

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 390/TT/2023

Coram:

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

Date of Order: 11.01.2025

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the determination of transmission tariff from COD to 31.3.2024 for Asset-1: 400 kV D/C Mohindergarh-Bhiwani Transmission Line along with communication equipment at both ends and OPGW in place of one earth wire under "Northern Region System Strengthening Scheme (NRSSS)-XXXV" in the Northern Region and Asset-2: 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation under the "Construction of two Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation" scheme 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

Vs.

- 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 - 305004.**
- 3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub- Station Building,
Caligiri Road, Malviya Nagar, Jaipur - 302017.**
- 4. Jodhpur Vidyut Vitran Nigam Limited,
New Power House, Industrial Area,
Jodhpur - 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 Karkardooma Court),
Karkardooma 2nd Floor, New Delhi - 110092.
- 10. BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
New Delhi.
- 11. Tata Power Delhi Distribution Limited,**
33 kV Substation Building,
Hudson Lane, Kingsway Camp, North Delhi - 110009.
- 12. Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road, Dehradun.
- 13. North Central Railway,**
Allahabad.
- 14. New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi - 110002.
- 15. Chandigarh Electricity Department,**
UT-Chandigarh, Div-11, Opposite Transport Nagar,
Industrial Area Phase - I,
Chandigarh.

...Respondents



Parties Present : Shri Vivek Kumar Singh, PGCIL
Shri V.C. Shekhar, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited, has filed the instant Petition for the determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) from the date of commercial operation (COD) to 31.3.2024 in respect of **Asset-1:** 400 kV D/C Mohindergarh-Bhiwani Transmission Line along with communication equipment at both ends and OPGW in place of one earth wire under “Northern Region System Strengthening Scheme (NRSSS)-XXXV” in the Northern Region and **Asset-2:** 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation under the “Construction of two Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation” scheme in the Northern Region. The aforesaid Assets-1 and 2 are hereinafter referred to as ‘the transmission assets’ while ‘Northern Region System Strengthening Scheme (NRSSS)-XXXV’ in the Northern Region for Asset-1 and the ‘Construction of two 400 kV line bays at the Bhiwani (POWERGRID) Substation’ for Asset-2 are hereinafter referred to as ‘Transmission Scheme 1’ and ‘Transmission Scheme 2,’ respectively. Collectively, they are referred to as ‘Transmission Schemes.’ The Petitioner has filed a combined Petition for the Transmission Schemes as both the transmission assets are interlinked.

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

- 1) *“Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*
- 2) *Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para – 9.3 above.*
- 3) *Approve the DOCO of the asset under clause 5 (2) of Tariff Regulation’2019.*



- 4) *Condone the delay and allow IDC/IEDC as claimed in the petition.*
- 5) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8 above for respective block.*
- 6) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.*
- 7) *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 8) *Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.*
- 9) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 10) *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.*
- 11) *Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*

and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

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

Asset-1:

- i. The Petitioner was entrusted with the implementation of Transmission Scheme 1. The Investment Approval (IA) and expenditure sanction to the Transmission Scheme 1 was accorded by the Board of Directors of the Petitioner in its 332nd meeting held on 19.8.2016 and circulated vide Memorandum No. C/CP/NRSS-XXXV dated 29.8.2016 at an estimated cost



of ₹12391.00 lakhs, including an Interest During Construction (IDC) of ₹716.00 lakhs based on the April 2016 price level. As per the IA dated 19.8.2016, Transmission Scheme 1 was scheduled to be commissioned within 24 months from the date of IA.

- ii. Further, the Petitioner has submitted that the scope of the Transmission Scheme 1 was discussed and agreed upon in the 32nd Standing Committee Meeting (SCM) of Power System Planning of Northern Region (NR) held on 31.8.2013 and in the 29th meeting of the Northern Regional Power Committee (NRPC) held on 13.9.2013.
- iii. Transmission Scheme 1 was initially recommended for implementation via the Tariff Based Competitive Bidding (TBCB) route. However, due to a lack of interest from the bidders and the urgent need for the Mohindergarh-Bhiwani 400 D/C line to alleviate congestion in the transmission corridor, the Petitioner proposed to implement the Transmission Scheme 1 during the 35th meeting of the Empowered Committee on Transmission, which took place on September 14.9.2015.
- iv. The scope of work covered under the Transmission Scheme 1 is as follows:

Transmission Line:

- a) Mohindergarh-Bhiwani 400 kV D/C (Twin Moose) line*
- b) Communication equipment at both ends and OPGW in place of one Earthwire

**2 Nos. 400 kV bays at both ends are already available.*

- v. The Petitioner earlier filed Petition No. 196/TT/2021 for Asset-1 on an anticipated COD. However, on account of the non-commissioning of Asset-1, the Commission, in its order dated 21.11.2021, directed the Petitioner to file a



fresh Petition for approval of the tariff of Asset-1 as and when it is put into commercial operation.

Asset-2:

- vi. The Petitioner was entrusted with implementation of Transmission asset-2 . The IA and expenditure sanction asset-2 was accorded by the Petitioner's competent authority on 14.11.2014 and circulated vide Memorandum No. C/CP/Bays at Bhiwani dated 17.11.2014 at an estimated cost of ₹847.00 lakh, including an IDC of ₹9.0 lakh based on the February 2014 price level. As per the IA dated 14.11.2014, Transmission Scheme 2 was scheduled to be commissioned within 2 months from the date of IA as the work of 400 kV line bays at Bhiwani Substation was almost completed.
- vii. Originally, as part of the expansion of the STU network, the 31st State Control Meeting on Power System Planning of Northern Region, held on 2.1.2013, approved the establishment of the Dhanoda (HVPNL) to Bhiwani (POWERGRID) 400 kV D/C line. This decision was made in place of the previously approved 400 kV Kaboolpur to Bhiwani (POWERGRID) D/C line.
- viii. HVPNL, vide agreement dated 18.1.2011, entrusted the construction of 2 Nos. 400 kV bays at Bhiwani (POWERGRID) Substation to the Petitioner as a consultancy assignment for terminating 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line. Based on the decision in the 31st SCM, the same was decided to be used for the termination of Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line. The Letter of Award (LoA) for the same was awarded to M/s. L&T on 29.11.2011.
- ix. Subsequently, after the conversion of the transmission system of Adani Power Limited (APL) as the Inter-State Transmission System (ISTS), Dhanonda



(HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL was discussed again during the 32nd SCM of NR held on 31.8.2013. During the meeting, it was deliberated that subsequent to the conversion of the Mundra-Mohindergarh HVDC line as an ISTS line, power up to 2500 MW can flow on the HVDC bipole. However, constraints were being faced for the transfer of power beyond the Mohindergarh HVDC terminal and these constraints would increase if 2500 MW is transferred through the HVDC bipole. Keeping this in view, it was agreed to take up the Mohindergarh-Bhiwani 400 kV D/C line with twin HTLS as ISTS strengthening scheme instead of Dhanonda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL. Accordingly, the following transmission scheme was agreed for implementation under the Transmission Scheme 1 (NRSSS-XXXV):

1. Mohindergarh-Bhiwani 400 kV D/C line with Twin HTLS
 2. 2 Nos. 400 kV line bays at Mohindergarh to be provided by M/s. APL at its Mohindergarh switchyard
 3. 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) to be provided by the Petitioner
- x. Since the work on Bhiwani bays was nearing completion, the 33rd SCM of NR held on 23.12.2013 and the 30th NRPC meeting held on 28.2.2014 agreed on the following:
1. After discussion in the 32nd SCM, it was agreed to take up the Mohindergarh-Bhiwani 400 kV D/C line with Twin HTLS as ISTS strengthening scheme instead of Dhanonda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL. Considering the development, HVPNL conveyed to the Petitioner that the works of the Bhiwani (POWERGRID) Substation need to be cancelled.
 2. Keeping the above in view, it was discussed and agreed that the 2 Nos. 400 kV bays at Bhiwani Substation (POWERGRID), which the Petitioner was implementing on behalf of HVPNL, would be included as a part of the ISTS system for terminating Mohindergarh-Bhiwani (POWERGRID) 400 kV D/C line in future. The tariff for the 2 Nos. 400 kV line bays at Bhiwani Substation, which were nearing completion, would be sought from the day of the commissioning of these bays.



xi. The Petitioner has submitted a brief of events as discussed above, which is as under:

Date	Event	Reference
18.1.2011 and 29.11.2011	HVPNL was constructing a 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line, and an agreement was signed between the Petitioner and HVPNL to carry out the work of bays at Bhiwani Substation by the Petitioner on behalf of HVPNL on 18.1.2011, for which a contract was awarded to M/s. L&T on 29.11.2011.	-
2.1.2013	The 31st SCM agreed to establish the 400 kV D/C line of HVPNL, Dhanonda (HVPNL)-Bhiwani (POWERGRID), in place of the already approved 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line. Based on the decision in the 31st SCM, the bays being constructed by the Petitioner on behalf of HVPNL are now to be used for the termination of the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line.	31 st SCM
31.8.2013	It was agreed to take up the Mohindergarh-Bhiwani 400 kV D/C line as the ISTS strengthening scheme instead of the Dhanonda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL.	32 nd SCM
23.12.2013	Based on the discussion in the 32nd SCM, HVPNL conveyed to the Petitioner to cancel the agreement to construct bays at Bhiwani Substation. Since the bays' work was nearing completion, it was agreed in the 33rd SCM that 2 Nos. 400 kV bays at Bhiwani Substation (POWERGRID), which the Petitioner was implementing on behalf of HVPNL, would be included as part of the ISTS system for terminating Mohindergarh-Bhiwani (POWERGRID) 400 kV D/C line in the future. It was also agreed in the same meeting that the tariff for the 2 Nos. 400 kV line bays at Bhiwani Substation, which are nearing completion, could be sought from the day of the commissioning of these bays.	33 rd SCM
27.2.2014	The discussion of the 33 rd SCM was also agreed upon in the NRPC meeting.	30 th NRPC
17.11.2014	IA memorandum issued for 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.	IA
30.11.2014	The COD of Asset-2 was declared with effect from 30.11.2014.	COD letter
9.2.2015	Petition No. 77/TT/2015 was filed before the Commission to approve COD and determine the tariff from COD to 31.3.2014 for 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.	-
23.5.2016	The Commission, vide its order dated 23.5.2016, did not approve the COD of these 2 Nos. bays on the ground that the bays would not be utilized as there was no certainty of the upcoming lines and directed the Petitioner to approach the Commission for the tariff determination of the instant bays once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations.	Order dated 23.5.2016



xii. As per the IA dated 14.11.2014, the scope of work covered under the Transmission Scheme 2 is as follows:

Substations:

a) 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.

xiii. The Petitioner filed Petition No. 77/TT/2015 before the Commission for the approval of COD and the determination of tariff from COD to 31.3.2014 for Asset-2. The Commission, vide its order dated 23.5.2016, did not approve the COD and directed it to approach the Commission for the tariff determination for the instant bays once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations.

xiv. Therefore, the Petitioner has requested the Commission to approve the revised COD of Asset-2 as 24.3.2023, aligning it with that of Asset-1, as directed in the Commission's order dated 23.5.2016 in Petition No. 77/TT/2015.

4. The details of the transmission assets, including the scheduled commercial operation date (SCOD), date of commercial operation (COD), and the time overrun claimed by the Petitioner, are as follows:

Assets	IA date	SCOD	COD	Revised COD	Time overrun
Asset-1	29.8.2016	28.8.2018	24.3.2023	-	52 months 24 days
Asset-2	17.11.2014	16.1.2015	30.11.2014	24.3.2023	Nil

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

6. The Petitioner has served a copy of the Petition on the Respondents, and notice regarding the filing of this Petition has also been published in the newspapers in



accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as ‘the Act’). No comments or suggestions have been received from the general public in response to the aforesaid notice published in the newspapers by the Petitioner.

7. The final hearing in this matter was held on 20.8.2024, and the order was reserved.

8. The order is being issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 10.10.2023 and additional information submitted vide affidavits dated 18.7.2024, 26.4.2024, and 5.9.2024.

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

Determination of Annual Fixed Charges for the 2019-24 Tariff Period

10. The Petitioner has claimed the following transmission charges in respect of the transmission assets for the 2019-24 tariff period:

Asset-1

(₹ in lakh)

Particulars	2022-23 (pro-rata for 8 days)	2023-24
Depreciation	11.27	533.48
Interest on Loan	11.32	514.80
Return on Equity	11.93	564.80
Interest on Working Capital	0.50	23.45
O&M Expenses	1.31	62.11
Total	36.33	1698.64

Asset-2

(₹ in lakh)

Particulars	2022-23 (pro-rata for 8 days)	2023-24
Depreciation	1.32	60.63
Interest on Loan	1.30	56.93
Return on Equity	1.28	58.74
Interest on Working Capital	0.11	5.10
O&M Expenses	1.56	73.82
Total	5.57	255.22



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

Asset-1

Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 8 days)	2023-24
O&M Expenses	5.00	5.18
Maintenance Spares	9.00	9.32
Receivables	204.40	208.85
Total Working Capital	218.40	223.35
Rate of Interest (In %)	10.50	10.50
Interest on Working Capital	0.50	23.45

Asset-2

Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 8 days)	2023-24
O&M Expenses	5.94	6.15
Maintenance Spares	10.70	11.07
Receivables	31.35	31.38
Total Working Capital	47.99	48.60
Rate of Interest (In %)	10.50	10.50
Interest on Working Capital	0.11	5.10

Date of Commercial Operation (COD)

12. The Petitioner has claimed the COD of Asset-1 as 24.3.2023 and the revised COD of Asset-2 as 24.3.2023 in the instant Petition. In support of the COD of Asset-1, the Petitioner has submitted a CEA Energisation Certificate dated 18.3.2023, Northern Regional Load Despatch Centre (NRLDC) Certificate dated 29.5.2023, a self-declaration COD letter dated 28.3.2023 and CMD Certificate as required under the Grid Code.

13. In support of the revised COD of Asset-2, the Petitioner has submitted a CEA Energisation Certificate dated 25.3.2014, NRLDC Certificate dated 29.5.2023, self-declaration COD letter dated 30.11.2014, and self-declaration Certificate of revised



COD 28.3.2023, Certificate of completion of trial operation dated 17.3.2015, and CMD Certificate as required under the Grid Code.

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

“5. Date of Commercial Operation: (1) *The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.*

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

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

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

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

15. We have considered the Petitioner’s submissions. Considering the CEA Energisation Certificate dated 18.3.2023, Northern Regional Load Despatch Centre (NRLDC) Certificate dated 29.5.2023, self-declaration COD letter dated 28.3.2023 and CMD Certificate, the COD of Asset-1 is approved as 24.3.2023.

16. As regards the COD of Asset-2, the relevant portions of the CEA Energization Certificate dated 25.3.2014 are extracted as under:



“ ...

*Whereas the inspection of electrical apparatus of **400 kV Bay No. 423, 424, 427 and isolator of spare bay No. 422 at Bhiwani S/S** was carried out on **15-03-2014** by the undersigned and the non-compliance of certain provisions/stipulations of the Regulations were conveyed to you vide our letter (Inspection Report) under reference at Sl. No. 2 above and the compliance of the same has since been received vide PGCIL letter cited at Sl. No. 3 above. The **approval for energisation of electrical apparatus of 400 kV Bay No. 423, 424, 427 and isolator of spare bay No. 422 (as per details given in Table-1 below) at Bhiwani S/S of PGCIL under regulation 43 is hereby accorded** subject to the consistent compliance of relevant provisions of CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 by the Power Grid Corporation of India Limited.*

... ”

*The next inspection of the above installation/apparatus shall be due after **two years** from the date of this inspection. The periodicity of periodical inspection is subject to change by Government Notification.*

... ”

17. On perusal of the above CEA Energisation Certificate, it is observed that the Petitioner, in support of the revised COD of Asset-2, has submitted the CEA Energisation Certificate dated 25.3.2014 with a validity of two years, i.e., up to 24.3.2016. However, we note that the Petitioner is claiming the COD of Asset-2 as 24.3.2023, which is much beyond the validity period of the CEA Energisation Certificate dated 25.3.2014. Therefore, the Petitioner is directed to submit the revised CEA Approval for Energisation Certificate for Asset-2 at the time of truing-up.

18. In view of the above discussions, the COD of Assets-1 and 2 is approved as 24.3.2023 for the purpose of tariff determination under Regulation 5 of the 2019 Tariff Regulation in the instant Petition.

Capital Cost

19. Regulation 19 of the 2019 Tariff Regulations provides as under:

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

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

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



- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
 - (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
 - (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
 - (e) *Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
 - (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
 - (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
 - (h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
 - (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
 - (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
 - (k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
 - (l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
 - (m) *Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
 - (n) *Expenditure on account of change in law and force majeure events; and*
 - (o) *Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*
- (3) *The Capital cost of an existing project shall include the following:*
- (a) *Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;*
 - (b) *Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;*
 - (c) *Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;*
 - (d) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
 - (e) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and*
 - (f) *Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*



- (4) The capital cost in case of existing or new hydro generating station shall also include:
- cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
 - cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

- The assets forming part of the project, but not in use, as declared in the tariff petition;
- De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

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

20. The Petitioner has claimed the capital cost incurred as on COD and the Additional Capital Expenditure (ACE) projected to be incurred in respect of the transmission assets as per the details given below and has submitted the Auditor's Certificates dated 21.6.2023 in support of the same:

Asset	Apportioned Approved Cost	Expenditure up to COD	Projected Expenditure				Estimated completion Cost
			2022-23	2023-24	2024-25	2025-26	
Asset-1	12391.00	9797.35	67.78	488.70	142.20	69.10	10565.13
Asset-2	847.10	1049.14					1049.14

Cost Overrun

21. The Petitioner has submitted that for Asset-1, the total apportioned approved cost as per the Feasibility Report (FR) is ₹12391.00 lakhs, and the estimated completion



cost is ₹10565.13 lakhs, and for Asset-2, the total apportioned approved cost as per the FR is ₹847.10 lakhs and the estimated completion cost is ₹1049.14 lakhs. Thus, there is no cost overrun for Asset -1. However, there is a cost overrun for Asset-2 compared to its apportioned approved cost.

22. The reasons for cost variations between the approved cost (FR) and the estimated completion cost for Assets-1 and 2, as submitted by the Petitioner, are as follows:

a. Asset-1: As per Form-5 submitted by the Petitioner, the main reasons for the cost variation are as follows:

- **Preliminary works (Decrease of ₹1447.36 lakhs):** According to the Petitioner, the actual compensation is determined by considering various factors and conditions at the time of execution, including the type of crop and its market price set by the government for that season. The decrease in costs is attributed to the lower compensation paid than anticipated in the FR.
- **Tower Steel (Decrease of ₹696.33 lakhs):** The line length envisaged in the FR was 60 km, and in actuality also, it is almost the same, i.e., 61 km. However, the type of tower depends upon the actual onsite conditions. Thus, due to the utilization of fewer tonnage towers, the overall cost was reduced.
- **Conductor (Decrease of ₹387.34 lakhs):** The overall cost was reduced due to the low award rates.
- **Insulators (Decrease of ₹70.25 lakhs):** Due to the actual site conditions, fewer insulators were utilized, and due to the low award rates, the overall cost was reduced.
- **Hardware fittings (Decrease of ₹58.61 lakhs):** The overall cost was reduced due to the low award rates.



- **Control, relay, and protection panel (Increase of ₹158.30 lakhs):** **The scope was added based on the actual requirements regarding the** System Protection Scheme (SPS) for interruption of import by NR at 765 kV Agra (from WR) in the 129th Operation Co-ordination Sub-committee (OCC) meeting of NRPC.
- **Site supervision and site administration, etc. (Increase of ₹682.07 lakhs):** The said expenses were incurred as per the actual.

b. **Asset-2:** The major reason for the item-wise cost variation between the approved cost (FR) and the estimated completion cost is the increase of ₹280.61 lakhs in IDC and IEDC due to the shifting of COD from 30.11.2014 to 24.3.2023.

23. We have considered the Petitioner's submissions and gone through the record. As per Form-5 of Asset-1 submitted by the Petitioner, expenditure amounting to ₹158.30 lakhs has been considered under the capital cost against the SPS. According to the Petitioner, the SPS was added based on the actual requirement towards the implementation of SPS for interruption of import by NR at 765 kV Agra (from WR) in the 129th OCC meeting of NRPC held on 16.11.2016 and 18.11.2016.

24. We have perused the minutes of the 129th OCC meeting of NRPC. It is observed that the matter relating to revised SPS for the contingency of 765 kV Agra-Gwalior, which was approved in the 32nd TCC/36th NRPC meeting held on 23rd/24th December 2016, was discussed in the aforementioned meeting. In the 129th OCC meeting of NRPC, the Petitioner's representative stated that the scheme would be commissioned by 31.3.2017 and proposed that the cost of the implementation of the revised SPS could be booked for some other ongoing project/work. However, the Petitioner has failed to submit any supporting document in respect of the approval from the competent authority



to consider the additional expenditure against the SPS under the capital cost of Asset-1 considered in the instant Petition.

25. Further, it is observed that the Petitioner has booked an expenditure of approximately ₹1110.00 lakhs (an Increase of ₹682.07 lakhs with respect to the FR cost) under the capital cost for site supervision and other administrative costs, which seems to be exceedingly high. However, the capital cost of ₹10565.13 lakhs for Asset-1 claimed by the Petitioner is hereby allowed subject to the submission of detailed justification along with the supporting documents against the consideration of the aforementioned capital expenditure and prudence check at the time of truing-up.

26. Similarly, for Asset-2, the cost variation between the approved cost (FR) and the estimated completion cost is mainly due to the increase of ₹280.61 lakhs in IDC and IEDC. The Petitioner, vide affidavit dated 5.9.2014, has also submitted that the RCE for Asset-2 is under preparation and will be submitted once the competent authority approves it. It is noted that as per FR cost of ₹847.10 lakhs, the estimated cost has varied by about ₹202.04 lakhs. However, in the instance case, we allowed the capital cost as on COD to be ₹698.27 lakhs, which is less than the approved FR cost of ₹847.10 lakhs. Therefore, there is no cost overrun in the case of Asset-2 as per the allowed cost on COD, i.e., ₹847.10 lakhs.

Time Overrun

27. The Petitioner has submitted that as per the IA dated 29.8.2016, Asset-1 was scheduled to be commissioned within 24 months from the date of IA, i.e., by 28.8.2018. Further, as per the IA dated 17.11.2014, Asset-2 was scheduled to be commissioned within 2 months, i.e., by 16.1.2015. The Petitioner has submitted that COD of Asset-2 was claimed w.e.f. 30.11.2014. The Petition for approval of the COD and tariff determination from COD to 31.3.2019 of Asset-2 was filed in Petition No. 77/TT/2015.



However, the Commission, vide its order dated 23.5.2016, did not approve the COD of these 2 Nos. bays on the ground that they will not be utilized as there was no certainty of the upcoming lines and directed the Petitioner to approach the Commission for the tariff of the same once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations. The Petitioner has revised the COD of Asset-2 to 24.3.2023, aligning it with that of Asset-1, as directed by the Commission in its order dated 23.5.2016 in Petition No. 77/TT/2015.

28. Therefore, the details of SCOD, COD, revised COD, and time overrun claimed by the Petitioner for Assets-1 and 2 are as follows:

Assets	IA date	SCOD	COD	Claimed COD	Time overrun
Asset-1	29.8.2016	28.8.2018	24.3.2023	24.3.2023	52 months 24 days
Asset-2	17.11.2014	16.1.2015	30.11.2014*	24.3.2023	Nil with respect to the actual COD

*COD claimed in Petition No. 77/TT/2015

29. Further, the Petitioner has submitted the asset-wise detailed reasons justifying the delay in respect of the Transmission Schemes as follows:

Asset-1:

30. The Petitioner has submitted that as per the IA dated 29.8.2016, Asset-1 was scheduled to be commissioned within 24 months from the date of IA, i.e., by 28.8.2018. The LoA was issued on 27.9.2016, immediately after the IA was accorded. Further, the working gangs were mobilised in a timely manner to achieve the scheduled completion target. Further, proactive actions involving various adaptive and mitigative steps were taken to overcome the hurdles associated with the construction of Asset-1. However, in spite of the best efforts of the Petitioner, due to some Right of Way (RoW) issues and the Covid-19 pandemic, the completion of Asset-1 stretched beyond its SCOD and was



commissioned on 24.3.2023. The Petitioner has submitted the detailed reasons for the delay in the commissioning of Asset-1 under the following heads:

- a. Delay due to RoW issues, and
- b. Delay on account of the Covid-19 pandemic in 2020 and 2021.

a. Delay due to RoW issues:

31. According to the Petitioner, there was continuous obstruction and stiff resistance from the landowners/villagers in the districts of Bhiwani, Charkhi Dadri and Mahendragarh since the execution of the Transmission Scheme 1. The RoW issues involved a demand for exorbitant amounts of crop compensation, land compensation, construction of structures/buildings in the right of way of line, manhandling of gang workers, etc. Further, persuasive measures were adopted wherever possible to pacify the landowners/villagers who were agitating against the line construction. However, at certain locations, verbal persuasions did not suffice, and eventually, the help and assistance of the Secretary, District Administration, and Police Department were sought to mitigate the RoW issues. The Petitioner has submitted a detailed chronology of events and correspondences as under:

Sr. No.	Description of activity	Date	Village/District
1.	District/Deputy Commissioner (DC), Charkhi Dadri was requested to give necessary instructions so that foundation activities may start at location 16/1.	8.6.2017	Pichopa Kalan/Charkhi Dadri
2.	DC, Bhiwani was requested to give necessary instructions so that foundation activities may start at location 32/0.	1.8.2017	Roopgarh/Bhiwani
3.	Sub-Divisional Magistrate (SDM), Charkhi Dadri was requested to give necessary instructions so that foundation activities may start at location 8/6.	4.10.2017	Mai Khurd/Charkhi Dadri
4.	SDM, Bhiwani was requested to give necessary instructions so that foundation activities may start at location 33/1.	12.10.2017	Roopgarh/Bhiwani
5.	DC, Mahendragarh, was requested to provide the necessary police protection so that	26.2.2018	Talwana/Mahendragarh



Sr. No.	Description of activity	Date	Village/District
	foundation activities may start at locations SZ12 and SZ13.		
6.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation activities may start at locations SY12 and 1A/0.	11.6.2018	Talwana/Mahendragarh
7.	DC, Charkhi Dadri was requested to give necessary police protection so that foundation activities may start at location 8/6.	15.6.2018	Mai Khurd/Charkhi Dadri
8.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation activities may start at locations SY12 and 1A/0.	4.7.2018	Talwana/Mahendragarh
9.	DC, Bhiwani was requested to provide the necessary police protection so that foundation activities may start at locations 43/4, 43/5, and 44/0.	10.7.2018	Dhana Narsan/Bhiwani
10.	DC, Bhiwani was requested to provide necessary police protection so that foundation activities may start at locations 41/0,42/0,42/1,43/0,43/1,43/2 and 43/3.	12.7.2018	Pahladgarh/Bhiwani
11.	The Superintendent of Police (SP), Mahendragarh office, Narnaul, was requested to provide the necessary police protection so that foundation activities may start at locations SY12 and 1A/0.	7.9.2018	Talwana/Mahendragarh
12.	DC, Bhiwani was requested to provide necessary police protection so that foundation activities may start at locations 41/0,42/0,42/1,43/0,43/1,43/2 and 43/3.	11.9.2018	Pahladgarh/Bhiwani
13.	DC, Mahendragarh was requested to initiate necessary directions so that foundation activities may start at location 3/0.	12.9.2018	Basai/Mahendragarh
14.	DC, Charkhi Dadri was requested to give necessary police protection so that foundation activities may start at location 29/1.	18.9.2018	Saranpur/Charkhi Dadri
15.	DC, Charkhi Dadri was requested to form a committee to evaluate the grafted Lasora trees falling in the corridor of location 11/0.	19.9.2018	Rudrol/Charkhi Dadri
16.	SDM Charkhi Dadri was requested to provide the necessary police protection so that foundation activities may start at location 29/1.	24.9.2018	Saranpur/Charkhi Dadri
17.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation activities may start at locations SY5, SY6, SY7, SY8, and SY9.	3.10.2018	Aghiyar and Bawana/Charkhi Dadri
18.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation and erection activities may start at locations 1A/2 and 3/0.	11.10.2018	Basai/Mahendragarh



Sr. No.	Description of activity	Date	Village/District
19.	DC, Charkhi Dadri was requested to provide the necessary police protection so that stringing activities may start at section 28/1-2.	3.12.2018	Chappar/Charkhi Dadri
20.	SDM Charkhi Dadri was requested to give the necessary instructions to the farmer so that stringing activities may start at section 28/1-2.	20.12.2018	Chappar/Charkhi Dadri
21.	Lok Sabha Election 2019: The administrative officers were busy with the election, and their work was being hampered by villagers' resistance.	10.3.2019 to 23.5.2019	All districts of Haryana
22.	Vidhan Sabha Election 2019: The administrative officers were busy with the election, and their work was being hampered by villagers' resistance.	21.9.2019 to 24.10.2019	All district of Haryana
23.	DC, Mahendragarh, was requested to give farmers the necessary instructions so that foundation activities may start at locations SY4 to SY8 and 1A/2.	25.2.2020	Aghiyar,Basai and Bawana/Mahendragarh
24.	Covid-19 pandemic.	March 2020 to May 2020	
25.	SP Charkhi Dadri was requested to provide necessary police protection at the Paintawash store, where C&C Contractors could not lift line materials.	29.5.2020	Paintawash/Charkhi Dadri
26.	DC, Mahendragarh, was requested to give farmers the necessary instructions so that foundation activities may start at locations SY4 to SY7.	19.6.2020	Aghiyar/Mahendragarh
27.	DC, Mahendragarh, was requested to give farmers the necessary instructions so that foundation activities may start at locations SY4 to SY8 and 1A/2.	22.6.2020	Aghiyar,Basai and Bawana/Mahendragarh
28.	DC, Mahendragarh, was requested to give farmers the necessary instructions so that foundation activities may start at locations SY4 to SY8 and 1A/2.	8.7.2020	Aghiyar,Basai and Bawana/Mahendragarh
29.	DC, Mahendragarh, was requested to give farmers the necessary instructions so that foundation activities may start at locations SY4 to SY8, SZ/2-SZ/11, and 1A/2.	6.8.2020	Aghiyar,Basai,Khedi and Bawana/Mahendragarh
30.	DC, Bhiwani was requested to give necessary instructions to farmers so that foundation, erection and stringing activities may start at Bhiwani district village Dhana Narsan, Pahladgarh, Dhirana, etc. (30/0-45/0)	7.8.2020	Dhana Narsan, Pahladgarh and Dhirana/Bhiwani
31.	DC, Mahendragarh was requested to give necessary police protection so that balance foundation work in Mahendragarh district may start. (SY and SZ section)	19.8.2020	Aghiyar,Basai,Khedi and Bawana/Mahendragarh
32.	DC, Mahendragarh was requested to meet with ED-NR-1 on 26.8.2020 to discuss the issue pertaining to the construction of the 400	24.8.2020	Aghiyar,Basai,Khedi and Bawana/Mahendragarh



Sr. No.	Description of activity	Date	Village/District
	kV D/C Mohindergarh-Bhiwani Transmission Line.		
33.	DC, Bhiwani was requested to give necessary instructions to farmers so that foundation, erection and stringing activities may start at Bhiwani district village Dhana Narsan, Pahladgarh, Dhirana, etc. (30/0-45/0)	26.8.2020	Dhana Narsan, Pahladgarh and Dhirana/Bhiwani
34.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation activities may start at locations SY-6 to SY-8.	22.9.2020	Aghiyar/Mahendragarh
35.	SDM Badhra was requested to provide the necessary police protection so that foundation and erection activities may start at locations 221A, 10/1, 24/1, 20/0, and 21A/0.	28.9.2020	Atela and Bilawal/Charkhi Dadri
36.	DC, Charkhi Dadri was requested to provide the necessary police protection so that foundation and erection activities may start at locations 221A, 10/1, 24/1, 20/0, and 21A/0.	29.9.2020	Atela and Bilawal/Charkhi Dadri
37.	DC, Mahendragarh, was requested to change the Duty Magistrate who was nominated for executing foundation work at village Aghiyar locations SY-6 to SY-8.	23.10.2020	Aghiyar/Mahendragarh
38.	Station House Officer (SHO), Kanina was requested to provide police protection for starting the foundation work at village Aghiyar location SY-9.	13.11.2020	Aghiyar/Mahendragarh
39.	SHO, Kanina, was requested to provide police protection for starting the foundation work at village Aghiyar locations SY-4 to SY-6.	27.11.2020	Aghiyar/Mahendragarh
40.	DC, Bhiwani was requested to provide police protection so that foundation, erection, and stringing activities may start at locations 32/0, 33/0-33A/0, 34/0, 35/0, 39/0, 43/4, 43/5, 44/0, etc.	1.12.2020	Lohani, Dhani Junga, Rajgarh and Dhana Narsan/Bhiwani
41.	SHO, Kanina was requested to provide police protection for starting the foundation work at village Aghiyar locations SY-6 to SY-9.	14.12.2020	Aghiyar/Mahendragarh
42.	SDM Charkhi Dadri was requested to provide the necessary police protection so that foundation and erection activities may start at locations 221A, 24/1, and 21A/0.	15.12.2020	Atela and Bilawal/Charkhi Dadri
43.	DC, Charkhi Dadri was requested to provide the necessary police protection so that foundation and erection activities may start at locations 10/1 and 11/0.	15.12.2020	Rudrol/Charkhi Dadri
44.	DC, Bhiwani, was requested to give farmers the necessary instructions so that foundation, erection, and stringing activities may start at Bhiwani district locations 34/0, 35/0, 39/0, 40/0, 41/0, 42/0, 42/1.	23.12.2020	Dhana Narsan, Pahladgarh and Dhirana/Bhiwani



Sr. No.	Description of activity	Date	Village/District
45.	SDM Kanina was requested to change the Duty Magistrate nominated for the execution of foundation work at village Aghiyar locations SZ-2 to SZ-11.	31.12.2020	Khedi/Mahendragarh
46.	DC, Bhiwani, was requested to give farmers the necessary instructions so that foundation, erection, and stringing activities may start at Bhiwani district locations 34/0, 35/0, 39/0, 40/0, 41/0, 42/0, and 42/1.	4.1.2021	Dhana Narsan, Pahladgarh and Dhirana/Bhiwani
47.	SHO Badhra was requested to provide the necessary police protection so that foundation and erection activities may start at locations 10/1 and 11/0.	15.1.2021	Rudrol/Charkhi Dadri
48.	DC, Mahendragarh, was requested to provide the necessary police protection so that foundation and erection activities may start at the SZ section.	20.1.2021	Khedi/Mahendragarh
49.	DC, Charkhi Dadri was requested to provide the necessary police protection so that foundation and erection activities may start at locations 221A and 21A/0.	21.1.2021	Atela and Bilawal/Charkhi Dadri
50.	DC, Bhiwani, was requested to instruct farmers so that foundation, erection, and stringing activities may start at Bhiwani district (33/0-45/0).	5.2.2021	Dhana Narsan, Pahladgarh, Dhirana/Bhiwani
51.	SHO, Kanina was requested to provide police protection for starting the foundation work at village Kheri Talwana SZ section.	10.2.2021	Kheri Talwana /Mahendragarh
52.	DC, Bhiwani, was requested to provide the necessary police protection so that foundation, erection, and stringing activities may start in Bhiwani district (33/0-45/0).	2.3.2021	Dhirana, Pahladgarh/Bhiwani
53.	SHO, Kanina, was requested to provide police protection for starting the stringing work at the village Aghiyar SY section.	5.4.2021	Aghiyar/Mahendragarh
54.	SHO, Kanina was requested to provide police protection to start the stringing work at village Aghiyar SY5-SY7 section.	4.5.2021	Aghiyar/Mahendragarh
55.	City Magistrate, Bhiwani was requested to give necessary instructions to farmers so that erection and stringing activities could start in the Bhiwani district. (33/0-45/0)	7.6.2021	Dhirana, Pahladgarh and Dhana Narsan/Bhiwani
56.	DC, Charkhi Dadri was requested to give necessary police protection so that erection and stringing activities may start at locations 221A and 28-1 to 28/2.	21.6.2021	Atela, Chappar/Charkhi Dadri
57.	SP, Mahendragarh, was requested to provide necessary police protection at Aghiyar village so that the remaining stringing activities may start at Mahendragarh district (SY section).	9.7.2021	Aghiyar/Mahendragarh
58.	The Commissioner, Rohtak, was requested to give the necessary instructions to farmers so	15.7.2021	Dhana Narsan, Pahladgarh, Dhirana



Sr. No.	Description of activity	Date	Village/District
	that erection and stringing activities could start in the Bhiwani district. (33/0-45/0)		and Dhana Narsan/Bhiwani
59.	SDM, Charkhi Dadri was requested to give necessary police protection at Atela and Chappar village so that the remaining stringing activities can start in Charkhi Dadri district. (22IA and 28/1-28/2)	23.7.2021	Atela, Chappar/Charkhi Dadri
60.	SDM, Badhra was requested to give necessary police protection at Atela and Chappar village so that the remaining stringing activities can start in the Charkhi Dadri district. (22IA and 28/1-28/2)	3.8.2021	Atela, Chappar/Charkhi Dadri
61.	SHO, Kanina, was requested to provide police protection for starting the stringing work at the village Aghiyar SZ section.	13.8.2021	Aghiyar/Mahendragarh
62.	DC, Charkhi Dadri was requested to give necessary police protection so that erection and stringing activities may start at locations 21A/0-22IA and 28-1 to 28/2.	18.8.2021	Atela, Chappar/Charkhi Dadri
63.	SHO, Kanina, was requested to provide police protection to start stringing work at village Aghiyar SY and SZ section.	19.8.2021	Aghiyar/Mahendragarh
64.	DC, Mahendragarh, was requested to provide police protection before starting the stringing work at village Aghiyar SY and SZ section.	24.8.2021	Aghiyar/Mahendragarh
65.	DC, Mahendragarh was requested to change the Duty Magistrate at village Aghiyar SY and SZ section.	2.9.2021	Aghiyar/Mahendragarh
66.	DC, Charkhi Dadri was requested to give necessary police protection so that erection and stringing activities may start at locations 21A/0-22IA and 28-1 to 28/2.	10.9.2021	Atela, Chappar/Charkhi Dadri
67.	DC, Bhiwani was requested to give necessary instructions to farmers so that erection and stringing activities could start in the Bhiwani district. (33/0-45/0)	16.9.2021	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
68.	SP, Charkhi Dadri, was requested to give necessary instructions to farmers so that erection and stringing activities may start at Charkhi Dadri district 21A/0-22IA and 28-1 to 28/2.	28.9.2021	Atela, Chappar/Charkhi Dadri
69.	DC, Bhiwani, was requested to give time for a meeting with ED NR-1 to discuss the issues pertaining to the balance work at Bhiwani district due to severe RoW.	18.10.2021	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
70.	A reply letter was given to DC, Bhiwani, regarding crop compensation.	11.11.2021	
71.	DC, Mahendragarh appointed a Duty Magistrate to complete the long-pending line stringing work at Aghiyar village in Mahendragarh district (SY section).	15.12.2021	Aghiyar/Mahendragarh



Sr. No.	Description of activity	Date	Village/District
72.	Duty Magistrate appointed by DC, Mahendragarh, wrote a letter to SP, Mahendragarh, for police protection (SY section).	20.12.2021	Aghiyar/Mahendragarh
73.	A letter was given to DC, Bhiwani, for an approximate calculation of crop damage during construction work so that the district administration could give necessary instruction to farmers, which created RoW issues in erection and stringing activities at Bhiwani district.	31.1.2022	Bhiwani
74.	A letter was given to DC, Mahendragarh, for giving details about the completion of balance stringing work at Aghiyar village on 20.1.2022 with the help of the Duty Magistrate and police.	17.2.2022	Aghiyar/Mahendragarh
75.	Notification issued by the Government of Haryana, Power Department for paying of land compensation along with crop compensation for transmission lines.	9.3.2022	-
76.	DC, Bhiwani, was requested to give time for a meeting with GM, Bhiwani, to discuss the issues pertaining to the balance work at Bhiwani district due to severe RoW issues.	24.3.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
77.	DC, Bhiwani was requested to give necessary instructions to farmers so that erection and stringing activities could start in the Bhiwani district. (33/0-45/0)	28.3.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
78.	DC, Bhiwani was requested to give necessary instructions to farmers so that erection and stringing activities could start in the Bhiwani district. (33/0-45/0)	1.6.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
79.	DC, Bhiwani was requested to appoint Duty Magistrate along with police protection so that erection and stringing activities may start at Bhiwani district. (33/0-45/0)	3.8.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
80.	DC, Bhiwani was requested to appoint a Duty Magistrate along with police protection so that erection and stringing activities may start at Bhiwani district. (33/0-45/0)	17.8.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
81.	Vide MoP letter dated 18.8.2022, a meeting held on 4.8.2022 by Secretary (Co-ordination) to the Government of Haryana official for resolving the RoW issue in 400 kV Mohindergarh-Bhiwani Transmission Line in Bhiwani district.	18.8.2022	Bhiwani
82.	DC, Bhiwani was requested to give necessary instructions to farmers so that erection and stringing activities may start at Bhiwani district. (33/0-45/0)	24.8.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani



Sr. No.	Description of activity	Date	Village/District
83.	A meeting was held with DC, Bhiwani, to resolve the long pending RoW issue at Bhiwani district. (33/0-45/0)	13.9.2022	Dhana Narsan, Pahladgarh, Dhirana and Dhana Narsan/Bhiwani
84.	The Tehsildar, Bhiwani, was requested to give Jamabandi for disbursement of land compensation to affected farmers as per the notification issued by the Government of Haryana, Power Department, dated 9.3.2022.	15.9.2022	-
85.	SDM, Bhiwani was requested to provide a certificate of each affected farmer for disbursement of land compensation to affected farmers as per the notification issued by the Government of Haryana, Power Department dated 9.3.2022 so that long pending stringing work could be started. (33/0-45/0)	29.9.2022	-
86.	Tehsildar Bhiwani was requested to provide a certificate of each affected farmer for disbursement of land compensation to affected farmers as per the notification issued by the Government of Haryana, Power Department dated 9.3.2022 so that long pending stringing work could be started. (33/0-45/0)	29.9.2022	-
87.	A reply letter related to the progress of line construction in the Bhiwani district had been given to SDM, Bhiwani, as per their letter 1642/Steno dated 19.11.2022. (33/0-45/0)	21.11.2022	Bhiwani
88.	DC, Bhiwani was requested to appoint a Duty Magistrate along with police protection so that erection and stringing activities may start at village Roopgarh, Dhirana Kalan and Pahladgarh in Bhiwani district. (33/0-45/0)	4.1.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
89.	SDM, Bhiwani was requested to appoint a Duty Magistrate along with police protection so that erection and stringing activities may start at village Roopgarh, Dhirana Kalan and Pahladgarh in the Bhiwani district. (33/0-45/0)	11.1.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
90.	SHO, JUI (Bhiwani) was requested to give police protection so that erection and stringing activities may start at village Roopgarh, Dhirana Kalan and Pahladgarh in Bhiwani district. (33/0-45/0)	1.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
91.	DC, Bhiwani was requested to give time for a meeting with ED NR-1 to discuss the issues pertaining to the balance work at Bhiwani district due to severe RoW issues.	3.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
92.	SDM, Bhiwani was requested to appoint a Duty Magistrate along with police protection so that erection and stringing activities may	6.2.2023	Dhirana Kalan/Bhiwani



Sr. No.	Description of activity	Date	Village/District
	start at village Dhirana Kalan in Bhiwani district. (33/0-45/0)		
93.	SDM, Bhiwani was requested to appoint a Duty Magistrate along with police protection so that erection and stringing activities may start at village Roopgarh, Dhirana Kalan and Pahladgarh in the Bhiwani district. (33/0-45/0)	13.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
94.	SDM, Bhiwani nominated a Duty Magistrate for the completion of long pending line stringing work at Bhiwani district w.e.f. 15.20.2023.	13.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
95.	The duty Magistrate nominated by DC Bhiwani wrote a letter to SHO, JUI, for police protection from 17.2.2023.	13.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
96.	Duty Magistrate nominated by DC, Bhiwani wrote a letter to SHO, Sadar Bhiwani for police protection from 1.3.2023.	20.2.2023	Roopgarh, Dhirana Kalan and Pahladgarh/Bhiwani
97.	A letter was sent to DC Bhiwani regarding the completion date (20.3.2023) of the 400 kV D/C Mohindergarh-Bhiwani line and updating the same on the PMG portal.	17.4.2023	-

32. The Petitioner has submitted that owing to the abovementioned uncontrollable RoW issues, a considerable amount of time was lost from June 2017 to March 2023 (68 months), and Asset-1 was finally commissioned on 24.3.2023 with a delay of 52 months and 24 days with the help of District Administration.

b. Delay due to Covid-19 Pandemic in 2020 and 2021:

33. According to the Petitioner, Covid-19 was identified by the World Health Organisation (WHO) as a Global pandemic and a force majeure event across all segments/ verticals of the global business/industry. Further, this situation, by definition, was of an unforeseen/unplanned nature. As such, global business and production took a multiple-fold hit. The projects undertaken by the Petitioner were no exception, facing many challenges as they navigated through largely uncharted territory. Projects and supply lines were experiencing unique and mounting risks that led to a delay in execution due to the effects of Covid-19. The lockdown was imposed in March 2020 and again in April 2021. Furthermore, the lockdown restricted people from leaving their



homes across the country. All transport services (road, air and rail) were suspended except for transportation of essential goods, fire, police and emergency services. The Home Ministry had stated that anyone who fails to follow the restrictions could face up to a year in jail. The governments (Centre and State) locked down all the cities and restricted the movement from one place to another. The movement restriction affected the critical supply chain, transportation, worker/labour absenteeism due to illness/quarantine/migration, etc., which resulted in the complete halting of ongoing projects. The sites were either closed or access was restricted mainly as a result of the measures taken to contain the Covid-19 outbreak. The contractors, thus, were not able to carry out the work as a result of actions by governments to prevent the spread of the Covid-19 outbreak. Further, specific Covid-19-related challenges were supplier-delivery issues, worker absenteeism due to illness, delayed issuance of permits, travel restrictions, and loss of time or inefficiencies due to the need to practice social distancing on the job site are just a few of the issues that had schedule consequences. Furthermore, a lack of engineering and technical support and supply chain disruptions significantly impacted project schedules and implementations. Thus, the commissioning of various projects, including the projects, faced delays due to the squeezing of supply lines and construction activities. According to the Petitioner, when construction resumed, additional delays and inefficiencies further pushed back completion dates. The construction could not be started immediately. The biggest hurdle was that the supply chain was not fully restored. Besides, considering that, if anybody was infected on the construction site after work started, the area would be sealed, and all related people would be quarantined for 14-28 days. The construction pace came to a grinding halt. Also, the threat of administrative action /FIR would be lodged against the sub-contractors, adding to the lethargic pace of progress. With the halting of various line



construction activities, the work was at a standstill and gradually gathered speed in line with the government directives. The Covid-19 pandemic was also recognized by the Ministry of Power (MoP), and the MoP, vide letters dated 27.7.2020 and 12.6.2021, provided an extension of 5 months and 3 months, respectively, in respect of the SCOD.

34. The Petitioner was directed by the Commission to submit the status of the Transmission Scheme 1 as on 25.3.2020 and 1.4.2021 in accordance with the MoP letters dated 27.7.2020 and 12.6.2021, respectively vide Technical Validation (TV) letter dated 15.4.2024. The Petitioner, vide affidavit dated 26.4.2024, has submitted the following indicative status of Asset-1 as on 25.3.2020 and 1.4.2021:

Description	Progress as on 25.3.2020	Progress as on 1.4.2021	COD
Supplies	100%	100%	24.3.2023
Foundation	84%	99.50%	
Tower Erection	45%	96%	
Stringing	7%	60%	

35. Further, the Petitioner has submitted the impact caused on account of the Covid-19 with respect to the progress of works as under:

- a) Complete stoppage of works in several periods since the outbreak of Covid-19 due to the imposition of national/local lockdowns and high intensity of Covid-19 cases occurring in phases.
- b) Restriction in movement of men, material and equipment.
- c) Delayed production of material/ delay in supply of equipment/machinery due to the impact of Covid-19 on the manufacturing sector and logistics.
- d) Restrictions on entry of manpower from other States.
- e) Local manpower shortage due to a high number of Covid-19 cases.
- f) Strict social distancing measures leading to reduced labour productivity.



36. Citing the abovementioned reasons as unforeseen reasons, the Petitioner has prayed to condone the delay in commissioning Asset-1 on merits as the same being out of the control of the Petitioner in accordance with Regulation 22(2)(a) 'uncontrollable factors' of the 2019 Tariff Regulations.

Asset-2:

37. According to the Petitioner, against the SCOD of 16.1.2015, the COD of Asset-2 was declared initially with effect from 30.11.2014, and hence, there is no delay in the commissioning of Asset-2. The Petitioner filed Petition No. 77/TT/2015 for approval of the COD with effect from 30.11.2014 and the determination of tariff from COD to 31.3.2019 in respect of Asset-2. However, the Commission, vide its order dated 23.5.2016, did not approve the COD of these 2 Nos. 400 kV line bays on the ground that the instant bays would not be utilized as there was no certainty of the upcoming lines and directed it to approach the Commission for the tariff determination once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations. Accordingly, the Petitioner has revised the COD of Asset-2 as 24.3.2023 in the instant Petition matching with that of Asset-1 as directed by the Commission in the order dated 23.5.2016 in Petition No. 77/TT/2015. The Petitioner has prayed to consider the directions given in the abovementioned order and the minutes of the 33rd SCM and 30th NRPC wherein the tariff for the 2 Nos. was agreed upon. 400 kV line bays at Bhiwani Substation, which were nearing completion, can be sought from the COD of these bays and capitalize the IDC and IEDC from the original COD to the revised COD of Asset-2 (i.e., from 30.11.2014 to 24.3.2023).

Analysis and decision on time overrun

38. As per the IA dated 19.8.2016, Asset-1 was scheduled to be commissioned within 24 months from the date of IA, i.e., by 18.8.2018, whereas as per the IA dated



14.11.2014, Asset-2 was scheduled to be commissioned within 2 months, i.e., by 13.1.2015. The Petitioner is seeking approval of a revised COD of Asset-2 as 24.3.2023 matching with the COD of Asset-1 in pursuance of the Commission's order dated 23.5.2016 in Petition No. 77/TT/2015. The details of SCOD, COD, and time overrun claimed are as follows:

Assets	IA date*	SCOD	COD	Revised COD	Time overrun
Asset-1	19.8.2016	18.8.2018	24.3.2023	-	1679 days
Asset-2	14.11.2014	13.1.2015	30.11.2014	24.3.2023	Nil with respect to the actual COD 2992 days with respect to the revised COD

**The Petitioner has claimed the IA dates as 29.8.2016 and 17.11.2014 in respect of Assets-1 and 2, respectively, whereas the IA dates are considered as 19.8.2016 and 14.11.2014 in this order as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.*

39. The contentions raised by the Petitioner concerning the time overrun of the transmission assets and the reasons given, therefore, have been analysed asset-wise in the succeeding paragraphs.

Asset-1:

40. The Petitioner has contended that the commissioning of Asset-1 was delayed due to the RoW issues and the outbreak of the Covid-19 pandemic. For the delay on account of the RoW issues, the Petitioner has contended that the commissioning work of Asset-1 was hampered and obstructed from 8.6.2017 to 24.3.2023 (i.e., 2115 days).

a. Delay due to RoW issues:

41. The Petitioner has contended that severe RoW issues due to the demand for exorbitant amounts of crop compensation, land compensation, construction of structures/buildings in the right of way of line, manhandling of gang workers, etc. were encountered by the landowners/villagers in the districts of Bhiwani, Charkhi Dadri, and



Mahendragarh since the beginning of the execution of Asset-1. The Petitioner has further contended that persuasive measures were adopted wherever possible to pacify the landowners/villagers agitating against the line construction. However, at specific locations, verbal persuasions did not suffice, and eventually, the help and assistance of the Secretary, District Administration, and Police Department were sought to mitigate the RoW issues. Due to these uncontrollable RoW issues, the Petitioner has contended that a considerable amount of time was lost from June 2017 to March 2023 (i.e., from 8.6.2017 to 24.3.2023, a total of 2115 days) and was finally commissioned on 24.3.2023 with the assistance of the District Administration and Police Department.

42. We have considered the submissions of the Petitioner and have gone through the documentary evidence produced on record to justify the time overrun of Asset-1. The Petitioner has claimed the effective time overrun of 1679 days (i.e., from the SCOD of 18.8.2018 to the COD of 24.3.2023) against the RoW issues in respect of Asset-1.

43. In view of the documents placed on record, we are of the considered view that the Petitioner faced severe RoW issues during the execution of the tower foundation, tower erection, and stringing works in Mohindergarh, Charkhi Dadri and Bhiwani districts since June 2017 and effectively took up the matter with the District Administration for the early resolution of the RoW issues. Further, it is observed that the Petitioner has also claimed the time overrun due to the Lok Sabha and Vidhan Sabha elections from 10.3.2019 to 23.5.2019 and from 21.9.2019 to 24.10.2019 respectively, under the RoW issues. However, the Petitioner did not submit any supporting document substantiating how the progress of work was hampered due to the Lok Sabha and Vidhan Sabha elections in 2019 and how the matter was taken up by the Petitioner to resolve the issues, if any, during the election in 2019. For want of documentary evidence on record, the time overrun of 109 days (75 days from 10.3.2019 to 23.5.2019



and 34 days from 21.9.2019 to 24.10.2019) on account of the Lok Sabha and Vidhan Sabha elections in 2019 is not condoned.

44. In view of the above discussions, we are of the considered view that the severe RoW issues faced by the Petitioner during the execution of Asset-1 were beyond the control of the Petitioner and, therefore, out of the total delay of 1587 days due to the RoW issues (excluding the delay of 92 days on account of the Covid-19 outbreak which has been dealt with separately in the succeeding paragraphs of the order), we are inclined to condone the delay of 1478 days only for Asset-1.

b. Delay due to Covid-19 pandemic in 2020 and 2021:

45. The Petitioner has contended that the 92-day time overrun (from March 2020 to May 2020) in commissioning Asset-1 was due to the Covid-19 pandemic. Against this contention, the Petitioner has relied on the notifications/directions issued by the MoP vide letters dated 27.7.2020 and 12.6.2021.

46. We have considered the submissions of the Petitioner and have gone through the records. It is observed that the Petitioner has claimed the time overrun of 92 days against the Covid-19 pandemic for Asset-1. In this regard, it is observed that the MoP, vide letters dated 27.7.2020 and 12.6.2021, extended the SCOD of the inter-state transmission projects by 5 months and 3 months, respectively, on account of the Covid-19 pandemic. The relevant portions of the MoP letters dated 27.6.2020 and 12.6.2021 are as follows:

Dated 27.7.2020

“Sub: Extension to TSP/Transmission Licensees for completion of under construction inter-State transmission projects – reg.

Sir,

I am directed to state that transmission utilities have pointed out that construction activity at various transmission projects sites have been severely affected by the nationalised lockdown measures announced since 25th March 2020 to contain outbreak of COVID - 19 have requested for extension of Scheduled Commercial Operation Date (SCOD) for



to mitigate the issues of disruption in supply chains and manpower, caused due to COVID-19 pandemic.

2. it has been therefore decided that;

- i. All inter-state transmission projects, which were under construction as on date of lockdown i.e. 25th March 2020, shall get an extension of five months in respect of their SCOD;
- ii. This order shall not apply to those projects, whose SCOD dates was prior to 25th March 2020.

Dated 12.6.2021

“Sub: Extension to TSP/Transmission Licensees for completion of under construction inter-State transmission projects – reg.

Sir,

I am directed to state that transmission utilities have approached this Ministry stating that construction activity at various transmission projects sites have been severely affected by the current second wave of COVID-19 pandemic and various measures taken by State/UT Governments to contain the pandemic; such as night curfew, imposition of section 144, weekend lockdown and complete lockdown. In this regard they have requested for extension of Scheduled Commercial Operation Date (SCOD) for the undergoing Transmission projects to mitigate the issues of disruption in supply chains and manpower, caused due to COVID-19 pandemic.

2. The matter has been examined in the Ministry and it has been noted that unlike last year complete lock-down in the entire country, this time different States/UTs have ordered lock-down in their State/UTs as per their own assessments. Therefore, after due consideration, it has been decided that;

i. All inter-state transmission projects, which are under construction with SCOD coming after 01 April 2021 shall get an extension of three (3) months in respect of their SCOD;

ii. The commencement date of Long Term Access (LTA) to a generator by CTU based on completion of a transmission line, whose SCOD is extended by three (3) months due to COVID19 as mentioned above at point(i), shall also be extended by three (3) months.

3. This issue with the approval of Competent Authority.”

47. Further, as per the status of Asset-1 submitted by the Petitioner vide affidavit dated 26.4.2024, it is observed that Asset-1 was under construction as on 25.3.2020 and 1.4.2021. The indicative status of Asset-1, as submitted by the Petitioner, is as follows:

Description	Progress as on 25.3.2020	Progress as on 1.4.2021	COD
Supplies	100%	100%	24.3.2023
Foundation	84%	99.50%	
Tower Erection	45%	96%	
Stringing	7%	60%	



48. However, on perusal of the aforementioned MoP letters, it is observed that as per the MoP letter dated 27.7.2020, the extension of 5 months in SCOD of the transmission assets shall not be applicable to those projects whose SCOD was prior to 25.3.2020. Therefore, as the SCOD of Asset-1 is on 18.8.2018, the extension of 5 months in SCOD as per the MoP letter dated 27.7.2020 is not applicable in the case of Asset-1. Further, it is observed that as per the MoP letter dated 12.6.2021, the extension of 3 months in SCOD of the transmission assets shall not be applicable to those projects whose SCOD was prior to 1.4.2021. Therefore, as the SCOD of Asset-1 is on 18.8.2018, the extension of 3 months in SCOD as per the MoP letter dated 12.6.2021 is also not applicable in the case of Asset-1.

49. Therefore, the delay of 92 days, i.e., from March 2020 to May 2020 (considering 1.3.2020 to 31.5.2020) due to the Covid-19 pandemic as claimed by the Petitioner for Asset-1, is not condoned. The summary of the time overrun condoned/not condoned in respect of Asset-1 is as follows:

Asset	SCOD as per IA	Actual COD	Time overrun	Time overrun condoned	Time overrun not condoned
Asset-1	18.8.2018	24.3.2023	1679 days	1478 days	201 days

Asset-2:

50. The Petitioner has submitted that against the SCOD of 16.1.2015, the COD of Asset-2 was originally declared with effect from 30.11.2014, and hence, there is no delay in the commissioning of Asset-2. The Petitioner has also submitted that for the approval of COD with effect from 30.11.2014 and the determination of tariff from COD to 31.3.2019 in respect of Asset-2, it filed Petition No. 77/TT/2015 before the Commission. However, the Commission, vide its order dated 23.5.2016, did not approve the COD of the 2 Nos. 400 kV line bays on the ground that the aforementioned bays



could not be utilized as there was no certainty of the upcoming lines getting commissioned in the near future. The Commission, in the aforementioned order, directed the Petitioner to approach the Commission for tariff for the transmission asset once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations. Accordingly, the Petitioner revised the COD of Asset-2 as 24.3.2023, matching with Asset-1 as directed by the Commission in its order dated 23.5.2016 in Petition No. 77/TT/2015.

51. We have considered the submissions of the Petitioner and have gone through the record. It is observed that the Petitioner filed Petition No. 77/TT/2015 for approval of COD of Asset-2 as 30.11.2014 and for the determination of tariff from COD to 31.3.2019. The Commission, vide its order dated 23.5.2016 in Petition No. 77/TT/2015, did not approve the COD as 30.11.2014 and did not allow the tariff for Asset-2 and directed the Petitioner to approach the Commission for tariff determination once 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations. The relevant portion of the order dated 23.5.2016 is as follows:

“9. As regards the petitioner’s prayer for recovery of the transmission charges for the instant assets from the date of commissioning as agreed in the NRPC meeting on 27.2.2014, we are of the view that NRPC has no role to play in allowing the transmission charges. The empowered committee in its 32nd meeting held on 17.1.2014 decided to implement NRSS-XXXV scheme covering 400 kV Mohindergarh -Bhiwani D/C line through TBCB route and it was recommended that the scheme may be notified by the government. As per the scheme, the petitioner was to provide 2 bays at Bhiwani and APL was to provide 2 Bays at Mohindergarh sub-station for termination of this line. The instant bays at Bhiwani could be used only when the proposed line is connected to it. The 400 kV Mohindergarh-Bhiwani S/C line is not going to be commissioned in the near future as the work of the said line is proposed under TBC has not started. The date of commissioning of the instant asset is not certain and hence we are not inclined to approve its COD and accordingly the tariff for the instant asset is not allowed. The petitioner may approach the commission for tariff for the instant asset once 400 kV Mohindergarh - Bhiwani D/C line is commissioned as per the Tariff regulations.”

52. As per the IA dated 14.11.2014, Asset-2 was scheduled to be commissioned on 13.1.2015 against which it was commissioned on 30.11.2014. As per the Commission’s



order dated 23.5.2016 in Petition No. 77/TT/2015, the Petitioner was directed to approach the Commission once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned. The 400 kV Mohindergarh-Bhiwani D/C line was commissioned on 24.3.2023. The issue that arises for our consideration is whether the period from 30.11.2014 to 24.3.2023 (3036 days) is condonable.

53. The Petitioner himself has agreed that Asset-2 was ready on 30.11.2014 and, as per the direction of the Commission, claimed the COD of Asset-2 along with the transmission line. Accordingly, the Petitioner has prayed that the period from 30.11.2014 to 24.3.2023 (3036 days) was beyond the Petitioner's control. Since Asset-2 was commissioned during the 2019-24 tariff period, we deem it appropriate to refer to the relevant provisions of the 2019 Tariff Regulations to decide on the time overrun issue in respect of Asset-2. The relevant extracts of Regulation 22 of the 2019 Tariff Regulations are as follows:

“22. Controllable and Uncontrollable factors: *The following shall be considered as controllable and uncontrollable factors for deciding time over-run, cost escalation, IDC and IEDC of the project:*

- (1) *The “controllable factors” shall include but shall not be limited to the following:*
 - a. *Efficiency in the implementation of the project not involving approved change in scope of such project, change in statutory levies or change in law or force majeure events; and*
 - b. *Delay in execution of the project on account of contractor or supplier or agency of the generating company or transmission licensee.*
- (2) *The “uncontrollable factors” shall include but shall not be limited to the following:*
 - a. *Force Majeure events;*
 - b. *Change in law; and*
 - c. *Land acquisition except where the delay is attributable to the generating company or the transmission licensee.”*

54. The Petitioner has submitted the head-wise expenditure incurred from 30.11.2014 to 24.3.2023 and has submitted that an amount of ₹286.25 lakh of IDC and ₹19.21 lakh of IEDC, i.e., total IDC and IEDC incurred was ₹305.46 lakh. As per Regulation 22(2) of the 2019 Tariff Regulations, the time overrun, cost escalation, IDC, and IEDC of the project can be allowed only if one of the above-mentioned three



conditions is fulfilled by the Petitioner. In the case of Asset-2, the condonation of time overrun can be considered if it is impacted by change in law/force majeure events to be considered as an 'uncontrollable factor.' However, we are of the view that the Petitioner was not impacted by any change in law or force majeure events after 30.11.2014 till the revised COD of Asset-2, i.e., 24.3.2023. The petitioner should have commissioned the instant bays along with the 400 kV Dhanonda-Bhiwani transmission line. Subsequent to the conversion of the transmission system of APL as ISTS system, the 400 kV DhanondaBhiwani transmission line was dropped in the 32nd Standing Committee meeting held on 31.8.2013. It was decided to take up the 400 kV Mohindergarh-Bhiwani D/C line as an ISTS strengthening scheme instead of HVPNL's line. The relevant extracts of the minutes of the 32nd SCM (dated 27.9.2013) are as follows:

“27.0 Absorption/ transfer of power from Jhajjar Complex-HVPN

27.1 Director (SP&PA), CEA stated that Haryana has tied up about 3300 MW power to be injected in Jhajjar/ Mohindergarh/ Daulatabad area. Constraints in absorption of available generation/injection were being observed in Jhajjar area. To mitigate the constraints, following system strengthening was agreed during the 31st standing committee meeting:

- i. Establishment of a new 400/220kV, 2X315 MVA substation near Farukhnagar area of Gurgaon by LILO of both circuits of 400kV Dhanonda- Daulatabad D/c line - by HVPNL*
- ii. Augmentation with 400/220kV, 1X315MVA, ICT (3rd) at each Kaboolpur (Rohtak) S/s & 1x315 MVA, 400 kV, ICT (4th) at Daulatabad S/s- by HVPNL*
- iii. 400 kV Dhanonda- Bhiwani (PG) D/c line and LILO of 400kV BahadurgarhBhiwani(PG) line at Kaboolpur(HVPN) S/s -by HVPNL in place of already approved 400 kV Kaboolpur- Bhiwani(PG) D/c line - by HVPNL*
- iv. Augmentation with 400/220kV, 500MVA ICT(4th) at Sector-72 Gurgaon (PG) Substation- by POWERGRID*

27.2 He explained that HVPNL has informed that 400 kV Daultabad-Sector-72 Gurgaon D/c line had already been commissioned in June 2013 and LILO of 400 kV Bahadurgarh-Bhiwani (PG) line at Kaboolpur is also nearing completion and HVPNL has requested to reassess the requirement of Dhanoda-Bhiwani 400kV D/c. It was mentioned that a joint study was carried out and based on the joint studies the above strengthening was proposed. Nevertheless, studies were carried again with 1500 MW HVDC injection, with and without considering DhanondaBhiwani (PG) 400 kV D/c line and results of the studies were deliberated. It was informed that there may be transmission constraints during the outage of one circuit of Mohindergarh – Bhiwani 400 kV line, as the remaining MohindergarhBhiwani circuit (Twin Moose) would get critically loaded. With the addition of Dhanonda – Bhiwani 400 kV D/c line these constraints are mitigated.



27.3 HVPNL stated that after the grant of licence to M/s Adani Power Limited, the transmission system established by APL has become ISTS system and this strengthening should also be taken up as ISTS strengthening.

27.4 Matter was further deliberated and it was opined that instead of Dhanonda – Bhiwani 400 kV D/c line, Mohindergarh – Bhiwani (PG) 400 kV D/c line would be a better option as it would be directly emanating from the Mohindergarh HVDC Station.

27.5 POSOCO suggested that considering the small length of the proposed line as well as future power flow requirement, the above line may be constructed with Twin HTLS conductor.

27.6 Keeping above in view, following transmission scheme was agreed for implementation under Regional System Strengthening Scheme NRSS-XXXV:

- i. Mohindergarh – Bhiwani 400 kV D/c line with Twin HTLS
- ii. 2 nos. of 400 kV line bays at Mohindergarh to be provided by M/s APL at their Mohindergarh switchyard.
- iii. 2 nos. of 400 kV line bays at Bhiwani (PG) to be provided by POWERGRID.”

55. However, instead of cancellation of scheme, the Petitioner has obtained the investment approval and expenditure sanction for “Construction of two nos. of 400 kV line bays at Bhiwani sub-station”, vide Memorandum dated 17.11.2014, which is after the 32nd SCM meeting dated 27.9.2013. It is further noted that HVPNL vide letter dated 24.10.2013 requested for cancellation of the work of Bhiwani (Powergrid) Sub-station, but the petitioner went ahead with the implementation of the 2 nos. of 400 kV line bays at Bhiwani as per IA dated 17.11.2014. We are of the view that taking investment approval, knowing all the facts and implementation of bays is the decision of the petitioner. Therefore, we are of the view that the period from the SCOD of Asset-2, i.e., 13.1.2015, up to the revised COD of Asset-2, i.e., 24.3.2023 is not impacted with any force majeure and change in law events, we are not inclined to condone the effective time overrun from the SCOD, i.e., 13.1.2015 to the claimed COD of Asset-2, i.e., 24.3.2023 (2992 days).

56. In view of the detailed discussion above, the summary of the time overrun claimed by the Petitioner and the time overrun condoned/not condoned in respect of the transmission assets is as under:



Asset	SCOD as per IA	Actual COD	Claimed COD	Time overrun	Time overrun condoned	Time overrun not condoned
Asset-1	18.8.2018	24.3.2023	NA	1679 days	1478 days	201 days
Asset-2	13.1.2015	30.11.2014	24.3.2023	3036 days	44 days	2992 days

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

57. The Petitioner has submitted the IDC in respect of Assets- 1 and 2 along with the discharge of IDC liability as on COD and thereafter as under:

(₹ in lakh)

Assets	IDC as per Auditor's Certificate	IDC Discharged up to COD	IDC discharged during 2022-23	IDC discharged during 2023-24
Asset-1	1338.82	1167.31	0.00	171.51
Asset-2	289.86	276.43		13.43

58. We have considered the submissions of the Petitioner. As discussed above in this order, the time overrun in commissioning the transmission assets has been partially condoned. Accordingly, the IDC on a cash basis up to the COD has been worked out based on the loan details given in the statement showing the discharge of IDC and Form-9C for the transmission assets. The IDC claimed and considered as on COD and summary of discharge of IDC liability up to COD and thereafter for the purpose of tariff determination subject to revision at the time of truing-up is as follows:

(₹ in lakh)

Assets	IDC as per Auditor's Certificate (A)	IDC Disallowed due to time overrun not condoned (B)	IDC Allowed (C) = (A) – (B)	IDC Discharged up to COD	IDC discharged during 2022-23	IDC discharged during 2023-24
Asset-1	1338.82	160.03	1178.80	1094.20	73.11	11.49
Asset-2	289.86	283.66	6.20	0.00	6.20	0.00

59. Further, the Petitioner has submitted that the entire amount of IEDC for the transmission assets has been discharged up to COD. As the time overrun for both the



transmission assets has been partially condoned, the IEDC has been disallowed proportionately. Accordingly, the details of IEDC claimed as per the Auditor's Certificate, IEDC disallowed, and IEDC allowed are as under:

(₹ in lakh)

Assets	IEDC claimed as per Auditor's certificate (A)	IEDC disallowed due to time overrun not condoned (B)	IEDC allowed (C)=(A-B)
Asset-1	1110.07	92.66	1017.41
Asset-2	27.81	27.26	0.55

Initial Spares

60. The Initial Spares claimed by the Petitioner for the transmission assets are as under:

(₹ in lakh)

Asset	Particular	Plant and Machinery Cost (a)	Initial Spares claimed (b)	Ceiling % (c)	Allowable $d=c*(a-b)/(100-c)$	Excess Initial Spares (e=b-d)
Asset-1	Transmission Line	7624.18	45.75	1%	76.55	-30.80
	Substation (Including PLCC) (Brown field)	492.06	25.93	6%	29.75	-3.82
Asset-2	Substation (Including PLCC) (Brown field)	731.47	75.61	6%	41.86	33.75

61. The Petitioner has submitted that excess Initial Spares are procured on account of the system requirements for the smooth operation of the grid and prayed to allow the same under Regulation 76 (Power to Relax) of the 2019 Tariff Regulations. Further, the discharge details of the Initial Spares as claimed by the Petitioner in respect of the transmission assets are as under:



Asset-1

Particulars	(₹ in lakh)	
	Transmission Line	Substation
Actual Expenditure upto COD	4.51	20.44
Expenditure for the period 24.3.2023 to 31.3.2023	0.00	0.00
Estimated Expenditure for the period 1.4.2023 to 31.3.2024	32.96	5.00
Estimated Expenditure for the period 1.4.2024 to 31.3.2025	8.28	0.49
Total value of Spares	45.75	25.93

Asset-2

Particulars	(₹ in lakh)
	Substation
Actual Expenditure upto COD	75.61
Total value of Spares	75.61

62. The Petitioner has submitted that the amounts towards balance liabilities on account of the Initial Spares have already been considered in the ACE of the respective years.

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

“(d) Transmission System

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

64. We have considered the Petitioner’s submissions. It is observed that the Initial Spares claimed by the Petitioner in respect of Asset-2 exceed the ceiling norms as specified in the 2019 Tariff Regulations. Hence, the Initial Spares for Asset-2 are restricted to the ceiling of 6%. Based on the information available on record, the initial



spares for the transmission assets are partially allowed as per the respective percentage of the plant and machinery cost on the cut-off date on an individual basis.

The Initial Spares allowed for the transmission assets are as follows:

Asset	Particulars	Plant and Machinery cost (excluding IDC/IEDC, land cost and cost of civil works) (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per the 2019 Tariff Regulations (%)	Initial Spares allowable (₹ in lakh)	Initial Spares disallowed up to COD (₹ in lakh)	Initial Spares allowed (₹ in lakh)
		A	B	C	$D = (A - B) * C / (100 - C)$	$E = B - D$	
Asset-1	Transmission Line	7624.18	45.75	1.00%	76.55	0.00	45.75
	Substation and PLCC/Communication System	492.06	25.93	6.00%	25.93	0.00	25.93
Asset-2	Substation (Brownfield)	731.47	75.61	6.00%	41.86	33.75	41.86

65. The capital cost allowed as on the COD in respect of the transmission assets is as follows:

(₹ in lakh)					
Assets	Capital Cost claimed as on COD (Auditor's Certificate) (A)	IDC and IEDC disallowed due to time overrun not condoned (B)	Undischarge d IDC as on COD (C)	Excess Initial Spares disallowed (D)	Capital Cost as on COD (E) = (A-B-C-D)
Asset-1	9797.35	252.68	84.60	0.00	9460.07
Asset-2	1049.14	310.93	6.20	33.75	698.27

Additional Capital Expenditure (ACE)

66. The Petitioner has submitted that the ACE incurred/projected to be incurred is mainly on account of the balance/ retention payments. Hence, the same is claimed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations. The Petitioner



has submitted that the capital cost, as per the cash IDC discharged on 31.3.2024, is as under:

(₹ in lakh)

Asset	Apportioned Approved Cost	Expenditure up to COD	Projected Expenditure				Estimated completion cost
			2022-23	2023-24	2024-25	2025-26	
Asset-1	12391.00	9797.35	67.78	488.70	142.20	69.10	10565.13
Asset-2	1049.14	1049.14					1049.14

67. Further, the Petitioner has also submitted the liability flow statement, which is as under:

(₹ in lakh)

Head-wise/ Party-wise	Particulars	Outstanding liability as on COD/ 31.3.2019	Discharge		Work Deferred / Unexecuted Work		
			2023-24	Total= 2019-2024	2022-23	2023-24	Total= 2019-2024
M/s. C&C CONST. and M/s. Unitech Power	TL	617.86	432.36	432.36	67.78	32.88	100.66
M/s. ABB	SS	22.67	15.83	15.83	0.00	2.63	2.63
M/s. C&C CONST. and M/s. Unitech Power	PLCC	7.64	4.33	4.33	0.00	0.67	0.67
Total			452.52	452.52	67.78	36.18	103.96

68. Regulation 24 of the 2019 Tariff Regulations provides as under:

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

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

- (a) Undischarged liabilities recognized to be payable at a future date;
- (b) Works deferred for execution;
- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;
- (d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;
- (e) Change in law or compliance of any existing law; and
- (f) Force Majeure events:



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

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

69. We have considered the submissions of the Petitioner. The ACE claimed by the Petitioner has been allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations on account of the balance and retention payments for works already executed. The actual/projected ACE allowed is subject to truing-up in respect of the transmission assets and the same is as follows:

Asset-1

Particulars	(₹ in lakh)	
	2022-23	2023-24
ACE as per Auditor's Certificate allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations towards undischarged liabilities recognised to be payable at a future date	67.78	488.70
Add: IDC Discharged	73.11	11.49
ACE allowed in the instant order	140.89	500.19

Asset-2

Particulars	(₹ in lakh)	
	2022-23	2023-24
ACE as per Auditor's Certificate allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations towards undischarged liabilities recognised to be payable at a future date	0.00	0.00
Add: IDC Discharged	6.20	0.00
ACE allowed in the instant order	6.20	0.00

70. Accordingly, the ACE allowed in respect of the transmission assets for the 2019-24 tariff period is as follows:

Asset	Capital cost admitted as on COD	ACE allowed for 2019-24		Capital cost allowed as on 31.3.2024
		2022-23	2023-24	
Asset-1	9460.07	140.89	500.19	10101.15
Asset-2	698.27	6.20	0.00	704.47

Debt-Equity ratio

71. Regulation 18 of the 2019 Tariff Regulations provides as under:



“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 31.3.2019 shall be considered:

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

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

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

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



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

72. The details of the debt-equity ratio considered for computation of tariff for the 2019-24 tariff period in respect of the transmission assets are as follows:

Asset-1

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	6622.05	70.00	448.76	70.00	7070.81	70.00
Equity	2838.02	30.00	192.32	30.00	3030.34	30.00
Total	9460.07	100.00	641.08	100.00	10101.15	100.00

Asset-2

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	488.79	70.00	4.34	70.00	493.13	70.00
Equity	209.48	30.00	1.86	30.00	211.34	30.00
Total	698.27	100.00	6.20	100.00	704.47	100.00

Depreciation

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

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

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

(3) The salvage value of the asset shall be considered as 10% and depreciation



shall be allowed up to maximum of 90% of the capital cost of the asset:

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

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

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

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

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

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

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

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

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

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

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

(10) Depreciation of the emission control system of an existing or a new generating



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

a) twenty five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or

b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or

c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”

74. We have considered the Petitioner’s submissions. The depreciation has been worked out considering the admitted capital cost as on the COD and the ACE allowed during the 2019-24 tariff period. The Weighted Average Rate of Depreciation (WAROD) has been worked out as per the rates of depreciation specified in the 2019 Tariff Regulations, and the WAROD table is placed as Annexure-I to this order. The depreciation allowed for the transmission assets is as follows:

Asset-1

		(₹ in lakh)	
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
	Depreciation		
A	Opening Gross Block	9460.07	9600.96
B	ACE	140.89	500.19
C	Closing Gross Block (A+B)	9600.96	10101.15
D	Average Gross Block (A+C)/2	9530.51	9851.06
E	Weighted average rate of Depreciation (WAROD) (%)	5.32	5.32
F	Balance useful life at the beginning of the year (Year)	34	34
G	Elapsed life at the beginning of the year	0	0
H	Aggregate Depreciable Value	8577.46	8865.95
I	Combined Depreciation during the year	11.12	524.29
J	Aggregate Cumulative Depreciation	11.12	535.41
K	Remaining Aggregate Depreciable Value (H-I)	8566.34	8330.54



Asset-2

(₹ in lakh)

	Particulars	2022-23 (pro-rata for 8 days)	2023-24
	Depreciation		
A	Opening Gross Block	698.27	704.47
B	ACE	6.20	0.00
C	Closing Gross Block (A+B)	704.47	704.47
D	Average Gross Block (A+C)/2	701.37	704.47
E	Weighted average rate of Depreciation (WAROD) (%)	5.84	5.84
F	Balance useful life of the asset (Year)	23	23
G	Elapsed life at the beginning of the year	0	0
H	Aggregate Depreciable Value	634.29	637.09
I	Combined Depreciation during the year	0.90	41.15
J	Aggregate Cumulative Depreciation	0.90	42.05
K	Remaining Aggregate Depreciable Value (H-I)	633.39	595.04

Interest on Loan (IoL)

75. Regulation 32 of the 2019 Tariff Regulations provides as under:

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

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

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

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

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

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



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

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

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

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

76. The Petitioner has submitted the Weighted Average Rate of Interest on Loan (WAROI) based on its actual loan portfolio and the rate of interest. Accordingly, 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 IoL allowed for the transmission assets is as follows:

Asset-1

		(₹ in lakh)	
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Gross Normative Loan	6622.05	6720.68
B	Cumulative Repayments up to Previous Year	0.00	11.12
C	Net Loan-Opening (A-B)	6622.05	6709.56
D	Additions due to ACE	98.63	350.13
E	Repayment during the year	11.12	524.29
F	Net Loan-Closing (C+D-E)	6709.56	6535.40
G	Average Loan (C+F)/2	6665.80	6622.48
H	Weighted Average Rate of Interest on Loan (in %)	7.6446	7.6395
I	Interest on Loan (G*H)	11.17	505.92

Asset-2

		(₹ in lakh)	
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Gross Normative Loan	488.79	493.13
B	Cumulative Repayments up to Previous Year	0.00	0.90
C	Net Loan-Opening (A-B)	488.79	492.23



	Particulars	2022-23 (pro-rata for 8 days)	2023-24
D	Additions due to ACE	4.34	0.00
E	Repayment during the year	0.90	41.15
F	Net Loan-Closing (C+D-E)	492.23	451.08
G	Average Loan (C+F)/2	490.51	471.65
H	Weighted Average Rate of Interest on Loan (in %)	8.1811	8.1551
I	Interest on Loan (G*H)	0.88	38.46

Return on Equity (RoE)

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

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

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

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system

Provided further that:

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

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



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

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

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

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

Illustration-

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

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

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

- (a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;
- (b) Estimated Advance Tax for the year on above is Rs 240 crore;
- (c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;
- (d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

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

78. The Petitioner has submitted that the MAT rate applies to it. Accordingly, the MAT rate applicable in the 2019-24 period has been considered for RoE which will be trued



up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE in respect of the transmission assets has been worked out and allowed as under:

Asset-1

(₹ in lakh)			
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Opening Equity (A)	2838.02	2880.29
B	Additions (B)	42.27	150.06
C	Closing Equity (C) = (A+B)	2880.29	3030.34
D	Average Equity (D) = (A+C)/2	2859.15	2955.32
E	Return on Equity (Base Rate) (%)	15.500	15.500
F	MAT Rate for respective year (%)	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782
H	Return on Equity (D*G)	11.77	555.07

Asset-2

(₹ in lakh)			
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Opening Equity (A)	209.48	211.34
B	Additions (B)	1.86	0.00
C	Closing Equity (C) = (A+B)	211.34	211.34
D	Average Equity (D) = (A+C)/2	210.41	211.34
E	Return on Equity (Base Rate) (%)	15.500	15.500
F	MAT Rate for respective year (%)	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782
H	Return on Equity (D*G)	0.87	39.69

Operation & Maintenance Expenses (O&M Expenses)

79. The O&M Expenses claimed by the Petitioner in respect of the transmission assets for the 2019-24 tariff period are as under:

Asset-1

(₹ in lakh)			
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
Transmission Line			
i.	Mohindergarh-Bhiwani Line (Single Circuit – Twin Conductor)		
ii.	Mohindergarh-Bhiwani Line (Double Circuit – Twin Conductor)		
	400 kV Single Circuit (Twin & Triple Conductor) (Length in km)	6.00	6.00
	Norms (₹ lakh/km)	0.558	0.578
	400 kV Double Circuit (Twin & Triple Conductor) (Length in km)	58.00	58.00
	Norms (₹ lakh/km)	0.977	0.977
	Total O&M Expenses	1.31	62.11



Asset-2

(₹ in lakh)

Particulars	2022-23 (pro-rata for 8 days)	2023-24
Substation		
i. Bhiwani: 2 Nos. 400 kV line bays at Bhiwani Substation		
400 kV Substation (No. of bays)	2.00	2.00
Norms (₹ lakh/bay)	35.66	36.91
Total O&M Expenses	1.56	73.82

80. The norms specified under Regulation 35(3)(a) of the 2019 Tariff Regulations provide that:

“35. Operation and Maintenance Expenses:

...

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<i>HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)</i>	834	864	894	925	958
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)</i>	1,666	1,725	1,785	1,848	1,913
<i>500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)</i>	2,252	2,331	2,413	2,498	2,586
<i>±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	2,563	2,653	2,746	2,842	2,942

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

Provided further that:

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



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

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

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

(4) **Communication system:** The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.”

81. We have considered the Petitioner’s submissions. The O&M Expenses have been worked out as per the norms specified in the 2019 Tariff Regulations and are as under:

Asset-1

Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 8 days)	2023-24
Transmission Line		
iii. Mohindergarh-Bhiwani Line (Single Circuit – Twin Conductor)		
iv. Mohindergarh-Bhiwani Line (Double Circuit – Twin Conductor)		
400 kV Single Circuit (Twin & Triple Conductor) (Length in km)	6.00	6.00
Norms (₹ lakh/km)	0.558	0.578
O&M Expenses allowed	0.07	3.47
400 kV Double Circuit (Twin & Triple Conductor) (Length in km)	58.00	58.00
Norms (₹ lakh/km)	0.977	1.011
O&M Expenses allowed	1.24	58.64
Total O&M Expenses allowed	1.32	62.11

Asset-2

Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 8 days)	2023-24
Substation		
ii. Bhiwani: 2 Nos. 400 kV line bays at Bhiwani Substation		
400 kV Substation (No. of bays)	2.00	2.00
Norms (₹ lakh/bay)	35.66	36.91
Total O&M Expenses allowed	1.56	73.82



Interest on Working Capital (IWC)

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

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

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

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

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

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

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

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

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

83. The IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) has been considered as 10.50% (SBI 1-year MCLR applicable as on 1.4.2022 of 7.00% plus 350 basis points) for the FY 2022-23 and as 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24. The components of the working capital and interest allowed thereon in respect of the transmission assets are as follows:

Asset-1

		(₹ in lakh)	
	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for 1 month)	5.00	5.18



	Particulars	2022-23 (pro-rata for 8 days)	2023-24
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.00	9.32
C	Working Capital for Receivables (Equivalent to 45 days of annual transmission charges)	201.77	205.80
D	Total Working Capital	215.77	220.29
E	Rate of Interest (%)	10.50	12.00
F	Interest on Working Capital (D*E)	0.50	26.43

Asset-2

(₹ in lakh)

	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for 1 month)	5.94	6.15
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	10.70	11.07
C	Working Capital for Receivables (Equivalent to 45 days of annual transmission charges)	24.19	24.36
D	Total Working Capital	40.83	41.58
E	Rate of Interest (%)	10.50	12.00
F	Interest on Working Capital (D*E)	0.09	4.99

Annual Fixed Charges for the 2019-24 Tariff Period

84. The transmission charges allowed in respect of the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(₹ in lakh)

	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Depreciation	11.12	524.29
B	Interest on Loan	11.17	505.92
C	Return on Equity	11.77	555.07
D	O&M Expenses	1.32	62.11
E	Interest on Working Capital	0.50	26.43
F	Total	35.88	1673.82

Asset-2

(₹ in lakh)

	Particulars	2022-23 (pro-rata for 8 days)	2023-24
A	Depreciation	0.90	41.15
B	Interest on Loan	0.88	38.46
C	Return on Equity	0.87	39.69
D	O&M Expenses	1.56	73.82
E	Interest on Working Capital	0.09	4.99
F	Total	4.30	198.11



Filing Fee and the Publication Expenses

85. The Petitioner has sought reimbursement of the fee paid by it for filing the Petition and publication expenses.

86. We have considered the submissions of the Petitioner. The Petitioner shall be entitled to reimbursement of the filing fees and publication expenses in connection with the instant Petition directly from the beneficiaries on a pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

87. The Petitioner has sought reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall be entitled to reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled to recovery of RLDC fees and charges in accordance with Regulation 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

88. The Petitioner has submitted that if GST is levied at any rate and at any point of time in the future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same will be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Government/ statutory authorities, and the same may be allowed to be recovered from the beneficiaries.

89. We have considered the Petitioner's submissions. Since GST is not levied on transmission service at present, we are of the view that the Petitioner's prayer in this regard is premature.



Security Expenses

90. The Petitioner has submitted that security expenses for the transmission assets are not claimed in the instant Petition and that it would file a separate Petition to claim the overall security expenses and consequential IWC.

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

Capital Spares

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

Sharing of Transmission Charges

93. The COD of Assets-1 and 2 is approved as 24.3.2023. Therefore, the sharing of transmission charges is governed by the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020. Accordingly, the billing, collection, and disbursement of the transmission charges of the transmission assets, including the communication equipment, shall be recovered in terms of the provisions of the applicable Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.



Interim Tariff

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

95. We have considered the Petitioner's submissions. Since we have determined the transmission tariff for the transmission assets in this order, the prayer for the interim tariff becomes redundant. Therefore, we have not considered it in this order.

96. To summarise, the Annual Fixed Charges allowed in respect of the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Asset	2022-23 (pro-rata for 8 days)	2023-24
Asset-1	35.88	1673.82
Asset-2	4.30	198.11

97. The annexures to this order form part of the order.

98. This order disposes of Petition No. 390/TT/2023 in terms of the above findings and discussions.

sd/
(Harish Dudani)
Member

sd/
(Ramesh Babu V.)
Member

sd/
(Jishnu Barua)
Chairperson



ANNEXURE-I**Asset-1**

2019-24 Capital Expenditure	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)	
		2022-23	2023-24	Total			2022-23	2023-24
Transmission Line	8872.15	136.35	476.02	612.37	9484.51	5.28%	472.05	488.22
Substation	198.25	1.53	18.70	20.23	218.48	5.28%	10.51	11.04
PLCC	389.67	3.01	5.47	8.48	398.15	6.33%	24.76	25.03
Total	9460.07	140.89	500.19	641.08	10101.15		507.32	524.29
Average Gross Block (₹ in lakh)							9530.51	9851.06
WAROD							5.32%	5.32%



ANNEXURE-II**Asset-2**

2019-24	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)	
					2022-23	2023-24
Capital Expenditure		Total				
Substation	575.86	5.16	581.02	5.28%	30.54	30.68
PLCC	91.97	0.78	92.75	6.33%	5.85	5.87
IT Equipment (Incl. Software)	30.43	0.26	30.69	15.00%	4.58	4.60
Total	698.27	6.20	704.47		40.97	41.15
			Average Gross Block (₹ in lakh)		701.37	704.47
			WAROD		5.84%	5.84%

