

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 377/TT/2025

Coram:

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

Date of Order: 27.09.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under the 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 the scheme "Provision of Bus Reactors" in the Northern Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001.**
- 2. Ajmer Vidyut Vitran Nigam Limited,
Corporate Office, Vidyut Bhawan,
Panchsheel Nagar, Makarwali Road,
Ajmer, Rajasthan – 305004.**
- 3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-Station Building,
Caligiri Road, Malviya Nagar,
Jaipur, Rajasthan – 302017.**
- 4. Jodhpur Vidyut Vitran Nigam Limited,
New Powerhouse, Industrial Area,
Jodhpur, Rajasthan – 342003.**



5. **Himachal Pradesh State Electricity Board Limited,**
Vidyut Bhawan,
Kumar House Complex Building II,
Shimla – 171004.
6. **Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office,
Patiala – 147001.
7. **Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula, Haryana – 134109.
8. **Jammu Kashmir Power Corporation Limited,**
220/66/33 kV Gladni SS, SLDC Building,
Narwal, Jammu.
9. **BSES Yamuna Power Limited,**
B-Block, Shakti Kiran Building, (Near Karkadooma Court),
Karkadooma, 2nd Floor,
New Delhi – 110092.
10. **BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
New Delhi.
11. **Tata Power Delhi Distribution Limited,**
33 kV Sub-station Building,
Hudson Lane, Kingsway Camp,
North Delhi – 110009.
12. **Chandigarh Electricity Department,**
Chandigarh Administration,
Sector – 9, Chandigarh.
13. **Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road,
Dehradun.
14. **North Central Railway,**
Allahabad.
15. **New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi – 110002.

...Respondent(s)

Parties Present: Shri V. C. Sekhar, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vishal Sagar, PGCIL
Ms. Suchitra Gautam, PGCIL



Shri G. Vijay, PGCIL
Shri Vivek Kumar, PGCIL
Shri Amit Yadav, PGCIL
Shri Abhijit Dimari, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Divyanshu Mishra, PGCIL
Shri Amit Garg, PGCIL
Shri Ranjit Pandey, PGCIL
Ms. Ashita Chauhan, PGCIL
Shri Ashish Alankar, 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 for the 2024-29 tariff period, under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of the following Combined Asset (hereinafter referred to as “the transmission assets / Combined Asset”) under the scheme “Provision of Bus Reactors” in the Northern Region” (hereinafter referred to as “the transmission project”).

Asset-A: 400 kV, 125 MVAR Bus Reactor at Gorakhpur;

Asset-B: 400 kV, 125 MVAR Bus Reactor at Allahabad;

Asset-C: 400 kV, 125 MVAR Bus Reactor at Mainpuri;

Asset-D: 400 kV, 125 MVAR Bus Reactor at Kankroli;

Asset-E: 400 kV, 125 MVAR Bus Reactor-I at Vindhyachal;

Asset-F: 125 MVAR Bus Reactor-II at Vindhyachal;

Asset-G: Extension of 400/220 kV Jalandhar (POWERGRID);

Asset-H: Extension of 400/220 kV Amritsar (POWERGRID) Sub-station 400 kV, 80 MVAR Bus-Reactor;

Asset-I: Extension of 400/220 kV Hissar (POWERGRID) Sub-station 400 kV, 125 MVAR Bus Reactor; and



Asset-J: Extension of 400/220 kV Nalagarh (POWERGRID) Sub-station 400 kV, 125 MVAR Bus-Reactor.

2. The Petitioner has made the following prayers in this 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 15 and 16 above.*
- b) Admit the capital cost claimed and additional capitalization incurred during 2019-24.*
- 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 15 and 16 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 22 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 22 above.*
- i) Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares as per actual as mentioned at para 22 above.*
- j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 23 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 Investment Approval (the IA) for the transmission project was accorded by the Board of Directors (BoD) of the Petitioner's Company vide Letter No. C/CP/BUSREACTORS in NR dated 15.12.2010 at an estimated cost of ₹9003 lakh, including an Interest During Construction (IDC) of ₹391 lakh (based on 3rd Quarter, 2010 price level). The transmission project was scheduled to be commissioned within 20 months from the date of the IA. Therefore, the scheduled date of commissioning (SCOD) of the transmission assets was 1.9.2012 (i.e., the first day of the next month when 20 months get completed).
- (b) The scope of the work covered under the transmission project is as follows:

Sub-stations:

- (i) Extension of 400/220 kV Gorakhpur (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;
- (ii) Extension of 400/220 kV Allahabad (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;
- (iii) Extension of 400/220 kV Mainpuri (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;
- (iv) Extension of 400/220 kV Hissar (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;
- (v) Extension of 400/220 kV Jalandhar (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;
- (vi) Extension of 400/220 kV Amritsar (POWERGRID) Sub-station-1 No. 400 kV, 80 MVAR bus reactor;
- (vii) Extension of 400/220 kV Kankroli (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor;



- (viii) Extension of 400/220 kV Nalagarh (POWERGRID) Sub-station-1 No. 400 kV, 125 MVAR bus reactor; and
- (ix) Extension of 400/220 kV Vindhyachal (NR Bus) (POWERGRID) Sub-station-2 Nos. 400 kV, 125 MVAR bus reactor.

(c) The Petitioner has filed the present Petition for the truing-up of the transmission tariff for the 2019-24 tariff period and the determination of the transmission tariff for the 2024-29 tariff period for the following Combined Asset implemented in the Northern Region.

Asset No.	Asset Name	E-COD
Combined Asset	Combined Asset under the scheme, Provision of Bus Reactors in the Northern Region	9.10.2012

4. The Commission, vide order dated 20.10.2021 in Petition No. 547/TT/2020, trued-up the transmission tariff of the transmission assets for the 2014-19 period and determined the transmission tariff after combining the transmission assets as the “Combined Asset” for the 2019-24 period.

5. The Respondents are Distribution Licensees, Transmission Licensees and Power Departments, which are procuring transmission services from the Petitioner, mainly the beneficiaries of the Northern Region.

6. 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.

7. The Uttar Pradesh Power Corporation Limited (UPPCL), Respondent No. 1, has filed its reply vide affidavit dated 3.7.2025 and has raised the issues with respect to inadequate justification for the Additional Capital Expenditure (ACE), violation of the

cut-off date norms, inconsistencies in adjustment of the Initial Spares, unjustified tariff increase and non-compliance with Regulation 31(3) of 2019 Regulations with respect to Return on Equity (RoE). The Petitioner vide affidavit dated 21.7.2025 has filed its rejoinder to the reply of the UPPCL. The issues raised by the UPPCL and the response thereto given by the Petitioner are considered in the succeeding paragraphs of this order.

8. The hearing in this matter was held on 20.6.2025, and the order was reserved.

9. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 12.11.2024, RoP compliance vide affidavit dated 15.5.2025, and the UPPCL's reply filed vide affidavit dated 3.7.2025 and the Petitioner's rejoinder affidavit dated 21.7.2025 to the reply of the UPPCL. Having heard the Petitioner's representative 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

10. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Asset are as under:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	369.53	371.25	374.49	376.05	371.95
Interest on Loan	216.41	183.37	153.69	123.26	91.01
Return on Equity	388.00	389.84	393.29	394.96	395.18
O&M Expenses	321.50	332.80	344.50	356.60	369.10
Interest on Working Capital	28.66	26.82	25.15	25.26	28.87
Total	1324.10	1304.08	1291.12	1276.13	1256.11

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

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	26.79	27.73	28.71	29.72	30.76
Maintenance Spares	48.23	49.92	51.68	53.49	55.37
Receivables	162.80	160.78	159.18	157.33	154.44
Total Working Capital	237.82	238.43	239.57	240.54	240.57
Rate of Interest on working capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	28.66	26.82	25.15	25.26	28.87

Capital Cost for the 2019-24 Tariff Period

12. The Commission vide order dated 20.10.2021 in Petition No. 547/TT/2020, had trued-up the transmission tariff for the 2014-19 period and determined the transmission tariff for the 2019-24 period for the Combined Asset. The details of the capital cost as allowed by the Commission in the aforesaid order are as under:

FR Apportioned Approved Cost	Capital Cost admitted as on 1.4.2019	ACE Allowed					Capital Cost allowed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
9003.00	6886.02	95.14	0.00	0.00	0.00	0.00	6981.16

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

FR Apportioned Approved Cost	Capital Cost admitted as on 1.4.2019	ACE Claimed					Capital Cost allowed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
9003.00	6886.02	0.00	48.45	57.32	2.01	5.55	6999.35

14. The opening capital cost of ₹6886.02 lakh as on 1.4.2019 for the Combined Asset as approved by the Commission vide order dated 20.10.2021 in Petition No. 547/TT/2020 has been considered for the determination of the tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.

Additional Capital Expenditure (ACE)

15. The Commission vide order dated 20.10.2021 in Petition No. 547/TT/2020 had allowed the following ACE in respect of the Combined Asset for the 2019-24 tariff period:

(₹ in lakh)	
Particulars	Admitted ACE (Combined Asset)
Balance and Retention payment as per clause 25(1)(d) of 2014 Tariff Regulations	111.93
Less: Excess Initial Spares	16.79
Total ACE allowed	95.14

16. Against this, the Petitioner has claimed the following ACE for the Combined Asset based on the actual expenditure in accordance with Regulation 25(1)(a) of the 2019 Tariff Regulations:

(₹ in lakh)					
Particulars	ACE details				
	2019-20	2020-21	2021-22	2022-23	2023-24
Expenditure	0.00	65.24	57.32	2.01	5.55
Less: Excess Initial Spares	0.00	16.79	0.00	0.00	0.00
Net ACE claimed	0.00	48.45	57.32	2.01	5.55
	Claimed under Regulation 25(1)(d) of the 2019 Tariff Regulations				

17. The Petitioner in the instant Petition has submitted the following liability flow statement for the 2019-24 tariff period:

(₹ in lakh)							
Particulars	Outstanding Liabilities as on 31.3.2019	2019-20	2020-21	2021-22	2022-23	2023-24	Outstanding Liabilities as on 31.3.2024
Sub-Station	130.12	-	65.24	57.32	2.01	5.55	0
Total	130.12	-	65.24	57.32	2.01	5.55	0

18. The UPPCL, vide affidavit dated 3.7.2025, has submitted that the Petitioner has not clearly demonstrated the break-up and reconciliation of the ACE with respect to the order dated 20.10.2021 in Petition No. 547/TT/2020. Further, the ACE for FY 2020-21 (₹48.45 lakh) and 2021-22 (₹57.32 lakh) has been booked for Asset-F and Asset-E without the requisite proof of contract closure or liability crystallization within the cut-off date. The UPPCL has submitted that the ACE claimed in the instant Petition lacks adequate justification and requested to direct the Petitioner to provide a detailed,

asset-wise reconciliation of the claimed ACE with reference to the cut-off date, contract closure, and discharge of liabilities. The UPPCL has also submitted that Asset-E and Asset-F had a cut-off date as 31.3.2016, whereas ACE was claimed in 2021-22, which is in violation of the cut-off date norms. Accordingly, the UPPCL has requested to reject any ACE post cut-off date as neither any justification has been provided for invoking Regulation 25(1)(d) of the 2019 Tariff Regulations nor any documentary evidence been provided for validating the timing and nature of liabilities.

19. In response, the Petitioner has submitted that the ACE of ₹113.33 lakh claimed for the 2019-24 tariff period is on account of the undischarged liability towards the balance and retention payment for works within the original scope, executed within the cut-off date, and is to be dealt with in accordance with Regulation 25(1)(d) of the 2019 Tariff Regulations. The Petitioner further submitted that the claim towards ACE approved by the Commission during the 2019-24 tariff period was based on projections. However, in the instant true-up Petition, the ACE has been claimed on the basis of actual payments made to the contractor after receipt of final invoices and incorporating the amendments made till the end of the 2019-24 tariff period, and the same has been supported by the Auditor's Certificate.

20. Further, with respect to the violation of cut-off date norms, the Petitioner has submitted that the ACE of ₹113.33 lakh claimed in FY 2019-24 is on account of the undischarged liability towards the balance and retention payment for the works within the original scope of work and executed within the cut-off date and strictly in accordance with Regulation 25(1)(d) of the 2019 Tariff Regulations.

21. With respect to the Initial Spares, the UPPCL has requested to disallow ₹16.79 lakh for excess Initial Spares for Asset-C as the Petitioner has not submitted any

verifiable auditor-backed reconciliation for the deduction made in FY 2020-21. In response, the Petitioner submitted that the contention of the UPPCL is fallacious, as the Petitioner has not claimed any additional Initial Spares, beyond the norms with respect to Initial Spares on an overall project basis.

22. We have considered the Petitioner's and the UPPCL's submissions. The UPPCL has submitted that the ACE claimed by the Petitioner lacks adequate justification and requested that the Petitioner be directed to provide a detailed, asset-wise reconciliation of the claimed ACE with reference to the cut-off date, contract closure, and discharge of liabilities. The UPPCL has also submitted that the ACE was claimed in 2021-22 for Asset-E and Asset-F, which is in violation of the cut-off date norms. The Petitioner has claimed the ACE of ₹113.33 lakh (after deducting the discharge of excess Initial Spares of ₹16.79 lakh in 2020-21) for the 2019-24 tariff period against the approved cost of ₹95.14 lakh for the transmission asset in Petition No. 547/TT/2020. The Petitioner, in its justification, has submitted that the ACE claimed for the transmission asset towards the undischarged liabilities recognized to be payable at a future date within the original scope of work and up to the cut-off date and works deferred for execution within the original scope of work and up to the cut-off date under Regulations 25(1)(d) of the 2019 Tariff Regulations.

23. The Petitioner has further added that the ACE for 2019-24 approved by the Commission in an order dated 20.10.2021 in Petition No. 547/TT/2020 was based on the projections where the contracts were not closed, and the liabilities were not finalised. However, in the instant true-up Petition, the ACE claimed is based on the actual payment made to the contractors after receiving final invoices from them and incorporating the amendments.

24. Furthermore, in response to the Commission's query, the Petitioner vide affidavit dated 15.5.2025 has submitted that all the assets covered under the instant Petition are presently in use and there has been no de-capitalization during the 2019-24 tariff period, and also, no decapitalization has been proposed during the 2024-29 tariff period for the Combined Asset.

25. In view of the above, we allow the ACE as claimed by the Petitioner for the 2019-24 tariff period in respect of the Combined Asset, as the same is towards the undischarged liabilities and the works deferred for execution within the original scope of work and up to the cut-off date.

26. Accordingly, the ACE has been allowed under Regulations 25(1)(d) of the 2019 Tariff Regulations for the Combined Asset for the 2019-24 tariff period. The ACE allowed in respect of the Combined Asset for the 2019-24 tariff period is as under:

Particulars	ACE (₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
ACE	0	65.24	57.32	2.01	5.55
Less: Excess Initial Spares	0	16.79	0	0	0
Net ACE allowed	0	48.45	57.32	2.01	5.55

27. After considering the submissions and the justification provided by the Petitioner for its claim, the following capital cost has been allowed for the Combined Asset as on 31.3.2019 and as on 31.3.2024:

FR Apportioned Approved Cost	Capital Cost allowed up to 1.4.2019	Allowed ACE during 2019-24	Capital Cost allowed as on 31.3.2024
			(₹ in lakh)
9003.00	6886.02	113.33	6999.35

Debt-Equity Ratio

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

Funding	Capital Cost as on 1.4.2019		ACE allowed during the 2019-24 Tariff Period		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	4820.21	70.00	79.33	70.00	4899.55	70.00
Equity	2065.81	30.00	34.00	30.00	2099.81	30.00
Total	6886.02	100.00	113.33	100.00	6999.35	100.00

Depreciation

29. 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 Combined Asset as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

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

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	6886.02	6886.02	6934.47	6991.79	6993.80
B	Addition during the year 2019-24 due to ACE	0.00	48.45	57.32	2.01	5.55
C	Closing Gross Block (A+B)	6886.02	6934.47	6991.79	6993.80	6999.35
D	Average Gross Block (A+C)/2	6886.02	6910.25	6963.13	6992.80	6996.58
E	Average Gross Block (90% depreciable assets)	6824.79	6849.02	6901.90	6931.57	6935.35
F	Average Gross Block (100% depreciable assets)	61.23	61.23	61.23	61.23	61.23
G	Depreciable value (excluding IT equipment and software) (E*90%)	6142.31	6164.11	6211.71	6238.41	6241.81
H	Depreciable value of IT equipment and software (F*100%)	61.23	61.23	61.23	61.23	61.23
I	Total Depreciable Value (G+H)	6203.54	6225.34	6272.94	6299.64	6303.04
J	Freehold Land	0.00	0.00	0.00	0.00	0.00
K	Weighted average rate of Depreciation (WAROD) (in %)	5.37	5.37	5.37	5.37	5.30
L	Lapsed useful life at the beginning of the year (Year)	6.00	7.00	8.00	9.00	10.00
M	Balance useful life at the beginning of	19.00	18.00	17.00	16.00	15.00

	the year (Year)					
N	Depreciation during the year (D*K)	369.53	370.81	373.60	375.17	371.04
O	Cumulative Depreciation at the end of the year	2598.23	2969.05	3342.65	3717.82	4088.87
P	Remaining Aggregate Depreciable Value at the end of the year (I-O)	3605.31	3256.30	2930.29	2581.82	2214.17

31. The details of depreciation allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, depreciation claimed in the instant Petition, and trued-up depreciation approved in the instant order in respect of the Combined Asset are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	372.05	374.56	374.56	374.56	374.56
Claimed by the Petitioner in the instant Petition	369.53	371.25	374.49	376.05	371.95
Approved after true-up in this order	369.53	370.81	373.60	375.17	371.04

Interest on Loan (IoL)

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

33. We have considered the Petitioner's submission and perused the record. 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 Combined Asset is as under:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	4820.21	4820.21	4854.13	4894.25	4895.66
B	Cumulative Repayments up to Previous Year	2228.70	2598.23	2969.05	3342.65	3717.82
C	Net Loan-Opening (A-B)	2591.51	2221.98	1885.08	1551.60	1177.84
D	Addition due to ACE	0.00	33.92	40.12	1.41	3.89
E	Repayment during the year	369.53	370.81	373.60	375.17	371.04
F	Net Loan-Closing (C+D-E)	2221.98	1885.08	1551.60	1177.84	810.68
G	Average Loan (C+F)/2	2406.75	2053.53	1718.34	1364.72	994.26
H	Weighted Average Rate of Interest on Loan (in %)	8.99	8.90	8.89	8.97	9.07
I	Interest on Loan (G*H)	216.41	182.86	152.73	122.37	90.19

34. The details of the IoL allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, the IoL claimed in the instant Petition and true-up the IoL approved in the instant order in respect of the Combined Asset are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	219.73	189.10	155.38	122.04	88.63
Claimed by the Petitioner in the instant Petition	216.41	183.37	153.69	123.26	91.01
Approved after true-up in this order	216.41	182.86	152.73	122.37	90.19

Return on Equity (RoE)

35. 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 the FY 2019-20 and FY 2020-21, and the income has been assessed under MAT [115JB of the Income Tax Act, 1961 (IT Act, 1961)].

36. 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 (in %) [(Base Rate)/(1-t)]
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

37. The UPPCL submitted that the Petitioner has not provided any substantiation of MAT tax impacts or refund/demand adjustments as mandated by Regulation 31(3) of the 2019 Regulations and accordingly, requested that the Petitioner be directed to provide the CA-certified MAT RoE reconciliation for the 2019-24 tariff period.

38. In response, the Petitioner has submitted that the Income Tax assessment of the Petitioner has been completed, and Assessment Orders have been issued by the Income Tax Department for FY 2019-20 and FY 2020-21. For FY 2021-22, 2022-23 and 2023-24, the Income Tax Returns (ITRs) have been filed and submitted vide affidavit dated 17.12.2024 in Petition No. 401/TT/2024.

39. The Petitioner has submitted that the income tax return for FY 2023-24 has now been filed, and accordingly, the revised table regarding computation of 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

40. We have considered the Petitioner's and the UPPCL's submissions and have also gone through the record. 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-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for truing up of the 2019-24 tariff period in terms of the provisions of the 2019 Tariff

Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into the account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates is considered for the purpose of grossing up the rate of RoE:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax (in %) (t)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

41. Accordingly, the trued-up RoE allowed in respect of the Combined Asset for the 2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	2065.81	2065.81	2080.34	2097.54	2098.14
B	Addition due to ACE	0.00	14.54	17.20	0.60	1.67
C	Closing Equity (A+B)	2065.81	2080.34	2097.54	2098.14	2099.81
D	Average Equity (A+C)/2	2065.81	2073.07	2088.94	2097.84	2098.97
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.47	17.47	17.47	17.47	17.47
G	Rate of Return on Equity (in %)	18.78	18.78	18.78	18.78	18.78
H	Return on Equity (D*G)	388.00	389.36	392.34	394.02	394.23

42. The details of RoE allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, RoE claimed in the instant Petition and trued-up RoE approved in the instant order in respect of the Combined Asset are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24

Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	390.68	393.36	393.36	393.36	393.36
Claimed by the Petitioner in the instant Petition	388.00	389.84	393.29	394.96	395.18
Approved after true-up in this order	388.00	389.36	392.34	394.02	394.23

Operation & Maintenance Expenses (O&M Expenses)

43. The Commission vide order dated 20.10.2021 in Petition No. 547/TT/2020 had allowed the following O&M Expenses in respect of the Combined Asset:

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	321.50	332.80	344.50	356.60	369.10

44. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2019-24 tariff period are as under:

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	321.50	332.80	344.50	356.60	369.10

45. We have considered the Petitioner's submission. 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 have been worked out as under:

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station: 400 kV Bays (10 Nos.)					
Norms as per Regulation (₹ lakh per Bay)					
400 kV Bays	32.15	33.28	34.45	35.66	36.91
O&M Expenses					
Sub-station	321.50	332.80	344.50	356.60	369.10
Total O&M Expenses allowed	321.50	332.80	344.50	356.60	369.10

46. The details of the O&M Expenses allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, O&M Expenses claimed in the instant Petition and trued-up O&M Expenses approved in the instant order in respect of the Combined Asset are as under:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	321.50	332.80	344.50	356.60	369.10
Claimed by the Petitioner in the instant Petition	321.50	332.80	344.50	356.60	369.10
Approved after true-up in this order	321.50	332.80	344.50	356.60	369.10

Interest on Working Capital (IWC)

47. The 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, 10.50% (SBI 1-year MCLR applicable as on 1.4.2022 of 7.00% plus 350 basis points) for FY 2022-23 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

48. The components of the working capital and interest allowed thereon for the Combined Asset for the 2019-24 tariff period are as under:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	26.79	27.73	28.71	29.72	30.76
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	48.23	49.92	51.68	53.49	55.37
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	162.80	160.60	158.83	156.99	154.11
D	Total Working Capital (A+B+C)	237.82	238.25	239.21	240.20	240.23
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)	28.66	26.80	25.12	25.22	28.83

49. The details of the IWC allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, IWC claimed in the instant Petition and trued-up IWC approved in the instant order in respect of the Combined Asset are as under:

(₹ in lakh)



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	28.78	27.00	25.18	25.20	25.19
Claimed by the Petitioner in the instant Petition	28.66	26.82	25.15	25.26	28.87
Approved after true-up in this order	28.66	26.80	25.12	25.22	28.83

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

50. Accordingly, the Annual Fixed Charges (AFC) allowed after truing-up for the 2019-24 tariff period in respect of the Combined Asset are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	369.53	370.81	373.60	375.17	371.04
Interest on Loan	216.41	182.86	152.73	122.37	90.19
Return on Equity	388.00	389.36	392.34	394.02	394.23
O&M Expenses	321.50	332.80	344.50	356.60	369.10
Interest on Working Capital	28.66	26.80	25.12	25.22	28.83
Total	1324.10	1302.65	1288.29	1273.38	1253.39

51. The details of AFC allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020, AFC claimed in the instant Petition, and trued-up AFC approved for the Combined Asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.10.2021 in Petition No. 547/TT/2020	1332.74	1316.82	1292.98	1271.75	1250.84
Claimed by the Petitioner in the instant Petition	1324.10	1304.08	1291.12	1276.13	1256.11
Approved after true-up in this order	1324.10	1302.65	1288.29	1273.38	1253.39

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

52. The Petitioner has claimed the following transmission charges for the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	367.22	143.19	143.19	143.19	143.19
Interest on Loan	57.75	34.63	21.49	8.35	1.01
Return on Equity	395.33	395.33	395.33	395.33	395.33
O&M Expenses	611.01	643.38	676.55	711.87	750.31

Interest on Working Capital	38.53	36.25	37.48	38.75	40.35
Total	1469.84	1252.78	1274.04	1297.48	1330.19

53. The details of IWC claimed by the Petitioner 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
O&M Expenses	50.92	53.62	56.38	59.32	62.53
Maintenance Spares	91.65	96.51	101.48	106.78	112.55
Receivables	181.21	154.45	157.07	159.53	164.00
Total Working Capital	323.78	304.58	314.93	325.63	339.08
Rate of Interest on working capital (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	38.53	36.25	37.48	38.75	40.35

Capital Cost

54. 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:

- The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- 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;
- Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
- Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- 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;
- Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
 - (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
 - (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
 - (m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;
 - (n) Expenditure on account of change in law and force majeure events; and
 - (o)
 - (p)
- (3) The Capital cost of an existing project shall include the following:
- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
 - (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
 - (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
 - (d) to (h)
 - (i) Expenditure on account of change in law and force majeure events;
- (4)
- (5)
- (6) The following shall be excluded from the capital cost of the existing and new projects:
- (a) The assets forming part of the project but not in use, as declared in the tariff petition;
 - (b) De-capitalised Assets after the date of commercial operation on account of obsolescence;
 - (c) De-capitalised Assets on account of upgradation or shifting from one project to another project:
 Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be de-capitalised from the original project only after its redeployment;
 Provided further that unless shifting of an asset from one project to another is of a permanent nature, there shall be no de-capitalization of the concerned assets.
 - (d)
 - (e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and
 - (f) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project that does not carry any liability of repayment."

55. The capital cost of ₹6999.35 lakh has been considered for the Combined Asset as on 31.3.2024. Therefore, the capital cost of ₹6999.35 lakh has been considered as the opening capital cost as on 1.4.2024 for the purpose of determining

transmission tariff for the 2024-29 period, in accordance with Regulation 19 of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

56. The Petitioner has not claimed ACE in respect of the Combined Asset for the 2024-29 tariff period.

57. The UPPCL has submitted that the Average Fixed Cost claimed for 2024-25 is ₹1469.84 lakh, which is significantly higher than 2023-24's ₹1256.11 lakh, which is increasing continuously despite the absence of any ACE for the 2024-29 period. The UPPCL has further submitted that the Petitioner has not provided any valid justification or factors causing the increased tariff, and must clarify the same and request that the tariff increase be disallowed and direct the Petitioner to clarify the same.

58. In response, the Petitioner has submitted that the UPPCL's submission is liable to be rejected as the claimed tariff is based on the capital cost, supported by an Auditor's Certificate and strictly in line with the Commission's Tariff Regulations, in vogue.

59. We have considered the Petitioner's and the UPPCL's submissions. The Petitioner has not claimed any ACE for the Combined Asset and has submitted the Auditor's Certificate in support of its claim towards the capital cost claimed. Therefore, the capital cost approved as on 31.3.2024, as allowed in this order, is ₹6999.35 lakh, and the same has been considered for the determination of the tariff for the 2024-29 period. The details of the capital cost allowed as on 31.3.2024 and as on 31.3.2029 for the Combined Asset are as under:

(₹ in lakh)



FR Apportioned Approved Cost	Expenditure as on 31.3.2024 (A)	Admitted ACE in 2024-29 (B)	Actual Capital Cost as on 31.3.2029 (C=A+B)
9003.00	6999.35	0.00	6999.35

Debt Equity Ratio

60. 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:

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

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

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

(3) In the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:

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

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

(4) In the case of the generating station and the transmission system, including communication system declared under commercial operation prior to 1.4.2024, but

where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

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

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

61. The debt-equity ratio considered for the purpose of computation of tariff for the 2024-29 tariff 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		ACE allowed in 2024-29		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	4899.55	70.00	0.00	70.00	4899.55	70.00
Equity	2099.81	30.00	0.00	30.00	2099.81	30.00
Total	6999.35	100.00	0.00	100.00	6999.35	100.00

Depreciation

62. 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-capitalized asset during its useful service... ..”

63. 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 depreciation rates specified in the 2024 Tariff Regulations.

64. 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)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	6999.35	6999.35	6999.35	6999.35	6999.35
B	Addition during the year 2024-29 due to projected ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	6999.35	6999.35	6999.35	6999.35	6999.35
D	Average Gross Block (A+C)/2	6999.35	6999.35	6999.35	6999.35	6999.35
E	Average Gross Block (90% depreciable assets)	6938.12	6938.12	6938.12	6938.12	6938.12
F	Average Gross Block (100% depreciable assets)	61.23	61.23	61.23	61.23	61.23
G	Depreciable value (excluding IT equipment and software) (E*90%)	6244.31	6244.31	6244.31	6244.31	6244.31
H	Depreciable value of IT equipment and software (F*100%)	61.23	61.23	61.23	61.23	61.23
I	Total Depreciable Value (G+H)	6305.54	6305.54	6305.54	6305.54	6305.54
J	Weighted average rate of Depreciation (WAROD) (in %)	5.23	spread over the balance useful life of the assets			
K	Lapsed useful life at the beginning of the year (Year)	11.00	12.00	13.00	14.00	15.00
L	Balance useful life at the beginning of the year (Year)	14.00	13.00	12.00	11.00	10.00
M	Depreciation during the year (D*J)	366.33	142.33	142.33	142.33	142.33
N	Cumulative Depreciation at the end of the year	4455.20	4597.53	4739.87	4882.20	5024.53
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	1850.34	1708.01	1565.67	1423.34	1281.00

Interest on Loan (IoL)

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

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

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

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

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

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

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

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

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

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

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

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

66. The Petitioner has claimed the WAROI on loans based on its actual loan portfolio and rate of interest prevailing as on 1.4.2024. The Petitioner further 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 in respect of the Combined Asset for the 2024-29 tariff period are as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	4899.55	4899.55	4899.55	4899.55	4899.55
B	Cumulative Repayments up to Previous Year	4088.87	4455.20	4597.53	4739.87	4882.20
C	Net Loan-Opening (A-B)	810.68	444.35	302.01	159.68	17.34
D	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	366.33	142.33	142.33	142.33	17.34
F	Net Loan-Closing (C+D-E)	444.35	302.01	159.68	17.34	0.00
G	Average Loan (C+F)/2	627.51	373.18	230.85	88.51	8.67
H	Weighted Average Rate of Interest on Loan (in %)	9.09	9.10	9.05	8.86	8.92
I	Interest on Loan (G*H)	57.01	33.96	20.90	7.84	0.77

Return on Equity (RoE)

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

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

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

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

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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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

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

69. The Petitioner has claimed the RoE, considering the base rate of 15.50% and effective tax rate of 17.47%, for the 2024-29 tariff period; the same has been considered, subject to truing-up.

70. Accordingly, the RoE allowed in respect of the Combined Asset for the 2024-29 tariff period, in accordance with Regulation 31 of the 2024 Tariff Regulation, is as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	2099.81	2099.81	2099.81	2099.81	2099.81
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	2099.81	2099.81	2099.81	2099.81	2099.81
D	Average Equity (A+C)/2	2099.81	2099.81	2099.81	2099.81	2099.81
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.47	17.47	17.47	17.47	17.47
G	Rate of Return on Equity (in %)	18.78	18.78	18.78	18.78	18.78
H	Return on Equity (D*G)	394.39	394.39	394.39	394.39	394.39

Operation and Maintenance Expenses (O&M Expenses)

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

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	611.01	643.38	676.55	711.87	750.31

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

“36. Operation and Maintenance Expenses:

.....

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (Rs 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 (Rs Lakh per MVA or MVAR)					

O&M expenditure per MVA or per MVar (Rs Lakh per MVA or per MVar)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (Rs 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 or more sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.246	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	2.07	2.18	2.30	2.42	2.55
Gazuwaka BTB (Rs Lakh/MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (Rs Lakh/MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

73. We have considered the Petitioner’s submissions. The O&M Expenses for the 2024-29 tariff period have been calculated in accordance with the norms specified in the 2024 Tariff Regulations. The O&M Expenses approved in respect of the

Combined Asset for the 2024-29 tariff period, as per Regulation 36 of the 2024 Tariff Regulations, are as under:

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station (Nos.)					
400 kV Bays	10	10	10	10	10
Transformers/Reactors (MVA)					
400 kV	1205	1205	1205	1205	1205
Norms as per Regulation					
400 kV Bays (₹lakh per Bay)	29.53	31.08	32.71	34.43	36.23
400 kV (Reactors) (₹lakh per MVA)	0.262	0.276	0.290	0.305	0.322
O&M Expenses					
Sub-station (Bays)	295.30	310.80	327.10	344.30	362.30
Transformers/Reactors (MVA)	315.71	332.58	349.45	367.525	388.01
Total O&M Expenses allowed	611.01	643.38	676.55	711.83	750.31

Interest on Working Capital (IWC)

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

.....

(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.”

75. 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 Rate of Interest (RoI) considered is 11.90%, which is derived from the State Bank of India's (SBI) 1-year Marginal Cost of Funds based Lending Rate (MCLR) of 8.65% as on 1.4.2024, plus additional 325 basis points for FY 2024-25 to FY 2028-29.

76. 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)	50.92	53.62	56.38	59.32	62.53
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	91.65	96.51	101.48	106.77	112.55
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	180.89	154.14	156.77	159.23	163.74
D	Total Working Capital (A+B+C)	323.46	304.26	314.64	325.33	338.81
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)	38.49	36.21	37.44	38.71	40.32

Annual Fixed Charges for the 2024-29 Tariff Period

77. The AFC allowed in respect of the Combined Asset for the 2024-29 tariff period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	366.33	142.33	142.33	142.33	142.33
Interest on Loan	57.01	33.96	20.90	7.84	0.77
Return on Equity	394.39	394.39	394.39	394.39	394.39
O&M Expenses	611.01	643.38	676.55	711.83	750.31
Interest on Working Capital	38.49	36.21	37.44	38.71	40.32
Total	1467.23	1250.27	1271.61	1295.10	1328.12

Filing Fee and Publication Expenses



78. 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 reimbursement of the filing fee and expenses incurred for publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as applicable, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

81. 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.”

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

License Fee and RLDC Fees and Charges

83. 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

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

85. We have considered the submission of the Petitioner. Since GST is not levied on the transmission service at present, we are of the view that the Petitioner's prayer on this count is premature.

Security Expenses, Insurance and Capital Spares

86. 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 for the transmission system shall be allowed separately after a prudence check.

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

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

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

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

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

Sharing of Transmission Charges

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

93. We have considered the Petitioner's submissions. The billing, collection and disbursement of the transmission charges in respect of the Combined Asset shall be recovered in terms of the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

94. To summarise:

- a) The trued-up AFC approved in respect of the Combined Asset for the 2019-24 tariff period are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	1324.10	1304.08	1291.12	1276.13	1256.11
AFC Approved	1324.10	1302.65	1288.29	1273.38	1253.39

- b) The AFC allowed in respect of the Combined Asset for the 2024-29 tariff period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	1469.84	1252.78	1274.04	1297.48	1330.19
AFC Allowed	1467.23	1250.27	1271.61	1295.10	1328.12

95. This order disposes of Petition No. 377/TT/2025 in terms of the above discussions and findings.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson