

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 457/TT/2024

Coram:

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

Date of Order: 01.05.2025

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for true-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and for determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for controlling High Loading of Nellore (PG)-Nellore PS 400 kV (Quad) D/C line" in the Southern Region.

And in the matter of:

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

...Petitioner

Versus

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



5. **Eastern Power Distribution Company of Andhra Pradesh Limited,**
APEPDCL, P&T Colony,
Seethmmadhara, Vishakhapatnam– 530013, Andhra Pradesh.
6. **Southern Power Distribution Company of Andhra Pradesh Limited,**
19-13-65/A, Srinivasapuram, Tiruchanoor Road,
Tirupati – 517503, Andhra Pradesh.
7. **Andhra Pradesh Central Power Distribution Company Limited,**
Corporate Office, Beside Polytechnic College, ITI Road,
Krishna District, Vijayawada – 520008, Andhra Pradesh.
8. **Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad – 500063, Telangana.
9. **Northern Power Distribution Company of Telangana Limited,**
H.No 2-5-3 1/2, Vidyut Bhawan, Corporate Office,
Nakkal Gutta, Hanamkonda, Warangal – 506001, Telangana
10. **Bangalore Electricity Supply Company Limited,**
Corporate Office, K.R.Circle,
Bangalore – 560001, Karanataka.
11. **Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opposite Parivar Hotel,
Gulbarga (Kalburgi) – 585102, Karnataka.
12. **Hubli Electricity Supply Company Limited,**
Navanagar, PB Road, Hubli- 580025, Karnataka.
13. **Mangalore Electricity Supply Company Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan,
Kavoor Cross Road, Bejai, Mangalore – 575004, Karnataka.
14. **Chamundeswari Electricity Supply Corporation Limited,**
Corporate Office, 29, Vijayanagara 2nd Stage,
Hinkal, Mysuru – 570017, Karnataka...**Respondent(s)**

Parties Present : Shri Mohd. Mohsin, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vishal Sagar, PGCIL
Shri Amit Yadav, PGCIL
Ms. Suchitra Gautam, PGCIL

Shri Divyanshu Bhatt, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Piyush Awasthi, PGCIL
Shri Amit Garg, PGCIL
Ms. Ashita Chauhan, PGCIL
Mr. Ashish Alankar, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, for truing-up of the transmission tariff for 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of the following ‘transmission asset’ (hereinafter referred to as “the transmission asset”) under POWERGRID works associated with “Transmission System for Controlling High Loading of Nellore (PG)-Nellore PS 400 kV (Quad) D/C line” in the Southern Region (hereinafter referred to as “the transmission project”):

Asset-1: Shifting of 125 MVAR and 80 MVAR line reactors at Nellore (PG) from Nellore PS-Nellore (PG) 400 kV D/C Line to Nellore (PG)-Sriperumbudur 400 kV D/C Line (with suitable arrangement) and b) Bypassing Nellore PS-Nellore (PG) 400 kV D/C (Quad) line and Nellore (PG)-Thiruvalam 400 kV D/C Quad Line at Nellore (PG) for making direct Nellore PS-Thiruvalam 400 kV D/C (Quad) Line

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

“a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 14 and 15 above.

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



c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff Regulation, 2024 as per para 14 and 15 above for respective block.

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

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

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

g) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 21 above.

h) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 21 above.

i) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 21 above.

j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 22 above.

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

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

Background

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

- a) The Investment Approval (IA) of the transmission project was accorded by the Competent Authority of the Petitioner, vide Memorandum dated

10.6.2020, at an estimated cost of ₹568 lakh, including an IDC of ₹ 11 lakh, December 2019 price level.

- b) The system for control of high short circuits at Nellore (PG) and high loading, i.e., opening of Nellore PS-Nellore (PG) interconnection was reviewed and discussed in the 42nd Standing Committee on Power System Planning in the Southern Region and the 2nd SRSCT meeting held on 27.4.2018 and 10.6.2019, respectively. The scope of the project was discussed and agreed upon in the 2nd SRSCT meeting held on 10.6.2019.
- c) The transmission project was also discussed in the 36th SRPC meeting held on 12.7.2019 and recommended vide letter dated 14.8.2019. The Scheme was recommended for implementation through RTM by the Petitioner in the 4th National Committee on Transmission (NCT) held on 30.7.2019.
- d) The scope of work covered under the transmission project in the Southern Region is as follows:

Sub-station at Nellore (PG)

- i. Shifting of 125 MVAR and 80 MVAR line reactors at Nellore (PG) from Nellore PS-Nellore (PG) 400 kV D/C line to Nellore (PG)-Sriperumbudur 400 kV D/C line (with suitable arrangement).
 - ii. Bypassing Nellore PS-Nellore (PG) 400 kV D/C (Quad) line and Nellore (PG) - Thiruvalem 400 kV D/C (Quad) line at Nellore (PG) for making direct Nellore PS - Thiruvalem 400 kV D/C (Quad) line.
- e) Details of the transmission asset covered in the instant Petition are as follows:

Asset	SCOD as per IA	Actual COD	Time over-run days condoned	Time over-run days not condoned
Asset-1: Shifting of 125 MVAR and 80 MVAR line reactors at Nellore (PG) from Nellore PS-Nellore (PG) 400 kV D/C Line to Nellore (PG)- Sriperumbudur 400 kV D/C Line (with suitable arrangement) and b) Bypassing Nellore PS-Nellore (PG) 400 kV D/C (Quad) line and Nellore (PG)-Thiruvalam 400 kV D/C Quad line at Nellore (PG) for making direct Nellore PS- Thiruvalam 400 kV D/C (Quad) Line	10.1.2021	30.4.2021	0	110

f) The entire scope of the project is completed and covered under the instant Petition.

4. The Commission, vide Order dated 15.2.2024 in Petition No. 6/TT/2023, granted the transmission tariff for the 2019-24 tariff period. Truing-up of the transmission tariff based on actual expenditure incurred up to the COD and actual ACE claimed in the 2019-24 tariff period has been prayed in this Petition. The capital cost incurred up to the COD and ACE claimed is as follows:

Asset	Approved Cost	Expenditure up to actual COD	Additional Capital Expenditure Claimed			Estimated Completion Cost
			2021-22	2022-23	2023-24	
Asset-1	568.00	208.33*	142.06	2.81#	93.74	446.94

*IDC & IEDC disallowed due to time over-run is ₹21.97 lakh.

#LD recovered from contractor amounting to ₹2.78 lakh reduced from capital cost in FY 2022-23 on its recovery. Accordingly, IDC/IEDC disallowed to the extent of LD recovered amount of ₹2.78 lakh is added back to the capital cost in FY 2022-23.

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

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

7. The final hearing in this matter was held on 25.3.2025, and the Order was reserved. This Order is issued considering the submissions made by the Petitioner vide affidavits dated 14.9.2024 and 24.3.2025. None of the Respondent(s) has filed any reply in the matter.

8. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition in the succeeding paragraphs

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

9. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset for the 2019-2024 tariff period are as follows:

Particulars	(₹ in lakh)		
	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Depreciation	13.58	18.58	21.12
Interest on Loan	10.34	16.34	19.13
Return on Equity	14.49	19.82	22.54
Interest on Working Capital	0.51	0.72	0.94
O&M Expenses	0.00	0.00	0.00
Total	38.92	55.46	63.73

10. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission asset for the 2019-2024 tariff period is as follows:

Particulars	(₹ in lakh)		
	2021-22 (pro-rata for 336 days)	2022-23	2023-24
O&M Expenses	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00
Receivables	5.21	6.84	7.84
Total Working Capital	5.21	6.84	7.84
Rate of Interest (%)	10.50	10.50	12.00
Interest on Working Capital	0.51	0.72	0.94

Capital Cost for the 2019-24 Tariff Period

11. The capital cost of the transmission system has been calculated in accordance with Regulation 19(1) and 19(2) of the 2019 Tariff Regulations.

12. The Commission, vide Order dated 15.2.2024 in Petition No. 6/TT/2023, granted the transmission tariff for the 2019-24 tariff period. The capital cost of ₹ 422.42 lakh was approved by the Commission for the transmission asset as on 31.3.2024 in Order 15.2.2024 in Petition No. 6/TT/2023.

13. The Commission, vide Order dated 15.2.2024 in Petition No. 6/TT/2023 allowed capital cost as on COD for the transmission asset and ACE for the 2019-24 tariff period. The details of the capital cost as allowed by the Commission in the aforesaid orders is as follows:

Asset No.	FR Apportioned Approved Cost	Capital Cost allowed up to COD	(₹ in lakh)	
			ACE Allowed 2019-24	Capital Cost as on 31.3.2024
Asset-1	568.00	208.33	214.09	422.42

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

(₹ in lakh)						
Asset No.	FR Apportioned Approved Cost	Capital Cost up to COD	ACE Claimed			Capital Cost as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	568.00	208.33*	142.06	2.81 [@]	93.74	446.94

**IDC and IEDC of ₹21.97 lakh disallowed due to Time over-run not condoned
[@]LD was recovered from contractor amounting to Rs. 2.78 Lakhs and reduced from the capital cost in FY 2022-23 on its recovery. Accordingly, IDC/IEDC disallowed to the extent of LD recovered amount of ₹2.78 lakh is added back to the capital cost in FY 2022-23*

Cost Over-run

15. The Petitioner has claimed capital cost of ₹ 208.33 lakh in respect of the transmission asset as on COD.

16. The total cost including ACE is ₹446.94 lakh and the approved cost as per FR is ₹568 lakh. Since, the total cost in respect of the transmission asset is within the approved FR cost, there is no cost over-run with regard to the transmission asset.

Time Over-run

17. As per the IA, SCOD of the transmission asset was within 7 months from the date of the IA. Accordingly, SCOD was 10.1.2021 against which the transmission asset was put to under commercial operation on 30.4.2021. Therefore, there was a time over-run of 110 days in commercial operation of the transmission asset. The Commission, vide Order dated 15.2.2024 in Petition No. 6/TT/2023, has already dealt with the issue of time over-run and the entire time over-run of 110 days was not condoned.

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

18. The Petitioner has claimed IDC in respect of the transmission asset and has submitted Auditor’s Certificate dated 23.8.2024 in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of IDC discharged. The Petitioner has claimed the IDC as allowed by the Commission vide order dated 15.2.2024 in Petition No. 6/TT/2023.

19. The allowable IDC has been worked out considering the information submitted by the Petitioner in respect of the transmission asset separately on cash basis. The approved IDC as admitted by the Commission vide order dated 15.2.2024 in Petition No. 6/TT/2023 is as under:

(₹ in lakh)					
IDC as per Auditor's Certificate	IDC Allowed	IDC Disallowed	IDC allowed as on COD	IDC Undischarged as on COD	IDC Discharge During
A	B	C	D	E=D-B	2019-24
0.71	0.00	0.71	0.00	0.00	0.00

20. The Petitioner has claimed the IEDC as admitted by the Commission vide Order dated 15.2.2024 in Petition No. 6/TT/2023 and the Commission vide order dated 15.2.2024 in Petition No. 6/TT/2023 had allowed the IEDC of ₹ 41.35 lakh as on COD and the same has been allowed in respect of the transmission asset.

(₹ in lakh)		
IEDC as per Auditor's Certificate	IEDC Allowed	IEDC Disallowed
A	B	C=A-B
62.61	41.35	21.26

Initial Spares

21. The Petitioner has not claimed initial spares in the instant Petition for the transmission asset.

Capital Cost allowed as on COD

22. The capital cost of the transmission asset has been calculated in accordance with Regulation 19 of the 2019 Tariff Regulations. The details of the capital cost now approved as on COD is as under:

(₹ in lakh)			
Assets	Capital cost claimed as on COD as per Auditor Certificate (A)	IDC and IEDC Disallowed due to time over-run not condoned (B)	Capital cost allowed as on COD (E = A-B)
Asset-1	230.30	21.97	208.33

Additional Capital Expenditure (ACE)

23. The Commission, vide Order dated 15.2.2024 in Petition No. 6/TT/2023, allowed the following ACE in respect of the transmission asset for the 2019-24 tariff period for the Asset-1 under Regulation 24(1)(a) of the 2019 Tariff Regulations on account of payment for works already executed and Regulation 24(1)(b) of the 2019 Tariff Regulations on account of works deferred for execution. Accordingly, the ACE allowed for the 2019-24 period was as follows:

(₹ in lakh)			
Assets	Actual ACE Allowed		
	2021-22	2022-23	2023-24
Asset-1	214.09	0.00	0.00

24. Against this, the Petitioner has claimed the following ACE in respect of the transmission asset based on the actual expenditure in accordance with Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations:

(₹ in lakh)				
Particulars	Regulations	Actual ACE Claimed		
		2020-21	2021-22	2022-23
Undischarged liabilities recognized to be payable at a future date and works deferred for execution	24(1)(a) and 24(1)(b) of the 2019 Tariff Regulation	142.06	0.00	0.00
Undischarged liabilities recognized to be payable at a future date	24(1)(a) of the 2019 Tariff Regulation	0.00	2.81	93.74
Total		142.06	2.81	93.74

25. The Petitioner has further submitted that in case of the transmission asset, the Commission disallowed IDC and IEDC due to non-condoning of time over-run not and

reduced it from the capital cost as on COD. Subsequently, Liquidated Damages (LD) were recovered from the executing agency which were reduced from the capital cost as per the accounting procedures. The details of IDC and IEDC disallowed vide previous orders and LD recovered are as follows:

(₹ in lakh)			
Assets	IDC and IEDC Disallowed	LD Recovered	Year of LD Recovery
Asset-1	21.97	2.78	2022-23

26. The Petitioner has submitted that the disallowed IDC and IEDC to the extent of LD recovered from the contractors is added back as ACE in the respective years when such recovery is made as mentioned in footnote of the Auditor's Certificate.

27. The Petitioner has claimed that it has already made the adjustment of amount equal to IDC and IEDC disallowed in previous order. The details of ACE claimed and ACE allowed in 2021-22, 2022-23 and 2023-24 after adjustment of LD are as follows:

(₹ in lakh)				
Asset	Particulars	2021-22	2022-23	2023-24
Asset-1	ACE claim as per Auditor Certificates (A)	142.06	0.03	93.74
	Adjustment for LD recovered claimed and allowed (B)	0.00	2.78	0.00
	ACE allowed (C = A + B)	142.06	2.81	93.74

28. The Commission, vide RoP dated 11.3.2025, had directed the Petitioner to confirm whether all the assets are currently in use or there has been any decapitalization, to submit Form-5 for the 2019-24 tariff period and 2024-29 tariff period for the transmission assets and reasons for variation in ACE claimed for the 2019-24 tariff period.

29. In response to the above directions of the Commission, the Petitioner, vide affidavit dated 24.3.2025, has submitted that all the assets covered under the instant Petition are presently in use and there has been no decapitalization, Form-5 was

enclosed as Encl-1 by the Petitioner with the affidavit. It was further submitted by the Petitioner that the Asset under the instant project has been commissioned with DOCO as 30.4.2021 with cut-off date as 30.4.2024 and as per the order dated 15.2.2024 in Petition No. 6/TT/2023, the estimated ACE was ₹ 214.09 lakh. However, the actual ACE incurred amounts to ₹ 238.61 lakh. This variation is justified under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations which is primarily due to initial estimates not accounting for finalized contracts and liabilities. The actual ACE reflects vendors' final payments, invoices, amendments, and reconciliations per contractual clauses.

30. The vide RoP dated 11.3.2025, the Petitioner was directed to submit the details of the Liquidated Damages (LD). In response, the Petitioner, vide affidavit dated 24.3.2025, has submitted that an amount of ₹ 2.78 lakh for the F.Y. 2022-23 was recovered as LD from M/s GE T&D and was reduced from the capital cost in FY 2022-23 upon its recovery. Consequently, the IDC and IEDC, disallowed to the extent of the LD recovered, amounting to ₹ 2.78 lakh, has been added back to the capital cost in FY 2022-23. The Petitioner also submitted the copy of final time extension letter with LD details.

31. We have considered the submissions made by the Petitioner. It is noted that for Asset-1, LD amounting to ₹ 2.78 lakh was recovered from contractor in FY 2022-23 and accordingly, on its recovery, was reduced, for accounting purpose, from the gross ACE for that year which was "₹ 2.81 lakh", as implied from the Auditor Certificate dated 23.8.2024. As such, after accounting for the recovered LD, the net ACE reflected in Auditor Certificate is ₹ 0.03 lakh. Accordingly, LD amount recovered to the extent of IDC/IEDC disallowed (i.e., ₹ 2.78 lakh), is added back to arrive at the ACE claimed for FY 2022-23 which is ₹ 2.81 lakh.

32. In case the time overrun is attributable to the project developer, or its contractors, the cost of time over-run, i.e., IDC and IEDC has to be borne by the project developer, and LD, if any, recovered can be retained by the Petitioner. In the instant case, since time over-run in case of the transmission asset was not condoned. the IDC and IEDC for the period of time over-run not condoned is deducted from the capital cost. The amount of LD recovered to the extent of IDC and IEDC disallowed, as adjusted by the Petitioner during the ACE of 2022-23 (as claimed vide Auditors Certificate) is allowed. As such, the treatment of the LD recovered by the Petitioner is in order and is in line with the 2019 Tariff Regulations.

33. Accordingly, the following ACE is allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulation:

(₹ in lakh)			
Particulars	Regulation	Year	ACE allowed
Balance and retention payments for liabilities other than IDC	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulation	2021-22	142.06
Discharge of liabilities	24(1)(a) of the 2019 Tariff Regulations	2022-23	0.03
LD recovered	-----	2022-23	2.78
Discharge of liabilities	24(1)(a) of the 2019 Tariff Regulations	2023-24	93.74
Total ACE			238.61

34. The Capital Cost and ACE allowed in respect of the transmission asset for 2019-24 period is as follows:

(₹ in lakh)						
Assets	Apportioned Approved Cost	Capital Cost allowed as on COD	ACE Allowed			Total Capital Cost as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	446.94	208.33	142.06	2.81	93.74	446.94

Debt-Equity ratio

35. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of tariff of the transmission asset during the 2019-24 tariff period is as follows:

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	145.83	70.00	167.03	70.00	312.86	70.00
Equity	62.50	30.00	71.58	30.00	134.08	30.00
Total	208.33	100.00	238.61	100.00	446.94	100.00

Depreciation

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

37. The depreciation allowed for the transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)				
Sl. No.	Particulars	2021-22 (Pro rata for 336 days)	2022-23	2023-24
A	Opening Capital Cost	208.33	350.39	353.20
B	Addition during the year 2019-24 due to ACE	142.06	2.81	93.74
C	Closing Capital Cost (A+B)	350.39	353.20	446.94
D	Average Capital Cost (A+C)/2	279.36	351.80	400.07
E	Average Capital Cost (90% depreciable assets)	279.36	351.80	400.07
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	251.43	316.62	360.07
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	251.43	316.62	360.07
J	Weighted average rate of Depreciation (WAROD) (in %)	4.86	5.28	5.28

Sl. No.	Particulars	2021-22 (Pro rata for 336 days)	2022-23	2023-24
K	Elapsed useful life at the beginning of the year (Year)	25	25	24
L	Balance useful life at the beginning of the year (Year)	0	0	1
M	Aggregate Depreciable Value	251.43	316.62	360.07
N	Depreciation during the year (D*J)	13.58	18.57	21.12
O	Cumulative Depreciation at the end of the year	13.58	32.15	53.27
P	Remaining Aggregate Depreciable Value at the end of the year	237.85	284.47	306.80

38. The details of depreciation approved vide order dated 15.2.2024 in Petition No. 6/TT/2023, depreciation claimed by the Petitioner in the instant Petition, and trued-up depreciation allowed in the instant order are as follows:

Asset-1	(₹ in lakh)		
	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Allowed vide order dated 15.02.2024 in Petition No. 6/TT/2023	15.33	22.30	22.30
Claimed by the Petitioner in the instant Petition	13.58	18.58	21.12
Approved after true-up in this order	13.58	18.57	21.12

Interest on Loan (IoL)

39. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual loan portfolio and rate of interest.

40. We have considered the submissions of the Petitioner. IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the transmission asset is as follows:

(₹ in lakh)

	Particulars	Asset-1		
		2021-22 (Pro-rata 336 Days)	2022-23	2023-24
A	Gross Normative Loan	145.83	245.27	247.24
B	Cumulative Repayments up-to Previous Year	0.00	13.58	32.15
C	Net Loan-Opening (A-B)	145.83	231.69	215.09
D	Additions	99.44	1.97	65.62
E	Repayment during the year	13.58	18.57	21.12
F	Net Loan-Closing (C+D-E)	231.69	215.09	259.59
G	Average Loan (C+F)/2	188.76	223.39	237.34
H	Weighted Average Rate of Interest on Loan (in %)	5.9500	7.3152	8.0616
I	Interest on Loan (G*H)	10.34	16.34	19.13

41. The details of IoL allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023 IoL claimed by the Petitioner in the instant Petition, and trued-up IoL allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023	11.67	16.02	14.69
Claimed by the Petitioner in the instant Petition	10.34	16.34	19.13
Approved after true-up in this order	10.34	16.34	19.13

Return on Equity (RoE)

42. The Petitioner has submitted that its Income Tax Assessment has been completed, and assessment orders have been issued by the Income Tax Department for FY 2019- 20 and FY 2020-21 and the income has been assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner has further submitted that the Income Tax Returns (ITR) have been filed for the FY 2021-22, FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024).

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

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

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

45. We have considered the submissions of the Petitioner and have also gone through the record.

46. Accordingly, for deciding the present issue of RoE, we refer to the rejoinder filed by the Petitioner against the reply filed by MPPMCL in Petition No. 25/TT/2025. The Petitioner has submitted that the Income Tax assessment has been completed, and Assessment Orders have been issued by the Income Tax Department for FYs 2019-20 and 2020-21. Further, the Income Tax Assessment for FYs 2021-22, 2022-23, and 2023-24 are under progress with the Income Tax Authorities. The assessment orders for FYs 2019-20 and 2020-21 and ITRs for FYs 2021-22, 2022-23 and 2023-24 have been submitted vide affidavit dated 17.12.2024 in Petition No. 401/TT/2024. Further,

the Income Tax Return for FY 2023-24 has now been filed, and accordingly, the revised computation of the effective tax percentage is as under:

Financial Year	Basis considered	Total Tax & Interest paid (₹)	Assessed MAT Income under Sec 115JB (₹)	Effective Tax Percentage (in %)	Grossed up ROE (Base rate/(1-t) (in %))
2019-20	Assessment Order	24526276991	140374753855	17.472	18.782
2020-21	Assessment Order	26089359008	149320965036	17.472	18.782
2021-22	Actual Tax paid	31814640406	182089288030	17.472	18.782
2022-23	Actual Tax paid	30428820993	174157629306	17.472	18.782
2023-24	Actual Tax paid	31321238737	179265331597	17.472	18.782

47. We have considered the Petitioner's submissions and have also gone through the record. We observe that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with Schedule-II of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. The interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be considered for the purpose of grossing up of the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or

the long-term customers, as the case may be on year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

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

48. Accordingly, the trued-up RoE allowed in respect of the transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)				
	Particulars	Asset-1		
		2021-22 (pro-rata for 336 days)	2022-23	2023-24
A	Opening Equity	62.50	105.12	105.96
B	Additions	42.62	0.84	28.12
C	Closing Equity (A+B)	105.12	105.96	134.08
D	Average Equity (A+C)/2	83.81	105.54	120.02
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	14.49	19.82	22.54

49. The details of RoE approved vide order dated 15.2.2024 in Petition No. 6/TT/2023 for the transmission asset, RoE claimed by the Petitioner in the instant Petition, and trued-up RoE allowed in the instant order are as follows:

(₹ in lakh)			
Asset-1	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023	16.36	23.80	23.80
Claimed by the Petitioner in the instant petition	14.49	19.82	22.54
Approved after true-up in this order	14.49	19.82	22.54

Operation & Maintenance Expenses (O&M Expenses)

50. The Petitioner has not claimed O&M Expenses for the transmission asset in the instant true-up Petition.

Interest on Working Capital (IWC)

51. IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FY 2021-22 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

52. The components of the working capital and interest allowed thereon for the transmission asset for 2019-24 are as follows:

(₹ in lakh)				
	Particulars	Asset-1		
		2021-22 (pro-rata for 336 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	5.21	6.84	7.84
D	Total Working Capital (A+B+C)	5.21	6.84	7.84
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	0.50	0.72	0.94

53. The details of IWC allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023 for transmission asset, IWC claimed by the Petitioner in the instant Petition, and trued-up IWC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023	0.57	0.81	0.80
Claimed by the Petitioner in the instant Petition	0.51	0.72	0.94
Approved after true-up in this order	0.50	0.72	0.94

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

54. Accordingly, the annual fixed charges allowed after the truing-up for the 2019-24 tariff period in respect of the transmission asset is as follows:

(₹ in lakh)

	Particulars	Asset-1		
		2021-22 (pro-rata for 336 days)	2022-23	2023-24
A	Depreciation	13.58	18.57	21.12
B	Interest on Loan	10.34	16.34	19.13
C	Return on Equity	14.49	19.82	22.54
D	Interest on Working Capital	0.50	0.72	0.94
E	O&M Expenses	0.00	0.00	0.00
F	Total (A+B+C+D+E)	38.91	55.45	63.73

55. The details of AFC allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023 for transmission asset, AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2021-22 (pro-rata for 336 days)	2022-23	2023-24
Allowed vide order dated 15.2.2024 in Petition No. 6/TT/2023	43.93	62.93	61.59
Claimed by the Petitioner in the instant Petition	38.92	55.46	63.73
Approved after true-up in this order	38.91	55.45	63.73

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

56. The Petitioner has claimed the following transmission charges in respect of the transmission asset for the 2024-29 tariff period:

(₹ in lakh)

Asset-1					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	23.69	23.78	23.78	23.78	23.78
Interest on Loan	20.03	18.22	16.31	14.40	12.49
Return on Equity	25.28	25.37	25.37	25.37	25.37
Interest on Working Capital	1.03	1.00	0.97	0.94	0.92
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	70.03	68.37	66.43	64.49	62.56

57. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for transmission asset is as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	8.63	8.43	8.19	7.93	7.71
Total Working Capital	8.63	8.43	8.19	7.93	7.71
Rate of Interest (%)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	1.03	1.00	0.97	0.94	0.92

Capital Cost

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

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

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;*

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

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

- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
- (d) to (h).....
- (i) Expenditure on account of change in law and force majeure events;

(4) & (5)

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

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

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

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

(d).....

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

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

59. The Petitioner has claimed the following capital cost of the transmission asset during 2024-29 tariff period:

(₹ in lakh)				
Assets	Apportioned Approved Cost as per FR	Expenditure as on 31.3.2024	ACE Claimed	Estimated Completion Cost As on 31.3.2029
			2024-25	
Asset-1	568.00	446.94	3.38	450.32

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

(₹ in lakh)	
Element	Asset-1
Freehold Land	0.00
Leasehold Land	0.00
Building Civil Works & Colony	0.00
Transmission Line	0.00
Sub Station	446.94
PLCC	0.00
IT Equipment (Incl. Software)	0.00
Total	446.94

61. The trued-up capital cost of ₹ 446.94 lakh for Asset-1, is considered as admitted capital cost as on 1.4.2024 for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

62. Regulation 24 and 25 of the 2024 Tariff Regulations provides as follows:

“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 which is not provided for in the original scope of work;*
- (f) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;*
Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and
- (g) *Force Majeure events:*

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

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

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

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

- (a) *Payment made against award of arbitration or for compliance with the directions or order of any statutory authority; or order or decree of any court of law;*
- (b) *Change in law or compliance of any existing law which is not provided for in the original scope of work;*
- (c) *Deferred works relating to ash pond or ash handling system or raising of*

- ash dyke in the original scope of work;
- (d) Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;
- (e) Force Majeure events;
- (f) Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and

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

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

Provided that any claim of additional capitalization with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than ₹ 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses”

63. The Petitioner has claimed ACE of ₹ 3.38 lakh for Asset-1 for the 2024-29 period under Regulation 24(1)(a) of the 2024 Tariff Regulations on account of undischarged liabilities recognized to be payable at a future date for work done up to COD. The details are as follows:

Assets	ACE Claimed				
	2024-25	2025-26	2026-27	2027-28	2028-29
Asset-1	3.38	0.00	0.00	0.00	0.00
Claimed under Regulation	24(1)(a) of the 2024 Tariff Regulations				

64. The details of liability flow statement as submitted by the Petitioner vide affidavit dated 14.9.2024 for the transmission asset is as under:

Vendor	Particulars	2024-25	Total
		Discharge of liability	2024-25
M/s GE T&D	Sub-station	3.38	3.38

65. We have considered the submissions of the Petitioner. The allowed ACE is summarized as follows:

Particulars	Regulation	(₹ in lakh) ACE allowed
		2024-29
Undischarged liabilities recognized to be payable at a future date;	24(1)(a) of the 2024 Tariff Regulation	3.38

66. The total capital expenditure as on 31.3.2029 is within the apportioned approved cost. Accordingly, ACE for the 2024-29 tariff period and the capital cost as on 31.3.2029 for the transmission asset allowed is as follows:

Asset	Capital Cost admitted as on 1.4.2024 (A)	(₹ in lakh) ACE allowed for 2024-29 (B)	Capital Cost allowed as on 31.3.2029 (C=A+B)
		2024-25	
Asset -1	446.94	3.38	450.32

Debt-Equity ratio

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

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

Provided that:

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

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

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

capital expenditure of the generating station or the transmission system including communication system, as the case may be.

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

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

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

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

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

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

68. The debt-equity considered for the purpose of computation of tariff for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of tariff for the transmission asset for the 2024-29 tariff period is as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	312.86	70.00	2.37	70.00	315.22	70.00
Equity	134.08	30.00	1.01	30.00	135.10	30.00
Total	446.94	100.00	3.38	100.00	450.32	100.00

Depreciation

69. Regulation 33 of the 2024 Tariff Regulations provides as follows:

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

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

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

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

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

.....

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

(4)

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

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

.....

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

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

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

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

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

(10)

(11)

(12) ”

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

71. The depreciation allowed for the transmission asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital Cost	446.94	450.32	450.32	450.32	450.32
B	Addition during the year 2019-24 due to ACE	3.38	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	450.32	450.32	450.32	450.32	450.32
D	Average Capital Cost (A+C)/2	448.63	450.32	450.32	450.32	450.32
E	Average Capital Cost (90% depreciable assets)	448.63	450.32	450.32	450.32	450.32

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	403.77	405.29	405.29	405.29	405.29
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	403.77	405.29	405.29	405.29	405.29
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28	5.28	5.28
K	Elapsed useful life at the beginning of the year (Year)	23	22	21	20	19
L	Balance useful life at the beginning of the year (Year)	2	3	4	5	6
M	Aggregate Depreciable Value	403.77	405.29	405.29	405.29	405.29
N	Depreciation during the year (D*J)	23.69	23.78	23.78	23.78	23.78
O	Cumulative Depreciation at the end of the year	76.96	100.74	124.52	148.30	172.08
P	Remaining Aggregate Depreciable Value at the end of the year	326.81	304.55	280.77	256.99	233.21

Interest on Loan (IoL)

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

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

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

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

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

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

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

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

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

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

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

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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	312.86	315.22	315.22	315.22	315.22
B	Cumulative Repayments upto Previous Year	53.27	76.96	100.74	124.52	148.30
C	Net Loan-Opening (A-B)	259.59	238.26	214.48	190.70	166.92
D	Additions	2.37	0.00	0.00	0.00	0.00
E	Repayment during the year	23.69	23.78	23.78	23.78	23.78
F	Net Loan-Closing (C+D-E)	238.26	214.48	190.70	166.92	143.14

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
G	Average Loan (C+F)/2	248.93	226.37	202.59	178.81	155.03
H	Weighted Average Rate of Interest on Loan (in %)	8.0472	8.0508	8.0530	8.0535	8.0542
I	Interest on Loan (G*H)	20.03	18.23	16.31	14.40	12.49

Return on Equity (RoE)

74. Regulations 30 and 31 of the 2024 Tariff Regulations provides as follows:

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

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

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

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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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

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

76. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the transmission asset for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	134.08	135.10	135.10	135.10	135.10
B	Additions	1.01	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	135.10	135.10	135.10	135.10	135.10

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
D	Average Equity (A+C)/2	134.59	135.10	135.10	135.10	135.10
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	25.28	25.37	25.37	25.37	25.37

Operation & Maintenance Expenses (O&M Expenses)

77. The Petitioner has not claimed O&M Expenses for the 2024-29 tariff period in the instant Petition.

Interest on Working Capital (IWC)

78. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify as follows:

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

.....

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

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

(2)

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

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

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

79. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The Rate

of Interest (ROI) considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for the FY 2024-25 to FY 2028-29.

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

		(₹ in lakh)				
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	8.63	8.43	8.19	7.93	7.71
D	Total Working Capital (A+B+C)	8.63	8.43	8.19	7.93	7.71
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on working capital (D*E)	1.03	1.00	0.97	0.94	0.92

Annual Fixed Charges of the 2024-29 Tariff Period

81. The annual transmission charges allowed for the 2024-29 tariff period are as follows:

		(₹ in lakh)				
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation	23.69	23.78	23.78	23.78	23.78
	Interest on Loan	20.03	18.23	16.31	14.40	12.49
	Return on Equity	25.28	25.37	25.37	25.37	25.37
	O&M Expenses	0.00	0.00	0.00	0.00	0.00
	Interest on Working Capital	1.03	1.00	0.97	0.94	0.92
	Total	70.03	68.38	66.44	64.49	62.55

Filing Fee and Publication Expenses

82. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

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

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

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

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

License Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

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

Security Expenses, Insurance and Capital Spares

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

91. As regards the security expenses of the transmission asset, the Petitioner has submitted that it will file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and

recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the security expenses regarding the transmission asset are not claimed in the instant Petition.

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

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

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

"36(3)

(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:

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

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

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

Sharing of Transmission Charges

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

97. We have considered the submission of the Petitioner. The billing, collection, and disbursement of the transmission charges for the transmission asset shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

98. To summarise:

- a. The details of AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order for the transmission asset are as follows:

Asset-1	(₹ in lakh)		
	2021-22 (Pro-rata for 336 days)	2022-23	2023-24
AFC Claimed	38.92	55.46	63.73
AFC Allowed	38.91	55.45	63.73

b. Annual Fixed Charges allowed for the 2024-29 tariff period for the Combined Assets in this order are follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	70.03	68.37	66.43	64.49	62.56
AFC Allowed	70.03	68.38	66.44	64.49	62.55

99. This Order disposes of the Petition No. 457/TT/2024, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member