

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 463/TT/2024

Coram:

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

Date of Order: 08.07.2025

In the matter of:

Approval under Section 62 read with Section 79 (1)(d) of the Electricity Act, 2003 and under Regulation 15 (1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 period and determination of the transmission tariff for the 2024-29 period for the Combined Asset under “Substation works associated with additional inter-regional AC link for import of power into Southern Region, i.e., Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV Link” 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, Goa 403001**
- 4. Electricity Department,
Government 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, Andhra Pradesh,
 - 6. Southern Power Distribution Company of Andhra Pradesh Limited,**
#19-13-65/A, Srinivasapuram, Tiruchanoor Road
Tirupati – 517503, Andhra Pradesh
 - 7. Andhra Pradesh Central Power Distribution Company Limited,**
Corporate Office, Beside Polytechnic College, ITI Road
Vijayawada - 520 008, Krishna District, Andhra Pradesh
 - 8. Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad – 500 063, Telangana
 - 9. Northern Power Distribution Company of Telangana Limited,**
H.No 2-5-3 1/2, Vidyut Bhawan, Corporate Office,
Nakkal Gutta, Hanamkonda, Warangal – 506 001, Telangana
 - 10. Bangalore Electricity Supply Company Limited,**
Corporate Office, K.R.Circle
BANGALORE – 560 001, Karnataka
 - 11. Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opposite Parivar Hotel,
Gulbarga (Kalburgi), Karnataka - 585102
 - 12. Hubli Electricity Supply Company Limited,**
Navanagar, PB Road, Hubli, Karnataka- 580025
 - 13. Mangalore Electricity Supply Company Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan,
Kavoor Cross Road, Bejai, Mangalore – 575 004, Karnataka
 - 14. Chamundeswari Electricity Supply Corporation Limited,**
Corporate Office, #29, Vijayanagara 2nd Stage,
Hinkal, Mysuru-570017, Karnataka
 - 15. Waroora-Kurnool Transmission Limited,**
6th Floor, Plot No. 19 & 20, Film City,
Sector 16 A, Gautam Buddha Nagar,
Noida, Uttar Pradesh-201301
- ...Respondent(s)**



Parties Present : Shri Sachin Dubey, Advocate, BRPL & BYPL
Shri Mohit Jain, Advocate, BRPL & BYPL
Shri Mohd. Mohsin, PGCIL
Shri V.C. Shekhar, PGCIL
Shri Naresh Kumar Angaru, PGCIL
Shri G. Vijay, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Nitish Kumar, PGCIL
Ms. Ashita Chauhan, PGCIL
Shri Ashish Alankar, PGCIL
Shri Arjun Malhotra, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, a deemed transmission licensee, for truing up of transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and determination of transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) of the 2024-29 tariff period in respect of the following transmission assets (hereinafter referred to as “the transmission assets/Combined Asset”) under “Substation works associated with additional inter-regional AC link for import of power into Southern Region i.e., Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV Link” in the Southern Region:

Asset-1: 2 Numbers 240 MVAR, 765 kV Switchable Line Reactors (6x80 MVAR, 765 kV, 1-Ph Shunt Reactor), along with Reactor Bays and 2 numbers 765 kV Line Bays excluding PLCC, Telecom equipment and Line Terminal equipment such as LA, CVT and Wave Trap at 765/400 kV Kurnool Sub-station.

Asset-2: 4 Numbers Line Bays (GIS) at (Hyderabad) Maheshwaram 765/400 kV Sub-station, 2 Numbers Line Bays at Warangal 400/220 kV Sub-station and Balance



items (PLCC, Telecom equipment and Line Terminal equipment such as LA, CVT and Wave Trap) at Kurnool 765/400 kV Sub-station.

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 Regulations 2019 and Tariff Regulations, 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 as follows:
 - a. The Investment Approval (IA) for implementation of transmission assets under the transmission project was accorded by Board of Directors (vide Memorandum No. C/CP/PA 1617-03-0AB-IA027, dated 11.4.2017) of the Petitioner in its 338th meeting held on 10.3.2017 at an estimated cost of ₹28372 lakh including IDC of ₹1768 lakh based on October 2016 price level.
 - b. The scope of the transmission project was discussed and agreed in the 37th, 38th and 39th meeting of the Standing Committee on Power System Planning of Southern Region held on 31.7.2014, 7.3.2015 and 29.12.2015, respectively. It was also agreed in the 26th Meeting of SRPC held on 20.12.2014.
 - c. The Empowered Committee on Transmission in the 33rd and 35th meeting held on 30.9.2014 and 14.9.2015, respectively, decided the implementation of the transmission lines through Tariff Based Competitive Bidding (TBCB) route. The Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765 kV Link transmission line was being implemented by TBCB licensee, i.e., Warora-Kurnool Transmission Limited (WKTL). The sub-station works for TBCB lines terminating at the Petitioner's sub-stations including line bays and line reactors were brought under the scope of the Petitioner.
 - d. The broad scope of work covered under the transmission project is as follows:

Sub-stations:

- i. 765/400 kV Hyderabad (Maheshwaram) GIS Sub-station (Extension)
765 kV
4 Numbers line bays (GIS)
 - ii. 765/400 kV Kurnool Sub-station (Extension)
765 kV
 - a) 2x240 MVAR, 765 kV, Switchable line reactors (6x80MVAR, 765 kV, 1-ph Shunt Reactor)
 - b) 2 Numbers Switchable Line Reactor Bays
 - c) 2 Numbers Line Bays
 - iii. 400/220 kV Warangal Sub-station (Extension) 400 kV 2 Numbers Line Bays
- e. As per the IA dated 10.3.2017, the transmission assets were scheduled to be put into commercial operation within 32 months from the date of IA. Accordingly, the scheduled COD is 9.11.2019. With regard to Asset-1, it was put into commercial operation before SCOD for voltage management on 11.3.2019 as per the discussions in the 35th Meeting of SRPC held on 2.2.2019 and the same had been approved by the Commission vide order dated 25.2.2021 in Petition No. 248/TT/2019. With regard to Asset-2, it was put into commercial operation on 9.11.2019 and there is no time overrun in respect of the same.
- f. The transmission tariff for Asset-1 from COD to 31.3.2019 was determined vide order dated 25.2.2021 in Petition No. 248/TT/2019 as per the 2014 Tariff Regulations. Further, the Commission vide order dated 23.9.2022 in Petition No. 23/TT/2022 trued-up the transmission tariff for the 2014-19 tariff period and

determined the transmission tariff for 2019-24 period and approved the AFC in respect of Asset-1 for the 2019-24 period as follows:

Asset	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	Annual Fixed Charges (AFC) approved vide order dated 23.9.2022 in Petition No. 23/TT/2022	1726.30	1823.25	1851.14	1825.61	1790.62
	AFC claimed by the Petitioner based on truing up in the instant Petition	1708.56	1746.24	1768.15	1777.37	1788.60

g. The transmission tariff for Asset-2 from COD to 31.3.2024 was determined vide order dated 5.12.2022 in Petition No. 169/TT/2020 and approved the AFC in respect of Asset-2 for the 2019-24 period as follows:

(₹ in lakh)						
Asset	Particulars	2019-20 (Pro-rata 144 days)	2020-21	2021-22	2022-23	2023-24
Asset-2	Annual Fixed Charges (AFC) approved vide order dated 5.12.2022 in Petition No. 169/TT/2020	834.25	2241.47	2299.43	2282.17	2240.63
	AFC claimed by the Petitioner based on truing up in the instant Petition	828.07	2176.98	2227.66	2242.39	2245.47

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

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

6. The hearing in this matter was held on 22.4.2025 and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavits dated 22.9.2024 and 25.3.2025.

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

Truing up of Annual Fixed Charges for the 2019-24 tariff period

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

Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	474.77	517.85	539.95	543.89	544.76
Interest on Loan	498.06	441.60	412.80	406.79	404.95
Return on Equity	525.31	571.28	594.86	599.07	599.99
Interest on Working Capital	30.38	29.11	27.62	27.90	32.18
O&M Expenses	180.04	186.40	192.92	199.72	206.72
Total	1708.56	1746.24	1768.15	1777.37	1788.60

Asset-2

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	241.91	665.10	701.05	709.44	710.54
Interest on Loan	240.92	575.24	546.24	536.08	524.44
Return on Equity	255.99	704.23	742.60	751.55	752.72
Interest on Working Capital	14.37	35.37	33.83	34.20	39.25
O&M Expenses	74.88	197.04	203.94	211.12	218.52
Total	828.07	2176.98	2227.66	2242.39	2245.47

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

Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	15.00	15.53	16.08	16.64	17.23
Maintenance Spares	27.01	27.96	28.94	29.96	31.01
Receivables	210.07	215.29	217.99	219.13	219.91
Total Working Capital	252.08	258.78	263.01	265.73	268.15
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Interest on Working Capital	30.38	29.11	27.62	27.90	32.18

Asset-2

					(₹ in lakh)
Particulars	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	15.86	16.42	17.00	17.59	18.21
Maintenance Spares	28.55	29.56	30.59	31.67	32.78
Receivables	258.77	268.39	274.64	276.46	276.08
Total Working Capital	303.18	314.37	322.23	325.72	327.07
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	14.37	35.37	33.83	34.20	39.25

Capital Cost for the 2019-24 Tariff Period

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

12. The Commission, vide order dated 23.9.2022 in Petition No. 23/TT/2022, has approved the capital cost as on 1.4.2019 for Asset-1 and Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost as allowed by the Commission in the aforesaid order are as follows:

(₹ in lakh)								
Asset	Approved Cost as per FR	Capital Cost allowed as on 31.3.2019	ACE					Capital Cost allowed as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	11488.19	8867.68*	910.95	720.70	116.48	32.87	0.00	10648.68

*IDC allowed due to computational difference in ₹0.76 lakh

13. The Commission, vide order dated 5.12.2022 in Petition No. 169/TT/2020, had determined the capital cost from COD to 31.3.2024 for Asset-2 and Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost as allowed by the Commission in the aforesaid order are as follows:

(₹ in lakh)

Asset	Approved Cost as per FR	Capital Cost allowed as on COD	ACE					Capital Cost allowed as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-2	16883.37	11125.39	844.42	1058.47	303.28	84.74	0.00	13416.29

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

(₹ in lakh)

Assets	Apportioned Cost as per Approved RCE	Capital Cost up to COD/ 31.3.2019	ACE Claimed					Total Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	11488.19	8867.68	910.95	720.70	116.48	32.87	0.00	10648.68
Asset-2	16883.37	11125.39	844.42	1058.47	303.28	14.56	26.84	13372.96
Total	28371.56	19993.07	1755.37	1779.17	419.76	47.43	26.84	24021.64

Cost Over-run

15. The Petitioner has claimed capital cost of ₹8867.68 lakh in respect of the Asset-1 as on 1.4.2019 and a capital cost of ₹11125.39 lakh as on COD in respect of Asset-2.

16. The total completion cost including ACE is ₹10648.68 lakh and the approved cost as per FR is ₹11488.19 lakh for Asset-1 and the total completion cost including ACE is ₹13372.96 lakh and the approved cost as per FR is ₹16883.37 lakh for Asset-2. Hence, the completion cost in respect of the transmission assets is within the approved FR cost and, therefore, there is no cost over-run with regard to the transmission assets.

Time Over-run

17. As per IA dated 10.3.2017, the transmission assets were scheduled to be put into commercial operation within 32 months from the date of IA. Accordingly, the scheduled COD is 9.11.2019. With regard to Asset-1, it was put into commercial operation before SCOD for voltage management on 11.3.2019 as per the discussions in 35th Meeting of SRPC held on 2.2.2019 and the same had been approved by the Commission vide order

dated 25.2.2021 in Petition No. 248/TT/2019. With regard to Asset-2, it was put into commercial operation on 9.11.2019 and there is no time overrun in respect of the same.

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

18. Since Asset-1 was commissioned in 2014-19 tariff period, the IDC and IEDC for Asset-1 had been trued-up vide order dated 23.9.2022 in Petition No. 23/TT/2022.

19. With regard to Asset-2, the Petitioner has claimed IDC 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 admitted by the Commission vide order dated 5.12.2022 in Petition No. 169/TT/2020.

20. 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 loan details submitted in Form-9C for 2019-24 tariff period and IDC computation sheet have been considered for the purpose of IDC calculation on cash basis and on accrued basis. The details are as follows:

(₹ in lakh)

Asset	IDC as per Auditor's Certificate	IDC Allowed	IDC Disallowed	IDC allowed as on COD	IDC Undischarged as on COD	IDC Discharge During 2019-20	IDC Discharge During 2020-21
	A	B	C	D	E=D-B	F	G
Asset-2	446.94	446.94	0.00	388.64	58.30	22.25	36.05

21. As there is no time over-run in case of the transmission asset, the entire IEDC claim has been allowed. The Petitioner has claimed the IEDC as admitted by the Commission vide order dated 5.12.2022 in Petition No. 169/TT/2020. IEDC of ₹307.08 lakh was allowed as on COD vide order dated 5.12.2022 in Petition No. 169/TT/2020 and the same has been allowed in respect of the transmission asset.

(₹ in lakh)

Asset	IEDC as per Auditor's Certificate	IEDC Disallowed	IEDC Disallowed
	A	B	C=A-B
Asset-2	307.08	0.00	307.08

Initial Spares

22. The initial spares claimed by the Petitioner are within the limits set as per Regulation 23(d) of the 2019 Tariff Regulations and the same had been allowed by the Commission vide order dated 23.9.2022 in Petition No. 23/TT/2022 and vide order dated 5.12.2022 in Petition No. 169/TT/2020.

Capital Cost allowed as on COD

23. With respect to Asset-1, the Capital Cost up to 31.3.2019 has been trued-up vide order dated 23.9.2022 in Petition No. 23/TT/2022 and the same has been considered as the opening cost as on 1.4.2019 for the 2019-24 tariff period. The Capital Cost as on COD for Asset-2 has been calculated in accordance with Regulation 19 of the 2019 Tariff Regulations. The details of the capital cost now approved as on COD in respect of Asset-2 are as under:

(₹ in lakh)

Asset	Capital Cost claimed as on COD as per Auditor Certificate	IDC discharged after COD	Capital Cost allowed as on COD
	(A)	(B)	(C = A-B)
Asset-2	11183.69	58.30	11125.39

Additional Capital Expenditure (ACE)

24. The Commission vide order dated 23.9.2022 in Petition No. 23/TT/2022 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 allowed ACE in respect of the transmission assets for the 2019-24 tariff period as follows:

Asset-1

(₹ in lakh)

Particulars	Admitted ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed ACE allowed under Regulations 24(1)(a) of the 2019 Tariff Regulations	878.86	720.70	116.48	32.87	0.00
Add: IDC discharge	32.09	0.00	0.00	0.00	0.00
Total ACE allowed	910.95	720.70	116.48	32.87	0.00

Asset-2

(₹ in lakh)

Particulars	Admitted ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed ACE allowed under Regulations 24(1)(a), 24(1)(b), 25(1)(a) and 25(1)(b) of the 2019 Tariff Regulations	822.17	1022.41	303.28	84.74	0.00
Add: IDC discharge	22.25	36.05	0.00	0.00	0.00
Total ACE allowed	844.42	1058.46	303.28	84.74	0.00

25. Against this, the Petitioner has claimed the following ACE based on the actual expenditure in accordance with Regulation 24(1)(a), Regulation 24(1)(b) and Regulation 25(1)(d) of the 2019 Tariff Regulations:

Asset-1

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Balance and retention payments for liabilities and liability for works executed prior to the cut-off date;	24(1)(a), 24(1)(b) & 25(1)(d)	878.86	720.70	116.48	32.87	0.00
Add: IDC discharge		32.09	0.00	0.00	0.00	0.00
Total		910.65	720.70	116.48	32.87	0.00

Asset-2

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Balance and retention payments for liabilities and liability for works executed prior to the cut-off date;	24(1)(a), 24(1)(b) & 25(1)(d)	822.17	1022.41	303.28	14.56	26.84
Add: IDC discharge		22.25	36.05	0.00	0.00	0.00
Total		844.42	1058.46	303.28	14.56	26.84



26. The Commission vide RoP for the hearing dated 11.3.2025 directed the Petitioner to submit the package-wise and vendor-wise details.

27. In response, vide affidavit dated 25.3.2025, the Petitioner has submitted the vendor-wise details of ACE claimed by the Petitioner for the transmission assets are as follows:

Asset-1

(₹ in lakh)

Vendor	Discharge of Liability				Unexecuted works (discharge during the respective years)			
	2019-20	2020-21	2021-22	2022-23	2019-20	2020-21	2021-22	2022-23
Larsen & Toubro Limited	79.03	253.54	0.00	0.00	602.27	103.86	0.00	0.00
TBEA Energy Limited	43.65	184.07	0.00	0.00	96.61	122.27	0.00	0.00
Site Packages	0.00	42.98	11.22	32.87	57.3	13.98	105.26	0.00
Total	122.68	480.59	11.22	32.87	756.18	240.11	105.26	0.00

Asset-2

(₹ in lakh)

Vendor	Discharge of Liability					Unexecuted works (discharge during the respective years)				
	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
Larsen & Toubro Limited	211.17	259.69	0.00	0.00	0.00	143.21	59.19	0.00	0.00	0.00
Hyosung Heavy Industries	168.94	676.79	0.00	0.00	0.00	263.13	0.00	0.00	0.00	0.00
Site Packages	0.00	5.68	0.00	0.00	26.84	35.72	21.06	303.28	14.56	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	380.11	942.16	0.00	0.00	26.84	442.06	80.25	303.28	14.56	0.00

28. We have considered the submissions of the Petitioner. ACE has been allowed under balance and retention payments for liabilities, works deferred for execution and liability for works executed prior to the cut-off date under Regulations 24(1)(a), Regulations 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations. Capital cost and ACE allowed in respect of the transmission assets for the 2019-24 period is as follows:

29. The allowed ACE for the transmission assets for the 2019-24 tariff period is summarized as follows:

Asset-1

(₹ in lakh)

Particulars	Regulation	ACE allowed				
		2019-20	2020-21	2021-22	2022-23	2023-24
Balance and retention payments for liabilities, works deferred for execution and liability for works executed prior to the cut-off date	24(1)(a), 24(1)(b) & 25(1)(d)	878.86	720.70	116.48	32.87	0.00
Add: IDC discharge		32.09	0.00	0.00	0.00	0.00
Total		910.65	720.70	116.48	32.87	0.00

Asset-2

(₹ in lakh)

Particulars	Regulation	ACE allowed				
		2019-20	2020-21	2021-22	2022-23	2023-24
Balance and retention payments for liabilities, works deferred for execution and liability for works executed prior to the cut-off date	24(1)(a), 24(1)(b) & 25(1)(d)	822.17	1022.41	303.28	14.56	26.84
Add: IDC discharge		22.25	36.05	0.00	0.00	0.00
Total		844.42	1058.46	303.28	14.56	26.84

30. The capital cost allowed for the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)

Particulars	Approved Apportioned Cost as per FR	Capital Cost allowed as on COD/ 1.4.2019	Actual ACE					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	11488.19	8867.68	910.95	720.70	116.48	32.87	0.00	10648.68
Asset-2	16883.37	11125.39	844.42	1058.46	303.28	14.56	26.84	13372.95

Debt-Equity ratio

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

Asset-1

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	6207.38	70.00%	1246.79	70.00%	7454.16	70.00%



Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Equity	2660.30	30.00%	534.22	30.00%	3194.52	30.00%
Total	8867.68	100.00%	1781.00	100.00%	10648.68	100.00%

Asset-2

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	7787.77	70.00%	1573.49	70.00%	9361.26	70.00%
Equity	3337.62	30.00%	674.07	30.00%	4011.69	30.00%
Total	11125.39	100.00%	2247.56	100.00%	13372.95	100.00%

Depreciation

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

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

Asset-1

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	8867.68	9778.63	10499.33	10615.81	10648.68
B	Addition during the year 2019-24 due to ACE	910.95	720.70	116.48	32.87	0.00
C	Closing Capital Cost (A+B)	9778.63	10499.33	10615.81	10648.68	10648.68
D	Average Capital Cost (A+C)/2	9323.16	10138.98	10557.57	10632.25	10648.68
E	Average Capital Cost (90% depreciable assets)	9323.16	10138.98	10557.57	10632.25	10648.68
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%)	8061.47	8795.71	9172.44	9239.65	9254.44

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
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)	8061.47	8795.71	9172.44	9239.65	9254.44
J	Weighted average rate of Depreciation (WAROD) (in %)	5.09	5.11	5.11	5.12	5.12
K	Balance useful life at the beginning of the year (Year)	25	24	23	22	21
L	Lapsed useful life at the beginning of the year (Year)	0	1	2	3	4
M	Aggregate Depreciable Value	8061.47	8795.71	9172.44	9239.65	9254.44
N	Depreciation during the year (D*J)	474.77	517.85	539.95	543.90	544.76
O	Cumulative Depreciation at the end of the year	500.02	1017.87	1557.82	2101.72	2646.48
P	Remaining Aggregate Depreciable Value at the end of the year	7561.44	7777.84	7614.62	7137.92	6607.96

Asset-2

(₹ in lakh)

Sl. No.	Particulars	2019-20 (Pro-rata 144 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	11125.39	11969.81	13028.27	13331.55	13345.91
B	Addition during the year 2019-24 due to ACE	844.42	1058.46	303.28	14.56	26.84
C	Closing Capital Cost (A+B)	11969.81	13028.27	13331.55	13346.11	13372.75
D	Average Capital Cost (A+C)/2	11547.60	12499.04	13179.91	13338.83	13359.33
E	Average Capital Cost (90% depreciable assets)	11510.29	12461.63	13142.44	13301.36	13322.06
F	Average Capital Cost (100% depreciable assets)	37.31	37.41	37.47	37.47	37.27
G	Depreciable value (excluding IT equipment and software) (E*90%)	10359.26	11215.47	11828.20	11971.22	11989.85
H	Depreciable value of IT equipment and software (F*100%)	37.31	37.41	37.47	37.47	37.27
I	Total Depreciable Value (G+H)	10396.57	11252.88	11865.67	12008.69	12027.13
J	Weighted average rate of Depreciation (WAROD) (in %)	5.32	5.32	5.32	5.32	5.32
K	Balance useful life at the beginning of the year (Year)	25	25	24	23	22



Sl. No.	Particulars	2019-20 (Pro-rata 144 days)	2020-21	2021-22	2022-23	2023-24
L	Lapsed useful life at the beginning of the year (Year)	0	0	1	2	3
M	Aggregate Depreciable Value	10396.57	11252.88	11865.67	12008.69	12027.13
N	Depreciation during the year (D*J)	241.91	665.10	701.06	709.45	710.54
O	Cumulative Depreciation at the end of the year	241.91	907.01	1608.07	2317.52	3028.06
P	Remaining Aggregate Depreciable Value at the end of the year	10154.66	10345.87	10257.60	9691.17	8999.07

34. The details of depreciation approved vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2, depreciation claimed by the Petitioner in the instant Petition and trued up depreciation allowed in the instant order are as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	474.77	517.85	539.95	543.90	544.76
Claimed by the Petitioner in the instant Petition	474.77	517.85	539.95	543.89	544.76
Approved after true-up in this order	474.77	517.85	539.95	543.90	544.76

(₹ in lakh)					
Asset-2	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	241.91	665.10	701.06	711.30	713.54
Claimed by the Petitioner in the instant Petition	241.91	665.10	701.05	709.44	710.54
Approved after true-up in this order	241.91	665.10	701.06	709.45	710.54

Interest on Loan (IoL)

35. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual loan portfolio and rate of interest. 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 assets is as follows:

Asset-1

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	6207.38	6845.13	7349.62	7431.15	7454.16
B	Cumulative Repayments upto Previous Year	25.25	500.02	1017.87	1557.82	2101.72
C	Net Loan-Opening (A-B)	6182.13	6345.10	6331.74	5873.33	5352.44
D	Additions	637.75	504.49	81.54	23.01	0.00
E	Repayment during the year	474.77	517.85	539.95	543.90	544.76
F	Net Loan-Closing (C+D-E)	6345.10	6331.74	5873.33	5352.44	4807.68
G	Average Loan (C+F)/2	6263.61	6338.42	6102.54	5612.88	5080.06
H	Weighted Average Rate of Interest on Loan (in %)	7.9516	6.9670	6.7644	7.2474	7.9713
I	Interest on Loan (G*H)	498.06	441.60	412.80	406.79	404.94

Asset-2

(₹ in lakh)						
	Particulars	2019-20 (pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	7787.77	8379.06	9119.99	9332.28	9342.47
B	Cumulative Repayments upto Previous Year	0.00	241.91	907.01	1608.07	2317.52
C	Net Loan-Opening (A-B)	7787.77	8137.16	8212.98	7724.21	7024.95
D	Additions	591.29	740.92	212.30	10.19	18.79
E	Repayment during the year	241.91	665.10	701.06	709.45	710.54
F	Net Loan-Closing (C+D-E)	8137.16	8212.98	7724.21	7024.95	6333.20
G	Average Loan (C+F)/2	7962.46	8175.07	7968.59	7374.58	6679.08
H	Weighted Average Rate of Interest on Loan (in %)	7.6903	7.0365	6.8549	7.2692	7.8520
I	Interest on Loan (G*H)	240.92	575.24	546.24	536.07	524.44

36. The details of IoL allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2, IoL claimed by the Petitioner in the instant Petition and trued-up IoL allowed in the instant order are as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	515.53	517.53	494.70	454.38	410.95
Claimed by the Petitioner in the instant Petition	498.06	441.60	412.80	406.79	404.95
Approved after true-up in this order	498.06	441.60	412.80	406.79	404.94

(₹ in lakh)					
Asset-2	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	247.00	638.83	617.07	571.50	518.37
Claimed by the Petitioner in the instant Petition	240.92	575.24	546.24	536.08	524.44
Approved after true-up in this order	240.92	575.24	546.24	536.07	524.44

Return on Equity (RoE)

37. 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 FY 2021-22, FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024).

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

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

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

39. 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. 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 a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

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

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective Tax (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
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

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

Asset-1

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	2660.30	2933.50	3149.71	3184.66	3194.52
B	Additions	273.20	216.21	34.94	9.86	0.00
C	Closing Equity (A+B)	2933.50	3149.71	3184.66	3194.52	3194.52
D	Average Equity (A+C)/2	2796.90	3041.61	3167.19	3189.59	3194.52
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	525.31	571.28	594.86	599.07	599.99

Asset-2

(₹ in lakh)						
	Particulars	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	3337.62	3590.75	3908.29	3999.27	4003.64
B	Additions	253.13	317.54	90.98	4.37	8.05
C	Closing Equity (A+B)	3590.75	3908.29	3999.27	4003.64	4011.69
D	Average Equity (A+C)/2	3464.18	3749.52	3953.78	4001.45	4007.66
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	255.99	704.23	742.60	751.55	752.72

41. The details of RoE approved vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2, RoE claimed by the Petitioner in the instant Petition and trued-up RoE allowed in the instant order is as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	525.32	571.29	594.88	599.08	600.01
Claimed by the Petitioner in the instant Petition	525.31	571.28	594.86	599.07	599.99
Approved after true-up in this order	525.31	571.28	594.86	599.07	599.99

(₹ in lakh)					
Asset-2	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	255.99	704.24	742.60	753.53	755.92
Claimed by the Petitioner in the instant Petition	255.99	704.23	742.60	751.55	752.72
Approved after true-up in this order	255.99	704.23	742.60	751.55	752.72

Operation & Maintenance Expenses (O&M Expenses)

42. The Commission vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2 had allowed the following O&M Expenses:

Asset-1

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	180.04	186.40	192.92	199.72	206.72

Asset-2

(₹ in lakh)					
O&M Expenses	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
	76.02	199.93	206.83	214.01	221.41

43. The Petitioner in the instant true-up Petition has claimed the following O&M Expenses:

Asset-1

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	180.04	186.40	192.92	199.72	206.72

Asset-2

(₹ in lakh)

O&M Expenses	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
	74.88	197.04	203.94	211.12	218.52

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

Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station: 765 kV Bay					
(i) Kurnool – 765kV Sub-station: 4 units					
Norms as per Regulations (₹ Lakhs per Bay)	45.01	46.60	48.23	49.93	51.68
O&M Expenses allowable	180.04	186.40	192.92	199.72	206.72
Total O&M Expenses allowed	180.04	186.40	192.92	199.72	206.72

Asset-2

(₹ in lakh)

Particulars	2019-20 (pro-rata 144 days)	2020-21	2021-22	2022-23	2023-24
Sub-station: 765kV GIS Bay					
(i) Hyderabad– Line Bays: 4 units					
Norms as per Regulations (₹ Lakhs per Bay)	31.507	32.62	33.761	34.951	36.176
O&M Expenses allowable	126.03	130.48	135.04	139.80	144.70
Sub-station: 400 kV Sub-station					
(ii) Warangal- Line Bays: 2 units					
Norms as per Regulations (₹ Lakhs per Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowable	64.30	66.56	68.90	71.32	73.82
Total O&M Expenses allowed	74.88	197.04	203.94	211.12	218.52

45. Accordingly, the details of O&M Expenses allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2, O&M Expenses claimed in the instant Petition



and trued-up O&M Expenses allowed for the transmission assets in the instant order are as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	180.04	186.40	192.92	199.72	206.72
Claimed by the Petitioner in the instant Petition	180.04	186.40	192.92	199.72	206.72
Approved after true-up in this order	180.04	186.40	192.92	199.72	206.72

(₹ in lakh)					
Asset-2	2019-20 (pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	76.02	199.93	206.83	214.01	221.41
Claimed by the Petitioner in the instant Petition	74.88	197.04	203.94	211.12	218.52
Approved after true-up in this order	74.88	197.04	203.94	211.12	218.52

Interest on Working Capital (IWC)

46. IWC has been worked 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.

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

Asset-1

(₹ in lakh)

	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	15.00	15.53	16.08	16.64	17.23
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	27.01	27.96	28.94	29.96	31.01
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	210.07	215.29	217.99	219.13	219.91
D	Total Working Capital (A+B+C)	252.08	258.78	263.00	265.73	268.14
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	30.38	29.11	27.62	27.90	32.18

Asset-2

(₹ in lakh)

	Particulars	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	15.86	16.42	17.00	17.59	18.21
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	28.55	29.56	30.59	31.67	32.78
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	258.77	268.39	274.65	276.46	276.08
D	Total Working Capital (A+B+C)	303.18	314.37	322.23	325.72	327.07
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	14.37	35.37	33.83	34.20	39.25

48. The details of IWC allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in respect of the Asset-2, IWC claimed by the Petitioner in the instant Petition and trued-up IWC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	30.64	30.18	28.69	28.53	28.18
Claimed by the Petitioner in the instant Petition	30.38	29.11	27.62	27.90	32.18



Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Approved after true-up in this order	30.38	29.11	27.62	27.90	32.18

(₹ in lakh)

Asset-2	2019-20 (pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	14.47	36.26	34.76	34.72	34.28
Claimed by the Petitioner in the instant Petition	14.37	35.37	33.83	34.20	39.25
Approved after true-up in this order	14.37	35.37	33.83	34.20	39.25

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

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

Asset-1

(₹ in lakh)

	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	474.77	517.85	539.95	543.90	544.76
B	Interest on Loan	498.06	441.60	412.80	406.79	404.94
C	Return on Equity	525.31	571.28	594.86	599.07	599.99
D	O&M Expenses	180.04	186.40	192.92	199.72	206.72
E	Interest on Working Capital	30.38	29.11	27.62	27.90	32.18
F	Total (A+B+C+D+E)	1708.56	1746.24	1768.14	1777.38	1788.59

Asset-2

(₹ in lakh)

	Particulars	2019-20 (Pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
A	Depreciation	241.91	665.10	701.06	709.45	710.54
B	Interest on Loan	240.92	575.24	546.24	536.07	524.44
C	Return on Equity	255.99	704.23	742.60	751.55	752.72
D	Interest on Working Capital	14.37	35.37	33.83	34.20	39.25
E	O&M Expenses	74.88	197.04	203.94	211.12	218.52
F	Total (A+B+C+D+E)	828.07	2176.98	2227.68	2242.40	2245.47

50. The details of AFC allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022 in respect of the Asset-1 and vide order dated 5.12.2022 in Petition No. 169/TT/2020 in



respect of the Asset-2, AFC claimed by the Petitioner in the instant Petition and true-up AFC allowed in the instant order are as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 23.9.2022 in Petition No. 23/TT/2022	1726.30	1823.25	1851.14	1825.61	1790.62
Claimed by the Petitioner in the instant Petition	1708.56	1746.24	1768.15	1777.37	1788.60
Approved after true-up in this order	1708.56	1746.24	1768.14	1777.38	1788.59

(₹ in lakh)					
Asset-2	2019-20 (pro rata 144 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.12.2022 in Petition No. 169/TT/2020	834.25	2241.47	2299.43	2282.17	2240.63
Claimed by the Petitioner in the instant Petition	828.07	2176.98	2227.66	2242.39	2245.47
Approved after true-up in this order	828.07	2176.98	2227.68	2242.40	2245.47

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

51. The Petitioner has claimed the following transmission charges in respect of the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)					
	Combined Asset				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1283.92	1284.15	1280.10	1278.24	1230.64
Interest on Loan	834.82	735.80	634.81	531.52	430.30
Return on Equity	1353.71	1353.95	1353.95	1353.95	1353.95
Interest on Working Capital	71.77	71.36	70.90	70.34	69.53
O&M Expenses	465.93	490.51	515.99	543.02	571.98
Total	4010.15	3935.77	3855.75	3777.07	3656.40

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

(₹ in lakh)

	Combined Asset				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	38.83	40.88	43.00	45.25	47.67
Maintenance Spares	69.89	73.58	77.40	81.45	85.80
Receivables	494.40	485.23	475.37	464.39	450.79
Total Working Capital	603.12	599.69	595.77	591.09	584.26
Rate of Interest (%)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	71.77	71.36	70.90	70.34	69.53

Effective Date of Commercial Operation (E-COD)

53. The Petitioner has combined the transmission assets in the instant Petition has claimed the E-COD in respect of the Combined Asset as 24.7.2019 and the COD for Asset-1 is 11.3.2019 and Asset-2 is 9.11.2019. We have considered the Petitioner's submission and allowed the E-COD as 24.7.2019.

Asset	Trued-up Capital Cost as on 31.3.2024 (₹ in lakh)	COD	No. of days from COD of Asset from COD of Project	Weight of cost (in %)	Weighted days
Asset-1	10648.68	11.3.2019	243.00	44.33	107.72
Asset-2	13372.95	9.11.2019	0.00	55.67	0.00
Total	24021.63			1.00	107.72
Effective COD	24.7.2019				

54. E-COD has been used to determine the lapsed life of the project, which works out as 4 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD).

Weighted Average Life ("WAL") of the Project

55. The life as defined in Regulation 33 of the 2024 Tariff Regulations has been considered for the determination of the WAL. The Combined Asset may have multiple elements such as land, building, transmission line, Sub-station, and PLCC, and each element may have a different span of life. Therefore, the concept of the WAL has been used as the useful life of the transmission system as a whole.



56. The WAL has been determined based on the admitted capital cost of individual elements under the transmission system as on 24.7.2019 (E-COD) and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, the WAL in respect of the Combined Asset has been worked out as 25 years as follows:

Particulars	Combined Asset Cost (₹ in lakh) (1)	Life as per the 2024 Tariff Regulation (Years) (2)	Weighted Cost (3) = (1)x(2)	Weighted Average Life of Asset (in years) (4) = (3)/(1)
Land - Freehold	0.00	0	0.00	24.7285 years (Rounded-off to 25 years)
Land - Leasehold	0.00	0	0.00	
Building Civil Works & Colony	0.00	25	0.00	
Transmission Line	0.00	35	0.00	
Sub Station	23298.91	25	582472.64	
PLCC	319.28	7	2234.99	
IT Equipment incl. software	37.47	7	262.29	
	23655.66		584969.92	25

57. The WAL as on 24.7.2019 (E-COD), as determined above, is applicable prospectively (i.e., for the 2024-29 tariff period onwards), and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed in the preceding paragraphs, the E-COD of the Combined Asset is 24.7.2019, and the lapsed life of the project as a whole works out as 4 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, WAL has been used to determine the remaining useful life as on 1.4.2024 to be 21 years.

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 Combined Asset during the 2024-29 tariff period:

(₹ in lakh)				
Asset	Apportioned cost as per FR	Expenditure as on 31.3.2024	ACE for 2024-29 tariff period as per Auditor's Certificate	Estimated completion cost as on 31.3.2029
			2024-25	
Combined Asset	28371.56	24021.64	8.61	24030.25

60. We have considered the submissions of the Petitioner. The capital cost has been dealt in line with Regulation 19(3) of the 2024 Tariff Regulations. The trued-up capital cost of ₹24021.63 lakh for Combined Asset as worked out as on 31.3.2019 has been considered as admitted capital cost as on 1.4.2024 for working out the tariff for 2024-29 tariff period.

Additional Capital Expenditure (ACE)

61. Regulations 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”

62. The Petitioner has claimed ACE of ₹8.61 lakh for Asset for the 2024-29 tariff period under Regulations 25(1)(d) 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 same has been summarised as follows:

Assets	(₹ in lakh)	
	Claimed ACE	
	2024-25	
Combined Asset		8.61

63. The Commission vide RoP for hearing dated 11.3.2025 directed the Petitioner to submit the package-wise and vendor-wise details.

64. In response, vide affidavit dated 25.3.2025, the Petitioner has submitted the vendor-wise details of ACE claimed by the Petitioner for the Combined Asset are as follows:

Vendor	(₹ in lakh)		
	Discharge of Liability	Unexecuted works (discharge during the respective years)	Total
	2024-25	2024-25	
Larsen & Toubro Limited	0.00	0.00	0.00
Hyosung Heavy Industries	0.00	0.00	0.00
Site Packages	8.61	0.00	8.61
Batteries	0.00	0.00	0.00
Total	8.61	0.00	8.61

65. We have considered the submissions of the Petitioner. The ACE has been allowed for payment made towards liability admitted for works within the original scope executed prior to the cut-off date under Regulation 25(1)(d) of the 2024 Tariff Regulations. The allowed ACE is summarized as follows:

Particulars	Regulation	(₹ in lakh) ACE allowed 2024-25
Payment made towards liability admitted for works within the original scope executed prior to the cut-off date	25(1)(d)	8.61
Total		8.61

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

Capital Cost admitted as on 1.4.2024 (A)	ACE allowed for 2024-29 (B)	Capital Cost allowed as on 31.3.2029 (C=A+B)
	2024-25	
24021.63	8.61	24030.24

Debt-Equity ratio

67. Regulation 18 of the 2024 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:

- 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 considered for the purpose of computation of tariff for the Combined Asset for the 2024-29 tariff period are as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(in %)	ACE in 2024-29 period	(in %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(in %)
Debt	16815.42	70.00%	6.03	70.00%	16821.45	70.00%
Equity	7206.21	30.00%	2.58	30.00%	7208.79	30.00%
Total	24021.63	100.00%	8.61	100.00%	24030.24	100.00%

Depreciation

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

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

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

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

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

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

.....

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

(4)

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

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the

generating station or transmission system, as the case may be, shall be spread over the balance useful life of the assets.

.....

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

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

.....

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

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

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

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 assets as per the rates of depreciation specified in the 2024 Tariff Regulations. The Depreciation allowed for the transmission assets 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	23655.66	23664.27	23664.27	23664.27	23664.27
B	Addition during the year 2019-24 due to ACE	8.61	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	23664.27	23664.27	23664.27	23664.27	23664.27
D	Average Capital Cost (A+C)/2	23659.97	23664.27	23664.27	23664.27	23664.27
E	Average Capital Cost (90% depreciable assets)	23622.50	23626.80	23626.80	23626.80	23626.80

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
F	Average Capital Cost (100% depreciable assets)	37.47	37.47	37.47	37.47	37.47
G	Depreciable value (excluding IT equipment and software) (E*90%)	20930.87	20934.75	20934.75	20934.75	20934.75
H	Depreciable value of IT equipment and software (F*100%)	37.47	37.47	37.47	37.47	37.47
I	Total Depreciable Value (G+H)	20968.34	20972.22	20972.22	20972.22	20972.22
J	Weighted average rate of Depreciation (WAROD) (in %)	5.43	5.43	5.41	5.40	5.20
K	Balance useful life at the beginning of the year (Year)	21	20	19	18	17
L	Lapsed useful life at the beginning of the year (Year)	4	5	6	7	8
M	Aggregate Depreciable Value	20968.34	20972.22	20972.22	20972.22	20972.22
N	Depreciation during the year (D*J)	1283.92	1284.15	1280.08	1278.21	1230.64
O	Cumulative Depreciation at the end of the year	6958.46	8242.61	9522.70	10800.91	12031.55
P	Remaining Aggregate Depreciable Value at the end of the year	14009.88	12729.60	11449.52	10171.31	8940.67

Interest on Loan (IoL)

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

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

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

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

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

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

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

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

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

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

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

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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	16815.42	16821.45	16821.45	16821.45	16821.45
B	Cumulative Repayments upto Previous Year	5674.54	6958.46	8242.61	9522.70	10800.91
C	Net Loan-Opening (A-B)	11140.88	9862.99	8578.83	7298.75	6020.54
D	Additions	6.03	0.00	0.00	0.00	0.00



	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
E	Repayment during the year	1283.92	1284.15	1280.08	1278.21	1230.64
F	Net Loan-Closing (C+D-E)	9862.99	8578.83	7298.75	6020.54	4789.90
G	Average Loan (C+F)/2	10501.93	9220.91	7938.79	6659.65	5405.22
H	Weighted Average Rate of Interest on Loan (%)	7.9492	7.9796	7.9963	7.9812	7.9609
I	Interest on Loan (G*H)	834.82	735.79	634.81	531.52	430.30

Return on Equity (RoE)

73. 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.”

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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	7206.21	7208.79	7208.79	7208.79	7208.79
B	Additions	2.58	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	7208.79	7208.79	7208.79	7208.79	7208.79
D	Average Equity (A+C)/2	7207.50	7208.79	7208.79	7208.79	7208.79
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	1353.71	1353.96	1353.96	1353.96	1353.96

Operation & Maintenance Expenses (O&M Expenses)

76. The O&M expenses claimed by the Petitioner for the transmission assets for the 2024-29 period are as follows:

O&M Expenses	2024-25	2025-26	2026-27	2027-28	2028-29
	465.93	490.51	515.99	543.02	571.98

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

“36. Operation and Maintenance Expenses:

...

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302



Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<i>Double Circuit (Bundled conductor with four or more sub-conductors)</i>	1.291	1.359	1.430	1.506	1.585
<i>Double Circuit (Twin & Triple Conductor)</i>	0.861	0.906	0.953	1.003	1.056
<i>Double Circuit (Single Conductor)</i>	0.369	0.388	0.409	0.430	0.453
<i>Multi Circuit (Bundled Conductor with four or more sub-conductor)</i>	2.266	2.385	2.510	2.642	2.781
<i>Multi Circuit (Twin & Triple Conductor)</i>	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
<i>HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)</i>	2.07	2.18	2.30	2.42	2.55
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)</i>	1.83	1.92	2.03	2.13	2.24
<i>HVDC bipole scheme (₹ Lakh per MW)</i>	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

.....”

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

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Sub-station: 765 kV Bay					
(i) Kurnool – 765kV Sub-station: 4 units					
Norms as per Regulations (₹ Lakhs per Bay)	41.34	43.51	45.79	48.20	50.73
O&M Expenses allowable	165.36	174.04	183.16	192.80	202.92
Sub-station: 400 kV Sub-station					
(i) Warangal- Line Bays: 2 units					
Norms as per Regulations (₹ Lakhs per Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowable	59.06	62.16	65.42	68.86	72.46
Sub-station: 765kV GIS Bay					
(i) Hyderabad– Line Bays: 4 units					
Norms as per Regulations (₹ Lakhs per Bay)	41.34	43.51	45.79	48.20	50.73
O&M Expenses allowable	115.75	121.83	128.21	134.96	142.04
Sub-station: 765 kV Sub-station Reactor					
(i) Kurnool - SLR at Hyderabad Line I and II: 2 units at 240 MVA					
Norms as per Regulations (₹ Lakhs per MVA)	0.26	0.28	0.29	0.31	0.32
O&M Expenses allowable	125.76	132.48	139.20	146.40	154.56
Total O&M Expenses allowed	465.93	490.51	515.99	543.02	571.98

Interest on Working Capital (IWC)

79. Regulation 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.”

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

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	38.83	40.88	43.00	45.25	47.67
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	69.89	73.58	77.40	81.45	85.80
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	494.40	485.23	475.37	464.39	450.79
D	Total Working Capital (A+B+C)	603.12	599.68	595.76	591.10	584.25
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)	71.77	71.36	70.90	70.34	69.53

Annual Fixed Charges of the 2024-29 Tariff Period

82. The Annual Fixed Charges allowed for the 2024-29 tariff period are summarized as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1283.92	1284.15	1280.08	1278.21	1230.64

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Interest on Loan	834.82	735.79	634.81	531.52	430.30
Return on Equity	1353.71	1353.96	1353.96	1353.96	1353.96
O&M Expenses	465.93	490.51	515.99	543.02	571.98
Interest on Working Capital	71.77	71.36	70.90	70.34	69.53
Total	4010.15	3935.77	3855.74	3777.05	3656.41

Filing Fee and Publication Expenses

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

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

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

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

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

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

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

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

License Fee and RLDC Fees and Charges

88. 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

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

90. We have considered the Petitioner's submissions. 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

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

92. As regards the security expenses of the transmission assets, 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 assets are not claimed in the instant Petition.

93. The Petitioner has also submitted that it has not claimed insurance expenses in the instant Petition and has submitted that it will 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.

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



95. 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."

96. 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

97. The Petitioner has submitted that the truing-up of the tariff for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and shall be shared by the beneficiaries and long-term transmission customers in terms of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 and Central Electricity Regulatory Commission (Sharing of

Inter State Transmission Charges and Losses) Regulations, 2020, as amended from to time for the applicable periods.

98. The Petitioner submitted that yearly transmission charges of the Asset-2 should be borne by WKTL from COD of the transmission asset on 9.11.2019 till the COD of the associated TBCB line of WKTL. Tariff for Transmission of Electricity (Annual Fixed Cost) for 2024-29 will be recovered on monthly basis in accordance with Regulation 78 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 and will be shared by the beneficiaries and long-term transmission customers in terms of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from to time.

99. We have considered the submissions of the Petitioner. With regard to Asset-2, the Commission vide order dated 5.12.2022 in Petition No. 169/TT/2020 has held as under:

“73. In the instant case, as stated above, the COD of the transmission asset has been approved as 9.11.2019 under Regulation 5(2) of the 2019 Tariff Regulations. As per Regulation 6(2)(a) of the 2019 Tariff Regulations, if an interconnected transmission system of other transmission licensee is not ready on the COD of the transmission asset and if the COD of the transmission asset has been approved under Regulation 5(2) of the 2019 Tariff Regulations, the transmission licensee has to bear the transmission charges of the transmission asset of the other transmission licensee till the COD of the interconnected transmission system under its scope. The said provision does not distinguish between a transmission project under the RTM route and the TBCB route.

74. Further, as per the scheme of Regulation 5(2) of the 2019 Tariff Regulations, if a transmission licensee is prevented from putting its transmission assets into regular use due to non-readiness of the downstream or upstream transmission licensee or a generating station, the transmission licensee can approach the Commission for declaration of COD of such transmission assets. The entity responsible for execution of the downstream or upstream transmission licensee or a generating station, irrespective of the fact that it is affected by force majeure events, has to bear the transmission charges for the period of mismatch from the transmission asset to the COD of transmission asset/ scheme under its scope. In the instant case, non-utilization of transmission asset of the Petitioner was on account of delay in completion of the transmission line under the scope of WKTL. Accordingly, we have approved COD of the transmission asset as 9.11.2019 under Regulation 5(2) of the 2019 Tariff Regulations. As the associated transmission line was not ready on 9.11.2019, we are of the view that the yearly transmission charges of the instant transmission asset should be borne by WKTL from COD of the transmission asset on 9.11.2019 till the COD of the associated TBCB line of WKTL.”

100. Accordingly, the billing, collection, and disbursement of the transmission charges for the transmission assets 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.

101. To summarise:

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

Asset-1

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	1708.56	1746.24	1768.15	1777.37	1788.60
Approved after true-up in this order	1708.56	1746.24	1768.14	1777.38	1788.59

Asset-2

	(₹ in lakh)				
Particulars	2019-20 (Pro-rata 144 days)	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	828.07	2176.98	2227.66	2242.39	2245.47
Approved after true-up in this order	828.07	2176.98	2227.68	2242.40	2245.47

- ii. The details of AFC claimed by the Petitioner in the instant Petition and AFC allowed in the instant order for the Combined Asset are as follows:

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed by the Petitioner in the instant Petition	4010.15	3935.77	3855.75	3777.07	3656.40
Approved in this order	4010.15	3935.77	3855.74	3777.05	3656.41

102. This order disposes of Petition No. 463/TT/2024, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

