain documents, were given. As regards the tariff in respect of the transmission assets for FY 2018-19, it was submitted that the same can be derived on the same methodology after submission of the ARR application for FY 2018-19 before the State Commission.

25. The Commission vide order dated 5.9.2018 in Petition No. 7/SM/2017, again directed a number of State Utilities, owners/developers of the inter-State transmission lines connecting two States including the Petitioner to file the tariff Petitions for the 2014-19 period within two months from the date of passing of the order i.e. 5.9.2018. However, no tariff Petition came to be filed by the Petitioner during the two months' time, i.e., by 4.11.2018 from the date of passing of the order dated 5.9.2018 in Petition No. 7/SM/2017.

26. The Petitioner has submitted that, upon receipt of a letter from CTUIL on 1.7.2022, regarding excess transmission charges, it approached the Commission on 23.8.2022, to know the fate of its affidavit dated 12.6.2017 in Petition No. 7/SM/2017 for the purpose of computing YTC, and that later, the Petitioner engaged technical consultants to prepare the requisite data and complete the necessary forms in



compliance with the 2014 Tariff Regulations and thereafter filed the present Petition.

27. On consideration of the material placed on record, we are of the view that in terms of the Commission's order dated 5.9.2018 in Petition No. 7/SM/2017, the Petitioner was required to file a tariff Petition for the 2014-19 tariff period by 4.11.2018. Instead of filing the tariff Petition for the 2014-19 tariff period, the Petitioner has taken a plea that it filed an affidavit dated 12.6.2017 in Petition No. 7/SM/2017, furnishing therein the transmission tariff details of the transmission assets for FYs 2014-15, 2015-16, 2016-17 and 2017-18 except for FY 2018-19. No plausible explanation has been given by the Petitioner as to why it filed an affidavit in Petition No. 7/SM/2017 instead of filing a separate tariff Petition for the 2014-19 tariff period. However, the Petitioner filed the present tariff Petition for the 2014-19 period on the Commission's portal on 13.6.2023. Thus, there is a delay of 1681 days in the filing of the present Petition (i.e. 4.11.2018 to 12.6.2023). In the peculiar facts and circumstances of the present case, as well as the fact that the Petitioner had somehow filed an affidavit dated 12.6.2017 in Petition No. 7/SM/2017, detailing therein the tariff of the transmission assets, we hereby condone the delay of 1681 days in the filing of the present Petition. We, however, clarify that the delay condoned in the present case should not be quoted as a precedent in the future.

28. As regards the prayer of the applicant/Petitioner in IA No. 87 of 2023 for stay of the operation of demand letters dated 1.7.2022 and 16.8.2022, in the facts and circumstances of the present case, suffice it to say that in the absence of a tariff order, recovery of transmission charges from beneficiaries is not permissible. Accordingly, we are not inclined to grant any relief to the Petitioner in respect of its prayers in IA No. 87/2023 for a stay of CTUIL's letters dated 1.7.2022 and 16.8.2022. The IA No. 87 of 2023 is accordingly disposed of.



### **Determination of transmission tariff for the 2014-19 tariff period**

29. The Petitioner has claimed the following transmission charges in the instant Petition:

(₹ in lakh)

| <b>400 kV S/C Kolaghat-Baripada transmission line</b> |                |                |                |                |                |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Particulars</b>                                    | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> |
| Depreciation                                          | 31.43          | 31.43          | 31.43          | 31.43          | 31.43          |
| Interest on Loan                                      | 84.35          | 81.68          | 79.00          | 76.33          | 73.66          |
| Return on Equity                                      | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Interest on Working Capital                           | 5.54           | 5.57           | 5.61           | 5.65           | 5.69           |
| O&M Expenses                                          | 51.96          | 53.76          | 55.56          | 57.36          | 59.29          |
| <b>Total</b>                                          | <b>173.27</b>  | <b>172.44</b>  | <b>171.61</b>  | <b>170.77</b>  | <b>170.08</b>  |

(₹ in lakh)

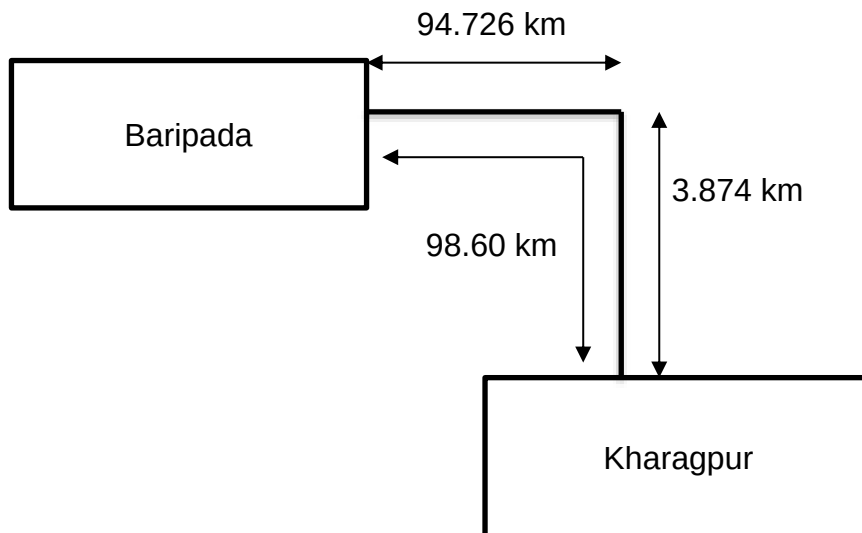
| <b>220 kV Santaldih-Chandil transmission line</b> |                |                |                |                |                |
|---------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Particulars</b>                                | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> |
| Depreciation                                      | 5.96           | 5.96           | 5.96           | 5.96           | 5.96           |
| Interest on Loan                                  | 10.30          | 9.80           | 9.29           | 8.78           | 8.28           |
| Return on Equity                                  | 13.63          | 13.70          | 13.70          | 13.70          | 13.74          |
| Interest on Working Capital                       | 1.51           | 1.53           | 1.55           | 1.57           | 1.58           |
| O&M Expenses                                      | 14.93          | 15.45          | 15.96          | 16.48          | 17.00          |
| <b>Total</b>                                      | <b>46.33</b>   | <b>46.43</b>   | <b>46.46</b>   | <b>46.48</b>   | <b>46.55</b>   |

30. It is observed that the LILO of the 400 kV Kolaghat-Baripada S/C transmission line was implemented at the Kharagpur 400 kV substation on 28.4.2012. As a result of this LILO implementation, the length of the transmission line under the ISTS was modified, leading to the following adjustments in line lengths:

- i. Line length of 400 kV Kharagpur-Baripada (ISTS portion): 98.6 km
- ii. Line length of 400 kV Kolaghat-Kharagpur (Non-ISTS portion): 80 km

31. Further, it is observed that as per information submitted by the Petitioner vide letter dated 14.1.2025, out of 98.60 km length (ISTS portion), the Loop-Out length of Kharagpur 400 kV Substation to 400 kV Baripada S/C transmission line is 3.874 km. The same is illustrated as under:





32. Therefore, in the instant order, the transmission tariff for the 2014-19 tariff period is being determined in respect of the following transmission assets:

| Asset           | Name of the Asset                                                                 | Line length | COD       |
|-----------------|-----------------------------------------------------------------------------------|-------------|-----------|
| <b>Asset-1A</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Original Portion). | 94.726 km   | 16.3.1992 |
| <b>Asset-1B</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Loop-Out Portion)  | 3.874 km    | 28.4.2012 |
| <b>Asset-2</b>  | 220 kV S/C Santaldih-Chandil transmission line                                    | 73.90 Ckm   | 1.4.1987  |

#### **Capital Cost of the transmission assets:**

33. The Petitioner has submitted that on account of the non-availability of PGCIL's indicative cost data for various transmission lines and the subsequent co-efficient/ratio of base (the ratio of indicative cost of the 400 kV Double Circuit Quad Moose transmission line to the indicative cost of other transmission line) for FY 2014-15 onwards, the calculation of Yearly Transmission Charges (YTC) for the financial years for 2014-19 tariff period have been carried out using the methodology adopted earlier, considering the "ratio of base" same as that for FY 2013-14, as determined by the Commission vide order dated 8.6.2015 in Petition No. 259/TT/2013. Accordingly, the provisional tariff claimed in respect of the transmission assets for the 2014-19 tariff period is as follows:

(₹ in lakh)

| Name of the transmission line | Line length in Ckt. km | 2014-15     | 2015-16     | 2016-17     | 2017-18     | 2018-19     |
|-------------------------------|------------------------|-------------|-------------|-------------|-------------|-------------|
| 400 kV Kolaghat-Baripada S/C  | 128.62                 | 2603.203797 | 2780.657508 | 2875.392979 | 4057.417387 | 4146.553745 |
| 220 kV Santaldih-Chandil S/C  | 73.9                   | 650.7260369 | 695.0843579 | 718.7654996 | 1014.237586 | 1036.519111 |
| <b>Total</b>                  |                        | 3253.93     | 3475.74     | 3594.16     | 5071.65     | 5183.07     |

34. The Petitioner has submitted that the above calculations for the provisional YTC for FYs 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19 have been carried out considering the cost of 400 kV Double Circuit Twin Moose transmission lines.

35. The Petitioner has submitted that there has been no additional capitalization or change in the capital cost in respect of the transmission assets in the subsequent years. Accordingly, the Petitioner has prayed that the Commission may determine the transmission tariff (YTC) for the transmission assets based on the aforementioned methodology, considering the approved Annual Revenue Requirements (ARR) by the State Commission and the line length of the transmission lines for the respective years, along with consideration of PGCIL's indicative cost data for different transmission lines and the subsequent corresponding base ratio/coefficient for the respective years. It is pertinent to note that the above calculation does not factor in inflation, WPI-CPI variations, or cost escalation, etc.

36. The Petitioner has submitted that, on 20.12.2022, it appointed and engaged Technical Consultants to prepare the requisite data for submission before the Commission, in accordance with the applicable Forms under the 2014 Tariff Regulations. Subsequently, on 15.2.2023, the Technical Consultants submitted the compiled data, based on which the present Petition has been prepared for filing



before the Commission. The ARR from 1.4.2014 to 31.3.2019 in respect of the transmission assets is summarized as follows:

| (₹ in lakh) |                                       |                                     |        |
|-------------|---------------------------------------|-------------------------------------|--------|
| Period      | YTC for 400 kV<br>Kolaghat - Baripada | YTC for 220 kV<br>Santaldih-Chandil | Total  |
| 2014-15     | 173.27                                | 46.33                               | 219.30 |
| 2015-16     | 172.44                                | 46.43                               | 218.87 |
| 2016-17     | 171.61                                | 46.46                               | 218.07 |
| 2017-18     | 170.77                                | 46.48                               | 217.25 |
| 2018-19     | 170.88                                | 46.55                               | 216.63 |

37. The Petitioner has also submitted that the 220 kV Santaldih–Chandil S/C transmission line was commissioned in the year 1987. However, details of any specific loans that may have been availed of by the erstwhile West Bengal State Electricity Board (WBSEB) for the construction of the said line are not available with the Petitioner. Accordingly, for the purpose of calculating interest on the normative loan, a normative loan amounting to 70% of the completed project cost has been assumed.

38. The Petitioner has further submitted that the 400 kV Kolaghat–Baripada transmission line was fully financed (100%) under the ISTL Loan Scheme of the Central Government, on a reimbursement basis.

39. According to the Petitioner, none of the loans granted to the erstwhile WBSEB were repaid in accordance with their original repayment terms. Consequently, during the disinvestment of assets under the unbundling process, the State Government, vide Notification No. 313-PO/O/III/3R-29/2006 dated 19.9.2008, specified under Note 1 appearing under Schedule 'A'-Transmission & Load Despatch Undertaking, the loans transferred to the Petitioner would be treated as a cumulative loan bearing interest at the rate of 8.5% per annum, repayable in 25 equal annual instalments, with a moratorium period of one year. Accordingly, for the loan pertaining to the 400 kV Kolaghat–Baripada S/C transmission line and the normative loan assumed for the 220 kV Santaldih–Chandil S/C line, the applicable interest rate has been



considered.

40. Further, at the time of the disinvestment of the assets from the WBSEB to the Petitioner, only the block-wise value for each class of assets was available, and no records were available for individual transmission lines or other assets. Consequently, the Petitioner engaged SREI Infrastructure Finance Limited to conduct a physical verification of the assets and to allocate the class-wise value of the asset blocks to the individual assets. However, since the 400 kV Kolaghat–Baripada line was fully funded through Central Government assistance, its value was determined based on the aggregate value of the loans received from the State Government for the project. The methodology followed by SREI Infrastructure Finance Limited for said purpose is detailed in a letter dated 17.9.2013.

41. We have considered the Petitioner's submissions. It is observed that the Petitioner has sought the tariff for the 2014-19 tariff period based on the indicative cost data for various transmission lines of the PGCIL. Additionally, the Petitioner has also sought a tariff based on the methodology approved by SREI Infrastructure Finance Limited for the allocation of the class-wise value of the asset block to the individual assets. The details of the capital cost claimed by the Petitioner are as follows:

| (₹ in lakh)                |              |
|----------------------------|--------------|
| Transmission line          | Capital Cost |
| 400 kV Kolaghat - Baripada | 1223.00      |
| 220 kV Santaldih-Chandil   | 231.76       |

42. It is observed that the Petitioner was unable to submit an Auditor's Certificate in support of the capital cost. Instead, the capital cost for the transmission assets has been derived based on available loan details. We are of the view that the capital cost duly certified by the auditor can only be considered for the purpose of tariff determination. However, in the present case, the capital cost as submitted by SREI



Infrastructure Finance Limited has neither been validated by the Petitioner's Board of Directors nor certified by any Auditor. After carrying out a prudence check of the data submitted by the Petitioner, we are not inclined to consider the capital cost submitted by the Petitioner. Accordingly, the capital cost of the transmission assets is determined based on the methodology adopted by the Commission for deriving the capital cost of the transmission assets, as detailed in the subsequent paragraphs.

43. We have considered the Petitioner's submissions and note that the Petitioner is unable to submit the audited cost of the transmission assets as the same are not available with it. The Commission vide order dated 19.12.2017 in Petition No. 173/TT/2016, had adopted a methodology for the calculation of the transmission tariff, wherein the useful life of the transmission lines was considered as 25 years. The relevant portion of the said tariff methodology is as follows:

**"Tariff Methodology:**

25. As per the petitions filed by the states, their ISTS lines generally have the configuration of 132 kV, 220 kV or 400 kV. In the absence of an established tariff data base, in order to develop this methodology Annual Reports of PGCIL from 1989-90 to 2013-14 have been referred to. The Annual Reports depict, inter alia, the information pertaining to year wise total transmission lines' length in ckt-km and corresponding Gross Block. This pan-India data represents all the five transmission regions and is a composite mix of parameters like terrains, wind-zones, tower and conductor type etc. +/- 500 kV HVDC and 765 kV & above voltage level AC lines too have come up in between and the data also includes those lines. Voltage level-wise data as on 30<sup>th</sup> April 2017, obtained from PGCIL indicates that the percentage of 220 kV, 132 kV and 66 kV TL taken together makes it around 8.3 % of the total line length owned by PGCIL. Further, 132 kV TLs were established in NER prior to 1990, and Transmission Lines of 220 kV voltage levels were last commissioned in around the year 2004 in NR. Majority of the transmission lines consist of 400 kV which corresponds to 66% of the total transmission line lengths. Thus, the 400 kV and lesser voltage levels account for approximately 75% of the transmission lines. Assuming the above referred spread of voltage wise percentages for earlier years too, it can be said that the year wise average TL cost figures derived from PGCIL data, when further reduced by 25%, fairly represent the average transmission line capital cost corresponding to a 400 kV S/C line. Considering 400 kV S/C transmission line cost as reference cost, Analysis of PGCIL's indicative cost data (P/L Feb 2017) suggests the following:

| Reference cost of 400 kV S/C TL |               | Rs X lakh/km |
|---------------------------------|---------------|--------------|
| 1                               | 400 kV D/C TL | 1.39 X       |
| 2                               | 220 kV D/C TL | 0.57 X       |
| 3                               | 220 kV S/C TL | 0.36 X       |
| 4                               | 132 kV D/C TL | 0.43 X       |



|   |               |        |
|---|---------------|--------|
| 5 | 132 kV S/C TL | 0.31 X |
|---|---------------|--------|

26. Therefore, for arriving at the costs of transmission lines of other voltage levels and circuit configurations, the average TL cost data shall be multiplied by the factors illustrated in the above table. Lower voltage levels can be treated as part of 132 kV. The above table contemplates Twin Moose conductor which is widely used in States' transmission lines.

27. Based on respective year end data, average transmission line length during the year has been worked out. Difference between a particular year's average TL length figures and that for the immediate preceding year provides us the transmission line length added during that year. Average gross block corresponding to transmission lines has been divided by the average TL length to arrive at the Average Cost of TL (in Rs lakh per ckt-km) during the year. Thus, considering the year of COD of a state's ISTS line and its ckt-km, its cost would be worked out by relating it to PGCIL's TL cost during that year. Although the Commission has relied on PGCIL's Annual Reports, there are certain deviations in the cost data worked out. The year 1989-90 was the year of incorporation for PGCIL, and the transmission assets of NTPC, NHPC, NEEPCO etc were taken over by PGCIL by mid 1991-92. Thus, as the base data for these years was not available, the corresponding average cost of TL could not be worked out. The average cost from 1992-93 onwards up to 2013-14 shows an increasing trend at a CAGR of 5.17%. Therefore, for the years 1989-90, 1990-91 and 1991-92, the average cost of TL has been back derived considering the 1992-93 average cost. Similarly, abnormal dip/spikes in the TL cost for the years 1996-97, 2001-02 and 2004-05 has been corrected by considering the average values of the TL costs in the immediate preceding and succeeding years.

28. While calculating tariff, the following has been considered:

- (i) Useful life of the transmission line shall be deemed to be 25 years.
- (ii) Prevailing depreciation rates as per the CERC (Terms & Conditions of Tariff) Regulations, 2014 shall be considered uniformly for all the previous tariff periods so as to do away with the Advance Against Depreciation which was in vogue during earlier tariff periods. Notwithstanding the depreciation considered as recovered earlier, for the purpose of these tariff calculations, remaining depreciable value shall be spread over the remaining useful life of the transmission line, where the elapsed life is more than or equal to 12 years.
- (iii) Normative Debt-Equity ratio shall be 70:30.
- (iv) Normative loan repayment during a year shall be deemed to be equal to the depreciation allowed for that year.
- (v) Rate of Interest on normative loan shall be the weighted average rate of interest as derived on the basis of PGCIL's Balance Sheet.
- (vi) In order to avoid complexity, grossing up of rate of Return on Equity with tax rate is being dispensed with.
- (vii) Bank rate [as defined in CERC (Terms & Conditions of Tariff) Regulations, 2014] as on 1.4.2014 shall be applied for calculating the rate of interest on working capital on normative basis.
- (viii) O & M expenses as per the CERC (Terms & Conditions of Tariff) Regulations, 2014 shall be considered.
- (ix) Where the life of TL is more than or equal to 25 years as on 01.04.2014, only O & M expenses and IWC shall be allowed in lieu of complete tariff.

44. The Appellate Tribunal for Electricity (APTEL), vide its common judgement



dated 14.11.2022 in Appeal Nos. 267 and 274 of 2018 filed by RRVPNL and Appeal No. 415 of 2019 filed by MPPTCL had set aside the abovementioned methodology of allowing the tariff for the deemed ISTS lines, reckoning their useful life as 25 years. The APTEL, in the said judgment, had observed that the useful life of the State-owned Deemed ISTS lines shall be the same as for the ISTS lines specified in the 2014 Tariff Regulations, which is 35 years. The relevant portions of the said judgment of APTEL are as follows:

*“30. Accordingly, as observed above, it is opined that the decision of the Central Commission for considering the useful life of the State owned Deemed ISTS lines as 25 years is not correct. The useful life of the subject transmission lines shall be the same as for the ISTS lines as specified in the Tariff Regulations 2014 and the Sharing Regulations, 2010 which is 35 years.*

#### **ORDER**

*For foregoing reasons as stated supra, we are of the considered view that the captioned Appeal No. 267 of 2018, Appeal No. 274 of 2018 and Appeal No. 415 of 2019 have merit and are allowed.*

*The impugned orders dated 20.06.2018 in Petition No. 215/TT/2017, dated 04.05.2018 in Petition No.112/TT/2017 and dated 19.12.2017 in Petition No. 88/TT/2017 read with the order dated 12.06.2019 in Review Petition 11/RP/2018 passed by the Central Electricity Regulatory Commission are set aside.*

*The Central Electricity Regulatory Commission is directed to revisit the impugned orders and pass the consequential orders in accordance with the observations made in the foregoing paragraphs.”*

45. Being aggrieved with the APTEL’s common judgment dated 14.11.2022 in Appeal Nos. 267 of 2018 and 274 of 2018, RRVPNL filed Review Petitions before the APTEL as Review Petition Nos. 12 of 2022 and 13 of 2022, respectively. The grounds for review, as recorded by APTEL in its judgment dated 6.7.2023, are as follows:

*“4. The Appeal Nos. 267 & 274 of 2018 were filed assailing the Impugned Orders passed by the Central Commission on two issues that is 1) consideration of the useful life of the Deemed Inter-State Transmission System (‘ISTS’) Lines to be 25 years instead of the 35 years as prescribed in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2014 (‘Tariff Regulations, 2014’), and 2) direction to the Review Petitioner to file a fresh Petition in respect of ISTS lines on the purported ground that the data in the prescribed format (Line- wise format) was not provided.*

*5. However, while passing the judgment dated 14.11.2022, this Tribunal allowed the appeals to the extent of aforementioned issue no. 1), also noting that the Issue mentioned at 2) is not being pressed and accordingly, no finding has been passed*



*on this issue, hence the captioned Review Petitions limited to this extent.”*

*“7. As seen from above, the Review Petitioner herein i.e. the Appellant in 267 & 274 of 2018 has assailed both the issues in the said appeals, as such, both the issues required adjudication, therefore, the Review Petitions have merit and justify to be allowed for judicious conclusion of the appeals nos. 267 & 274 of 2018.*

*8. As the second issue assailed by the Appellant in Appeal Nos. 267 & 274 of 2018 has not been considered and decided, is an error which is evident on a mere relook at the prayers made in the aforesaid appeals and the written submissions placed on record by the Appellant, and does not require re-examination or detailed discussions.*

*9. Therefore, we find it most appropriate to review the earlier judgment of this Tribunal.”*

46. The APTEL, vide judgment dated 6.7.2023 allowed Review Petition No. 12 of 2022 and Review Petition No. 13 of 2022 filed by RRVPNL, while considering the similar issue raised by MPPTCL in Appeal No. 415 of 2019, remanded back Petition No. 215/TT/2017, Petition No. 112/TT/2017 and Petition No. 88/TT/2017 along with Review Petition No.11/RP/2018 (in Petition No. 88/TT/2017) for reconsideration of the Commission. The relevant portions of the judgment are as follows:

**“ORDER**

*For the foregoing reasons as stated above, we are of the considered view that the Review Petitions have merit and are allowed, the earlier judgment dated 14.11.2022 passed by this Tribunal in Appeal Nos. 267 & 274 of 2018 is amended to the extent as concluded above.*

*The orders dated 20.06.2018 in Petition No. 215/TT/2017, dated 04.05.2018 in Petition No.112/TT/2017 and dated 19.12.2017 in Petition No. 88/TT/2017 read with the order dated 12.06.2019 in Review Petition 11/RP/2018 passed by the Central Electricity Regulatory Commission are set aside.*

*The Central Commission shall pass consequential orders by considering the useful life of the State owned Deemed ISTS lines same as for the ISTS lines as specified in the Tariff Regulations 2014 and the Sharing Regulations, 2010 which is 35 years and determining the tariff in accordance with the Regulations specified.*

*The Review Petitions along with IAs, if any, are disposed of accordingly.”*

47. As per the directions of APTEL in the judgement dated 14.11.2022 in Appeal No.267 of 2018 and batch matters and the subsequent judgement dated 6.7.2023 in Review Petition No.12 of 2022 and 13 of 2022, we have considered the useful life of the transmission lines as 35 years. Accordingly, we have modified the methodology



adopted by us earlier for approving the transmission charges for the transmission lines connecting two States/ deemed ISTS lines, considering the useful life of the transmission lines as 35 years. For the determination of the transmission charges of the assets that have not completed their 35 years of service as on 1.4.2014, the capital cost of the transmission lines is derived from 1979-80 onwards till 31.3.2014. As per the earlier methodology, the capital cost has been approved by the Commission from 1989-90 onwards till 31.3.2014. Further, in the earlier methodology, due to the unavailability of base data for 1989-90, 1990-91 and 1991-92, the average cost of transmission lines has been back derived considering the average cost from 1992-93 onwards up to 2013-14 at a Compound Annual Growth Rate (CAGR) of 5.17%. The methodology for deriving the average cost of transmission lines for 1989-90, 1990-91, and 1991-92 has been extrapolated backwards to derive the average cost of transmission lines for 1979-80 to 1988-89. Accordingly, the average capital cost of the transmission lines for 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1986-87, 1987-88 and 1988-89 has been back derived by applying the Compound Annual Growth Rate (CAGR) factor of 5.17%. The capital cost of the transmission lines, which have not completed 35 years, is worked out as per the said methodology.

48. Accordingly, we now proceed to determine the transmission tariff for the 2014-19 tariff period in respect of the transmission assets whose COD is earlier than 31.3.2014 and where the audited capital cost information is not available.

49. Therefore, in view of the tariff methodology discussed above, the capital cost has been derived by taking into account the approved line length and configuration, the year of COD allowed, and the rationalized cost applicable for the respective year. Accordingly, the derived capital cost of the transmission assets is as follows:



| Asset           | Asset Name                                                                       | COD       | Rationalized Cost<br>(₹ in lakh / Ckm) | Length (Ckm) | Multiplication Factor | Gross Value of the asset<br>(₹ in lakh) |
|-----------------|----------------------------------------------------------------------------------|-----------|----------------------------------------|--------------|-----------------------|-----------------------------------------|
| <b>Asset-1A</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Original Portion) | 16.3.1992 | 29.69                                  | 94.726       | 1.00                  | 2812.00                                 |
| <b>Asset-1B</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Loop Out Portion) | 28.4.2012 | 65.67                                  | 3.874        | 1.00                  | 254.40                                  |
| <b>Asset-2</b>  | 220 kV S/C Santaldih-Chandil transmission line.                                  | 1.4.1987  | 24.26                                  | 73.90        | 0.36                  | 645.54                                  |

50. Since Asset-1A and Asset-2 had already completed 12 years of their useful life as on 1.4.2014, hence, Interest on Loans (IoL) in respect of the transmission assets are not allowed for the 2014-19 tariff period.

51. Further, the complete useful life of the instant transmission assets as on 31.3.2014 is as follows:

| Asset           | Name of the Asset                                                                | Length of the lines | COD       | Useful life of 35 years completed as on | Whether useful life completed as on 31.3.2014 |
|-----------------|----------------------------------------------------------------------------------|---------------------|-----------|-----------------------------------------|-----------------------------------------------|
| <b>Asset-1A</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Original Portion) | 94.726 km           | 16.3.1992 | 15.3.2027                               | No                                            |
| <b>Asset-1B</b> | 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion) (Loop Out Portion) | 3.874 km            | 28.4.2012 | 28.4.2047                               | No                                            |
| <b>Asset-2</b>  | 220 kV S/C Santaldih-Chandil Transmission line                                   | 73.90 km            | 1.4.1987  | 31.3.2022                               | No                                            |

52. Based on the above, it is observed that the transmission assets considered in the instant Petition have not completed 35 years of useful life as on 31.3.2014 and even as on 31.3.2019. Therefore, all the components of transmission charges except for IoL have been allowed for all the transmission assets for the 2014-19 tariff period.

### **Additional Capital Expenditure (ACE)**

53. The Petitioner has not claimed any ACE in respect of the transmission assets for the 2014-19 tariff period. Therefore, the ACE has been considered as 'NIL' in respect of the transmission assets for the 2014-19 tariff period.

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

54. The O&M Expenses claimed by the Petitioner against the transmission assets for the 2014-19 tariff period are as follows:

| (₹ in lakh)                                                                |         |         |         |         |         |         |
|----------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| Name of the Line                                                           | km      | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| 400 kV S/C Kolaghat-Baripada transmission line Baripada-Kharagpur Section. | 128.615 | 51.96   | 53.76   | 55.56   | 57.36   | 59.29   |
| 220 kV S/C Santaldih-Chandil transmission line.                            | 73.9    | 14.93   | 15.45   | 15.96   | 16.48   | 17.00   |

55. Regulation 29(4) of the 2014 Tariff Regulations provides the norms for the O&M Expenses as follows:

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

| Particular                                 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--------------------------------------------|---------|---------|---------|---------|---------|
| Single circuit (Single conductor)          | 0.202   | 0.209   | 0.216   | 0.223   | 0.23    |
| Single circuit (Twin and Triple conductor) | 0.404   | 0.418   | 0.432   | 0.446   | 0.461   |

56. We have considered the submissions of the Petitioner. The O&M Expenses, as worked out under Regulation 29(4) of the 2014 Tariff Regulations against the transmission assets are as follows:

| (₹ in lakh)     |                                                                                                                     |              |              |              |              |              |
|-----------------|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                 | Name of the Line                                                                                                    | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
| <b>Asset-1A</b> | 400 kV S/C Kolaghat-Baripada transmission line Baripada-Kharagpur Section (ISTS Portion) (Original Portion) (in km) | 94.726       | 94.726       | 94.726       | 94.726       | 94.726       |
|                 | Norms as per Regulation                                                                                             | 0.404        | 0.418        | 0.432        | 0.446        | 0.461        |
|                 | <b>O&amp;M Expenses allowed</b>                                                                                     | <b>38.26</b> | <b>39.60</b> | <b>40.92</b> | <b>42.25</b> | <b>43.67</b> |
| <b>Asset-1B</b> | 400 kV S/C Kolaghat-Baripada                                                                                        | 3.874        | 3.874        | 3.874        | 3.874        | 3.874        |



|                |                                                                                        |              |              |              |              |              |
|----------------|----------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                | transmission line Baripada-Kharagpur Section (ISTS Portion) (Loop Out Portion) (in km) |              |              |              |              |              |
|                | Norms as per Regulation                                                                | 0.404        | 0.418        | 0.432        | 0.446        | 0.461        |
|                | <b>O&amp;M Expenses allowed</b>                                                        | <b>1.57</b>  | <b>1.62</b>  | <b>1.67</b>  | <b>1.73</b>  | <b>1.79</b>  |
| <b>Asset-2</b> | 220 kV S/C Santaldih-Chandil transmission line (in km).                                | 73.90        | 73.90        | 73.90        | 73.90        | 73.90        |
|                | Norms as per Regulation                                                                | 0.202        | 0.209        | 0.216        | 0.223        | 0.23         |
|                | <b>O&amp;M Expenses allowed</b>                                                        | <b>14.93</b> | <b>15.45</b> | <b>15.96</b> | <b>16.48</b> | <b>17.00</b> |

57. Regulation 11 of the Central Electricity Regulatory Commission (Sharing of Interstate Transmission Charges and Losses) Regulation, 2010 (“the 2010 Sharing Regulations”) and its subsequent amendments provide as follows:

**“11. Billing.**

(1) The Central Transmission Utility shall be responsible for raising the transmission bills, collection and disbursement of transmission charges to ISTS transmission licensee. Any expenses incurred by CTU on account of this function shall be reimbursement as part of Yearly Transmission Charges.

(2) The bills for the use of ISTS shall be raised by the CTU on the concerned Designated ISTS Customers. The SEB/STU may recover the transmission charges for the use of the ISTS from the distribution companies, generators and bulk customers connected to transmission system owned by the SEB/STU /interstate transmission licensee in a manner approved by the appropriate commission.

(3) The billing for ISTS charges for all Designated ISTS customers shall be on the basis of Rs./MW/Month, and shall be raised by the CTU in three parts.

(4) .....

(5) .....

(6) The third part of the bill shall be used to adjust any variations in interest rates, FERV, rescheduling of commissioning of transmission assets etc. as allowed by the commission for any ISTS Transmission licensee. Total amount to be recovered/reimbursed because of such under recovery /over recovery shall billed by CTU to each Designated ISTS customers in proportion of its average approved injection/Approved withdrawal over previous six months on a biannual basis. This part of the bill shall be raised on first working day of September and First working day of March for the previous six months.”

58. The Commission, vide order dated 29.6.2015 in Petition No. 259/TT/2013, approved the YTC of the transmission lines for FYs 2011-12, 2012-13, and 2013-14 as follows:

| (₹ in lakh)                                    |                      |           |           |           |
|------------------------------------------------|----------------------|-----------|-----------|-----------|
| Transmission Line                              | Line Length (Ckt km) | 2011-12*  | 2012-13   | 2013-14   |
| 400 kV S/C Kolghat -Baripada transmission line | 128.615              | 145050017 | 216934237 | 256459967 |
| 220 kV S/C Santaldih-Chandil transmission line | 73.9                 | 41531333  | 61287113  | 64024316  |
| <b>Total</b>                                   |                      | 186581349 | 278221350 | 320484282 |



\*YTC for 9 months has been taken as per the 2010 Sharing Regulations, which came into force on 1.7.2011.

59. Accordingly, the allowed transmission charges in respect of the Asset-1A, Asset-1B and Asset-2 for the 2014-19 tariff period are as follows:

**Asset-1A:**

(₹ in lakh)

| 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion)<br>(Original Portion) |               |               |               |               |               |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Particulars                                                                         | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       |
| Depreciation                                                                        | 32.57         | 32.57         | 32.57         | 32.57         | 32.57         |
| Interest on Loan                                                                    | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Return on Equity                                                                    | 130.76        | 130.76        | 130.76        | 130.76        | 130.76        |
| Interest on Working Capital                                                         | 5.87          | 5.95          | 6.02          | 6.09          | 6.17          |
| O&M Expenses                                                                        | 38.26         | 39.60         | 40.92         | 42.25         | 43.67         |
| <b>Total</b>                                                                        | <b>207.46</b> | <b>208.88</b> | <b>210.27</b> | <b>211.67</b> | <b>213.17</b> |

**Asset-1B:**

(₹ in lakh)

| 400 kV S/C Kolaghat-Baripada transmission line (ISTS Portion)<br>(Loop Out Portion) |              |              |              |              |              |
|-------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Particulars                                                                         | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
| Depreciation                                                                        | 13.43        | 13.43        | 13.43        | 13.43        | 13.43        |
| Interest on Loan                                                                    | 11.24        | 10.36        | 9.45         | 8.56         | 7.86         |
| Return on Equity                                                                    | 11.83        | 11.83        | 11.83        | 11.83        | 11.83        |
| Interest on Working Capital                                                         | 0.93         | 0.91         | 0.89         | 0.87         | 0.86         |
| O&M Expenses                                                                        | 1.57         | 1.62         | 1.67         | 1.73         | 1.79         |
| <b>Total</b>                                                                        | <b>38.99</b> | <b>38.15</b> | <b>37.27</b> | <b>36.43</b> | <b>35.77</b> |

**Asset-2:**

(₹ in lakh)

| 220 kV S/C Santaldih-Chandil transmission line |              |              |              |              |              |
|------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Particulars                                    | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
| Depreciation                                   | 7.48         | 7.48         | 7.48         | 7.48         | 7.48         |
| Interest on Loan                               | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         |
| Return on Equity                               | 30.02        | 30.02        | 30.02        | 30.02        | 30.02        |
| Interest on Working Capital                    | 1.69         | 1.72         | 1.74         | 1.77         | 1.80         |
| O&M Expenses                                   | 14.93        | 15.45        | 15.96        | 16.48        | 17.00        |
| <b>Total</b>                                   | <b>54.11</b> | <b>54.66</b> | <b>55.20</b> | <b>55.75</b> | <b>56.30</b> |

60. Regulation 8 of the 2014 Tariff Regulations is as follows:

***“8. Truing up***

*(11) Where after the truing up, the tariff recovered exceeds the tariff approved by the Commission under these regulations, the generating company or the transmission licensee, shall refund to the beneficiaries or the long-term transmission customers /DICs, as the case may be, the excess amount so recovered as specified in the Clause 13 of this regulation. (12) Where after the truing up, the tariff recovered*



*is less than the tariff approved by the Commission under these regulations, the generating company or the transmission licensee shall recover from the beneficiaries or the long-term transmission customers /DICs, as the case may be, the under-recovered amount as specified in the Clause 13 of this regulation.*

*13) The amount under-recovered or over-recovered, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, shall be recovered or refunded by the generating company or the transmission licensee, as the case may be, in six equal monthly instalments starting within three months from the date of the tariff order issued by the Commission.”*

61. The tariff approved in respect of the transmission assets under the present Petition for the 2009-14 tariff period was approved based on the ARR of the Petitioner, approved by the West Bengal Regulatory Commission. The Commission has proposed a new methodology for the determination of the tariff for the 2014-19 tariff period, in view of the deficiencies observed during the 2009-14 tariff period. The tariff for the 2014-19 tariff period has been determined based on the indicative cost data of PGCIL and certain assumptions considered for the determination of the tariff for the 2014-19 tariff period. It is observed that, for the 2014-19 tariff period, the Petitioner has already recovered the YTC corresponding to the YTC of FY 2013-14, which is higher than the transmission charges now determined in the instant Petition for the 2014-19 tariff period. Accordingly, in terms of Regulation 8(13) of the 2014 Tariff Regulations, the over recovered transmission charges along with the simple interest at the rate equal to the bank rate as on 1<sup>st</sup> April of the respective year, shall be refunded by the transmission licensee, in six equal monthly instalments starting within three months from the date of the tariff order issued by the Commission.

### **Sharing of Transmission Charges**

62. With effect from 1.7.2011, the sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. However, with effect from 1.11.2020, the 2010 Sharing Regulations have been repealed, and the sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the transmission charges



approved in this order for the transmission assets shall be recovered in accordance with the applicable Sharing Regulations as per Regulation 43 of the 2014 Tariff Regulations and Regulation 57 of the 2019 Tariff Regulations. Further, the transmission charges allowed in this order shall be adjusted against the ARR approved by the State Commission.

63. In view of the above, we observe that once the transmission charges of non-ISTS lines are included in the ISTS pool, the availability of such lines needs to be verified by the respective RPCs, and the recovery of tariff should be linked to their availability. To facilitate this, the necessary mechanisms may be put in place by the RPCs. Accordingly, we direct that the YTC of such intra-State lines shall be included in the PoC Pool, subject to certification of each line's availability by the WRPC, in accordance with the provisions under the 2014 Tariff Regulations and the 2019 Tariff Regulations, as applicable.

64. We further direct the Petitioner to approach the State Electricity Regulatory Commission for the adjustment of such recovery against the ARR of the respective years of the Petitioner.

#### **Filing Fee and Publication Expenses**

65. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and the publication expenses. The Petitioner shall be entitled to reimbursement of the filing fees and publication expenses in connection with the present Petition directly from the beneficiaries on a pro-rata basis in accordance with Regulation 52 of the 2014 Tariff Regulations.

#### **Licence Fee and RLDC fees and Charges**

66. The Petitioner has requested to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the Respondents. The Petitioner



shall be entitled to reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a), respectively, of Regulation 52 of the 2014 Tariff Regulations.

### **Service Tax**

67. The Petitioner has sought liberty to recover service tax on transmission charges separately from the Respondents, if at any time service tax on transmission is withdrawn from the negative list in the future.

68. We have considered the submission of the Petitioner. Since service tax is not levied on transmission of electricity, and service tax has been subsumed under the GST Act, the Petitioner's prayer for billing and recovery of service tax on transmission charges from the DICs/ beneficiaries is rendered premature.

69. This order disposes of Petition No. 309/TT/2023, along with IA No. 87/2023, in terms of the above discussions and findings.

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

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

**sd/-**  
**(Jishnu Barua)**  
**Chairperson**

