

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 328/TT/2025

Coram:

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

Date of Order: 17.07.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 tariff period and determination of the transmission tariff for the 2024-29 tariff period for the Combined Asset under "Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)" in the Southern Region.

And in the matter of:

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

...Petitioner

Versus

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



- 5. Eastern Power Distribution Company of Andhra Pradesh Limited,**
P&T Colony,
Seethmmadhara,
Vishakhapatnam, Andhra Pradesh,
- 6. Southern Power Distribution Company of Andhra Pradesh Limited,**
#19-13-65/A, Srinivasapuram,
Tiruchanoor Road,
Tirupati-517503, Andhra Pradesh.
- 7. Andhra Pradesh Central Power Distribution Company Limited,**
Corporate Office, Beside Polytechnic College, ITI Road,
Vijayawada-520008,
Krishna District, Andhra Pradesh
- 8. Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad-500063, Telangana.
- 9. Northern Power Distribution Company of Telangana Limited,**
H. No 2-5-3 1/2, Vidyut Bhawan, Corporate Office,
Nakkal Gutta, Hanamkonda,
Warangal-506001, Telangana.
- 10. Bangalore Electricity Supply Company Limited,**
Corporate Office, K. R. Circle,
Bangalore-560001, Karnataka.
- 11. Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opp. Parivar Hotel,
Gulbarga (Kalburgi), Karnataka-585102.
- 12. Hubli Electricity Supply Company Limited,**
Navanagar, PB Road,
Hubli, Karnataka-580025.
- 13. Mangalore Electricity Supply Company Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan,
Kavoor Cross Road, Bejai,
Mangalore-575004, Karnataka.
- 14. Chamundeswari Electricity Supply Corporation Limited,**
Corporate Office, #29, Vijayanagara,
2nd Stage, Hinkal,
Mysuru-570017, Karnataka.



15. Andhra Pradesh Solar Power Corporation Private Limited,
6-3-856/A3, Neeraj Public School Lane,
Opposite to Green Park Hotel,
Ameerpet, Hyderabad-500016.

...Respondent(s)

Parties Present : Shri Mohd. Mohsin, PGCIL
Shri V.C. Shekhar, PGCIL
Shri Naresh Kumar Angaru, PGCIL
Shri G. Vijay, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Nitish Kumar, PGCIL
Ms. Ashita Chauhan, PGCIL
Shri Ashish Alankar, PGCIL
Shri Arjun Malhotra, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited for truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period in respect of the following transmission assets (hereinafter referred to as “transmission assets/Combined Asset”) under “Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)” (hereinafter referred to as “the transmission project”) in the Southern Region:

Asset-1: Loop In Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays;

Asset-2: Loop Out Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays;

Asset-3: 02 Nos. 220 kV Line bays (Bay No 217 & 218) at NP Kunta Sub-station; and

Asset-4: 04 Nos. 220 kV line bays (Bay No. 213,214, 219 & 220) at NP Kunta Sub-station.



“Assets-1, Asset-2, Asset-3 and Asset-4 are referred to as “transmission assets” for the 2019-24 tariff period. Assets-1, Asset-2, Asset-3 and Asset-4 have been combined during the 2024-29 period and the combined tariff has been claimed for them for the 2024-29 tariff period, and as such, they have been termed as “Combined Assets” for the 2024-29 tariff period.”

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

“a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 18 and 19 above.

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

c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 18 and 19 above for respective block.

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

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

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

g) Allow the petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 25 above.

h) Allow the petitioner to file a separate petition before the Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 25 above.

i) Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 25 above.

j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 26 above.



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

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

Background

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

a. The Board of Directors (BoD) of the Petitioner company have accorded Investment Approval (the IA) and expenditure sanction for the transmission project in its 324th meeting held on 12.1.2016 at an estimated cost of ₹9909 lakh including an Interest During Construction (IDC) of ₹523 lakh based on August 2015 price level.

b. The scope of the work covered under the transmission project is as under:

Transmission Line:

i. LILO of Cuddapah-Hindupur 400 kV D/C (Quad) line (both circuits) at 400 kV NP Kunta Sub-station

Sub-station:

i. 400/200 kV NP Kunta Sub-station

400 kV

Line bays: 4 Nos.

220 kV

Line bays: 6 Nos.

c. The Commission, vide order dated 6.8.2015 in Petition No. 29/MP/2015, granted regulatory approval for the execution of the transmission assets for Ultra Mega Solar Power Park (UMSPP) having capacity of 1000 MW in Anantpur District, Andhra Pradesh, for the following transmission schemes:



Phase-I Scheme (250 MW)

- i. Establishment of 3x500 MVA, 400/220 kV Sub-station at NP Kunta Pooling Station
- ii. LILO of 400 kV Kadapa (Cuddapah)-Kolar S/C line at NP Kunta Pooling Station
- iii. 2 Nos. 220 kV line bays at NP Kunta Pooling Station
- iv. 1x125 MVAR Bus Reactor at NP Kunta Pooling Station
- v. ± 100 MVAR STATCOM at 400 kV NP Kunta Pooling Station

Phase-II Scheme (750 MW)

- i. LILO of Kadapa (Cuddapah)-Hindupur 400 kV D/C (Quad) line at NP Kunta Pooling Station
- ii. 6 Nos. 220 kV line bays at NP Kunta Pooling Station

Phase-III Scheme (500 MW)

- i. Augmentation of transformation capacity at NP Kunta station with 4th, 1x500 MVA, 400/220 kV transformer
 - ii. 4 Nos. 220 kV line bays at NP Kunta Pooling Station
- d. Phase-II of NP Kunta Solar Park, part of the transmission project, is covered in the instant Petition and details of the transmission assets under the transmission project are as under:

Assets	Asset Name	Remarks
Asset-1	Loop In Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	Tariff for the 2019-24 period was claimed and approved vide order dated 7.2.2024 in Petition No. 8/TT/2023
Asset-2	Loop Out Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	
Asset-3	02 Nos. 220 kV Line bays (Bay No 217 & 218) at NP Kunta Sub-station	



Assets	Asset Name	Remarks
Asset-4	04 Nos. 220 kV line bays (Bay No. 213, 214, 219 & 220) at NP Kunta Sub-station	

- e. The details of the scheduled commercial operation date (SCOD), date of commercial operation (COD), and time over-run in case of the transmission assets are as under:

Assets	SCOD as per IA	COD	Time over-run as per IA (in days)	Time over-run condoned (in days)	Time over-run not condoned (in days)
Asset-1	12.5.2017	4.8.2018	449	24	425
Asset-2	12.7.2018	12.10.2018	92	92	NIL
Asset-3	12.5.2017	26.4.2017	NIL	NIL	NIL
Asset-4	12.5.2017	3.8.2018	448	NIL	448

- f. The COD of Asset-2, Asset-3, and Asset-4 are approved under proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations.
- g. The Commission, vide order dated 18.7.2022 in Petition No. 171/TT/2019, determined the transmission tariff for the transmission assets from the COD to 31.3.2019. Further, the Commission, vide order dated 7.2.2024 in Petition No. 8/TT/2023, trued-up the transmission tariff for the 2014-19 period and determined the transmission tariff for the 2019-24 period for the transmission assets.
- h. The Petitioner has filed the present Petition for truing up of the transmission tariff for the 2019-24 tariff period and determination of the transmission tariff for the 2024-29 tariff period for the following transmission assets:

Assets	Asset Name	COD	Remarks
Asset-1	Loop In Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	4.8.2018	All assets merged during 2024-29 tariff period with Effective COD: 24.8.2018
Asset-2	Loop Out Portion of LILO of Kadapa-Hindupur 400kV D/C line (both circuits)	12.10.2018	



Assets	Asset Name	COD	Remarks
	at NP Kunta Sub-station along with associated bays		
Asset-3	02 Nos. of 22 0kV Line bays (Bay No 217 & 218) at NP Kunta Sub-station	26.4.2017	
Asset-4	04 Nos. of 220 kV line bays (Bay No. 213, 214, 219 & 220) at NP Kunta Sub-station	3.8.2018	

4. The Respondents are majorly distribution licensees, transmission licensees and power departments, which are procuring transmission services from the Petitioner, mainly beneficiaries of the Southern Region.

5. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. None of the Respondents has filed its reply in the instant Petition.

6. The hearing in this matter was held on 22.4.2025 and the order was reserved. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 25.11.2024 and subsequent affidavit dated 17.4.2025.

7. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition.

Truing Up of Annual Fixed Charges for the 2019-24 Tariff Period

8. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission assets are as under:



Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	111.30	121.66	125.37	127.22	127.22
Interest on Loan	104.13	98.11	90.76	87.84	84.51
Return on Equity	118.46	129.52	133.48	135.45	135.45
Interest on Working Capital	8.35	8.13	7.69	7.81	9.01
O&M Expenses	76.41	79.10	81.88	84.75	87.72
Total	418.65	436.52	439.18	443.07	443.91

Asset-2

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	129.59	143.51	143.51	143.51	143.51
Interest on Loan	121.84	122.46	110.93	103.12	93.75
Return on Equity	137.89	152.74	152.74	152.74	152.74
Interest on Working Capital	9.21	9.13	8.47	8.48	9.67
O&M Expenses	76.98	79.68	82.48	85.38	88.37
Total	475.51	507.52	498.13	493.23	488.04

Asset-3

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	9.41	9.41	9.41	9.41	9.41
Interest on Loan	8.07	7.13	6.41	5.83	5.26
Return on Equity	10.04	10.04	10.04	10.04	10.04
Interest on Working Capital	2.38	2.27	2.17	2.22	2.61
O&M Expenses	45.02	46.60	48.24	49.92	51.68
Total	74.92	75.45	76.27	77.42	79.00

Asset-4

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2.33	2.33	2.33	2.33	2.33
Interest on Loan	2.32	1.84	1.61	1.59	1.59
Return on Equity	2.48	2.48	2.48	2.48	2.48
Interest on Working Capital	4.03	3.89	3.74	3.87	4.58
O&M Expenses	90.04	93.20	96.48	99.84	103.36
Total	101.20	103.74	106.64	110.11	114.34



9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission assets are as under:

Asset-1

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	6.37	6.59	6.82	7.06	7.31
Maintenance Spares	11.46	11.87	12.28	12.71	13.16
Receivables	51.47	53.82	54.15	54.63	54.58
Total Working Capital	69.30	72.28	73.25	74.40	75.05
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	8.35	8.13	7.69	7.81	9.01

Asset-2

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	6.42	6.64	6.87	7.12	7.36
Maintenance Spares	11.55	11.95	12.37	12.81	13.26
Receivables	58.47	62.57	61.41	60.81	60.00
Total Working Capital	76.44	81.16	80.65	80.74	80.62
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	9.21	9.13	8.47	8.48	9.67

Asset-3

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	3.75	3.88	4.02	4.16	4.31
Maintenance Spares	6.75	6.99	7.24	7.49	7.75
Receivables	9.21	9.30	9.40	9.54	9.71
Total Working Capital	19.71	20.17	20.66	21.19	21.77
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	2.38	2.27	2.17	2.22	2.61

Asset-4

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	7.50	7.77	8.04	8.32	8.61
Maintenance Spares	13.51	13.98	14.47	14.98	15.50
Receivables	12.44	12.79	13.15	13.58	14.06
Total Working Capital	33.45	34.54	35.66	36.88	38.17
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	4.03	3.89	3.74	3.87	4.58



Capital Cost for the 2019-24 tariff period

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

11. The Commission, vide order dated 7.2.2024 in Petition No. 8/TT/2023, had trued-up the transmission tariff for the 2014-19 period and determined the transmission tariff for the 2019-24 period for the transmission assets. The capital cost of ₹1941.45 lakh, ₹2183.65 lakh, ₹178.24 lakh, and ₹44.09 lakh was approved by the Commission for the transmission assets, viz., Asset-1, Asset-2, Asset-3 and Asset-4 respectively, as on 31.3.2019.

12. The Commission, vide order dated 7.2.2024 in Petition No. 8/TT/2023, allowed the capital cost as on 31.3.2019 for the transmission assets and Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost allowed by the Commission in the aforesaid order are as under:

Assets	FR Apportioned Approved Cost	Capital Cost allowed as on 31.3.2019	ACE allowed					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	4567.14	1941.45	321.96	70.41	70.10	0.00	0.00	2403.92
Asset-2	3865.56	2183.65	527.18	0.00	0.00	0.00	0.00	2710.83
Asset-3	492.18	178.24	0.00	0.00	0.00	0.00	0.00	178.24
Asset-4	984.37	44.09	0.00	0.00	0.00	0.00	0.00	44.09

13. The Petitioner in the instant true-up Petition has claimed the following capital cost for the 2019-24 tariff period:



(₹ in lakh)

Assets	FR Apportioned Approved Cost	Capital Cost allowed as on 31.3.2019	ACE claimed					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	4567.14	1941.45	321.96	70.41	70.10	0.00	0.00	2403.92
Asset-2	3865.56	2183.65	527.18	0.00	0.00	0.00	0.00	2710.83
Asset-3	492.18	178.24	0.00	0.00	0.00	0.00	0.00	178.24
Asset-4	984.37	44.09	0.00	0.00	0.00	0.00	0.00	44.09

Central Finance Assistance (CFA)

14. The Petitioner has submitted that the CFA for the development of Solar Park and external transmission system has been provided by the Ministry of New and Renewable Energy (MNRE). MNRE (NSM Coord. Group) issued Administrative Guidelines for the release of funds for implementation of the Scheme for the development of the Solar Park and Ultra Mega Solar Power projects vide Order Ref: 30/26/2014-15/NSM dated 12.12.2014. Further, the amendments in the guidelines have been issued by the MNRE vide Office Memorandum No. F. No. 30/26/2014-15/NSM dated 29.9.2016. The relevant extract regarding the quantum of the CFA to the Solar Park Developers and CTU or STU is as under:

“The CFA for development of solar park and for development of external transmission system will be apportioned in the ratio of 60:40 i.e. ₹12 lakh per MW or 30% of the project cost, whichever is lower may be provided to the Solar Power Park Developers (SPPDs) towards development of solar parks and ₹8 lakh per MW or 30% of the project cost, whichever is lower will be provided to the CTU or STU towards development of external transmission system.....”

15. Accordingly, the Petitioner has submitted the details of the CFA released by the MNRE to the Petitioner vide letters dated 27.10.2016 and 28.12.2016. The Petitioner has further submitted that the MNRE sanctioned the CFA grant vide Office Memorandum No. F.No.30/52/2014-15/NSM dated 28.2.2017. The relevant extract of the order is as under:



"2. I am also directed to convey approval for setting up external power evacuation system for Anathapuramu Solar Park, Andhra Pradesh by PGCIL for evacuation of 1500MW solar power from Anathapuramu Solar Park, Andhra Pradesh with total Central Finance Assistance (CFA) of Rs 120, 00, 00,000/- (Rupees One Hundred and Twenty Crore only).

3. As per Administrative Guidelines 30/26/2014-15/NSM, dated 12.12.2014 and subsequent clarification vide OM no. 30/26/2014-15/NSM dated 29.09.2016, an amount of Rs 60,26,47,625/- (Rupees Sixty Crore Twenty Six Lakh Forty Seven Thousand Six Hundred and Twenty Five only) is due to SECI, New Delhi towards award of work for external power evacuation system of for Anathapuramu Solar Park. The amount of Rs 60,26,47,625/-(Rupees Sixty Crore Twenty Six Lakh Forty Seven Thousand Six Hundred and Twenty Five only) includes Rs 60,00,00,000/- (Rupees Sixty Crore only) towards development of external power evacuation system for Anathapuramu Solar Park, Andhra Pradesh and Rs 26,47,625/- (Rupees Twenty Six Lakh Forty Seven Thousand Six Hundred and Twenty Five only) towards fund handling charges to SECI.

4. Accordingly, sanction of the President of India is hereby conveyed for release of Rs. 26,74,10,125/- (Rupees Twenty Six Crore Seventy Four Lakh Ten Thousand and Twenty Five only) to Solar Energy Corporation of India (SECI), New Delhi after adjusting Rs 33,52,37,500/- (Rs Thirty Three Crore Fifty Two Lakh Thirty Seven Thousand and Five Hundred only) of excess amount of CFA released to Andhra Pradesh Solar Power Corporation Ltd. (APSPCL) for development of internal infrastructure of Anathapuramu Solar Park, Andhra Pradesh by this Ministry under the Solar Park scheme, APSPCL will release Rs 33,52,37,500/- (Rs Thirty Three Crore Fifty Two Lakh Thirty Seven Thousand and Five Hundred only) to PGCIL as CFA towards development of external power evacuation system of Anathapuramu Solar Park."

16. Further, the Petitioner has received a grant of ₹109,55,54,100/- from the Solar Energy Corporation of India (SECI) (₹26,47,62,500 on 30.8.2017 and ₹33,52,37,500 on 31.1.2018 during 2017-18 and ₹49,55,54,000 on 16.10.2019 during 2019-20) towards the transmission project for Ultra Mega Solar Park in Anantpur (Phase-I, II & III). The balance applicable grant for Phase-I, II & III is yet to be disbursed and the same will be adjusted accordingly.

17. The Petitioner has submitted the following details of total grant received, and adjustment in the capital cost of projects Phase-I, II and III:



(₹ in lakh)

Project	CFA grant received (30.8.2017)	CFA grant received (31.1.2018)	CFA grant received (16.10.2019)	Total
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - (Part-A) (Phase-I)	2647.63	3352.38	4955.54	10955.54
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)				
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part C (Phase-III)				

18. The Petitioner has submitted the following details of the grant received till date, adjusted in the transmission projects associated with Ultra Mega Solar Park in Anantapur District, Andhra Pradesh:

(₹ in lakh)

Project	Grant received till now and adjusted
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh-(Part-A) (Phase-I)	6755.30
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)	3626.98
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part C (Phase-III)	573.26
Total	10955.54

19. The Petitioner has submitted the details of total grant allocated to the transmission assets covered under instant project as under:

(₹ in lakh)

Asset	Grant received and adjusted
Loop In Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	1583.67
Loop Out Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	1025.22
02 Nos. of 220 kV Line bays (Bay No 217 & 218) at NP Kunta Sub-station	159.82
04 Nos. of 220 kV line bays (Bay No. 213, 214, 219 & 220) at NP Kunta Sub-station	858.27
Total	3626.98



20. The Petitioner, vide affidavit dated 17.4.2025, has submitted that as per the MNRE Office Memorandum No. F. No. 30/26/2014-15/NSM dated 29.09.2016, the Petitioner vide letters dated 27.10.2016, 28.12.2016, 31.12.2018, 21.2.2019 and 3.12.2024 had requested for the release of the CFA to the Petitioner. The Petitioner has further submitted that as per the aforementioned MNRE's condition, i.e., ₹8 lakh per MW or 30% of the project cost, whichever is lower, the eligible CFA for the subject solar park (based on the project cost) is ₹11421 lakh and the same has been received in full by the Petitioner from the SECI and the details of receipt of payment are as under:

Sl. No.	Date of payment	Grant received (₹ in lakh)
1	30.8.2017	2647.63
2	31.1.2018	3352.38
3	16.10.2019	4955.54
4	30.3.2025	465.46
Total Grant eligible and received		11421.00

21. In response to the Commission's direction, the Petitioner vide affidavit dated 17.4.2025, has submitted the documentary evidence of the application of the CFA grant received year-wise and asset-wise. Further, the Petitioner has submitted the reconciliation of the total CFA grant, actual grant received, grant deployed, and balance grant year-wise and asset-wise as under:

Project	Asset Name	COD	Grant Received & Accounted	Grant adjusted				Grant Received	
				As on COD	2017-18	2018-19	2019-20	2024-25*	Total
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh- (Part-A) (Phase-I)	LILO of 400 kV Kadapa-Kolar S/C Line at NP Kunta along with associated line bays and 1 no of 500 MVA ICT along with its bays at NP Kunta Sub-station	28.4.2016	4552.69	0.00	649.51	0.00	3437.72	465.46	4552.69



Project	Asset Name	COD	Grant Received & Accounted	Grant adjusted				Grant Received	
				As on COD	2017-18	2018-19	2019-20	2024-25*	Total
	2x500 MVA transformer & 1x125 MVAR reactor alongwith associated bays at NP Kunta	11.7.2016	840.14	0.00	0.00	0.00	840.14	0.00	840.14
	±100 MVAR STATCOM at NP Kunta Pooling Station	4.6.2017	1827.93	383.06	796.80	0.00	648.07	0.00	1827.93
Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh-Part B (Phase-II)	Loop In Portion of LILO of Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	4.8.2018	1583.67	1583.67	0.00	0.00	0.00	0.00	1583.67
	Loop Out Portion of LILO or Kadapa-Hindupur 400 kV D/C line (both circuits) at NP Kunta Sub-station along with associated bays	12.10.2018	1025.22	1025.22	0.00	0.00	0.00	0.00	1025.22
	02 Nos. 220 kV Line bays (Bay No 2/7 & 218) 8t NP Kunta Sub-station	26.4.2017	159.82	159.82	0.00	0.00	0.00	0.00	159.82
	04 Nos. of 220 kV line bays (Bay No. 213, 214, 219 & 220) at NP Kunta Sub-station	3.8.2018	858.27	833.37	0.00	24.90	0.00	0.00	858.27
Transmission System for Ultra Mega Solar Park at Tumkur (Pavagada) Karnataka Phase-II (Part-C)	1 No. 500 MVA 400/220 kV Transformer along with associated bays at NP Kunta Sub-Station	30.9.2018	543.05	543.05	0.00	0.00	0.00	0.00	543.05
	02 Nos. 220 kV Line bays (Bay No 210 & 212) at NP	3.7.2018	15.11	0.00	0.00	15.11	0.00	0.00	15.11



Project	Asset Name	COD	Grant Received & Accounted	Grant adjusted				Grant Received	
				As on COD	2017-18	2018-19	2019-20	2024-25*	Total
	Kunta Sub-station								
	02 Nos. 220 kV Line bays (Bay No 209 & 211) at NP Kunta Sub-station	3.7.2018	15.10	0.00	0.00	15.10	0.00	0.00	15.10
Total			11421.00	4528.19	1446.31	55.11	4925.93	465.46	11421.00

22. We have considered the Petitioner's submissions. The total grant allocated to the Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II) is ₹3626.98 lakh, and the same has been received by the Petitioner. The grant has already been considered while truing-up the tariff of the transmission assets for the 2014-19 tariff period, vide Commission's Order dated 7.2.2024 in Petition No 8/TT/2023.

Capital Cost allowed as on 1.4.2019

23. We have considered the Petitioner's submissions in the instant Petition and vide affidavit dated 17.4.2025. The Commission, vide order dated 7.2.2024 in Petition No. 8/TT/2023, trued-up the transmission tariff of the 2014-19 tariff period and determined the transmission tariff for the 2019-24 tariff period for the transmission assets. The capital cost of ₹1941.45 lakh, ₹2183.65 lakh, ₹178.24 lakh, and ₹44.09 lakh was approved by the Commission for the transmission assets, viz., Asset-1, Asset-2, Asset-3 and Asset-4 respectively as on 31.3.2019. Hence, the opening capital cost of the transmission assets as on 1.4.2019 has been considered in accordance with Regulation 19(3)(a) of the 2019 Tariff Regulations. The capital cost now approved as on 1.4.2019 for the purpose of truing up is as under:



(₹ in lakh)

Assets	Capital Cost claimed as on 1.4.2019	Capital Cost allowed as on 1.4.2019
Asset-1	1941.45	1941.45
Asset-2	2183.65	2183.65
Asset-3	178.24	178.24
Asset-4	44.09	44.09

Additional Capital Expenditure (ACE)

24. The Commission, vide order dated 7.2.2024 in Petition No. 8/TT/2023, allowed the ACE in respect of Asset-1 and Asset-2 for the 2019-24 tariff period under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations. The ACE allowed for the 2019-24 tariff period in the above-said order is as under:

(₹ in lakh)

Assets	Admitted Capital Cost (as on 1.4.2019)	ACE allowed (2019-24)					Total Capital Cost (as on 31.3.2024)
		2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	1941.45	321.96	70.41	70.10	0.00	0.00	2403.92
Asset-2	2183.65	527.18	0.00	0.00	0.00	0.00	2710.83
Asset-3	178.24	0.00	0.00	0.00	0.00	0.00	178.24
Asset-4	44.09	0.00	0.00	0.00	0.00	0.00	44.09

25. Against this, the Petitioner has claimed the following ACE in respect of the transmission assets based on the actual expenditure in accordance with the below-mentioned Regulations:

(₹ in lakh)

Particulars	ACE claimed				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	321.96	70.41	70.10	0.00	0.00
	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations		25(1)(d) of the 2019 Tariff Regulations	NA	
Asset-2	527.18	0.00	0.00	0.00	0.00
	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations		NA		

26. In response to the Commission's query, the Petitioner vide affidavit dated 17.4.2025 has submitted that ACE of ₹70.10 lakh claimed beyond the cut-off date for



Asset-1 is on account of the undischarged liability towards the balance and retention payments due to the contractual exigencies and for the works executed prior to the cut-off date and the same has been claimed under Regulation 25(1)(d) of the 2019 Tariff Regulations. The Petitioner has also submitted the vendor-wise details of the ACE for the 2019-24 tariff period for the transmission assets and the same are as under:

(₹ in lakh)

Asset-1							
Sl. No.	Name of the Vendor	2019-20		2020-21		2021-22	
		Work Executed	Liability Release	Work Executed	Liability Release	Work Executed	Liability Release
1	Kalpataru Power Transmission Limited	0.00	0.00	0.00	0.00	0.00	0.00
2	Megha Engineering Limited	69.40	92.76	0.00	0.00	0.00	0.00
3	Bharat Heavy Electricals Limited	0.00	0.00	0.00	0.00	0.00	0.00
4	M/s. Jiangdong Fittings Equipment C	0.00	0.00	0.00	0.00	0.00	2.86
5	Vishwas Infra structures	0.00	0.00	0.00	0.00	0.00	5.24
6	V Sanjeevaraju	0.00	0.00	0.00	0.00	0.00	1.82
7	Guru Datta Mayur Constructions	0.00	0.00	4.33	0.00	0.00	3.10
8	Techno Electric & Engineering Company Limited	138.94	20.86	0.00	66.08	0.00	57.08
	Total	208.34	113.62	4.33	66.08	0.00	70.10

(₹ in lakh)

Asset-2			
Sl. No.	Name of the Vendor	2019-20	
		Work Executed	Liability Release
1	Kalpataru Power Transmission Limited	176.70	78.46
2	Compensation Payments	59.56	0.00
3	Megha Engineering Limited	186.73	0.00
4	EMC Limited	0.00	18.56
	Total	422.99	97.02



27. Further, the Petitioner has claimed the accrual IDC discharge in 2019-20 of ₹2.61 lakh for the Sub-station, ₹4.44 lakh for the transmission line and ₹0.12 lakh for the PLCC in respect of Asset-2.

28. We have considered the Petitioner's submissions. The ACE claimed by the Petitioner is allowed under Regulation 24(1)(a), Regulation 24(1)(b), and Regulation 25(1)(d) of the 2019 Tariff Regulations on account of the balance and retention payment for the works already executed. The allowed ACE is as under:

(₹ in lakh)

Particulars	ACE allowed				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	321.96	70.41	70.10	0.00	0.00
Allowed under the 2019 Tariff Regulations	24(1)(a) & 24(1)(b)	24(1)(a) & 24(1)(b)	25(1)(d)	NA	NA
Asset-2	527.18	0.00	0.00	0.00	0.00
Allowed under the 2019 Tariff Regulations	24(1)(a) & 24(1)(b)	NA	NA	NA	NA

29. The capital cost and ACE allowed in respect of the transmission assets for the 2019-24 tariff period is as under:

(₹ in lakh)

Asset	FR Apportioned Approved Cost	Capital Cost allowed as on 31.3.2019	ACE allowed					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	4567.14	1941.45	321.96	70.41	70.10	0.00	0.00	2403.92
Asset-2	3865.56	2183.65	527.18	0.00	0.00	0.00	0.00	2710.83
Asset-3	492.18	178.24	0.00	0.00	0.00	0.00	0.00	178.24
Asset-4	984.37	44.09	0.00	0.00	0.00	0.00	0.00	44.09

Debt-Equity ratio

30. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of tariff of the transmission assets during the 2019-24 tariff period are as under:



Asset-1

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1359.02	70.00	323.73	70.00	1682.75	70.00
Equity	582.43	30.00	138.74	30.00	721.17	30.00
Total	1941.45	100.00	462.47	100.00	2403.92	100.00

Asset-2

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1528.56	70.00	369.03	70.00	1897.58	70.00
Equity	655.10	30.00	158.15	30.00	813.25	30.00
Total	2183.65	100.00	527.18	100.00	2710.83	100.00

Asset-3

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	124.77	70.00	0.00	70.00	124.77	70.00
Equity	53.47	30.00	0.00	30.00	53.47	30.00
Total	178.24	100.00	0.00	100.00	178.24	100.00

Asset-4

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	30.86	70.00	0.00	70.00	30.86	70.00
Equity	13.23	30.00	0.00	30.00	13.23	30.00
Total	44.09	100.00	0.00	100.00	44.09	100.00

Depreciation

31. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the transmission assets as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.



32. The depreciation allowed for the transmission assets for the 2019-24 tariff period is as under:

Asset-1

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital cost	1941.45	2263.41	2333.82	2403.92	2403.92
B	Addition during the year 2019-24 due to ACE	321.96	70.41	70.10	0.00	0.00
C	Closing Capital cost (A+B)	2263.41	2333.82	2403.92	2403.92	2403.92
D	Average Capital cost (A+C)/2	2102.43	2298.62	2368.87	2403.92	2403.92
E	Average Capital cost (90% depreciable assets)	2102.43	2298.62	2368.87	2403.92	2403.92
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1892.20	2068.76	2131.99	2163.54	2163.54
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	1892.20	2068.76	2131.99	2163.54	2163.54
J	Weighted average rate of Depreciation (WAROD) (in %)	5.29	5.29	5.29	5.29	5.29
K	Balance useful life at the beginning of the year (Year)	33	32	31	30	29
L	Elapsed useful life at the beginning of the year (Year)	0	1	2	3	4
M	Depreciation during the year (D*J)	111.30	121.66	125.37	127.22	127.22
N	Cumulative Depreciation at the end of the year	175.07	296.73	422.10	549.32	676.54
O	Remaining Aggregate Depreciable Value at the end of the year	1717.13	1772.03	1709.89	1614.22	1487.00

Asset-2

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital cost	2183.65	2710.83	2710.83	2710.83	2710.83
B	Addition during the year 2019-24 due to ACE	527.18	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	2710.83	2710.83	2710.83	2710.83	2710.83
D	Average Capital cost (A+C)/2	2447.24	2710.83	2710.83	2710.83	2710.83
E	Average Capital cost (90% depreciable assets)	2447.24	2710.83	2710.83	2710.83	2710.83
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00



Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
G	Depreciable value (excluding IT equipment and software) (E*90%)	2202.52	2439.75	2439.75	2439.75	2439.75
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	2202.52	2439.75	2439.75	2439.75	2439.75
J	Weighted average rate of Depreciation (WAROD) (in %)	5.30	5.29	5.29	5.29	5.29
K	Balance useful life at the beginning of the year (Year)	31	30	29	28	27
L	Elapsed useful life at the beginning of the year (Year)	0	1	2	3	4
M	Depreciation during the year (D*J)	129.59	143.51	143.51	143.51	143.51
N	Cumulative Depreciation at the end of the year	183.13	326.64	470.14	613.65	757.16
O	Remaining Aggregate Depreciable Value at the end of the year	2019.39	2113.11	1969.60	1826.09	1682.59

Asset-3

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital cost	178.24	178.24	178.24	178.24	178.24
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	178.24	178.24	178.24	178.24	178.24
D	Average Capital cost (A+C)/2	178.24	178.24	178.24	178.24	178.24
E	Average Capital cost (90% depreciable assets)	178.24	178.24	178.24	178.24	178.24
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	160.42	160.42	160.42	160.42	160.42
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	160.42	160.42	160.42	160.42	160.42
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
K	Balance useful life at the beginning of the year (Year)	24	23	22	21	20
L	Elapsed useful life at the beginning of the year (Year)	1	2	3	4	5
M	Depreciation during the year (D*J)	9.41	9.41	9.41	9.41	9.41
N	Cumulative Depreciation at the end of the year	21.28	30.69	40.10	49.51	58.92



Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O	Remaining Aggregate Depreciable Value at the end of the year	139.14	129.73	120.32	110.91	101.50

Asset-4

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital cost	44.09	44.09	44.09	44.09	44.09
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	44.09	44.09	44.09	44.09	44.09
D	Average Capital cost (A+C)/2	44.09	44.09	44.09	44.09	44.09
E	Average Capital cost (90% depreciable assets)	44.09	44.09	44.09	44.09	44.09
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	39.68	39.68	39.68	39.68	39.68
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	39.68	39.68	39.68	39.68	39.68
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
K	Balance useful life at the beginning of the year (Year)	25	24	23	22	21
L	Elapsed useful life at the beginning of the year (Year)	0	1	2	3	4
M	Depreciation during the year (D*J)	2.33	2.33	2.33	2.33	2.33
N	Cumulative Depreciation at the end of the year	3.10	5.43	7.76	10.09	12.42
O	Remaining Aggregate Depreciable Value at the end of the year	36.58	34.25	31.92	29.59	27.26

33. The details of depreciation approved vide order dated 7.2.2024 in Petition No. 8/TT/2023 in respect of the transmission assets, depreciation claimed by the Petitioner in the instant Petition, and trued-up depreciation allowed in the instant order are as under:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	111.30	121.66	125.37	127.22	127.22



(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	111.30	121.66	125.37	127.22	127.22
Approved after true-up in this order	111.30	121.66	125.37	127.22	127.22

(₹ in lakh)

Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	129.59	143.51	143.51	143.51	143.51
Claimed by the Petitioner in the instant Petition	129.59	143.51	143.51	143.51	143.51
Approved after true-up in this order	129.59	143.51	143.51	143.51	143.51

(₹ in lakh)

Asset-3	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	9.41	9.41	9.41	9.41	9.41
Claimed by the Petitioner in the instant Petition	9.41	9.41	9.41	9.41	9.41
Approved after true-up in this order	9.41	9.41	9.41	9.41	9.41

(₹ in lakh)

Asset-4	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	2.33	2.33	2.33	2.33	2.33
Claimed by the Petitioner in the instant Petition	2.33	2.33	2.33	2.33	2.33
Approved after true-up in this order	2.33	2.33	2.33	2.33	2.33

Interest on Loan (IoL)

34. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on Loans based on its actual loan portfolio and rate of interest.

35. We have considered the Petitioner's submissions. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with



Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the transmission assets is as under:

Asset-1

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	1359.02	1584.39	1633.68	1682.75	1682.75
Cumulative Repayments up to Previous Year	63.77	175.07	296.73	422.10	549.32
Net Loan-Opening	1295.25	1409.32	1336.95	1260.65	1133.43
Additions	225.37	49.29	49.07	0.00	0.00
Repayment during the year	111.30	121.66	125.37	127.22	127.22
Net Loan-Closing	1409.32	1336.95	1260.65	1133.43	1006.21
Average Loan	1352.29	1373.14	1298.80	1197.04	1069.82
Weighted Average Rate of Interest on Loan (in %)	7.7007	7.1452	6.9882	7.3384	7.8991
Interest on Loan	104.14	98.11	90.76	87.84	84.51

Asset-2

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	1528.56	1897.58	1897.58	1897.58	1897.58
Cumulative Repayments up to Previous Year	53.54	183.13	326.64	470.14	613.65
Net Loan-Opening	1475.02	1714.45	1570.94	1427.44	1283.93
Additions	369.03	0.00	0.00	0.00	0.00
Repayment during the year	129.59	143.51	143.51	143.51	143.51
Net Loan-Closing	1714.45	1570.94	1427.44	1283.93	1140.42
Average Loan	1594.73	1642.70	1499.19	1355.68	1212.17
Weighted Average Rate of Interest on Loan (in %)	7.6402	7.4547	7.3990	7.6065	7.7342
Interest on Loan	121.84	122.46	110.93	103.12	93.75

Asset-3

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	124.77	124.77	124.77	124.77	124.77
Cumulative Repayments up to Previous Year	11.86	21.27	30.68	40.09	49.50
Net Loan-Opening	112.91	103.50	94.09	84.68	75.27
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	9.41	9.41	9.41	9.41	9.41
Net Loan-Closing	103.50	94.09	84.68	75.27	65.86



Average Loan	108.20	98.79	89.38	79.97	70.56
Weighted Average Rate of Interest on Loan (in %)	7.4544	7.2187	7.1723	7.2854	7.4548
Interest on Loan	8.07	7.13	6.41	5.83	5.26

Asset-4

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	30.86	30.86	30.86	30.86	30.86
Cumulative Repayments up to Previous Year	0.77	3.10	5.43	7.76	10.09
Net Loan-Opening	30.09	27.76	25.43	23.10	20.77
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	2.33	2.33	2.33	2.33	2.33
Net Loan-Closing	27.76	25.43	23.10	20.77	18.44
Average Loan	28.93	26.60	24.27	21.94	19.61
Weighted Average Rate of Interest on Loan (in %)	8.0276	6.9026	6.6500	7.2256	8.1265
Interest on Loan	2.32	1.84	1.61	1.59	1.59

36. The details of IoL approved vide order dated 7.2.2024 in Petition No. 8/TT/2023 in respect of the transmission assets, IoL claimed by the Petitioner in the instant Petition, and trued up IoL allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	106.03	106.97	101.67	94.41	84.09
Claimed by the Petitioner in the instant Petition	104.13	98.11	90.76	87.84	84.51
Approved after true-up in this order	104.14	98.11	90.76	87.84	84.51

(₹ in lakh)

Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	122.30	126.08	115.88	105.68	94.39
Claimed by the Petitioner in the instant Petition	121.84	122.46	110.93	103.12	93.75
Approved after true-up in this order	121.84	122.46	110.93	103.12	93.75



(₹ in lakh)

Asset-3	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	8.14	7.43	6.72	6.02	5.30
Claimed by the Petitioner in the instant Petition	8.07	7.13	6.41	5.83	5.26
Approved after true-up in this order	8.07	7.13	6.41	5.83	5.26

(₹ in lakh)

Asset-4	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	2.42	2.22	2.03	1.83	1.64
Claimed by the Petitioner in the instant Petition	2.32	1.84	1.61	1.59	1.59
Approved after true-up in this order	2.32	1.84	1.61	1.59	1.59

Return on Equity (RoE)

37. The Petitioner has submitted that its Income Tax Assessment has been completed, and the assessment orders have been issued by the Income Tax Department for FY 2019-20 and 2020-21 and that the Income Tax Returns (ITR) have been filed for FY 2021-22, 2022-23 and FY 2023-24.

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

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



39. The Petitioner has requested to allow it to claim the differential tariff on account of the trued-up RoE based on the effective tax rate calculated on completion of the Income-tax assessment/re-assessment for FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on receipt of the respective assessment orders, directly from the beneficiaries, on year to year basis as provided in the regulation.

40. We have considered the Petitioner's submissions and have also gone through the record.

41. The Petitioner has submitted that the Income Tax Assessment has been completed, and the assessment orders have been issued by the Income Tax Department for FYs 2019-20 and 2020-21. Further, the Income Tax Assessment for FYs 2021-22, 2022-23, and 2023-24 are under progress with the Income Tax Authorities. The assessment orders for FYs 2019-20 and 2020-21 and ITRs for FYs 2021-22, 2022-23 and 2023-24 have been submitted vide affidavit dated 17.12.2024 in Petition No. 401/TT/2024.

42. According to the Petitioner, since, the ITR for FY 2023-24 has now been filed, the revised computation of the effective tax percentage is as under:

Financial Year	Basis considered	Total Tax & Interest paid (in ₹)	Assessed MAT Income under Sec 115JB (in ₹)	Effective Tax Percentage (in %)	Grossed up RoE (Base rate/(1-t) (in %)
2019-20	Assessment Order	24,52,62,76,991	1,40,37,47,53,855	17.472	18.782
2020-21	Assessment Order	26,08,93,59,008	1,49,32,09,65,036	17.472	18.782
2021-22	Actual Tax paid	31,81,46,40,406	1,82,08,92,88,030	17.472	18.782
2022-23	Actual Tax paid	30,42,88,20,993	1,74,15,76,29,306	17.472	18.782
2023-24	Actual Tax paid	31,32,12,38,737	1,79,26,53,31,597	17.472	18.782



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

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

44. Accordingly, the trued-up RoE allowed in respect of the transmission assets for the 2019-24 tariff period is as under:

(₹ in lakh)

	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	582.44	679.03	700.15	721.18	721.18
B	Additions	96.59	21.12	21.03	0.00	0.00
C	Closing Equity (A+B)	679.03	700.15	721.18	721.18	721.18
D	Average Equity (A+C)/2	630.73	689.59	710.66	721.18	721.18
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	118.46	129.52	133.48	135.45	135.45

(₹ in lakh)

	Particulars	Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	655.10	813.25	813.25	813.25	813.25
B	Additions	158.15	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	813.25	813.25	813.25	813.25	813.25
D	Average Equity (A+C)/2	734.17	813.25	813.25	813.25	813.25
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	137.89	152.74	152.74	152.74	152.74

(₹ in lakh)

	Particulars	Asset-3				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	53.47	53.47	53.47	53.47	53.47
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	53.47	53.47	53.47	53.47	53.47
D	Average Equity (A+C)/2	53.47	53.47	53.47	53.47	53.47
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	10.04	10.04	10.04	10.04	10.04

(₹ in lakh)

	Particulars	Asset-4				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	13.23	13.23	13.23	13.23	13.23
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	13.23	13.23	13.23	13.23	13.23
D	Average Equity (A+C)/2	13.23	13.23	13.23	13.23	13.23
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	2.48	2.48	2.48	2.48	2.48

45. The details of RoE approved vide order dated 7.2.2024 in Petition No. 8/TT/2023 for the transmission assets, RoE claimed by the Petitioner in the instant Petition, and trued-up RoE allowed in the instant order is as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	118.46	129.52	133.48	135.45	135.45
Claimed by the Petitioner in the instant Petition	118.46	129.52	133.48	135.45	135.45
Approved after true-up in this order	118.46	129.52	133.48	135.45	135.45

(₹ in lakh)

Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	137.89	152.74	152.74	152.74	152.74
Claimed by the Petitioner in the instant Petition	137.89	152.74	152.74	152.74	152.74
Approved after true-up in this order	137.89	152.74	152.74	152.74	152.74

(₹ in lakh)

Asset-3	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	10.04	10.04	10.04	10.04	10.04
Claimed by the Petitioner in the instant Petition	10.04	10.04	10.04	10.04	10.04
Approved after true-up in this order	10.04	10.04	10.04	10.04	10.04



(₹ in lakh)

Asset-4	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	2.48	2.48	2.48	2.48	2.48
Claimed by the Petitioner in the instant Petition	2.48	2.48	2.48	2.48	2.48
Approved after true-up in this order	2.48	2.48	2.48	2.48	2.48

Operation & Maintenance Expenses (O&M Expenses)

46. The Petitioner in the instant true-up Petition has claimed the following O&M Expenses for the transmission assets:

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	76.41	79.10	81.88	84.75	87.72

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	76.98	79.68	82.48	85.38	88.37

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-3	45.02	46.60	48.24	49.92	51.68

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-4	90.04	93.20	96.48	99.84	103.36

47. We have considered the Petitioner's submissions. It has been observed that the O&M Expenses claimed by the Petitioner in the instant true-up Petition are as per Regulation 35(3) of the 2019 Tariff Regulations. The O&M Expenses allowed for the transmission assets are as under:

Particulars	Asset-1				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV Bays					
(i) NP Kunta: Kadapa Bay I: 1 bay					
(ii) NP Kunta: Kadapa Bay II: 1 bay					
400 kV Bays	2	2	2	2	2



Particulars	Asset-1				
	2019-20	2020-21	2021-22	2022-23	2023-24
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line					
Loop In portion of LILO of Cuddapah-Hindupur 400 kV D/C (Quad) (9.164 km)					
D/C Bundled (4 or more Sub Conductor (km)	9.164	9.164	9.164	9.164	9.164
Norms (₹ lakh/km)	1.322	1.368	1.416	1.466	1.517
Total O&M Expenses allowed (₹ in lakh)	76.41	79.10	81.88	84.75	87.72

Particulars	Asset-2				
	2019-20	2020-21	2021-22	2022-23	2023-24
Bay(s)					
(i) NP Kunta: Hindupur Line Bay 1: 1 bay					
(ii) NP Kunta: Hindupur Line Bay 2: 1 bay					
400 kV Bays	2	2	2	2	2
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line					
Loop out portion of LILO of Cuddapah-Hindupur 400 kV D/C (Quad) (9.59 km)					
D/C Bundled (4 or more Sub Conductor (km)	9.59	9.59	9.59	9.59	9.59
Norms (₹ lakh/km)	1.322	1.368	1.416	1.466	1.517
Total O&M Expenses allowed (₹ in lakh)	76.98	79.68	82.48	85.38	88.37

Particulars	Asset-3				
	2019-20	2020-21	2021-22	2022-23	2023-24
Bay(s)					
(i) NP Kunta: Line Bay 1: 1 bay					
(ii) NP Kunta: Line Bay 2: 1 bay					
220 kV Bays	2	2	2	2	2
Norms (₹ lakh/Bay)	22.51	23.3	24.12	24.96	25.84
Total O&M Expenses allowed (₹ in lakh)	45.02	46.60	48.24	49.92	51.68

Particulars	Asset-4				
	2019-20	2020-21	2021-22	2022-23	2023-24
Bay(s)					
(i) NP Kunta: Line Bay 1: 1 bay					
(ii) NP Kunta: Line Bay 2: 1 bay					
(iii) NP Kunta: Line Bay 3: 1 bay					
(iv) NP Kunta: Line Bay 4: 1 bay					
220 kV Bays	4	4	4	4	4
Norms (₹ lakh/Bay)	22.51	23.3	24.12	24.96	25.84
Total O&M Expenses allowed (₹ in lakh)	90.04	93.20	96.48	99.84	103.36



48. The details of O&M Expenses approved vide order dated 7.2.2024 in Petition No. 8/TT/2023 for the transmission assets, O&M Expenses claimed by the Petitioner in the instant Petition and trued-up O&M Expenses allowed in the instant order are as under:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	76.41	79.10	81.88	84.75	87.72
Claimed by the Petitioner in the instant Petition	76.41	79.10	81.88	84.75	87.72
Approved after true-up in this order	76.41	79.10	81.88	84.75	87.72

(₹ in lakh)					
Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	76.98	79.68	82.48	85.38	88.37
Claimed by the Petitioner in the instant Petition	76.98	79.68	82.48	85.38	88.37
Approved after true-up in this order	76.98	79.68	82.48	85.38	88.37

(₹ in lakh)					
Asset-3	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	45.02	46.60	48.24	49.92	51.68
Claimed by the Petitioner in the instant Petition	45.02	46.60	48.24	49.92	51.68
Approved after true-up in this order	45.02	46.60	48.24	49.92	51.68

(₹ in lakh)					
Asset-4	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	90.04	93.20	96.48	99.84	103.36
Claimed by the Petitioner in the instant Petition	90.04	93.20	96.48	99.84	103.36
Approved after true-up in this order	90.04	93.20	96.48	99.84	103.36

Interest on Working Capital (IWC)

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



points) for FY 2021-22 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

50. The components of the working capital and interest allowed thereon for the transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)

	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	6.37	6.59	6.82	7.06	7.31
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	11.46	11.86	12.28	12.71	13.16
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	51.48	53.82	54.15	54.63	54.58
D	Total Working Capital (A+B+C)	69.31	72.27	73.25	74.40	75.05
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	8.35	8.13	7.69	7.81	9.01

(₹ in lakh)

	Particulars	Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	6.41	6.64	6.87	7.11	7.36
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	11.55	11.95	12.37	12.81	13.26
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	58.46	62.57	61.41	60.81	60.01
D	Total Working Capital (A+B+C)	76.43	81.16	80.66	80.73	80.62
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	9.21	9.13	8.47	8.48	9.67



(₹ in lakh)

	Particulars	Asset-3				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.75	3.88	4.02	4.16	4.31
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.75	6.99	7.24	7.49	7.75
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	9.21	9.30	9.40	9.55	9.71
D	Total Working Capital (A+B+C)	19.72	20.18	20.66	21.19	21.77
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	2.38	2.27	2.17	2.23	2.61

(₹ in lakh)

	Particulars	Asset-4				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	7.50	7.77	8.04	8.32	8.61
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	13.51	13.98	14.47	14.98	15.50
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	12.44	12.79	13.15	13.57	14.06
D	Total Working Capital (A+B+C)	33.45	34.54	35.66	36.87	38.18
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	4.03	3.89	3.74	3.87	4.58

51. The details of IWC allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023 for the transmission assets, IWC claimed by the Petitioner in the instant Petition, and trued-up IWC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	8.38	8.26	7.83	7.90	7.86



Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	8.35	8.13	7.69	7.81	9.01
Approved after true-up in this order	8.35	8.13	7.69	7.81	9.01

(₹ in lakh)

Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	9.22	9.18	8.53	8.51	8.46
Claimed by the Petitioner in the instant Petition	9.21	9.13	8.47	8.48	9.67
Approved after true-up in this order	9.21	9.13	8.47	8.48	9.67

(₹ in lakh)

Asset-3	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	2.38	2.27	2.17	2.23	2.28
Claimed by the Petitioner in the instant Petition	2.38	2.27	2.17	2.22	2.61
Approved after true-up in this order	2.38	2.27	2.17	2.23	2.61

(₹ in lakh)

Asset-4	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	4.03	3.89	3.75	3.87	4.00
Claimed by the Petitioner in the instant Petition	4.03	3.89	3.74	3.87	4.58
Approved after true-up in this order	4.03	3.89	3.74	3.87	4.58

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

52. Accordingly, the Annual Fixed Charges (AFC) allowed after the truing-up for the 2019-24 tariff period in respect of the transmission assets is as under:

(₹ in lakh)

	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	111.30	121.66	125.37	127.22	127.22
B	Interest on Loan	104.14	98.11	90.76	87.84	84.51
C	Return on Equity	118.46	129.52	133.48	135.45	135.45
D	Interest on Working Capital	8.35	8.13	7.69	7.81	9.01
E	O&M Expenses	76.41	79.10	81.88	84.75	87.72
F	Total (A+B+C+D+E)	418.66	436.52	439.18	443.07	443.91



(₹ in lakh)

	Particulars	Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	129.59	143.51	143.51	143.51	143.51
B	Interest on Loan	121.84	122.46	110.93	103.12	93.75
C	Return on Equity	137.89	152.74	152.74	152.74	152.74
D	Interest on Working Capital	9.21	9.13	8.47	8.48	9.67
E	O&M Expenses	76.98	79.68	82.48	85.38	88.37
F	Total (A+B+C+D+E)	475.51	507.52	498.13	493.23	488.04

(₹ in lakh)

	Particulars	Asset-3				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	9.41	9.41	9.41	9.41	9.41
B	Interest on Loan	8.07	7.13	6.41	5.83	5.26
C	Return on Equity	10.04	10.04	10.04	10.04	10.04
D	Interest on Working Capital	2.38	2.27	2.17	2.23	2.61
E	O&M Expenses	45.02	46.60	48.24	49.92	51.68
F	Total (A+B+C+D+E)	74.92	75.45	76.27	77.43	79.00

(₹ in lakh)

	Particulars	Asset-4				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	2.33	2.33	2.33	2.33	2.33
B	Interest on Loan	2.32	1.84	1.61	1.59	1.59
C	Return on Equity	2.48	2.48	2.48	2.48	2.48
D	Interest on Working Capital	4.03	3.89	3.74	3.87	4.58
E	O&M Expenses	90.04	93.20	96.48	99.84	103.36
F	Total (A+B+C+D+E)	101.20	103.74	106.64	110.11	114.34

53. The details of AFC allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023 for the transmission assets, AFC claimed by the Petitioner in the instant Petition, and trued-up AFC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	420.58	445.51	450.23	449.73	442.34
Claimed by the Petitioner in the instant Petition	418.65	436.52	439.18	443.07	443.91
Approved after true-up in this order	418.66	436.52	439.18	443.08	443.90



(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	475.98	511.19	503.14	495.82	487.47
Claimed by the Petitioner in the instant Petition	475.51	507.52	498.13	493.23	488.04
Approved after true-up in this order	475.51	507.52	498.12	493.22	488.04

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	74.99	75.75	76.58	77.62	78.71
Claimed by the Petitioner in the instant Petition	74.92	75.45	76.27	77.42	79.00
Approved after true-up in this order	74.92	75.45	76.27	77.42	79.00

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.2.2024 in Petition No. 8/TT/2023	101.30	104.11	107.07	110.35	113.81
Claimed by the Petitioner in the instant Petition	101.20	103.74	106.64	110.11	114.34
Approved after true-up in this order	101.20	103.74	106.64	110.11	114.34

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

54. The Petitioner has combined the transmission assets during the 2019-24 tariff period and has claimed the following transmission charges in respect of the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	288.00	288.00	288.00	284.82	278.44
Interest on Loan	162.52	140.02	116.98	94.69	73.54
Return on Equity	300.72	300.72	300.72	300.72	300.72
Interest on Working Capital	22.66	22.92	23.22	23.46	23.79
O&M Expenses	266.35	280.30	295.05	310.56	326.80
Total	1040.25	1031.96	1023.97	1014.25	1003.29



55. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for Combined Asset are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	22.20	23.36	24.59	25.88	27.23
Maintenance Spares	39.95	42.05	44.26	46.58	49.02
Receivables	128.25	127.23	126.24	124.70	123.69
Total Working Capital	190.40	192.64	195.09	197.16	199.94
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	22.66	22.92	23.22	23.46	23.79

Effective Date of Commercial Operation (E-COD)

56. The Petitioner has combined the transmission assets in the instant Petition and has claimed the E-COD in respect of the Combined Asset as 24.8.2018. We have considered the Petitioner's submission and allowed the E-COD as 24.8.2018.

Asset	Trued-up Capital cost as on 1.4.2024 (₹ in lakh)	COD	No. of days from COD of Asset from COD of Project	Weight of cost (in %)	Weighted days
Asset-1	2403.92	4.8.2018	69.00	45.04	31
Asset-2	2710.83	12.10.2018	0.00	50.79	0
Asset-3	178.24	26.4.2017	534.00	3.34	18
Asset-4	44.09	3.8.2018	70.00	0.83	1
Total	5337.08			100.00	49
E-COD	24.8.2018				

57. E-COD is used to determine the lapsed life of the project, which works out as 5 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from the E-COD).

Weighted Average Life ("WAL") of the Project

58. The life as defined in the 2024 Tariff Regulations has been considered for the determination of the WAL. The Combined Asset may have multiple elements such as



land, building, transmission line, sub-station, and the PLCC, and each element may have a different span of life. Therefore, the concept of the WAL has been used to determine the useful life of the transmission system as a whole.

59. The WAL has been determined based on the admitted capital cost of the individual elements under the transmission system as on 1.4.2024 and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, the WAL in respect of the Combined Asset has been worked out as 31 years as under:

Particulars	Combined Asset Cost (₹ in lakh) (1)	Life as per 2024 Tariff Regulation (Years) (2)	Weighted Cost (3)=(1)x(2)	Weighted Average Life of Asset (in years) (4)=(3)/(1)
Land - Freehold	0.00	0	0.00	31
Land - Leasehold	0.00	0	0.00	
Building Civil Works & Colony	0.00	25	0.00	
Transmission Line	3099.22	35	108473.05	
Sub-station	2174.17	25	54354.25	
PLCC	63.69	7	445.83	
IT Equipment incl. software	0.00	7	0.00	31
Total	5337.08		163273.13	31

60. The WAL as on 24.8.2018 (E-COD), as determined above, is applicable prospectively (i.e., from the 2024-29 tariff period onwards), and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed in the preceding paragraphs, the E-COD of the Combined Asset is 24.8.2018, and the lapsed life of the transmission project as a whole works out as 5 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, the WAL has been used to determine the remaining useful life as on 24.8.2018 to be 26 years.

Capital Cost

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

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

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;*
- (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
- (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
- (k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
- (m) *Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;*
- (n) *Expenditure on account of change in law and force majeure events; and*
- (o).....
- (p).....

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



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

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

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

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

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

(4) & (5)

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

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

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

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

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

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

(d).....

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

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

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

₹ in lakh)

Asset	Capital Cost claimed as on 31.3.2024	ACE claimed for the 2024-29 tariff period					Estimated Completion Cost as on 31.3.2029
		2024-25	2025-26	2026-27	2027-28	2028-29	
Combined Asset	5337.08	0.00	0.00	0.00	0.00	0.00	5337.08



63. We have considered the Petitioner's submissions. The capital cost has been dealt with in line with Regulation 19(3) of the 2024 Tariff Regulations. The element-wise capital cost (i.e., land, building, transmission line, Sub-station and PLCC) as trued-up by the Commission as on 31.3.2024 for the Combined Asset has been considered as the capital cost as on 1.4.2024 as per the following details:

(₹ in lakh)	
Element	Combined Asset
Freehold Land	0.00
Leasehold Land	0.00
Building Civil Works & Colony	0.00
Transmission Line	3099.22
Sub-station	2174.17
PLCC	63.69
IT Equipment (Incl. Software)	0.00
Total	5337.08

64. The trued-up capital cost of ₹5337.08 lakh for the Combined Asset has been considered as the admitted capital cost as on 1.4.2024 for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

65. The Petitioner has not claimed ACE for the 2024-29 tariff period under Regulations of the 2024 Tariff Regulations.

Debt-Equity ratio

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

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

Provided that:

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

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

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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2024 shall be considered:

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

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

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

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

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

67. The debt-equity ratio considered for the purpose of computation of the tariff for the 2024-29 period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of tariff for the Combined Asset for the 2024-29 tariff period is as under:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(in %)	ACE in 2024-29 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(in %)
Debt	3735.96	70.00	0.00	70.00	3735.96	70.00
Equity	1601.12	30.00	0.00	30.00	1601.12	30.00
Total	5337.08	100.00	0.00	100.00	5337.08	100.00

Depreciation

68. Regulation 33 of the 2024 Tariff Regulations provides as under:

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

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

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

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

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

.....

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

(4)

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

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

.....

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

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

.....

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

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

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

(10) Xxxxxx

(11) Xxxxxx

(12) Xxxxxx”

69. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter, up to 31.3.2029. The WAROD has been worked out for the Combined Asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

70. The depreciation allowed for the Combined Asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital cost	5337.08	5337.08	5337.08	5337.08	5337.08
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	5337.08	5337.08	5337.08	5337.08	5337.08
D	Average Capital cost (A+C)/2	5337.08	5337.08	5337.08	5337.08	5337.08
E	Average Capital cost (90% depreciable assets)	5337.08	5337.08	5337.08	5337.08	5337.08
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	4803.38	4803.38	4803.38	4803.38	4803.38
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	4803.38	4803.38	4803.38	4803.38	4803.38
J	Weighted average rate of Depreciation (WAROD) (in %)	5.40	5.40	5.40	5.34	5.22
K	Balance useful life at the beginning of the year (Year)	26	25	24	23	22
L	Elapsed useful life at the beginning of the year (Year)	5	6	7	8	9
M	Depreciation during the year (D*J)	287.99	287.99	287.99	284.80	278.44
N	Cumulative Depreciation at the end of the year	1793.03	2081.02	2369.01	2653.81	2932.25
O	Remaining Aggregate Depreciable Value at the end of the year	3010.35	2722.36	2434.37	2149.57	1871.13

Interest on Loan (IoL)

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

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

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

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

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

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

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

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

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

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

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



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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	3735.96	3735.96	3735.96	3735.96	3735.96
B	Cumulative Repayments upto Previous Year	1505.04	1793.03	2081.02	2369.01	2653.81
C	Net Loan-Opening (A-B)	2230.92	1942.93	1654.94	1366.96	1082.15
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	287.99	287.99	287.99	284.80	278.44
F	Net Loan-Closing (C+D-E)	1942.93	1654.94	1366.96	1082.15	803.72
G	Average Loan (C+F)/2	2086.93	1798.94	1510.95	1224.55	942.93
H	Weighted Average Rate of Interest on Loan (in %)	7.7879	7.7838	7.7428	7.7337	7.8006
I	Interest on Loan (G*H)	162.53	140.03	116.99	94.70	73.55

Return on Equity (RoE)

73. Regulation 30 and Regulation 31 of the 2024 Tariff Regulations provides as under:

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

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

(3) Return on equity for new project achieving COD on or after 01.04.2024 shall be computed at the base rate of 15.00% for the transmission system, including the



communication system, at the base rate of 15.50% for Thermal generating station and run-of-river hydro generating station and at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;

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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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

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

75. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the Combined Asset for the 2024-29 tariff period is as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	1601.12	1601.12	1601.12	1601.12	1601.12
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	1601.12	1601.12	1601.12	1601.12	1601.12
D	Average Equity (A+C)/2	1601.12	1601.12	1601.12	1601.12	1601.12
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	300.72	300.72	300.72	300.72	300.72

Operation & Maintenance Expenses (O&M Expenses)

76. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2024-29 tariff period are as under:

(₹ in lakh)					
O&M Expenses	2024-25	2020-21	2021-22	2022-23	2023-24
	266.35	280.30	295.05	310.56	326.80



77. The norms specified under Regulation 36(3) of the 2024 Tariff Regulations provides as under:

“36. Operation and Maintenance Expenses:

...

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (₹ Lakh per MW)	1.04	1.10	1.16	1.22	1.28

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

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



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

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

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

.....”

78. We have considered the Petitioner's submissions. The O&M Expenses have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations and the same are as under:

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
400 kV Bays					
(i) NP Kunta: Kadapa Bay I: 1 bay					
(ii) NP Kunta: Kadapa Bay II: 1 bay					
400 kV Bays	4	4	4	4	4
Norms (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expense (₹ in lakh)	118.12	124.32	130.84	137.72	144.92
220 kV Bays					
(i) NP Kunta: Kadapa Bay I: 1 bay					
(ii) NP Kunta: Kadapa Bay II: 1 bay					
220 kV Bays	6	6	6	6	6
Norms (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
O&M Expense (₹ in lakh)	124.02	130.50	137.40	144.60	152.16
Transmission line					
(i) Loop in portion of LILO of Cuddapah-Hindupur 400 kV D/C (Quad) (9.164 km)					
D/C Bundled (4 or more Sub Conductor (km)	9.164	9.164	9.164	9.164	9.164
Norms (₹ lakh/km)	1.29	1.36	1.43	1.51	1.59
O&M Expenses (₹ in lakh)	11.83	12.45	13.10	13.80	14.52
Transmission line					
(ii) Loop Out portion of LILO of Cuddapah-Hindupur 400 kV D/C (Quad) (9.164 km)					
D/C Bundled (4 or more Sub Conductor (km)	9.59	9.59	9.59	9.59	9.59
Norms (₹ lakh/km)	1.29	1.36	1.43	1.51	1.59



Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expense (₹ in lakh)	12.38	13.03	13.71	14.44	15.20
Total O&M Expenses allowed (₹ in lakh)	266.35	280.31	295.06	310.56	326.81

Interest on Working Capital (IWC)

79. Regulation 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify as under:

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

.....

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

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

(2)

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

Provided that in case of truing-up, the rate of interest on working capital shall be considered at Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.

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

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



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

		(₹ in lakh)				
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	22.20	23.36	24.59	25.88	27.23
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	39.95	42.05	44.26	46.58	49.02
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	128.25	127.23	126.24	124.70	123.70
D	Total Working Capital (A+B+C)	190.40	192.63	195.09	197.17	199.95
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	22.66	22.92	23.22	23.46	23.79

Annual Fixed Charges of the 2024-29 Tariff Period

82. The annual transmission charges allowed for the 2024-29 tariff period for the Combined Asset are as under:

		(₹ in lakh)				
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation	287.99	287.99	287.99	284.80	278.44
	Interest on Loan	162.53	140.03	116.99	94.70	73.55
	Return on Equity	300.72	300.72	300.72	300.72	300.72
	O&M Expenses	266.35	280.31	295.06	310.56	326.81
	Interest on Working Capital	22.66	22.92	23.22	23.46	23.79
	Total	1040.25	1031.97	1023.98	1014.24	1003.31

Filing Fee and Publication Expenses

83. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-



term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

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

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

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

87. We have considered the Petitioner's submissions and perused Regulation 99 of the 2024 Tariff Regulations. In view of the explicit provision made under Regulation 99 of the 2024 Tariff Regulations, we permit the Petitioner, i.e., PGCIL, to bear the fees and charges expenses of CTUIL and recover the same as additional O&M Expenses



through a separate Petition until such Regulation is notified and issued by the Commission.

Licence Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

90. We have considered the submissions made by the Petitioner. Since, GST has not been levied on the transmission service at present, we are of the view that the Petitioner's prayer on this count is premature.

Security Expenses, Insurance and Capital Spares

91. The Petitioner has submitted that as per Regulation 36(3)(d) of the 2024 Tariff Regulations, the security expenses and capital spares of more than ₹10 lakh and insurance expenses arrived through the competitive bidding for the transmission system shall be allowed separately after prudence check. The Petitioner has submitted that it



shall file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the security expenses regarding the Combined Asset are not claimed in the instant Petition.

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

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

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

"36(3)..

(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the



transmission system and associated communication system shall be allowed separately after prudence check:

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

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

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

Sharing of Transmission Charges

96. With regard to the sharing of the transmission charges, the Petitioner has submitted that tariff for the transmission of electricity (Annual Fixed Cost) for the 2019-24 tariff period will be shared as per para 100 of the Commission’s order dated 7.2.2024 in Petition No. 8/TT/2023 and will be recovered on monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers in terms of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (herein referred to as “2010 Sharing Regulations”) and the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (herein referred to as “2020 Sharing Regulations”), as amended from time to time, for the applicable periods. Further, the Petitioner has submitted that the tariff for the Transmission of Electricity (Annual Fixed Cost) for the 2024-29 tariff period



will be recovered on monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations, and will be shared by the beneficiaries and long-term transmission customers in terms of the 2020 Sharing Regulations, as amended from to time.

97. We have considered the Petitioner's submissions. With effect from 1.7.2011, the sharing of transmission charges for the inter-State transmission systems was governed by the 2010 Sharing Regulations and with effect from 1.11.2020 (after the repeal of the 2010 Sharing Regulations), the sharing of transmission charges is governed by the 2020 Sharing Regulations. The transmission charges approved in this order for Asset-1 shall be recovered in accordance with the applicable Sharing Regulations as per Regulation 43 of the 2014 Tariff Regulations and Regulation 57(2) of the 2019 Tariff Regulations. In the case of Asset-2, the transmission charges for the period from 12.10.2018 to 21.1.2019 shall be borne by APTRANSCO as per the Commission's order dated 18.7.2022 in Petition No. 171/TT/2019, and thereafter, the same shall be recovered in accordance with the applicable Sharing Regulations as per Regulation 43 of the 2014 Tariff Regulations and Regulation 57(2) of the 2019 Tariff Regulations. The transmission charges in the case of Asset-3 and Asset-4 shall be borne by APSPCPL till 4.6.2021 as per the Commission's order dated 18.7.2022 in Petition No. 171/TT/2019 and, thereafter, the same shall be recovered in accordance with the 2020 Sharing Regulations as per Regulation 57(2) of the 2019 Tariff Regulations. For period after 1.4.2024, the billing, collection, and disbursement of the transmission charges for the Combined Assets shall be recovered in terms of the provisions of the 2020 Sharing Regulations as provided in Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.



98. To summarise:

- a. The AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	418.65	436.52	439.18	443.07	443.91
AFC Allowed	418.66	436.52	439.18	443.07	443.91

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	475.51	507.52	498.13	493.23	488.04
AFC Allowed	475.51	507.52	498.13	493.23	488.04

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	74.92	75.45	76.27	77.42	79.00
AFC Allowed	74.92	75.45	76.27	77.43	79.00

(₹ in lakh)

Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	101.20	103.74	106.64	110.11	114.34
AFC Allowed	101.20	103.74	106.64	110.11	114.34

- b. AFC allowed for the 2024-29 tariff period in this order for the Combined Asset is as under:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	1040.25	1031.96	1023.97	1014.25	1003.29
AFC allowed	1040.25	1031.97	1023.98	1014.24	1003.31

99. This order disposes of Petition No. 328/TT/2025, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

