

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 5/TT/2023

Coram:

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

Date of Order: 14.08.2025

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for truing up the transmission tariff for the 2014-19 tariff period and determination of transmission tariff for the 2019-24 tariff period for **Asset-1:** 02 number of 220 kV bays at Alipurduar Sub-station and for determination of transmission tariff from COD to 31.3.2024 for transmission, **Asset-2:** ± 800 kV 3000 MW HVDC Pole-III and LILO of Bishwanath Chariali–Agra HVDC line for parallel operation of the HVDC station at Alipurduar and Earth electrode station and Earth Electrode line at Alipurduar and Agra end and ± 800 kV 3000 MW HVDC Pole-IV at Alipurduar and Agra, **Asset-3:** LILO of Bongaigaon-Binaguri (Siliguri) 400 kV D/C line (quad), LILO of Birpara-Salakati 220 kV D/C line, 315 MVA 400/220 kV ICT-I&II and 125 MVAR 400 kV Bus Reactor-I & II alongwith associated bays at Alipurduar HVDC station and **Asset-4:** 400 kV D/C Alipurduar-Punatsangchung along with associated bays at Alipurduar Sub-station under “Transmission System for development of Pooling Station in Northern part of West Bengal and transfer of power from Bhutan to NR/WR”.

And in the matter of:

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

....Petitioner

Vs.

- 1. Assam Electricity Grid Corporation Limited,**
(Formerly Assam State Electricity Board),
Bijulee Bhawan, Paltan Bazar,
Guwahati – 781001, Assam.
- 2. Meghalaya Energy Corporation Limited,**
(Formerly Meghalaya State Electricity Board),
Short Round Road, “Lumjingshai”,
Shillong – 793001, Meghalaya.



3. **Arunachal Pradesh Power and Electricity Department,**
Government of Arunachal Pradesh, Vidyut Bhawan, Itanagar - 791111, Government of Mizoram, Aizawl, Mizoram.
4. **Power and Electricity Department,**
Government of Mizoram
Aizawl, Mizoram
5. **Manipur State Power Distribution Company Limited,**
(Formerly Electricity Department, Govt. of Manipur),
Electricity Complex, Patta No. 1293 Under 87(2),
Khwai Bazar, Keishampat,
District - Imphal West, Manipur – 795001.
6. **Department of Power,**
Government of Nagaland,
Kohima, Nagaland.
7. **Tripura State Electricity Corporation Limited,**
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W) – 799001, Tripura.
8. **Himachal Pradesh Power Corporation Limited,**
HIMFED Building BCS, New Shimla, Shimla-171009
9. **Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala-147001
10. **Haryana Power Purchase Centre,**
IInd Floor, Shakti Bhawan, Sector-6,
Panchkula (Haryana) – 134 109.
11. **Jammu and Kashmir State Power Development Corporation Limited, (JKSPDC)**
Exhibition Ground, Opposite J&K High Court, Srinagar,
Jammu and Kashmir-190009
12. **Uttar Pradesh Power Corporation Limited,**
10th Floor, Shakti Bhawan Extn.
14, Ashok Marg, Lucknow - 226 001
13. **Chief Engineer Chandigarh,**
Chandigarh Administration
Sector -9,
14. **Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road, Dehradun.

15. **Ajmer Vidyut Vitran Nigam Limited,**
Corporate Office, Vidyut Bhawan
Panchsheel Nagar, Makarwali
Ajmer-305004, (Rajasthan)
16. **Jodhpur Vidyut Vitran Nigam Limited,**
Near Power House, Industrial area,
Jodhpur-342003 (Rajasthan)
17. **Jaipur Vidyut Vitran Nigam Limited,**
Vidyut Bhawan, Janpath, Jyoti Nagar
Jaipur-302005 (Rajasthan)
18. **Chief Electrical Distribution Engineer**
Northern Central Railway, Allahabad.
19. **BSES Yamuna Power Limited,**
B-Block, Shakti Kiran Building, 2nd Floor, Karkardooma,
Delhi-110092
20. **BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place, New Delhi
21. **Tata Power Delhi Distribution Limited**
33 KV Sub-station, Building
Hudson Lane, Kingsway Camp
North Delhi - 110009
22. **New Delhi Municipal Council**
Palika Kendra, Sansad Marg,
New Delhi-110002
23. **Madhya Pradesh Power Management Company Limited**
Shakti Bhawan, Rampur
Jabalpur - 482 008
24. **Maharashtra State Electricity Distribution Co. Limited**
Honkong Bank Building, 3rd Floor
MG Road, Fort, Mumbai - 400 001
25. **Gujarat Urja Vikas Nigam Limited**
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
26. **Electricity Department,**
Govt. Of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001
27. **Electricity Department**
Administration of Daman & Diu
Daman - 396 210

28. **DNH Power Distribution Corporation Limited,**
Vidyut Bhawan, 66kV Road, Near Secretariat Amla,
Silvassa - 396 230
29. **Chhattisgarh State Power Distribution Corporation Limited,**
P.O.Sunder Nagar, Dangania, Raipur
Chhattisgarh-492013
30. **Gujarat Power Corporation Limited,**
Block No. 8, Sixth Floor, Udhog Bhavan, Sector-11
GandhiNagar-382001
31. **Tamil Nadu Generation and Distribution Corporation Limited,**
NPKRR Maaligai, 800, Anna Salai, Chennai-600002
32. **Transmission Corporation of Andhra Pradesh Limited, (APTRANSCO),**
Vidyut Soudha, APTRANSCO, Near Axis Bank ATM, ELURU Road,
Gunadala, Vijaywada-520 004
33. **Kerala State Electricity Board (KSEB)**
Vaidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004
34. **Tamilnadu Electricity Board (TNEB)**
NPKRR Maaligai, 800, Anna Salai
Chennai – 600 002
35. **Electricity Department**
Govt of Pondicherry, Pondicherry - 605001
36. **Eastern Power Distribution Company of Andhra Pradesh Limited
(APEPDCL)** APEPDCL P&T Colony, Seethmmadhara, Vishakhapatnam, AP
37. **Southern Power Distribution Company of Andhra Pradesh Limited
(APSPDCL)** Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517 501, Chittoor District, AP
38. **Southern Power Distribution Company of Telangana Limited (TSSPDCL)**
6-1-50, Corporate Office, Mint Compound,
HYDERABAD – 500 063, Telangana
39. **Northern Power Distribution Company of Telangana Limited ((TSNPDCL),**
H.No 2-5-3 1/2, Vidyut Bhawan, Corporate Office, Nakkal Gutta, Hanamkonda,
Warangal – 506 001, Telangana
40. **Bangalore Electricity Supply Company Limited, (BESCOM),**
Corporate Office, K.R.Circle, Bangalore – 560 001, Karanataka
41. **Gulbarga Electricity Supply Company Limited, (GESCOM)**
Station Main Road, Gulbarga, Karnataka



42. **Hubli Electricity Supply Company Limited, (HESCOM)**
Navanagar, PB Road, Hubli, Karnataka
43. **MESCOM Corporate Office,**
Paradigm Plaza, Ab Shetty Circle, Mangalore – 575 001, Karnataka
44. **Chamundeswari Electricity Supply Corp. Limited, (CESC)**
927, L J Avenue Ground Floor, New Kantharaj Urs Road, Saraswatipuram,
Mysore – 570 009, Karnataka
45. **Bihar State Power (Holding) Company Limited,**
Vidyut Bhawan, Bailey Road, Patna - 800 001
46. **West Bengal State Electricity Distribution Company Limited,**
Bidyut Bhawan, Bidhan Nagar, Block DJ, Sector-II, Salt Lake City, Calcutta - 700 091
47. **Grid Corporation Of Orissa Limited**
Shahid Nagar, Bhubaneswar - 751 007
48. **Damodar Valley Corporation**
DVC Tower, Maniktala, Civic Centre, VIP Road, Calcutta - 700 054
49. **Power Department**
Govt. Of Sikkim, Gangtok - 737 101
50. **Jharkhand State Electricity Board**
In Front of Main Secretariat, Doranda, Ranchi - 834002
51. **General Manager, (Power Generation Project),**
M/S Tata Steel Limited, Generation Office (W-175) Jamshedpur, Jharkhand
52. **GM (Business Development)**
AD Hydro Power Limited, Bhilwara Towers, A-12, Sector-1
Noida-201 301, Uttar Pradesh
53. **V P., Lanco Budhil Power Pvt. Limited**
Plot No. 397, Udyog Vihar Phase – III
Gurgaon, Haryana
54. **MB Power (Madhya Pradesh) Limited**
MBPMPL, 239, Okhla Industrial Area
Phase-III, New Delhi, 110020
55. **Jindal Power Limited,** 6th Floor, MTNL Building
8, Bhikaji Cama Place, New Delhi, -110066
56. **KSK Mahanadi Power Company Limited**
8-2-293/82/A/431/A Road No 22,
Jubilee Hills, Hyderabad, Ap-500033
57. **PTC India Limited,**
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,



58. **IL&FS Tamil Nadu Power Company Limited,**
C. Pudhupettai Post, Parangipettai (Via), Chidambaram (Tk),
Cuddalore, 608502, Tamil Nadu
59. **M/S Adani Power Limited,**
10b, Sambhav Press Building, Judges Bungalow Road,
Badakdev, Ahmedabad - 380 015
60. **Torrent Power Limited,**
Naranpura Zonal Office,
Sola Road, Ahmedabad – 380013
61. **M/S Heavy Water Board,**
Vikram Sarabhai Bhavan,
5th Floor, Anushaktinagar, Mumbai - 400 094
62. **ACB India Limited,**
7th Floor, Corporate Tower, Ambience Mall, NH8,
Gurgaon - 122 001, Haryana
63. **Spectrum Coal and Power Limited**
7th Floor, Corporate Tower
Ambience Mall, NH 8, Gurgaon - 122 001, Haryana
64. **BARC**
TRP, Post-Ghivali, Dist-Palghar
BARC Plant Site, Dist-Palghar, 401505, Maharashtra
65. **BALCO, Raipur**
Bharat Aluminium Co. Limited,
Captive Power Plant-II, Balconagar, Korba, 495684
66. **M/S Dhariwal Infrastructure Limited,**
C-6 Tadali Growth Centre, M.I.D.C T,
District Chandrapur, Maharashtra-442406
67. **DB Power Limited,**
Opp Dena Bank, C-31, G- Block, 3rd Floor, Naman Corporate Link,
Bandar - Kurla Complex, Bandra (East), Mumbai, 400051, Maharashtra
68. **CMD, NEEPCO, 15, NBCC Tower,**
Bhikaji Cama Place, New Delhi
69. **CMD, NHPC Limited,**
NHPC Office Complex, Sector-33, Faridabad.
70. **CMD, NTPC Limited,**
Core-7, Scope Complex, New Delhi.

71. Punatsangchhu-I Hydroelectric Project Authority
Bjimthangkha, Wangdue Phodrang, Kingdom of Bhutan

72. West Bengal State Electricity Transmission Company Limited,
Bidyut Bhawan, Bidhan Nagar, Block DJ, Sector-II,
Salt Lake City, Calcutta - 700 091.

...Respondents

Parties Present: Ms. Swapna Seshadri, Advocate, PGCIL
Shri. Utkarsh Singh, Advocate, PGCIL
Ms. Sneha, Advocate, PGCIL
Shri. Anup Jain, Advocate, MSEDCL
Shri Sachin Dubey, Advocate, BRPL
Shri. Mohit Jain, Advocate, BYPL
Ms. Rohini Prasad, Advocate, BSPHCL
Shri Mohd. Mohsin, PGCIL
Shri Zafrul Hasan, PGCIL
Shri Arjun Malhotra, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, for truing up of transmission tariff for the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of 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”) with respect to the following transmission assets under “Transmission System for development of pooling station in Northern part of West Bengal and transfer of power from Bhutan to NR/WR” in Northern and Western Region (hereinafter referred to as “the transmission scheme”) truing up of Transmission Tariff for the 2014-19 Tariff Period and Determination of Transmission Tariff for the 2019-24 Tariff Period for **Asset-1:** 02 Nos. of 220 kV bays at Alipurduar Pooling Station; Determination of Transmission Tariff of 2019-24 Tariff Period (Truing up of tariff for the 2014-19 allowed in Petition No. 358/TT/2020) for **Asset-2:** ±800 kV 3000 MW HVDC POLE-III and LILO of Bishwanath Chariali – Agra HVDC line for parallel operation of the HVDC station at Alipurduar and



Earth electrode station and Earth Electrode line at Alipurduar and Agra end and ± 800 kV 3000 MW HVDC POLE-IV at Alipurduar and Agra; **Asset-3:** LILO of Bongaigaon – Binaguri (Siliguri) 400 kV D/c line (quad), LILO of Birpara-Salakati 220 kV D/c line, 315 MVA 400/220 kV ICT-I & II and 125 MVA 400 kV Bus Reactor-I & II alongwith associated bays at Alipurduar HVDC station; and Determination of Transmission Tariff of 2019-24 Tariff Period **Asset-4:** 400 kV D/C Alipurduar- Punatsangchung along with associated bays at Alipurduar Pooling station.

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

“1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.

2) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the asset-1 covered under this petition.

3) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset-2, 3 & 4 covered under this petition, as per paras above.

4) Condone the time overrun in completion of subject Asset-4 on merit of the same being out of the control of Petitioner in line with CERC Regulations’ 2019

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

6) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.

7) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

8) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the beneficiaries.

9) Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately as mentioned at paras above.

10) Allow the petitioner to claim the capital spares at the end of tariff block as per actual.

11) 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.

12) Allow the entire initial spares as claimed in the instant petition on project level.

13) Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.

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

Background

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

(a) The Investment Approval (IA) for implementation of the transmission scheme was accorded by the Board of Directors (BoD) of the Petitioner in its 235th meeting held on 15.4.2010 at an estimated cost of ₹440457 lakh including the IDC (Interest during Construction) of ₹38338 lakh based on the 4th Quarter, 2009 price level. (Communicated vide Memorandum No. C/CP/Sikkim Generation Projects-Part-C dated 22.4.2010).

(b) The scope of work covered under the transmission scheme is as under:

Transmission Line:

- i. LILO of Bishwanath Chariali-Agra HVDC Line at the new pooling station in Alipurduar for parallel operation of the HVDC Station.
- ii. LILO of Bongaigaon-Siliguri 400 kV D/c Line (quad) (under

- Pvt. Sector) at the new pooling station in Alipurduar.
- iii. LILO of Tala-Siliguri 400 kV D/c Line at the new pooling station in Alipurduar. (**)
 - iv. Punatsangchu-1(Generation Project in Bhutan)-Alipurduar 400 kV D/c with quad conductor (Indian Portion).
 - v. LILO of Birpara-Salakati 220 kV D/c Line at the new pooling station in Alipurduar.
 - vi. Earth Electrode line at the new pooling station in Alipurduar.
 - vii. Earth Electrode Line at Agra end.

Sub-station:

- New 2x315 MVA, 400/220 kV AC and 3000 MW, $\pm$ 800 kV HVDC Sub-station at new pooling station in Alipurduar.
- i. Extension of $\pm$ 800 kV HVDC Sub-station at Agra with 3000 MW module.

(c) The scheme was agreed upon in various meetings of the Standing Committee on Power System Planning (SCMPSP) & Regional Power Committee (RPC) meetings of Eastern, Northern and Western Regions. It was decided that the transmission charges would be borne by beneficiaries of Bhutan HEPs. The details of various meetings are as under:

	Eastern Region	Northern Region	Western Region
SCMPSP	6 th , 22.06.2006 8 th , 05.11.2007 10 th , 14.09.2009 11 th , 20.09.2010	27 th , 30.05.2009	29 th , 10.09.2009
RPC	12 th , 04.12.2009	13 th , 27.06.2009	11 th , 25.09.2009

- (d) For taking up the implementation of the transmission line, prior approval under Section 68 was granted by the Ministry of Power (MoP) vide letter dated 18.8.2009. Further, the Commission vide its order dated 5.4.2010 in Petition No. 277/2009 had granted Regulatory approval for implementation of the scheme, which inter alia includes the subject transmission assets.
- (e) The scope of work covered under “Transmission System for Development of Pooling Station in Northern part of West Bengal and Transfer of Power from Bhutan to NR/WR project” is as under:

Transmission Line:

- i. LILO of Bishwanath Chariali-Agra HVDC Line at the new pooling station in Alipurduar for parallel operation of the HVDC Station.
- ii. LILO of Bongaigaon-Siliguri 400 kV D/c Line (quad) (under Pvt. Sector) at the new pooling station in Alipurduar.
- iii. LILO of Tala-Siliguri 400 kV D/c Line at the new pooling station in Alipurduar. (**)
- iv. Punatsangchu-1(Generation Project in Bhutan)-Alipurduar 400 kV D/c with quad conductor (Indian Portion).
- v. LILO of Birpara-Salakati 220 kV D/c Line at the new pooling station in Alipurduar.
- vi. Earth Electrode line at the new pooling station in Alipurduar.
- vii. Earth Electrode Line at Agra end.

Sub-station:

New 2x315 MVA, 400/220 kV AC and HVDC Sub-station at the new pooling

station in Alipurduar.

- i. 2 Numbers of 315 MVA, 400/220/33 kV ICT along with associated bays.
- ii. 10 Numbers 400 kV bays (4 bays for LILO of Tala-Siliguri 400 kV D/c Line, 4 bays for LILO of Bongaigaon-Siliguri 400 kV D/c (quad) Line, 2 bays for Punatsangchu-1 Alipurduar 400 kV D/c Line.
- iii. ± 800 kV, 3000 MW HVDC converter module.
- iv. 2 Numbers 125 MVAR Bus Reactor at 400 kV bus.
- v. 4 Numbers 220 kV bays (for LILO of Birpara-Salakati 220 kV D/c line)
- vi. Space for 6 Numbers of 400 kV and 2 Numbers of 220 kV bays for future transmission system and associated bays for one ICT.
- vii. Space for ± 800 kV, 3000 MW HVDC module for the future. Extension of ± 800 kV HVDC station at Agra
- viii. ± 800 kV, 3000 MW HVDC inverter module at Agra

*“(**) The element LILO of Tala-Siliguri 400 kV D/c line at new pooling station in Alipurduar along with associated bays at Alipurduar deleted from the scope of work. The same has been discussed and agreed in the 1st 2014 meeting of Standing Committee for Power System Planning in Eastern Region held on 2.5.2014 at NRPC, New Delhi.”*

(f) Modifications in the original Scope of the project are as under:

- i. During the Standing Committee on Power System Planning in Eastern Region held on 20.09.2010, it was discussed and agreed that POWERGRID would provide 2 nos. of additional 220 kV line

bays in 400/220 kV Alipurduar (POWERGRID) Sub-station for termination of 220 kV line from Alipurduar (WBSETCL) 132 kV being upgraded to 220 kV. The same was also ratified in the 16th meeting of TCC/ ERPC held on 17.12.2010/18.12.2010.

- ii. As agreed and discussed during the Standing Committee meeting for the Power System Planning in Eastern Region held on 2.5.2014, implementation of LILO of Tala – Siliguri 400 kV D/C line at Alipurduar was dropped due to slow progress of future generation projects in NER and Bhutan. Accordingly, LILO of Tala – Siliguri 400 kV D/C line at Alipurduar, along with associated 4 nos. 400 kV line bays at Alipurduar, have been deleted from the scope of works of the subject project.
- iii. Further, as decided during the Standing Committee on Power System Planning in the Northern region held on May 30, 2009, quad moose conductor has been used for Punatsangchu – I – Alipurduar 400 kV D/C line (India portion) in place of HTLS (twin) conductor.

(g) Accordingly, the scope of work under the transmission project has been modified due to above aforementioned reasons and the Revised Cost Estimate (RCE) of the transmission scheme was approved by the BoD of the Petitioner in 339th meeting held on 29.3.2017 at an estimated cost of ₹513501 lakh including IDC of ₹50601 lakh based on October 2016 price level. (Communicated vide Memorandum No. C/CP/PA1617-03-0AD-RCE018 dated 30.3.2017)

(h) The revised scope of work covered under the transmission scheme is as follows:

Transmission Line:

- i. LILO of Bishwanath Chariali-Agra HVDC Line at the new pooling station in Alipurduar for parallel operation of the HVDC

Station.

- ii. LILO of Bongaigaon-Siliguri 400 kV D/c Line (quad) (under Pvt. Sector) at the new pooling station in Alipurduar.
- iii. Punatsangchu-1(Generation Project in Bhutan)-Alipurduar 400 kV D/c with quad conductor (Indian Portion).
- iv. LILO of Birpara-Salakati 220 kV D/c Line at the new pooling station in Alipurduar.
- v. Earth Electrode line at the new pooling station in Alipurduar.
- vi. Earth Electrode Line at Agra end.

Sub-station:

- New 2x315 MVA, 400/220 kV AC and 3000 MW, $\pm$ 800 kV HVDC Sub-station at new pooling station in Alipurduar.
 - i. Extension of $\pm$ 800 kV HVDC Sub-station at Agra with 3000 MW module.
 - ii. Additional 02 nos. of 220 kV Bays at 400/220 kV Alipurduar Sub-station.

Reactive Compensation:

- 2x125 MVAR, Bus reactor at 400 kV bus of Alipurduar Sub-station.
- (i) Asset-1 was put into the commercial operation on 1.3.2018, and the tariff for the transmission assets for the FY 2014-19 tariff period was allowed by the Commission vide order dated 28.2.2022 in Petition No. 193/TT/2019.
 - (j) Asset-2 and Asset-3 were put into commercial operation on 21.9.2017, and the tariff for the transmission assets for the FY 2014-19 tariff period was allowed by the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017. Further, the Truing up of transmission tariff for the FY 2014-19 tariff block was

allowed by the Commission vide order dated 29.6.2021 in Petition No. 358/TT/2020.

- (k) Asset-4 has achieved the Commercial Operations on 3.7.2019 with a delay of 53 Months 17 Days and the Petitioner has sought the approval of COD, Capital Cost as on COD & Tariff Determination for the FY 2019-24 tariff block in the Instant Petition as per the liberty granted to file the separate petition vide order dated 28.02.2022 in Petition No. 193/TT/2019.
- (l) The asset-wise Petition details of the Transmission Assets under the subject project are as under:

Name of Assets	COD	Remarks	Covered under Petition
Asset-1: 02 Numbers of 220 kV bays at Alipurduar Pooling Station	1.3.2018*	Truing-up of Transmission Tariff for FY 2014-19 Tariff Period and Determination of Transmission Tariff of FY 2019-24 Tariff Period	Covered under instant Petition No. 5/TT/2023
Asset-2: ±800 kV 3000 MW HVDC POLE-III and LILO of Bishwanath Chariali – Agra HVDC Line for parallel operation of the HVDC Station at Alipurduar and Earth Electrode Station and Earth Electrode Line at Alipurduar and Agra end and ±800 kV 3000 MW HVDC POLE-IV at Alipurduar and Agra.	21.9.2017	Determination of Transmission Tariff of FY 2019-24 Tariff Period (Truing up tariff for 2014-19 allowed in Petition no: 358/TT/2020 order dated: 29.06.2021)	
Asset-3: LILO of Bongaigaon – Binaguri (Siliguri) 400 kV D/c Line (quad), LILO of Birpara-Salakati 220kV D/c Line, 315 MVA 400/220 kV ICT-I & II and 125 MVA 400 kV Bus Reactor-I & II alongwith associated bays at Alipurduar HVDC Station.	21.9.2017		
Asset-4: 400 kV D/C Alipurduar-Punatsangchun along with associated bays at Alipurduar Pooling Station (Indian Portion).	3.7.2019	Approval of Capital Cost and Determination of Transmission Tariff of FY 2019-24 Tariff Period	

- (m) The details of the COD of the transmission assets covered in the instant Petition are as under:



Asset	SCOD	Actual COD
Asset-1	1.3.2018	1.3.2018
Asset-2	15.1.2015	21.9.2017
Asset-3	15.1.2015	21.9.2017
Asset-4	15.1.2015	3.7.2019

**COD of Asset-1 is approved as 1.3.2018 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, as the associated downstream transmission line under the scope of WBSETCL was not ready on 1.3.2018*

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

5. The Petitioner has served the Petition on the Respondents, and notice regarding the filing of this Petition has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. BSES Rajdhani Power Limited, (BRPL), Respondent No. 20, vide affidavit dated 25.1.2024 has filed its reply and has raised issues pertaining to the Petitioner's submissions with regard to the IA and the cost overrun in case of Asset 2, Revised Cost estimates, Accrual IDC, Deferred Tax Liability and overpayment of Income Tax, Additional Capitalization and Initial Spares. Madhya Pradesh Power Management Company Limited (MPPMCL), Respondent No. 23, vide affidavit dated 6.4.2023, has filed its reply and has raised issues pertaining to the Petitioner's claim of Time Overrun, Cost Overrun, Initial Spares, ACE and GST. Maharashtra State Electricity Distribution Co. Limited (MSEDCL), Respondent No. 24, vide affidavit dated 27.1.2024, has filed its reply and has raised issues pertaining to the Petitioner's claim of Time Overrun, Cost Overrun, Initial Spares and GST. Bihar State Power Holding Company Limited (BSPHCL), Respondent No. 45, vide affidavit dated 20.4.2023, has filed its reply and has raised issues pertaining to the Petitioner's claim of Time Overrun and Cost Overrun in case of Asset-4, Initial Spares and ACE. In response, the Petitioner, vide affidavits dated 13.2.2024, 26.7.2023, 9.2.2024 and 26.7.2023, has submitted its rejoinder to the reply filed by BRPL, MPPMCL, MSEDCL

and BSPHCL, respectively. The issues raised by BRPL, MPPMCL, MSEDCL and BSPHCL, and the rejoinders filed by the Petitioner in response to replies filed by the Respondents are considered in the relevant portions of this order.

6. The final hearing in this matter was held on 30.9.2024, and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner vide affidavits dated 26.9.2022 in the main Petition, and subsequent additional submissions vide affidavit dated 12.1.2024, and 11.3.2024, the reply filed by MPPMCL vide affidavit dated 6.4.2023 and subsequent rejoinder filed by the Petitioner vide affidavit dated 26.7.2023, the reply filed by BSPHCL vide affidavit dated 20.4.2023 and subsequent rejoinder filed by the Petitioner vide affidavit dated 26.7.2023, the reply filed by BRPL vide affidavit dated 25.1.2024 and subsequent rejoinder filed by the Petitioner vide affidavit dated 13.2.2024 and the reply filed by MSEDCL vide affidavit dated 27.1.2024 and subsequent rejoinder filed by the Petitioner vide affidavit dated 9.2.2024.

8. Having heard the learned counsels and the representatives of both the Petitioner and the Respondents, and having perused the material on record, we further proceed to dispose of the Petition.

Section-1: Truing up of the Annual Fixed Charges for the 2014-19 Tariff Period for Asset -1: 02 Nos. of 220 kV bays at Alipurduar Pooling Station

9. The details of the truing up transmission charges claimed by the Petitioner for the 2014-19 tariff period with respect to the transmission assets are as under:

(₹ in lakh)		
Asset-1		
Particulars	2017-18	2018-19
Depreciation	1.34	22.46
Interest on Loan	1.71	27.50
Return on Equity	1.62	27.66
Interest on working capital	0.51	6.62
O&M Expenses	7.91	96.20
Total	13.09	180.44

10. The details of the truing up Interest on Working Capital (IWC) claimed by the Petitioner for the 2014-19 tariff period with respect to the transmission assets are as under:

(₹ in lakh)

Asset-1		
Particulars	2017-18	2018-19
O&M Expenses	7.76	8.02
Maintenance Spares	13.97	14.43
Receivables	25.68	30.07
Total Working Capital	47.41	52.52
Rate of Interest (%)	12.60	12.60
Interest on working capital	0.51	6.62

Capital Cost

11. The Commission vide order dated 28.2.2022 in Petition No. 193/TT/2019 has allowed the following Capital Cost for Asset-1 as on COD as well as on 31.3.2019, and the same areas under:

(₹ in lakh)

Asset	Apportioned Approved Cost as per RCE	Expenditure up to COD	ACE		Total Capital Cost as on 31.3.2019
			2017-18	2018-19	
Asset-1	901.25	247.41	145.87	484.20	877.48

12. The Petitioner in the instant trued-up Petition has claimed the Capital Cost up to COD along with the ACE of the 2014-19 with respect to Asset-1, duly certified by the auditor's certificate dated 6.7.2022, is as under:

(₹ in lakh)

Asset	Apportioned Approved Cost as per RCE	Expenditure up to COD (As per Auditor's Certificate)	ACE		Total Completion Cost as on 31.3.2019
			2017-18	2018-19	
Asset-1	901.25	257.12	145.87	135.43	538.42

13. The Petitioner has submitted that the cost as on 31.3.2019, including the ACE claimed with respect to the transmission asset, is within the RCE-approved cost. Hence, there is no cost overrun in the case of the instant asset.

Time Overrun

14. As per the order dated 28.2.2022 in Petition No. 193/TT/2019, there is no time overrun in the COD of the transmission Asset considered under the instant Petition as Asset-1. The relevant extract of the order dated 28.2.2022 in Petition No. 193/TT/2019 is as under:

“..... During the meeting of the Standing Committee on Power System Planning in Eastern Region held on 20.9.2010, it was discussed and agreed that the Petitioner would provide 2 numbers of additional 220 kV line bays in 400/220 kV Alipurduar (POWERGRID) Sub-station for termination of 220 kV line from Alipurduar (WBSETCL) 132 kV being upgraded to 220 kV. The same was also ratified in the 16th meeting of TCC/ ERPC held on 17.12.2010 and 18.12.2010. Pursuant to the agreement of the Eastern Region constituents, the Petitioner modified the scope of the subject project to include these 02 Numbers 220 kV Bays in March 2018. Subsequent to the approval by the Board of the Petitioner company, the Petitioner took up the implementation of these 02 Numbers 220 kV bays for which the contracts for execution were awarded and the same were ready for intended use w.e.f. 1.3.2018. i.e., within a period of 11 months from the date of IA (i.e., RCE). Hence, there is no time over-run in COD of Asset-II.”

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

15. The Petitioner has claimed the IDC with respect to the transmission asset and in support of the same. The Petitioner has submitted the Auditor's Certificate. The Petitioner has submitted the statement showing the IDC claim, discharge of the IDC liability as on COD, as under:

(₹ in lakh)					
Asset	IDC as per the Auditor Certificate	IDC Discharged up to COD	Un-discharged IDC up to COD	IDC discharged during 2017-18	IDC discharged during 2018-19
Asset-1	58.38	50.21	8.16	-	8.16

16. Based on the Petitioner's submissions, the allowable IDC has been worked out considering the information submitted by the Petitioner with respect to the transmission asset on a cash basis. The loan details submitted in Form-9C for the 2014-19 tariff period and the IDC computation sheet have been considered for the purpose of the IDC calculation on a cash and accrued basis. The undischarged IDC as on COD has been considered ACE during the year in which it was discharged. Accordingly, the

IDC allowed is as follows:

Asset	IDC as per the Auditor Certificate	IDC disallowed due to a computational difference	IDC allowed	Un-discharged IDC as on COD	IDC allowed up to COD	(₹ in lakh)	
						2017-18	2018-19
Asset-1	58.38	1.81	56.57	7.90	48.67	-	7.90

17. The Petitioner has claimed the IEDC of ₹13.33 lakh with respect to Asset-1 and has submitted the Auditor's Certificate in support of the same. The Petitioner has also submitted that the entire IEDC has been discharged as on COD. Accordingly, the IEDC is allowed, as has been claimed by the Petitioner.

Initial Spares

18. As per Regulation 13 (d) of the 2014 Tariff Regulation, the initial spares allowed by the Commission vide order dated 28.2.2022 in Petition No. 193/TT/2019 are as follows:

Assets	Plant & Machinery Cost as on the Cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares Allowable as per 2014 Tariff Regulations (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares Allowed (₹ in lakh)
Sub-station	648.57	6.50	6.00	41.33	0.00	6.50

19. The initial spare for the transmission assets claimed by the Petitioner for the 2014-19 tariff period in the instant Petition is as under:

Assets	P&M cost as on the cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)
Sub-station	648.57	6.50

20. The COD and the cut-off date of Asset-I is as under:

COD	Cut-off Date
1.3.2018	31.3.2021

21. Regulation 13(d) of the 2014 Tariff Regulations provides that the Initial Spares shall be capitalized as a percentage of the plant and the machinery cost up to the cut-off date, subject to the following ceiling norms:

“(d) Transmission System

- (i) Transmission line: 1.00%*
- (ii) Transmission sub-station (Green Field): 4.00%*
- (iii) Transmission sub-station (Brown Field): 6.00%*
- (iv) Gas Insulated sub-station :5.00%*
- (v) Communication System: 3.5%”*

22. We have considered the Petitioner’s submissions and, accordingly, taking into consideration Form-13 submitted by the Petitioner, the Initial Spares allowed with respect to the transmission assets for the 2014-19 Tariff Period, as per Regulation 13(d) of the 2014 Tariff Regulations, are as follows:

Assets	P&M Cost as on cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per 2014 Tariff Regulations (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)
	A	B	C	$D=(A-B)*C/(100\%-C)$	E	F
Sub-station	449.35	6.50	6.00	28.27	0.00	6.50

Capital Cost as on the COD

23. Accordingly, the capital cost allowed as on COD with respect to the transmission asset is as follows:

Assets	Capital Cost as on COD as per Auditor’s Certificate	Less: IDC disallowed	Less: Undischarged IDC	(₹ in lakh)
				Capital Cost as on COD
Asset-1	257.12	1.81	7.90	247.41

Additional Capital Expenditure (ACE)

24. The Commission vide order dated 28.2.2022 in Petition No. 193/TT/2019 had allowed the ACE of ₹145.87 lakh and ₹484.20 lakh for the FY 2017-18 and FY 2018-19 respectively with respect to the Asset-1 for the 2014-19 tariff period.

25. The Petitioner in the instant Petition has revised its claim of ACE for the Asset-1 and has submitted the Auditor's Certificate in support of the same as under:

(₹ in lakh)

Asset	2017-18			2018-19		
	ACE excluding undischarged IDC	Undischarged IDC	Total	ACE excluding undischarged IDC	Undischarged IDC	Total
Asset-1	145.87	0.00	145.87	135.43	8.16	143.59

26. The Petitioner has submitted that the cut-off date of Asset-1 is 31.3.2021 and the ACE of ₹145.87 lakh, and ₹143.59 lakh during the FY 2017-18 and FY 2018-19, respectively, within the cut-off date and is on account of unexecuted works and the accrual IDC. Further, submitted that the ACE claimed by the Petitioner has been claimed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations.

27. Further, the Liability-flow Statement submitted by the Petitioner for the 2014-19 Tariff Period is as under:

(₹ in lakh)

Asset	Parties	Particulars	Outstanding Liability as on COD	Discharge During 2014-19 Period	Outstanding Liability as on 31.03.2019
Asset-1	BHEL	Sub-station	96.32	0.00	96.32
	ABB India Limited	Sub-station and Building & Civil Works	222.96	0.00	222.96
	Misc. Contractors Payment	Building and Civil Works	0.00	0.00	0.00
Total			319.28	0.00	319.28

(₹ in lakh)

Asset	Parties	Particulars	Work deferred for Execution (under Reg 14(1)(ii) of the 2014 Tariff Regulations)		
Asset-1	BHEL	Sub-station	52.50	38.11	90.61
	ABB India Limited	Sub-station and Building & Civil Works	92.01	96.03	188.04
	Misc. Contractors Payment	Building and Civil Works	1.36	1.29	2.65
Total			145.87	135.43	281.30

28. The Respondent No. 45, BSPHCL, vide affidavit dated 20.4.2023 has submitted that there is a 'steep decrease' in the ACE for the 2018-19 in comparison to the ACE admitted for the 2018-19 vide order dated 28.2.2022 in Petition No. 193/TT/2019 (i.e., from ₹ 484.20 lakh to ₹ 135.43 lakh). BSPHCL further submitted that such a decrease ought to be explained by the Petitioner as it actually had a much higher ACE and, thus, a much higher estimated completion cost was allowed in comparison to what was incurred. BSPHCL has submitted that Regulation 7 (7) proviso (iii) and 7 (8) proviso (ii) of the 2014 Tariff Regulations may be taken into consideration, and a refund on this basis to the beneficiaries may be considered.

29. In response, the Petitioner vide affidavit dated 26.07.2023 has submitted that the claims with respect to the ACE for the 2018-19 have been explained in the Petition. The Petitioner further submitted that the total estimated amount approved for the FY 2018-19 was ₹ 484.20 Lakhs, whereas due to a spill over in expenditure, the ACE claimed in the instant Petition is as under:

"The phasing of actual and spill over expenditure as per current auditor certificate:

- i. Actual ACE during FY 2018-19 - ₹135.43 Lakh*
- ii. Actual ACE during FY 2019-20 - ₹ 75.66 Lakh*
- iii. Estimated ACE during FY 2022-23 - ₹265.21 Lakhs*
- Total – ₹ 476.30 Lakhs*

Hence, total ACE claimed in the instant Petition is within the approved ACE with minimal variation."

30. We have considered both the Petitioner's and Respondent's submissions. It was observed that the actual audited ACE claimed by the Petitioner is on account of the accrued IDC discharged in the 2018-19 and unexecuted/ balance works. The same has been considered for the computation of total capital cost as on 31.3.2019. The ACE claimed by the Petitioner for the years 2017-18 and 2018-19 are within the cut-off date and the same are allowed under Regulations 14(1)(i) and 14(1)(ii) of the 2014 Tariff Regulations as follows:

(₹ in lakh)

Asset	2017-18			2018-19		
	ACE Excluding Undischarged IDC	Undischarged IDC	Total	ACE Excluding Undischarged IDC	Undischarged IDC	Total
Asset-1	145.87	0.00	145.87	135.43	7.90	143.33

Capital Cost for the 2014-19 Tariff Period

31. The capital cost considered for trued-up of the transmission tariff for the 2014-19 tariff period is as under:

(₹ in lakh)

Asset	Capital Cost as on COD	Additional Capital Expenditure (ACE)		Total Capital Cost as on 31.3.2019
		2017-18	2018-19	
Asset-1	247.41	145.87	143.33	536.61

Debt-Equity Ratio

32. The Petitioner has considered the debt-equity ratio as 70:30 as on COD and for the ACE during the 2014-19 period. The Commission, in accordance with Regulation 19 of the 2014 Tariff Regulations, has considered the debt-equity ratio of 70:30 towards funding of capital cost as on COD and ACE during the 2014-19 tariff period. The details of the debt-equity for the 2014-19 Tariff Period are as follows:

Funding	Capital Cost as on COD		ACE during 2014-19 (₹ in lakh)		Capital Cost as on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	173.19	70.00	202.44	70.00	375.63	70.00
Equity	74.22	30.00	86.76	30.00	160.98	30.00
Total	247.41	100.00	289.20	100.00	536.61	100.00

Depreciation

33. Depreciation has been computed considering the capital expenditure as on COD and ACE approved for the 2014-19 tariff period. The Gross Block during the 2014-19 tariff period has been depreciated at the Weighted Average Rate of Depreciation (WAROD). The WAROD has been worked out at Annexure after considering the

depreciation rates as specified in the 2014 Tariff Regulations. The depreciation allowed during the 2014-19 Tariff Period is as follows:

(₹ in lakh)			
	Particulars	2017-18 (Pro-rata for 31 days)	2018-19
A	Opening Gross Block	247.41	393.28
B	Addition during the year 2019-24 due to projected ACE	145.87	143.33
C	Closing Gross Block (A+B)	393.28	536.61
D	Average Gross Block (A+C)/2	320.34	464.94
E	Average Gross Block (90% depreciable assets)	320.34	464.94
F	Average Gross Block (100% depreciable assets)	-	-
G	Depreciable value (excluding IT equipment and software) (E*90%)	288.31	418.45
H	Depreciable value of IT equipment and software (F*100%)	-	-
I	Total Depreciable Value (G+H)	288.31	418.45
J	Weighted average rate of Depreciation (WAROD) (in %)	4.89	4.81
K	Elapsed useful life at the beginning of the year (Year)	0	0
L	Balance useful life at the beginning of the year (Year)	25	25
M	Depreciation during the year (D*J)	1.33	22.37
N	Cumulative Depreciation at the end of the year	1.33	23.70
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	286.98	394.75

34. The details of the depreciation approved vide order dated 28.2.2022 in Petition No. 193/TT/2019 with respect to the transmission assets, claimed by the Petitioner in the instant Petition and trued-up in the instant order are as follows:

Asset - I	2017-18 (Pro-rata for 31 days)	2018-19
Allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019	1.33	30.74
Claimed by the Petitioner in the instant Petition	1.34	22.46
Approved after true up in this Order	1.33	22.37

Interest on Loan (IoL)

35. The Petitioner has claimed the weighted average rate of IoL based on its actual loan portfolio and the rate of interest.

36. We have considered the Petitioner's submissions. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 26 of the 2014 Tariff Regulations. The trued-up IoL allowed with respect to the transmission assets are as follows:

(₹ in lakh)

Asset-1			
	Particulars	2017-18 (Pro-rata for 31 days)	2018-19
A	Gross Normative Loan	173.19	275.29
B	Cumulative Repayments up to the Previous Year	-	1.33
C	Net Loan-Opening (A-B)	173.19	273.96
D	Addition due to ACE	102.11	100.33
E	Repayment during the year	1.33	22.37
F	Net Loan-Closing (C+D-E)	273.96	351.93
G	Average Loan (C+F)/2	223.57	312.94
H	Weighted Average Rate of Interest on Loan (in %)	8.971	8.755
I	Interest on Loan (G*H)	1.70	27.40

37. The details of the IoL allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019 for the transmission assets, claimed by the Petitioner in the instant Petition and trued-up the IoL in the instant order are as follows:

Asset - I	2017-18 (Pro-rata for 31 days)	2018-19
Allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019	1.70	37.54
Claimed by the Petitioner in the instant Petition	1.71	27.50
Approved after true up in this Order	1.70	27.40

Return on Equity (RoE)

38. The Petitioner has claimed the RoE with respect to the transmission assets in terms of Regulation 24 and Regulation 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at the MAT rates and has claimed the following effective tax rates for the 2014-19 tariff period:

Year	Claimed Effective Tax Rate (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2014-15	20.961	19.610
2015-16	21.342	19.705
2016-17	21.342	19.705
2017-18	21.342	19.705
2018-19	21.549	19.758

39. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 had

arrived at the effective tax rate for the Petitioner based on the notified MAT rates, and the same are given as under:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.549

40. The MAT rates, as considered in the above-mentioned in Petition No. 274/TT/2019, are considered for the purpose of grossing up the RoE for truing up the tariff of the 2014-19 period in terms of the provisions of the 2014 Tariff Regulations. The same are as under:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758

41. The Petitioner has claimed RoE for the 2014-19 tariff period after grossing up the RoE @15.50% with Effective Tax rates (based on MAT rates) each year as per Regulation 25(3) of the 2014 Tariff Regulations. The RoE is trued-up based on the MAT rates applicable in the respective years and allowed for the transmission assets for the 2014-19 tariff period as follows:

(₹ in lakh)			
	Particulars	2017-18 (Pro-rata for 31 days)	2018-19
A	Opening Equity	74.22	117.98
B	Addition due to ACE	43.76	43.00
C	Closing Equity (A+B)	117.98	160.98
D	Average Equity (A+C)/2	96.10	139.48
E	Return on Equity (Base Rate) (in %)	15.50	15.50
F	Tax Rate applicable (in %)	21.34	21.55
G	Rate of Return on Equity (Pre-tax) (in %)	19.705	19.758
H	Return on Equity (Pre-tax) (D*G)	1.61	27.56

42. The details of RoE approved vide order dated 28.2.2022 in Petition No. 193/TT/2019 for the transmission assets, claimed by the Petitioner in the instant Petition and trued-up the RoE in the instant order are as follows:

Asset -I	2017-18 (Pro-rata for 31 days)	2018-19
Allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019	1.61	37.66
Claimed by the Petitioner in the instant Petition	1.62	27.66
Approved after true up in this Order	1.61	27.56

Operation & Maintenance Expenses (O&M Expenses)

43. The details of the O&M expenses allowed by the Commission vide order dated 28.02.2022 in Petition No. 193/TT/2019 are as follows:

Asset	2017-18 (Pro-rata for 31 days)	2018-19
Asset-1	7.91	96.20

(₹ in lakh)

44. The details of the O&M Expenses claimed by the Petitioner with respect to the transmission assets under Regulation 29(4)(a) of the 2014 Tariff Regulations for the purpose of the tariff period 2014-19 are as under:

Asset	2017-18 (Pro-rata for 31 days)	2018-19
Asset-1	7.91	96.20

(₹ in lakh)

45. As per Regulation 29(3) of the 2014 Tariff Regulations, the O&M Expenses have been worked out as per the norms specified in the 2014 Tariff Regulations. The O&M Expenses have been allowed as follows:

Particulars	2017-18 (Pro-rata for 31 days)	2018-19
220 kV Sub-station Bays	2	2
Norms as per Regulation 29(3) of the 2014 Tariff Regulations	46.55	48.10
O&M expenses allowed	7.91	96.20

(₹ in lakh)

46. The details of O&M approved vide order dated 28.2.2022 in Petition No.

193/TT/2019 for the transmission assets, claimed by the Petitioner in the instant Petition and trued-up O&M in the instant order are as under:

Asset - 1	2017-18 (Pro-rata for 31 days)	2018-19
Allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019	7.91	96.20
Claimed by the Petitioner in the instant Petition	7.91	96.20
Approved after true up in this Order	7.91	96.20

Interest on Working Capital (IWC)

47. The IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations, and the trued-up IWC has been approved for the transmission assets are as under:

Asset-1		
(₹ in lakh)		
Particulars	2017-18 (Pro-rata for 31 days)	2018-19
Working Capital for O&M Expenses (O&M Expenses for one month)	7.76	8.02
Working Capital for Maintenance Spares (15% of O&M Expenses)	13.97	14.43
Working Capital for Receivables (Equivalent to 2 months of annual fixed cost /annual transmission charges)	25.62	30.02
Total Working Capital	47.34	52.47
Rate of Interest for working capital (in %)	12.60	12.60
Interest on working capital	0.51	6.61

48. The details of the IWC-approved vide order dated 28.2.2022 in Petition No. 193/TT/2019 for the transmission assets, claimed by the Petitioner in the instant Petition, and the trued-up IWC in the instant order are as under:

Asset -I	2017-18 (Pro-rata for 31 days)	2018-19
Allowed vide order dated 28.2.2022 in Petition No. 193/TT/2019	0.51	7.22
Claimed by the Petitioner in the instant Petition	0.51	6.62
Approved after true up in this Order	0.51	6.61

Trued-Up Annual Fixed Charges for the 2014-19 Tariff Period

49. Accordingly, the annual fixed charges after truing up for the 2014-19 tariff period with respect to the transmission assets are as under:

(₹ in lakh)		
Asset-1		
Particulars	2017-18 (Pro-rata for 31 days)	2018-19
Depreciation	1.33	22.37
Interest on Loan	1.70	27.40
Return on Equity	1.61	27.56
Interest on working capital	0.51	6.61
O&M Expenses	7.91	96.20
Total	13.06	180.14

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

50. The Petitioner has submitted that the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 had approved the final transmission Tariff for the 2014-19 Tariff Period for Asset-2 and Asset-3. The Petitioner further submitted that the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 had condoned the entire time overrun of 32 months and 07 days for the Asset-2 and Asset-3.

51. The Commission had also trued-up the transmission tariff for the 2014-19 tariff period vide order dated 29.6.2021 in Petition no: 358/TT/2020. However, for the 2019-24 Tariff Period, the Commission directed the Petitioner to file a fresh Petition for the 2019-24 Tariff Period after combining all the assets covered under the scope of work of the subject project.

“54. The Commission vide RoP of the hearing dated 6.4.2021 directed the Petitioner to file a single petition combining all the assets covered under the transmission scheme after the Commission’s final order in Petition No.193/TT/2019 for the purpose of determination of tariff of 2019-24 tariff period. In view of the above, tariff for 2019-24 period for the Combined Asset (Asset-A and Asset-B) is not considered in the instant petition and the Petitioner is directed to file a fresh petition for 2019-24 tariff period after combining all the assets covered under the scope of work.”

52. Accordingly, the Petitioner has filed the instant Petition after including all the

assets covered under the scope of the scheme and has prayed that the Commission determines the tariff for the 2019-24 period for Asset-2 and Asset-3.

53. We have considered the Petitioner's submissions. Since, the Petitioner has claimed the tariff of Asset-2 and Asset-3 for the 2019-24 tariff period as per our directions vide Order dated 29.6.2021, we proceed to determine tariff for the 2019-24 tariff period with respect to Asset-2 and Asset-3 along with Asset-1 for which the tariff for the 2014-19 has been trued-up above in this Order.

54. The Petitioner has claimed the transmission charges with respect to the Asset-1, Asset-2 and Asset-3 for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	27.98	29.98	29.98	36.35	42.71
Interest on Loan	31.68	31.06	28.52	33.67	38.29
Return on Equity	32.47	34.60	34.60	42.07	49.55
Interest on Working Capital	3.35	3.47	3.51	3.87	4.22
O&M Expenses	45.02	46.60	48.24	49.92	51.68
Total	140.50	145.71	144.85	165.88	186.45

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	19350.69	19633.94	19745.10	19,865.27	19,948.67
Interest on Loan	11402.14	10902.51	10224.46	9,480.72	8,730.64
Return on Equity	21663.00	22011.92	22148.23	22,290.42	22,387.90
Interest on Working Capital	879.62	887.11	883.94	880.11	872.85
O&M Expenses	2096.78	2170.34	2246.48	2325.00	2406.80
Total	55392.23	55605.82	55248.21	54841.52	54346.86

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1497.37	1517.42	1517.92	1,520.97	1,524.01
Interest on Loan	1744.34	1637.08	1511.67	1,389.91	1,267.76
Return on Equity	1955.08	1976.48	1977.01	1,981.13	1,985.25
Interest on Working Capital	105.65	105.88	105.01	104.33	103.41
O&M Expenses	631.02	653.47	676.40	700.44	724.43
Total	5933.46	5890.33	5788.01	5696.78	5604.86

55. The Petitioner has claimed the IWC with respect to the Asset-1, Asset-2 and Asset-3 for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	3.75	3.88	4.02	4.16	4.31
Maintenance Spares	6.75	6.99	7.24	7.49	7.75
Receivables	17.27	17.96	17.86	20.45	22.92
Total	27.78	28.83	29.12	32.10	34.98
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	3.35	3.47	3.51	3.87	4.22

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	174.73	180.86	187.21	193.75	200.57
Maintenance Spares	314.52	325.55	336.97	348.75	361.02
Receivables	6,810.52	6,855.51	6,811.42	6,761.28	6,681.99
Total	7299.77	7361.92	7335.60	7303.78	7243.58
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	879.62	887.11	883.94	880.11	872.85

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	52.59	54.46	56.37	58.37	60.37
Maintenance Spares	94.65	98.02	101.46	105.07	108.66
Receivables	729.52	726.21	713.59	702.34	689.12
Total	876.76	878.69	871.42	865.78	858.15
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	105.65	105.88	105.01	104.33	103.41

Capital Cost

56. Regulation 19(3) of the 2019 Tariff Regulations provides as under:

“19. Capital Cost:

.....

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

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;*
- (b) Additional Capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;*
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;*
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not*

include the transportation cost and any other appurtenant cost paid to the railway; and
(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.”

57. The capital cost has been dealt with Regulation 19(3) of the 2019 Tariff Regulations. The admitted capital cost as on 31.03.2019 of ₹. 536.61 lakh with respect to Asset-1 has been considered as per the opening capital cost as on 1.4.2019.

58. The Commission vide order dated 29.6.2021 in Petition No. 358/TT/2020 has allowed the capital cost as on 31.3.2019 of ₹ 379896.87 lakh and ₹ 34323.39 lakh for the transmission Asset-2 & Asset-3 respectively. Against this, the Petitioner has claimed the following capital cost as on 1.4.2019 with respect to Asset-2 and Asset-3 in the instant petition:

(₹ in lakh)						
Asset Details	Expenditure as on 31.03.2019	ACE (2019-24)				Cost as on 31.03.2024
		(as per Auditor's Certificate)				
		2019-20	2020-21	2021-22	2022-23	
Asset-2	379896.87	9134.04	3251.20	1586.94	3460.02	397329.07
Asset-3	34327.14	741.10	18.69	0.00	146.20	35233.13

59. The admitted capital cost as on 31.3.2019 with respect to the Asset-2 is the same as claimed by the Petitioner, and therefore, the capital cost of ₹ 379896.87 lakh has been considered as the opening capital cost as on 1.04.2019. As regards Asset-3, there is a difference of ₹ 3.75 lakh (₹ 379896.87 lakh - ₹34323.39 lakh) between the admitted and the claimed Capital Cost as on 1.4.2019. The difference has arisen due to excess initial spares disallowed in the Order dated 29.06.2021, which have now been claimed by the petitioner in the instant petition. The same has been dealt with in the following paragraphs. The Petitioner has claimed the initial spares for the Sub-station and transmission line for the project as per Regulation 23 of the CERC

Regulations, 2019, which provides initial spares at project cost. Accordingly, the Petitioner has claimed the following initial spare for transmission assets at the project level:

Sub-station

Assets	Particulars	Plant & Machinery Cost (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	(₹ in lakh) Initial Spares Worked out $D = [(A-B)*C / (100-C)]$
Asset-1	S/S (AIS-Brown Field)	648.57	6.5	6.0	40.98
Asset-2	S/S (HVDC)	302242.32	11464.30	4.0	12115.75
Asset-3	S/S (AIS-Green Field)	14738.52	222.54	4.0	604.83
Asset-4	S/S (AIS-Brown Field)	1592.02	11.66	6.0	100.87
TOTAL	S/S (GIS)	319221.43	11705.00	4.0	12862.44

Transmission Line

Assets	Particulars	Plant & Machinery Cost (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Worked out $D = [(A-B)*C / (100-C)]$
Asset-2	T/L	12664.74	113.00	1.0	126.79
Asset-3	T/L	5905.36	65.00	1.0	58.99
Asset-4	T/L	24270.62	220.00	1.0	242.94
TOTAL	T/L	42840.72	398.00	1.0	428.71

60. We have considered the Petitioner's submissions. The Petitioner has claimed the initial spares on the basis of the combined capital cost of all the transmission assets covered in the instant petition. Whereas, the transmission assets, viz., Asset-1 to Asset-3 have been commissioned in the 2014-19 tariff period and Asset-4 has been commissioned in the 2019-24 tariff period. Further, the tariff with respect to Asset-4 from the COD to 31.03.2024 is being determined in the subsequent section of the instant Order. Accordingly, during the current period, Initial Spares are allowed with

reference to the cost of individual transmission assets. The Initial Spares shall be allowed on the basis of the overall project cost in the 2024-29 period once the respective transmission assets are combined as on 1.04.2024.

61. Since the Initial Spares with respect to Asset-1 and Asset-2 are within the ceiling limit, we have reviewed the Initial Spares with respect to Asset-3 as under:

62. The COD and the cut-off date of the Asset-3 is as follows:

COD	Cut-off Date
21.9.2017	31.3.2020

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

“(d) Transmission System

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

64. Accordingly, taking into consideration Form-13 submitted by the Petitioner, the Initial Spares allowed with respect to the Asset-3 as under:

Asset-3	P&M cost as on the Cut-off date (₹ in lakh)	Initial Spares Claimed (₹ in lakh)	Norms as per 2014 Tariff Regulations (in %)	Initial Spares Allowable as per 2014 Tariff Regulations (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares Allowed (₹ in lakh)
	(A)	(B)	(C)	$D = (A - B) * C / (100\% - C)$	$E = B - D$, if $D > B$, then 0	B, if $B < D$, otherwise D
Sub-station	14738.52	222.54	4.00	604.83	0.00	222.54
Transmission Line	5905.36	65.00	1.00	58.99	6.01	58.99

65. Initial Spares of ₹ 6.01 lakh with respect to Asset-3 are required to be disallowed

from the capital cost as on 31.03.2019. However, the Commission vide Order dated 29.6.2021 in Petition No. 358/TT/2020 had already disallowed the Initial Spares to the extent of ₹ 3.76 lakh with respect to Asset-3 and accordingly, allowed the capital cost as on 31.3.2019 of ₹ 34323.39 lakh. Therefore, Initial Spares to the extent of ₹ 2.26 lakh (₹ 6.01 lakh – ₹ 3.75 lakh) are required to be reduced from the capital cost as on 31.03.2019 with respect to Asset-3. Accordingly, the capital cost as on 31.03.2019 of ₹ 34321.13 lakh (₹ 34323.39 lakh – ₹ 2.26 lakh) with respect to Asset-3.

Capital Cost as on 31.3.2019

66. Accordingly, the element-wise capital cost allowed for Asset-1, Asset-2 and Asset-3 as on 31.3.2019 is as under:

Particulars	Asset-1	Asset-2	Asset-3
Freehold Land	-	2529.33	3,551.11
Leasehold Land	-	-	-
Building and Civil Works	126.14	40988.59	7,716.64
Transmission Line	-	14395.87	6651.27
Sub Station	410.47	320839.81	16161.61
PLCC	-	1143.27	240.50
IT Equipment (Incl. Software)	-	-	-
Total	536.61	379896.87	34321.13

Additional Capital Expenditure

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

“24. Additional Capitalization within the original scope and up to the cut-off date

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

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

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and

cumulative depreciation of the assets replaced on account of de-capitalization.

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

68. The Petitioner has submitted the ACE for Asset-1, Asset-2 and Asset-3 for the 2019-24 tariff period is as under:

Asset Details	ACE (2019-24)			
	(as per Auditor's Certificate)			
	2019-20	2020-21	2021-22	2022-23
Asset-1	75.66	0.00	0.00	265.21
Asset-2	9134.04	3251.20	1586.94	3460.02
Asset-3	741.10	18.69	0.00	146.20

69. The Petitioner has submitted that the ACE incurred during the 2019-24 tariff period is on account of undischarged liability towards the final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.

70. The Petitioner further submitted that the additional capitalization for the FY 2019-20 has been claimed under Regulation 24(1)(a) (Undischarged Liabilities) and additional capitalization for the FY 2022-23 has been claimed under Regulation 25(1)(d) of the Tariff Regulation, 2019.

71. The Petitioner has also submitted the details of the party-wise liability flow statement with respect to the transmission assets as under:

Asset-1

Party	Particulars	Outstanding liability as on 31.03.2019	Discharge (under Reg. 24 (1)(a) and Reg 25(1)(d) of the 2019 Tariff Regulations)			Outstanding liability as on 31.03.2024
			2019-20	2022-23	Total (19-24)	
BHEL	Sub-station	96.32	22.07	74.25	96.32	-
ABB India Limited	Sub-station and Building & Civil Works	222.96	32.00	190.96	222.96	-
		319.28	54.07	265.21	319.28	-

Party	Particulars	Work deferred for execution (under Reg. 24 (1)(b) of the 2019 Tariff Regulations)	
		2019-20	Total (19-24)
BHEL	Sub-station	13.38	13.38
ABB India Limited	Sub-station and Building & Civil Works	8.21	8.21
		21.59	21.59

Asset-2

(₹ in lakh)

Parties	Particulars	Outstanding Liability as on 31.3.2019	Discharge (under Reg. 24 (1)(a) and Reg 25(1)(d) of the 2019 Tariff Regulations)					Outstanding Liability as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	Total (for 2019-24)	
BHEL	Sub-station	2342.12	1642.85	87.20	-	612.07	2342.12	-
ABB India Limited	Sub-station and Building & Civil Works	7579.56	2381.55	1984.93	1059.06	2154.02	7579.56	-
Centre for advance engineering	Building & Civil Works	170.66	-	170.66	-	-	170.66	-
Misc. Parties for Building and civil work	Building & Civil Works	756.16	-	452.62	89.25	214.29	756.16	-
Kashyapi Infrastructure Pvt. Limited Godrej and Boyce Mfg. Co. Limited and Ors.	Building & Civil Works	2454.71	1382.22	546.15	391.59	134.75	2454.71	-
Fedders Lloyd Corporation Limited	Transmissi on line	174.47	174.47	-	-	-	174.47	-
Misc. Parties for Civil Work	Building	1279.19	895.07	9.64	47.04	327.44	1279.19	-
L&T Limited	Transmissi on line	17.45	-	-	-	17.45	17.45	-
Total		14774.32	6476.16	3251.20	1586.94	3460.02	14774.32	-



(₹ in lakh)

Parties	Particulars	Work deferred for Execution (under Reg. 24 (1)(b) of the 2019 Tariff Regulations)	
		2019-20	Total (for 2019-24)
BHEL	Sub-station	996.07	996.07
ABB India Limited	Sub-station and Building & Civil Works	611.06	611.06
Irrigation and waterways directorates	Building & Civil Works	366.54	366.54
Centre for advance engineering	Building & Civil Works	496.17	496.17
Misc. Parties for Building and civil work	Building & Civil Works	188.04	188.04
Total		2657.88	2657.88

Asset-3

(₹ in lakh)

Parties	Particulars	Outstandin g Liability as on 31.3.2019	Discharge (under Reg. 24 (1)(a) and Reg 25(1)(d) of the 2019 Tariff Regulations)					Outstandin g Liability as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	Total (for 2019-24)	
BHEL	Building & Civil Works	243.56	206.56	0.79	-	36.21	243.56	-
ABB India Limited	Building & Civil Works	427.32	299.43	17.90	-	109.99	427.32	-
M/s Tata Project	Transmissio n Line	33.04	33.04	-	-	-	33.04	-
Total		703.92	539.03	18.69	0.00	146.20	703.92	-

(₹ in lakh)

Parties	Particulars	Work deferred for Execution (under Reg. 24 (1)(b) of the 2019 Tariff Regulations)	
		2019-20	Total (19-24)
BHEL	Building & Civil Works	125.24	125.24
ABB India Limited	Building & Civil Works	76.83	76.83
Total		202.07	202.07

72. The Respondent No. 23, M.P. Power Management Company Limited (MPPMCL) vide affidavit dated 6.4.2023 has submitted that the Petitioner has proposed cost towards the Additional Capitalization during the 2019-24 on account of

the undischarged liability. MPPMCL also submitted that the Petitioner has not supported its contention with the proper documents and details, and has also not justified the same. MPPMCL has submitted that the Additional Capitalization may be deferred till trued-up when the actual ACE details are submitted.

73. In response, the Petitioner vide affidavit dated 26.07.2023 submitted that the contentions of the Respondent are incorrect and denied. The Petitioner further submitted that it has duly explained the Additional Capitalization claimed during the 2019-24 tariff period for transmission assets and submitted that the additional capitalization is on account of undischarged liability towards the final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.

74. The Respondent No. 24, Maharashtra State Electricity Distribution Corporation Limited (MSEDCL), vide affidavit dated 27.1.2024 in its reply, has submitted that the Petitioner has proposed a cost towards additional capitalization during 2019-24 on account of any undischarged liability. The Petitioner has not supported its contention with the proper documents and details, and has also not justified the same. MSEDCL further submitted that no interference in this regard is required at this stage, as the same can be looked into and added with actual figures at the trued-up stage, if required. MSEDCL has further submitted that the claim towards undischarged liability for which the Additional Capitalization has been sought needs prudent check by the Commission to ascertain if the liability arisen due to contractual exigencies, not because of the fault of the Petitioner in the said contract, as approving the said proportionate additional capitalization would encourage the inefficiency by the Petitioner at the cost of Respondent herein.

75. In response, the Petitioner vide affidavit dated 9.2.2024 has submitted that the liability flow statement for the subject asset, containing the package-wise and vendor-wise additional capitalization details, has already been submitted along with the

Petition.

76. We have considered the Petitioner and MPPMCL, MSEDCL's submissions. We have also gone through the documents placed on record. The Commission observes that the additional capitalization proposed by the Petitioner is on account of the undischarged Liabilities and unexecuted works, and the same has been claimed under Regulation 24(1)(a), Regulation 24(1)(b) and Regulation 25(1)(d) of the 2019 Tariff Regulations. The Commission has considered and approved the ACE for the FY 2019-24 Period as claimed by the Petitioner. The same shall be trued-up based on actuals during the truing up of the tariff Period 2019-24. The details of the ACE allowed the ACE for the FY 2019-24 Period are as follows:

Asset-1

(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (a)	54.07	-	-	-
ACE as per the Auditor's Certificate allowed under Regulation 25 (1) (d)	-	-	-	265.21
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (b)	21.59	-	-	-
Add: IDC Discharged	-	-	-	-
ACE allowed in the instant order	75.66	-	-	265.21

Asset-2

(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (a)	6476.16	-	-	-
ACE as per the Auditor's Certificate allowed under Regulation 25 (1) (d)	-	3251.20	1586.94	3460.02
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (b)	2657.88	-	-	-
ACE allowed in the instant order	9134.04	3251.20	1586.94	3460.02

Asset-3

(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (a)	539.03	-	-	-
ACE as per the Auditor's Certificate allowed under Regulation 25 (1) (d)	-	18.69	-	146.20
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (b)	202.07	-	-	-



ACE allowed in the instant order	741.10	18.69	-	146.20
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Capital Cost

77. The capital cost of the transmission Asset-1, Asset-2 and Asset-3 considered for the 2019-24 tariff period, subject to truing up, are as follows:

Asset	Capital Cost allowed on 1.4.2019	ACE allowed for the Period 2019-24					(₹ in lakh) Capital Cost up to 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	536.61	75.66	0.00	0.00	265.21	0.00	877.48
Asset-2	379896.87	9134.04	3251.20	1586.94	3460.02	0.00	397329.07
Asset-3	34321.13	741.10	18.69	0.00	146.20	0.00	35227.12

78. Further, the completion cost as on 31.3.2024, including the ACE claimed with respect to the transmission asset, is within the RCE approved cost. Hence, there is no cost overrun in the case of Asset-1, Asset-2 and Asset-3.

Debt-Equity Ratio

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

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

Provided that:

- 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 31.3.2019 shall be considered: Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

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

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

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

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

80. The details of the debt-equity ratio considered for the purpose of computation of the transmission tariff for the 2019-24 tariff period are as under:

Asset-1 (Funding)	Capital Cost as on 01.04.2019 (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakhs)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	375.63	70.00	238.61	70.00	614.24	70.00
Equity	160.98	30.00	102.26	30.00	263.24	30.00
Total	536.61	100.00	340.87	100.00	877.48	100.00

Asset-2 (Funding)	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakhs)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	265927.84	70.00	12202.54	70.00	278130.38	70.00
Equity	113969.03	30.00	5,229.66	30.00	119198.69	30.00
Total	379896.87	100.00	17432.20	100.00	397329.07	100.00

Asset-3 (Funding)	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakhs)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	24024.79	70.00	634.19	70.00	24658.99	70.00
Equity	10296.34	30.00	271.80	30.00	10568.14	30.00
Total	34321.13	100.00	905.99	100.00	35227.12	100.00

81. Before we proceed to determine the tariff for the 2019-24 tariff period with respect to Asset-1 to Asset-3, we are of the view that it would be appropriate to determine the tariff for the 2019-24 tariff period for all the assets, viz., Asset-1 to Asset-4, together. Accordingly, in the next section, Asset-4 is dealt with, and thereafter, the tariff for the 2019-24 tariff period with respect to all the transmission assets covered in the instant petition has been determined.

Asset-4: 400 kV D/C Alipurduar- Punatsangchung along with associated bays at Alipurduar Pooling station (Indian Portion);

82. The Petitioner has claimed the following transmission charges with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)					
Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1229.64	1677.40	1680.87	1,684.09	1,687.15
Interest on Loan	1297.75	1643.50	1512.45	1,382.60	1,252.35
Return on Equity	1341.61	1829.60	1833.33	1,838.39	1,843.30
Interest on Working Capital	63.03	84.40	82.77	81.18	79.38
O&M Expenses	111.22	154.32	159.74	165.36	171.14
Total	4043.25	5389.22	5269.16	5151.62	5033.32

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

(₹ in lakh)					
Asset-4					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M expenses	12.43	12.86	13.31	13.78	14.26
Maintenance Spares	22.37	23.15	23.96	24.80	25.67
Receivables	666.47	664.42	649.62	635.13	618.85
Total	701.27	700.43	686.89	673.71	658.78
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	63.03	84.40	82.77	81.18	79.38

Date of Commercial Operation (“COD”)

84. The Petitioner has submitted that as per the IA dated 15.4.2010, the assets under the Transmission system for the development of the pooling station in the Northern part of West Bengal and the transfer of power from Bhutan to NR/WR project were scheduled to be commissioned within 57 months from the date of the IA i.e., by 15.01.2015. The Asset-4 is ready for intended use w.e.f. 29.3.2018 and put under the commercial operation w.e.f. 3.7.2019.

85. In support of the COD of Asset-4, the Petitioner has submitted that the Petitioner had completed its scope of the transmission system on 29.3.2018, but was not able to put the same under regular service due to delay on the part of the generating utilities in execution of the generation and transmission systems at their end. The Petitioner further submitted that based on the deliberations and discussions held in the 146th OCC Meeting and ERPC Meeting, Asset-4 was charged w.e.f. 29.3.2018, and after successful trial operation (at No load) and CEA Clearance, the COD for the asset was declared.

86. The Petitioner further submitted that the power flow in the line could not be achieved since the Punatschangu-I HEP (Generation plant in Bhutan) was not ready. Accordingly, the Petitioner had filed a Petition before the Commission for the approval of proposed COD as 29.3.2018 in Petition No: 193/TT/2019, wherein the Commission held as under:

“

5. The Petitioner, during the course of hearing dated 2.11.2021, has submitted that the actual power started flowing through Asset-I on 1.7.2019, which falls under the 2019 Tariff Regulations. Accordingly, the Petitioner would file a separate petition with respect to Asset-I in accordance with 2019 Tariff Regulations and prayed that tariff for only Asset-II may be granted in the instant petition and liberty may be given to the Petitioner to file a fresh petition as per the 2019 Tariff Regulations in respect of Asset-I. In light of the submissions of the Petitioner, the Commission vide RoP dated 2.11.2021 granted liberty to the Petitioner to file a separate petition for Asset-I in accordance with the 2019 Tariff Regulations.

.....”

87. The Petitioner has submitted that the associated generation project was scheduled to be implemented progressively from August 2014 to April 2015. However, the generation project got substantially delayed, and the Indian portion of the Transmission line was completed in March 2018. The Petitioner also submitted the detailed status of the generation project, which was discussed in various forums as under:

Sr. No.	Description	Date	Commissioning Scheduled
1	SCM in Eastern Region	14.09.09	By 2014-15 (Punatsangchu-I)
2	15 th ERPC meeting	28.09.10	By 2014-15 (Punatsangchu-I)
3	SCM in Eastern Region	20.09.10	By 2014-15 (Punatsangchu-I)
4	18 th ERPC meeting	01.07.11	By 2014-15 (Punatsangchu-I)
5	SCM in Eastern Region	02.05.14	Punatsangchu-I by 2015 Punatsangchu-II by 2017
6	27 th ERPC meeting	31.05.14	Punatsangchu-I by 2015 Punatsangchu-II by 2017
7	38 th ERPC meeting	30.06.18	Punatsangchu-I by March 2023 Punatsangchu-II by December 2020

88. The Petitioner has submitted that the various bilateral meetings were held between the Petitioner and Bhutan Power Corporation Limited, discussing the status of the ongoing HEP projects & transmission line projects in Bhutan.

89. Meanwhile, Mangdechhu HEP (720 MW), Bhutan, became operational for the beneficiaries in the North Eastern region and the Eastern region. As the Indian portion of the power evacuation system for Mangdechhu HEP was delayed, an interim arrangement was made to facilitate power transfer utilizing the Punatsangchu-I-Alipurduar 400kV line in June 2019. The Petitioner submitted that utilization of Asset-4 was achieved for the evacuation of electricity from another generator namely Mangdechhu Hydroelectric Project Authority, Bhutan (MHPA), which achieved commercial operation in July 2019. The Petitioner has submitted the detailed discussions regarding the utilization of Asset-4 in a meeting held on 15.7.2015 with the Central Electricity Authority (CEA) with participation from all the stakeholders.

90. The Petitioner has submitted that actual power flow on Asset-4 was achieved on 1.7.2019, which falls under the tariff period for the 2019-24 and therefore will be governed by the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

91. The Petitioner has submitted that the Commission has disposed of Petition No: 193/TT/2019 for 400kV D/C Alipurduwar - Punatsangchu Transmission line (Indian portion) along with the associated bay at Alipurduwar Sub-station with the liberty to file a separate petition after utilization of the Assets. Accordingly, the Petitioner has withdrawn the previous Petition wherein the COD was claimed as 29.3.2018 and declared the fresh COD for the Asset w.e.f. 3.7.2019 after successful trial operation.

92. The Petitioner has also submitted that the power from Mangdechhu Generating Sub-station is being continuously evacuated via Asset-4 and is being supplied to the beneficiaries of the Mangdechhu power project. The Petitioner further submitted that the beneficiaries stand identified vide the MoP allocation letter dated 24.7.2015 and as amended vide allocation letter dated 7.3.2019.

93. The Petitioner has submitted the revised COD letter dated 20.4.2022, the NLDC certificate (First Time Power Flow) dated 23.8.2018, the CEA's letter dated 27.7.2015 for Minutes of Meetings dated 15.7.2015 for interim arrangement, the MoP allocation letter dated 24.7.2015 & 7.3.2019 and Minutes of Meeting of Bipartite Meeting held on 5.9.2017.

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

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

(2) In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial

operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:

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

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

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

(3) The date of commercial operation in case of integrated mine(s), shall mean the earliest of —

- a) the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or*
- b) the first date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or*
- c) the date of two years from the date of commencement of production:*

Provided that on earliest occurrence of any of the events under sub-clauses (a) to (c) of Clause (3) of this Regulation, the generating company shall declare the date of commercial operation of the integrated mine(s) under the relevant sub-clause with one week prior intimation to the beneficiaries of the end-use or associated generating station(s);

Provided further that in case the integrated mine(s) is ready for commercial operation but is prevented from declaration of the date of commercial operation for reasons not attributable to the generating company or its suppliers or contractors or the Mine Developer and Operator, the Commission, on an application made by the generating company, may approve such other date as the date of commercial operation as may be considered appropriate after considering the relevant reasons that prevented the declaration of the date of commercial operation under any of the sub-clauses of Clause (3) of this Regulation;

Provided also that the generating company seeking the approval of the date of commercial operation under the preceding proviso shall give prior notice of one month to the beneficiaries of the end-use or associated generating station(s) of the integrated mine(s) regarding the date of commercial operation.”

95. We have considered the Petitioner's submission and gone through the documents placed on record. It was observed that in the Joint meeting among PGCIL and Bhutan Power Corporation Limited (BPCL), Mangdechhu HEP authority (MHPA), MoEA, Bhutan held on **dated** 14.11.2018, the interim arrangement for evacuation of Power from Mangdechhu HEP through Mangdechhu-Jigmeling-Alipurduar (vis Punatsangchu HEPs) route had been discussed and agreed upon. The Relevant extract of the Minutes of the meeting is as under:

The following points were discussed and minuted: -

1. Representative from POWERGRID explained the originally approved transmission system of Punatsangchu and Mangdechhu HEP which is given below:
 - 1.1. Transmission system for Punatsangchu-I & Punatsangchu-II HEPs:
 - (a) Punatsangchhu-I HEP – Lhamozinkha (Border) 400kV 2xD/c line (one D/c line through Punatsangchhu-II HEP)
 - (b) Lhamozinkha (Border) – Alipurduar 400kV D/c (Quad Moose) line
 - (c) Punatsangchhu-II HEP – Jigmeling 400kV D/c line
 - 1.2. Transmission system for Mangdechhu HEP (4x180MW):
 - (a) Mangdechhu – Jigmeling (via Goling) 400kV 2xD/c line
 - (b) Jigmeling – Alipurduar 400kV D/c (Quad Moose) line
2. It was further informed that out of two cross border interconnections between India and Bhutan, line 1.1 (b) i.e. from Lhamozinkha (Border) to Alipurduar 400KV (Quad Moose) D/c line has already been commissioned by POWERGRID since March'18. However, the other line at 1.2 (b) i.e. Jigmeling – Alipurduar 400KV (Quad Moose) D/c line will take some more time for completion due to constraints of Forest Clearance in Assam/India. Other transmission lines in Bhutan are almost ready for commissioning. In regard to commissioning schedule of Mangdechhu HEP, Mangdechhu Hydro Power Authority (MHPA) official stated that all the units would be commissioned sequentially between Jan'19 and Feb'19.
3. Representative of POWERGRID explained the interim arrangement required to evacuate power from Mangdechhu HEP utilizing the transmission system of Punatsangchu HEPs in the absence of Jigmeling – Alipurduar 400kV D/c (Quad Moose) line. It was informed that out of the two D/c line mentioned at 1.1(a) & 1.2 (a), only one D/c line would be utilized.

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The Punatsangchu-I - Lhamozinkha (Border) 400kV D/c (Twin Moose) line would be joined with Lhamozinkha (Border) - Alipurduar 400kV D/c (Quad Moose) line at Lhamozinkha (Border). Accordingly, Mangdechhu HEP would be connected with Alipurduar through the following transmission system: (schematic enclosed at Annexure-II).

- (a) Mangdechhu - Jigmeling - Lhamozinkha (Border) (via Punatsangchu HEPs) 400kV D/c (Twin Moose) line (In BPC/Bhutan Jurisdiction)
 - (b) Lhamozinkha (Border) - Alipurduar 400kV D/c (Quad Moose) line (In POWERGRID/India Jurisdiction)
4. On enquiry regarding the reactive compensation, BPC & MHPA officials informed that 2x80MVAR & 1x80MVAR bus reactors are ready for commissioning at Jigmeling S/s & Mangdechhu HEP respectively. BPC informed that energy delivery point will be at Jigmeling substation.
 5. Representative from POWERGRID stated that the entire length of the interim arrangement from Mangdechhu to Alipurduar would be about 305km. As per the studies carried out,
 - (i) One circuit of Alipurduar - Jigmeling section through Punatsangchu HEPs (about 220km) may be charged from Alipurduar end.
 - (ii) At Jigmeling, the bus reactor(s) would be connected depending on the voltage profile.
 - (iii) Subsequently, one circuit of Jigmeling - Mangdechhu section (about 85km) may be charged from Jigmeling end
 - (iv) Now, the generating unit as well as bus reactor at Mangdechhu would be synchronized.
 - (v) The second circuit could be charged from either ends thereafter.Further, it was mentioned that the detailed charging instructions would be issued subsequently.
 6. Representative from POSOCO stated that the details of the charging studies may be shared before commissioning of the proposed interim arrangement. Further, protection coordination issues, voice and data communication system, metering system needs to be made available. The same was agreed by the members.
 7. POWERGRID informed that considering the environmental issues in 400KV D/C Jigmeling-Alipurduar line, interim arrangements have been made. However, all efforts are being made to complete 400KV D/C Jigmeling-Alipurduar line by Sept'2019. MHPA officials mentioned that they have to hand over Mangdechhu HEP along with its associated transmission system to concerned authority of Bhutan after the completion of the generation project. Accordingly, they requested POWERGRID to complete the Indian portion of the transmission system preferably by Aug/Sep'19, but not later than Nov/Dec '19.
 8. POWERGRID informed that all efforts would be made to complete the line as per the timeline indicated by Bhutan.

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9. After detailed deliberations, all members agreed for the proposed interim arrangement mentioned at Para 3.



96. Therefore, as above and taking into consideration of the revised COD letter dated 20.4.2022, the NLDC charging Certificate dated 23.08.2018 certifying the first time charging on 27/28.03.20218 and Certificate dated 08.10.2020 certifying the successful completion of trial run on dated 02.7.2019 for interim arrangement for the evacuating Hydro Power from Mangdechhu HEP, the CEA's Energization Certificate dated 24.1.2018, letter for Minutes of Meetings dated 15.7.2015 for the interim arrangement, the MoP allocation letter dated 24.7.2015 & 7.3.2019 and Minutes of Meeting of Bipartite Meeting held on 14.11.2018, the COD of Asset-4 is approved as on 3.7.2019.

Capital Cost

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

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

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

- (a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
- (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*

- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

- (3) The Capital cost of an existing project shall include the following:
- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;
 - (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
 - (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
 - (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
 - (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
 - (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.
- (4) The capital cost in case of existing or new hydro generating station shall also include:
- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
 - (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.
- (5) The following shall be excluded from the capital cost of the existing and new projects:
- (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 replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

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

repayment.”

98. The Petitioner vide the Auditor's Certificates dated 6.7.2022 has claimed the capital cost incurred as on the COD and has also projected the ACE to be incurred with respect to the transmission asset is as under:

								(₹ in Lakhs)
Name of the Element	FR Approved Cost	RCE Approved Cost	Expenditure Up to COD	Actual/ Projected Add Cap Expenditure				Estimated Completion Cost
				2019-20	2020-21	2021-22	2022-23	
Asset-4	24668.17	34490.88	32067.92	449.10	17.11	5.65	174.26	32714.04

(₹ in Lakhs)

Cost Overrun

99. The Petitioner has submitted that with respect to the RCE for Asset-4, there is no cost overrun. However, there is a cost overrun of about ₹8045.04 Lakhs with respect to the approved apportioned cost (FR) for Asset-4. The reasons for cost variation between the approved costs (FR) and the anticipated cost as on the proposed COD submitted by the Petitioner are as under:

- i) *“The variation of about ₹ 27.18 crore w.r.t FR is on account of increase in compensation against transmission line construction for crop & tree and Forest. The variation is due to the actual assessment of crops/trees & huts in the plain and forest area encountered in line corridor by concerned Govt. officials of West Bengal, Forest department, quantity & value of which are much greater than the notional estimate. The Compensation further revised as per the Guidelines issued by MoP, GoI dt: 15.10.2015.*
- ii) *Due to ROW issues encountered during the construction of line, the actual line length and routing changed due to severe ROW, which increase the no. of angle towers, requirement of unequal leg extensions, raised chimneys as per site condition which resulted to increases the cost of TL. Increase in number of extensions, raised chimneys and tension/suspension tower due to actual line routing and line length, these resulted in increase of hardware fitting, earth wire, insulators etc.*
 - a) *The cost of conductor decreases due to change in type of conductor from twin HTLS in DPR to quad moose for 400 kV D/C Punatsangchu-I–Alipurduar line (India Portion).*
 - b) *Change in no of pile foundation from 01 in DPR to 05 in 400 kV D/C (Quad) Punatsangchu-I-Alipurduar line the cost of tower steel also increases.*

Because of ROW issues the actual line routing changes, which resulted in increase of the quantities of Transmission line. The details are as:

Particulars	Quantity (Nos)		Variation
	as per FR	Actual	
Tower Steel (MT)	3429	6406	-2977



Conductor (km)	890	1642	-752
Insulator (Nos)	56465	142330	-85865
Pile Foundation (nos)	1	5	-4

- iii) With regards to the Civil works (excavation, concreting, revetment, benching etc). (increase of ₹42.62 crore w.r.t FR): The increase in cost is on following accounts:
- a) Increase in the quantities of benching, excavation, concreting due to increase in no. of angle towers and adoption of special type of foundations, tower protection and revetment works, incorporation of unequal leg extensions and raised chimneys which have increased the cost due to frequent landslides, monsoon in hilly areas and also change in river course.
- b) Furthermore, there is an increase in cost for adopting special block foundations at vulnerable locations and pile foundation.
- iv) The variation in cost of substation equipment's is also due to the actual site condition, change in type of soil w.r.t considered in FR etc. inflationary trend prevailing during execution of project and also market forces prevailing at the time of bidding process of various packages.
- v) Increase of about ₹ 24.53 Crore IDC w.r.t. the estimated cost (FR Cost) due to cost and time over run. The actual IDC accrued upto DOCO has been considered at the time of claim of Tariff. (The IDC of ₹1919.13 Lakhs from 29.03.2018 to 02.07.2019 are from Memorandum of accounts).
- vi) IEDC (Overheads) - during estimation for FR, 3% and 5% of Equipment cost and Civil Works has been considered for Contingency and IEDC respectively. The actual amount of IEDC, Establishment and Contingency has been considered at the time of claim of Tariff. However, the overall IEDC is within the estimated cost w.r.t FR & RCE. (The IEDC of ₹223.50 Lakhs from 29.03.2018 to 02.07.2019 are from Memorandum of accounts)."

100. The Petitioner has further submitted that the cost variation with respect to FR under the project is attributable to variation in quantities as per actual line routing and compensation paid based on the assessment of the Government officials of the state and also inflationary trend prevailing during the execution of the project, and also market forces prevailing at the time of bidding process of various packages. The reasons for cost variation are beyond the control of Petitioner.

101. We have considered the Petitioner's submission. As compared with the FR cost, the estimated completion cost has increased by an amount of ₹ 8045.87 lakhs. We have gone through the documents placed on Record and observed that, as per the FORM -5 submitted by the Petitioner, there is a considerable increase in completion cost with respect to Preliminary Investigation & Right of Way (RoW). Further, the

following major variations of certain individual items(s) are observed in Form-5, and are as follows:

(₹ In Lakh)			
Particulars	As per <u>the</u> original Estimate	Actual Completion Cost	Variation
Preliminary Investigation, RoW, Forest Clearance, PTCC, general Civil work etc.	1859.65	4578.00	2718.35
Tower Steels`	2059.47	6421.75	4362.28
Insulators	355.87	1263.80	907.93
Hardware fittings	834.5	1122.16	287.51
Erection, stringing and civil work including foundations	1737.77	5941.40	4203.63
Civil work of Control room & office Building including HVAC	5.19	223.63	218.44
Township and colony	74.52	211.23	146.31
Switchgear (CT PT CB Isolators)	290.70	357.54	66.84
Control Relay and Protection Panel	62.32	171.44	109.12
Bus Bar/Conductor/Insulators	37.69	224.25	186.56
Outdoor lighting	15.00	70.32	55.32
Power & Control Cables	37.36	93.26	55.90
Grounding System	0.00	182.48	182.48
Auxiliary System	15.62	199.26	183.64
IDC	2220.04	4673.81	2453.77

102. Therefore, the Petitioner is directed to submit the detailed justification along with the supporting documents of the above-mentioned items and the comparison between the awarded cost and the completion cost. The same shall be reviewed at the time of Truing up. Subject to this, the capital cost claimed by the Petitioner is provisionally allowed, subject to the prudence check of the above-mentioned items.

Time overrun

103. As per the IA dated 15.4.2010, the scheduled COD of the transmission project was 57 months from the date of IA, i.e., by 15.1.2015, against which the subject assets have been put under the commercial operation as under:

Asset	SCOD	COD	Time overrun
Asset-4	15.1.2015	3.7.2019	1630 days (53 Months 17 Days)

104. The Petitioner has submitted that the delay in execution is mainly because of the various factors, viz., delay in land acquisition for HVDC station at Alipurduar, Delay in diversion of land through Buxa Tiger Reserve (wildlife) and severe RoW problems in the construction of the Transmission line. The detailed justification of the time delay submitted by the Petitioner is as under:

A. Delay in acquisition of land for ± 800 kV HVDC Alipurduar Sub-station

105. The Petitioner has submitted that the Land acquisition process was started during the FY-2009, about 5 months before the IA, to minimise the time and to ensure speedy execution. However, due to reasons beyond the control of the Petitioner, the formal land allocation was completed only by May 2014. The Petitioner further submitted that about 180 acres of land were initially selected for the acquisition of the Alipurduar Sub-station. The selected land fell in two districts of West Bengal, i.e, in Coochbehar (about 93 acres) and Jalpaiguri (about 87 acres) districts. A requisition for the acquisition of land was submitted to the District Authorities of Coochbehar and Jalpaiguri in February 2010. Subsequently, the Petitioner's applications were forwarded to the State Secretariat by the District Authorities for administrative approval & authentication of the Notification of Section-IV. Subsequently, the approval of the State Cabinet for acquiring the land was accorded in December 2010. The Petitioner, along with the State land acquisition branch of the West Bengal Government, visited the marked land several times between March 2010 and August 2011 to conduct a survey, but faced severe resistance from landowners and agitation by the local farmers and were unable to conduct the PIR. The Petitioner submitted several local newspaper cuttings to explain the severity of agitation faced by POWERGRID. The Petitioner submitted that after multiple inquiries at the State Government authorities' level, they did not yield any fruitful resultss for possession of land through the land acquisition process.

106. The Petitioner also submitted that a joint meeting between the Petitioner, State Land Acquisition branch of the West Bengal Govt. and the concerned farmers was held on 12.8.2011 to resolve the issues, but nothing fruitful came out of it. Additional District Magistrate vide letter dated 26.8.2011 communicated that acquiring land at the subject locations will be very hard due to persistent severe agitation. Accordingly, the Local Authority vide letter dated 9.9.2011, the Petitioner was requested to identify an alternate choice of land and submit a fresh proposal. Due to severe agitation and the RoW issues, all exercise related to land acquisition undertaken by the Petitioner from November 2009 to September 2011 was rendered futile.

107. Thereafter, Minister-in-Charge, North Bengal Development Department, in a meeting held during September 2011, suggested the direct purchase of an alternate site and also assured necessary support from the District Authorities in the absence of consensus of the associated landowners. Accordingly, an alternate site was selected about 40 kms from the earlier identified land. The Petitioner submitted that about 177.37 acres of land (176.11 acres of Private land and 1.26 acres of Government land) were identified in the State of West Bengal in September 2011. The Petitioner initiated the process of land acquisition; however, at that time, the required land was beyond the permissible ceiling limit as per the new West Bengal Land Reforms Act, notified in July 2012. After taking up the matter with the District Authorities of the concerned districts, the Petitioner, as advised, took the matter up with the State Administration. Required waiver amendment regarding "Holding of land in excess of ceiling limit" in West Bengal Land Reform rule was notified by the State Government in July 2012. Subsequent to the waiver amendment regarding "Holding of land in excess of ceiling limit" in West Bengal Land Reform rule, the Petitioner had to file a fresh application as per the amended Act, which POWERGRID filed in August 2012. Subsequently, the

State Govt. approval was received on 8.11.2012, and the process of taking possession of the land started, which consisted of identification, registration, stamp duty, and rehabilitation (in case of Tribal land). The Petitioner has submitted that the instant petition includes tribal land and Barga land belonging to more than 300 landowners. The transfer of land was a cumbersome process due to a mismatch between land records & actual possession of plots. The Petitioner had to carry out the updating of land records even after prior permission from the State Govt. Thereafter, notices in Newspapers were published based on the latest records as were available at land offices. The Petitioner had to seek prior permission from BCW for the 4 plots of the tribal community and annulment of the Patta Land. After completing of these processes and with the last major registration for homestead land after settlement of compensation of standing properties by District authorities, the Petitioner took possession of the land in May 2014 to July 2014. Thus, the process of land acquisition took about 53 months.

108. The chronology of events submitted by the Petitioner are as under:

S. No.	Date	Particulars of Work	Remarks
1	12.11.2009	Letter to District Magistrate, Cooch Bihar and Jalpaiguri regarding land Acquisition	
2	17.02.2010	Submission of Application for Land Acquisition (For both Cooch Bihar and Jalpaiguri District) after survey of land, receipt of estimated cost of land from respective blocks	179 Acres (87.06 Cooch Bihar) & 91.94 (Jalpaiguri))
3	03.03.2010	Demand of 50% Fund of the estimated cost of Rs 4,74,34,216.00 raised by state authority	Payment has been made accordingly
4	02.03.2010	Demand of 100% Fund of the estimated cost of Rs 8,72,13,804.00 raised by the state authority	Payment has been made accordingly
5	25.05.2010	Forwarding the Application of Powergrid to the State Secretariat for administrative approval & authentication of the Notification of Section-IV for Jalpaiguri District	Preliminary Investigation by officials of Jalpiaguri District
6	19.07.2010	A public Hearing was held in association with the District authorities of Cooch Bihar at Site	No Fruitful Outcome
7	28.12.2010	Cabinet approval for the land	Conveyed by the State Govt.



S. No.	Date	Particulars of Work	Remarks
8	17.02.2011	Forwarding the Application of Powergrid to the State Secretariat for administrative approval & authentication of the Notification of Section-IV for Cooch Bihar District.	
9	April-May'2011	Formation of a New State Govt by other Party	Land acquisition process completely stalled from the End of February till the formation of the new Govt.
10	29.07.2011	Appraising MIC, North Bengal development, Govt of W.B., during his visit at Birpara S/s	MIC talked to LRC in the state secretariat and enquired about the status of the Land
11	03.08.2011	Meeting with MIC, North Bengal Development, Govt of W.B. by higher officials of Powergrid at State Secretariat	For appraisal & Follow Up
12	12.08.2011	Notice for hearing for Pattas Land	
13	26.08.2011	Letter from Add DM (LA), i.e. unable to conduct PIR for the acquisition of Land at Marichbari and Topsikhata	Due to the agitation of local people and the processor of said land
14	07.09.2011	Meeting with MIC, North Bengal Development, Govt of W.B. by higher officials of Powergrid at Silliguri	MIC advised to go for direct purchase with the necessary support from the district authorities. MIC also directed DM/Jalpaiguri, who was present at Siliguri on the day of another meeting, to extend necessary co-operation to POWERGRID
15	09.09.2011	Letter from Spl Land Acquisition Officer	To submit a fresh proposal for a new site. Due to serious agitation at Tapsikhata and Marich bari
16	20.09.2011	Letter to LAO, Jalpaiguri	
17	30.09.2011	In principle, approval of Management for the direct purchase of land without invoking LA act	After exhausting all other alternatives
18	20.12.2011	Letter from the state govt advising POWERGRID to talk to agitators against Land acquisition	Clearly indicating Govt land for not to go by compulsory acquisition of Land
19	04.01.2012	Minutes of Meeting held at the office chamber of BDO Cooch Behar	Regarding Land acquisition issues
20	07.02.2012	A meeting involving people's Representatives, the District administration of both Jalpaiguri and Cooch Behar and the high-level committee of Powergrid convened at Alipurduar Circuit House	To fix the rate of land as 30 lakh/acre & modalities of direct purchase.
21	17.02.2012	Minutes of meeting with District Magistrate and Collector, Jalpaiguri & Cooch Bihar	Regarding Land acquisition issues and settlement of land
22	12.03.2012	Submission of Prayer for approval of acquiring & holding Celling Surplus land	Follow up several times with the concerned secretaries of state govt, i.e., Power Dept, Land Revenue & also apprised Hon'ble MIC/Power from time to time.
23	29.03.2012	Management approval of the High-powered committee recommendation	Rate per acre fixed as ₹30 lakh/acre

S. No.	Date	Particulars of Work	Remarks
24	09.04.2012	Letter to DM & Collector, Jalpaiguri & Cooch Bihar District	For Speedy settlement and disposal of Land
25	08.06.2012	Minutes of meeting with District magistrate and Collector, Jalpaiguri & Cooch Bihar	Follow up
26	29.06.2012	Letter from Land reforms Dept, WB regarding Section 14Y of WB Land Reforms Act, 1955	Follow up
27	18.08.2012	Publication of Notice in Newspaper regarding acquisition of Land	Follow up
28	25.09.2012	Letter to MoL, WB	Permission to hold land
29	30.10.2012	Letter to Land reform Commissioner and Principal Secretary, WB	Letter from Principal Secretary, Dept of Power
30	05.11.2012	Order from DWO, Backward Classes welfare & revenue officer, regarding the purchase of land of the Scheduled tribes	Under section 14/C of WVLR act
31	08.11.2012	Prior approval of State Govt for direct purchase of land by Powergrid	Under section 14 of WVLR act
32	20.11.2012	Requisition of NJ Stamp Paper in required number & Request to dispense with manual copying of deeds to district authorities	There had been an issue with the availability of NJ Stamp Paper throughout the purchase period. Due to resistance from copy writers' association, manual copying of deeds could be dispensed with, which had been an issue for slow registration
33	24.11.2012	Publication of Notice in Newspaper regarding acquisition of Land	
34	25.11.2012	Publication of Notice in Newspaper regarding acquisition of Land	
35	28.12.2012	Deletion of wrongly recorded Bargadar	(Share Cropper)
36	19.04.2013	Issue resolved by State Authorities	Memo No.S/814(3) Dt 19.04.13
37	19.06.2013	Disputes among the owners of undivided ancestral Properties, Improper records of some occupiers, willful delay for further bargaining by some landowners	75% land was procured by June'13 (Letter from ED/NEA Dt 19.06.2013 (Ref:- NEA/APD/Land/278-280))
38	July'2013	Annulment of land provided by the Govt for agriculture, which is not salable (Patta land)	Order Sheet of SDO/Alipurduar Dt 25.11.13
39	16.09.2013	Letter from Additional DM & District land & Land Reforms Officer regarding Annulment of Patta land	To Block Land & Land Reforms Officer
40	25.09.2013	Letter from Block Land & Land Reforms Officer regarding Patta annulment	
41	04.11.2013	Notice for hearing for Patta Land	
42	18.11.2013	Order/Proceeding for surrender of vested agri land u/s 49 (2) of WBLR Act	
43	28.11.2013	Disputes among the owners of undivided ancestral Properties, Improper records of some occupiers, willful delay for further bargaining by some landowners, and willful delay in the shifting of houses of 3 families	Approx 85% land was procured by Nov'13. Only 20% progress in 5 months (Letter from ED/NEA Dt 28.11.2013 (Ref: NEA/APD/Land))
44	28.11.2013	Letter to Add Chief Secretary & Land Revenue Commissioner of WB	



S. No.	Date	Particulars of Work	Remarks
45	12.12.2013 to 16.12.2013	Meeting convened by district authorities with the Landowners of the balance land of around 21 acres with homestead land	MOM (No progress in land procurement)
46	06.01.2014	Minutes of meeting held at the office of the District Magistrate and Collector, Cooch Bihar	Direct purchase of the balance land regarding
47	05.02.2014	Assessment of compensation for the standing properties of families with homestead land	Felling of trees, shifting of houses, etc., were carried out subsequently. Final registration of balance land carried out in April-May'14 (Memo no LA/88 Dt 05.02.14 along with MOM dated 06.01.14 attached)

109. The Petitioner has submitted that the Delay in land acquisition at Alipurduar HVDC station, RoW vis-à-vis law and order problem at sites were already enumerated thoroughly in Petition No. 198/TT/2017. The Petitioner has further submitted that the Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 has already condoned the Time overrun with respect to the land acquisition at Alipurduar Sub-station and reproduced the relevant Para of the order as under:

“29. The Petitioner started the process of land acquisition on 12.11.2009 and the actual possession of land was received only on 5.2.2014. Thus, total time taken for land acquisition activity comes to around 50 months. In this regard, the Petitioner has submitted the detailed chronology of the activities from 12.11.2009 to 5.2.2014 along with documentary evidence. On perusal of information submitted by the Petitioner, it is observed that the Petitioner approached the District Land Acquisition Officer for acquisition of land on 12.11.2009 that is 5 months 3 days before the Investment Approval. The Petitioner also wrote various letters to District Magistrate regarding the land acquisition problems and the last letter was on 5.2.2014. The time delay in respect of land acquisition from date of investment approval, (15.4.2010) till finally acquired (5.2.2014) amounts to 45 months 21 days which is beyond the control of the Petitioner. Therefore, overall time overrun of 32 months 7 days (980 Days) in commissioning of the Asset-A and Asset-B covered in the instant petition is condoned. The other reasons for delay cited by the Petitioner on account of RoW issues and land acquisition at Agra, floods and heavy rains is not being dealt further as the entire delay has been condoned on account of delay in land acquisition for main sub-station at Alipurduar.”

Reply of Bihar State Power Holding Company Limited:

110. The BSPHCL vide affidavit dated 20.4.2023 has submitted that the order dated 15.10.2019 in Petition No. 198/TT/2017 was passed with respect to Assets-2 and 3 of the instant Petition, and therefore, the Petitioner ought to clarify and explain as to how

the delay in land acquisition for the HVDC station impacted Asset-4 herein. Further, in the relevant portion of the said order dated 15.10.2019, passed in Petition No. 198/TT/2017 as extracted by the Petitioner, the time delay of 45 months and 21 days was held by the Commission to be beyond the control of the Petitioner as opposed to the claim of 50 months.

111. BSPHCL has further submitted that the Petitioner has asserted and submitted the application for land acquisition on 17.2.2010 after the survey of the land. The Petitioner ought to clarify and explain the survey undertaken by it, despite which it failed to identify the obstructions it may encounter. BSPHCL submitted that the Petitioner, in its submission, has stated that during July 2010, the public hearing in association with the District authorities of Cooch Bihar at the site yielded no fruitful outcome; therefore, the Petitioner clearly had an indication of possible problems since then. The Petitioner also ought to clearly state how distinct the alternate route was, which has been stated to be about 40 kms from the earlier identified land. Further submitted that the Petitioner has stated that 75% land was procured by June 2013; the Petitioner ought to demonstrate the mitigating steps it took vis-à-vis Asset-4 to expedite work and lessen the impact of the extra time allegedly expended on the land acquisition.

Rejoinder by the Petitioner in response to the Reply of BSPHCL.

112. In response to BSPHCL's reply, the Petitioner, through an affidavit dated 26.7.2023, has submitted that PGCIL provided proper reasons, including delays in forest approval and ROW problems during the Transmission Line's construction, which ultimately led to the project's delay in completion. The Petitioner reiterated that Asset-4 was ready for intended use w.e.f. 29.3.2018, and finally could be under commercial operation w.e.f. 3.7.2019. The said delay was thus neither intentional nor asked for by the PGCIL.

Reply of BRPL

113. The BRPL, vide affidavit dated 25.1.2024, has submitted that the reason for delay cited by the Petitioner in the present Petition was mainly on the grounds of land acquisition, forest clearances, and RoW. In this regard, BRPL submitted that PGCIL, being a Govt of India company, is in the business of transmission for more than a decade and is well aware of the issues of land acquisition, forest clearances and RoW. Further, PGCIL decides the timeline for completion of the project after taking into consideration the aforesaid. BRPL further submitted that PGCIL itself, vide the IA dated 15.4.2010, decided to complete the project within 57 months. Therefore, any delay in completion of the project is the result of improper management, lack of coordination and inefficient administration.

114. The BRPL has further submitted that as per IA, the project was to be completed on or before 15.1.2015 and therefore, was to achieve the CoD in tariff period for the 2014-19 under CERC Tariff Regulations, 2014. BRPL has submitted that Regulation 12(1)(a) of the Tariff Regulations, 2014 prescribes that land acquisition is a controllable factor. Therefore, the Petitioner cannot claim that the land acquisition delays should be allowed to cause time-overrun in the project under the “change in law” clause.

Rejoinder by the Petitioner in response to the Reply of BRPL

115. In response, the Petitioner vide affidavit dated 13.2.2024 has submitted that the reasons for delay have already been submitted along with the Petition and the supporting documents. Further, the delay due to late receipt of land at Alipurduar, diversion of land through Buxa Tiger Reserve (wildlife) and the RoW problems in the construction of the transmission line led to the delay in completion of the project, and the same were beyond the control of the Petitioner. The Petitioner has further submitted that the work was frequently brought to a complete halt by a multitude of

issues that the Petitioner encountered concurrently. The project could have been severely delayed by a number of concurrent issues, but the petitioner's experience and skill in project planning and execution prevented this from happening, and the transmission line was completed for normal use on 29.3.2018.

B. Delay in Statutory (Forest) Clearance in Buxa Tiger Reserve:

116. The Petitioner has submitted that it was difficult to finalise the actual line routing and termination point before the finalisation of the land. However, the line survey and route finalisation could only be started after the finalisation of the land orientation. Due to the delay in land acquisition of the main HVDC station and non-finalisation of the orientation of the Sub-station, the finalisation of line routing got delayed, and the same started immediately after the finalisation of land at Alipurduar, i.e., after April 2013. After finalization of the best possible route for the transmission line from Alipurduar to the Indian border, it was noted that the line passes through a reserved forest area, i.e., Buxa Tiger Reserve, leading to a number of clearances to be obtained before starting the work of construction of the transmission line in these areas. The work in the forest area could not be started on time due to the late receipt of the forest clearance. The Forest clearance proposal for the subject line was submitted to the Government of West Bengal on 4.5.2013 on priority, after land finalisation and line routing. However, forest clearance of the line was accorded only on 22.11.2017 for 16.39 Ha.

117. The chronology of events submitted by the Petitioner is as follows:

Date	Particulars
04.05.2013	Application for Permission for Survey at Nodal officer PCCF (Wildlife), Vikash Bhaban, Saltlake, Kolkata.
07.06.2013	Order from Addl. PCCF (wildlife) Vide Order No. 2072 (2)/WL/2W-684/13 for Joint Verification.
09.07.2013	Joint Verification by Petitioner official and Dy. Field Director, BTR (East).
16.07.2013	Submit proposal for the diversion of 16.39 Hac. Land for construction of 400Kv D/C (quad) Punatsangchu- Alipurduar Trans. Line through BTR.
19.07.2013	Forest proposal Wildlife along with the Joint Verification report sent by Dy. Field Director, BTR (East) to Addl. PCCF (wildlife), Vikash Bhaban, Saltlake, Kolkata

Date	Particulars
	vide Letter No. 2291/28-1 dated 19/07/2013.
09.10.2013	Part-II of proposal for the diversion of 16.39 Hac. Land for construction of 400Kv D/C (quad) Punatsangchu - Alipurduar Trans.Line through BTR (Wildlife) submitted to Field Director and CCF by Dy. Field Director, BTR (East), Alipurduar Vide Letter No. 3100/28-1 Dated 09/10/2013.
22.10.2013	Part-III of proposal for diversion of 16.39 Hac. Land for construction of 400Kv D/C (quad) Punatsangchu- Alipurduar Trans Line through BTR (Wildlife) submitted to PCCF (Wildlife) and Chief Wildlife Warden, West Bengal by Field Director, Buxa tiger Reserve, Alipurduar Vide Letter No. 1220/28-1 Dated 22-10-2013.
23.12.2013	Letter from petitioner officials to PCCF (Wildlife) and Chief Wildlife Warden, West Bengal for expediting the approval of forest proposal
24.02.2014	PCCF & Head of Forest Force sent the proposal to Addl. Chief Secretary, Dept. Of Forest, West Bengal for obtaining approval of State Wildlife Board
05.03.2014	Addl. Secretary sent the proposal to PCCF (Wildlife) who is the Member Secretary of State Wildlife Board for approval of State Wildlife Board
26.05.2014	Petitioner official met with PCCF (Wildlife) and requested him for expediting the approval of State Wildlife Board.
04.06.2014	Petitioner official met with Addl. Chief Secretary (Forest), Govt. of West Bengal and requested him for expediting the approval of State Wildlife Board.
18.12.2014	Letter from petitioner official to APCCF submitting the Part-I of Form-A as desired from Forest Dept.
22.02.2015	Site Inspection Report from Dy. Field Director, Buxa Tiger Reserve.
27.02.2015	Letter from BDO, Kumargram regarding Awareness Camp among forest dweller
01.04.2015	Letter from APCCF, Nodal to PCCF requesting for uploading of diversion proposal in Ministry's website.
20.04.2015	Letter from Dy. Field Director, Buxa Tiger Reserve to APCCF, Nodal requesting to provide User ID & Password for online submission and verification of land diversion proposal.
27.04.2015	Letter from Secretary, Forest, W. Bengal to IG, Forest, GOI, sending all requisite papers along with recommendations of State Board of Wildlife for permission from NBWL.
07.05.2015	Letter from Field Director, BTR to APCCF, Nodal stating their inability to upload the relevant details in website due to invalid passwords.
21.05.2015	Certificate in Form-I from DM, Alipurduar regarding the identification and settlement of rights under the FRA.
10.06.2015	Letter from APCCF, Nodal to Dy. Field Director, BTR asking to identify land for CA and submit the estimate and other data along with GPS co-ordinates.
17.06.2015	Letter from DFD, BTR to APCCF, Nodal confirming the submission of estimate and other details.
06.08.2015	Letter from DFD, BTR to APCCF, Nodal informing the inability to upload the Part-II of the diversion proposal in Ministry's website.
13.08.2015	Permission letter from DFD, BTR for carrying out the DGPS Survey inside the Buxa Tiger Reserve.
23.09.2015	Letter from DFD, BTR asking to upload certificates and KML files of Comp. Afforestation.
31.10.2015	Letter from Director, Wildlife Institute of India to DIG of Forest, NTCA, MOEF, GOI regarding height of the towers.
13.11.2015	Permission from NBWL in its 36 th Meeting for construction in Wildlife BTR.
31.12.2015	Submission of DGPS survey report and Shape files of Comp. Afforestation to DFD, BTR.
19.01.2016	Letter from FD, BTR to APCCF, Nodal, West Bengal submitting Part-II along with all papers and DGPS maps.
23.02.2016	APCCF, Nodal forwarding the sets of application to Secretary, Forest, W. Bengal for obtaining permission from MOEF & CC, GOI.
22.06.2016	Letter from Conservator of Forests (Central) to Principal Sec., Forest dept. Govt of W.B. with in-principal approval (Stage-I) for Buxa tiger reserve with some conditions.
03.11.2016	Letter from Addl GM, Powergrid to Addl PCCF with compliance of stage-I points for Buxa tiger reserve.
29.01.2017	Letter from Conservator of Forests (Central) to Principal Sec., Forest dept. Govt



Date	Particulars
	of W.B for DGPS map, demarcation and forest land for compensatory afforestation.
07.07.2017	Addl PCCF to CCF for DGPS map, demarcation and forest land for compensatory afforestation.
19.07.2017	Letter from Dy. GM, Powergrid to DFD regarding confirmation of compliance of both points.
28.07.2017	Forwarding of DGPS map, demarcation and forest land for compensatory afforestation by Ch. Conservator of Forests & Field director, Buxa tiger reserve to Addl. PCCF, Govt of W.B.
16.08.2017	Forwarding of DGPS map, demarcation and forest land for compensatory afforestation by Secy, Dept of Forests, Govt of W.B. to Conservator of Forests (Central)
23.10.2017	Letter form Addl PCCF to CCF for verification of stage-I compliance report.
07.11.2017	Letter from CCF to Addl PCCF regarding confirmation of compliance of stage-I points.
14.11.2017	Letter from Addl PCCF to Principal Secy, dept of Forests, W.B regarding confirmation of stage-I points.
21.11.2017	Letter from Secy, dept of Forests, W.B to Conservator of Forests (Central) regarding confirmation of stage-I points.
22.11.2017	Stage-II approval received

118. The Petitioner submitted that the forest clearance was accorded only on 22.11.2017, i.e., after 54 months of the submission of the proposal against a nominal period of 10-12 months.

Reply of MPPMCL

119. The MPPMCL, Respondent No. 23 vide affidavit dated 6.4.2023, has submitted that the delay in obtaining forest approval was only because of improper liaising by the Petitioner with the Government and Forest officials. The timely acquisition of the forest approval would have been possible if they had been consistently sought. The occurrences table also demonstrates that appropriate, prompt, and frequent follow-up has not been carried out. The Commission was requested not to condone the delay on this account.

Rejoinder by the Petitioner in response to the Reply of MPPMCL.

120. In response, the Petitioner vide affidavit dated 26.7.2023 has submitted that from the year 2013 to 2017, PGCIL has diligently and continuously followed up with the respective department of the Government department and officials, in order to seek the forest clearance for setting up the transmission asset being Asset-4. The Petitioner

also submitted that the table at Para D, Page 30 of the Petition, evidences the fact that there have been continuous and regular follow-ups done by PGCIL, and the delay has occurred primarily due to the delay in getting the confirmation by the forest officials with respect to setting up of the transmission asset being Asset 4.

Reply of Bihar State Power Holding Company Limited

121. BSPHCL, Respondent No. 45, vide affidavit dated 20.4.2023, with respect to the reason for delay in statutory (forest) clearance in Buxa Tiger Reserve also submitted that, the Petitioner had identified the alternate land in September, 2011, therefore once the alternate land was identified in September, 2011 and the process pursuant to it had started, the Petitioner would have been aware of the alternate land passing through a tiger reserve; the claim of the Petitioner that after finalization of the best possible route for the transmission line it was noted that the line passes through reserved forest area is unjustified. Further, it is recorded in the letter dated 19.7.2013 that the entire stretch all along Indo Indo-Bhutan border is adjoining the forests of Buxa Tiger Reserve up to Rangamati, this too shows that the Petitioner right from the beginning ought to have been aware of the requirement for obtaining the requisite clearances and should have factored it in while planning. In light of the aforesaid BSPHCL, it is submitted that the submission of the forest clearance proposal as late as May 2013 is inexplicable and is attributable to the Petitioner's inefficiency in the execution of the works related to this asset, and no relief can be claimed by the Petitioner on this account. Additionally, a perusal of the letter dated 13.8.2015 shows that 20 days' time was allowed to the Petitioner for conducting the DGPS Survey; however, the DGPS Survey report was sought to be submitted much later, vide letter dated 31.12.2015. The Petitioner ought to also clearly state whether or not it was allowed to commence work as indicated in the letter dated 22.6.2016 regarding in-

principal approval (Stage-1) for Buxa Tiger Reserve. The Petitioner had also taken over 4 months in communicating its compliance with the points of Stage-I clearance and submitting the request for issuance of Stage-II clearance.

Rejoinder by the Petitioner in response to the Reply of BSPHCL

122. The Petitioner vide affidavit dated 26.7.2023 has submitted that it has given a proper table-wise reasoning explaining that the delay in execution which was mainly because of various factors viz., delay in land acquisition for HVDC station at Alipurduar, delay in diversion of land through Buxa Tiger Reserve (wild life) and severe RoW problems in construction of Transmission line, led to the delay in completion of the project. Petitioner mentioned that the route of the transmission line was not frozen before the finalisation of the sub-station land coordinates. Further, after procurement of 75% land in May-June 2013, the Petitioner has approached the forest department on 4.5.2013, and after multiple follow-ups with the forest authority Stage-II final approval (Permission to work) was granted on 22.11.2017.

Reply of MSEDCL

123. The MSEDCL vide affidavit dated 27.1.2024 has submitted that the claim of the Petitioner that after finalisation of the best possible route for transmission line, it was noted that the line passes through the reserved forest area is unjustified. Further, it is recorded in the letter dated 19.7.2013 that the entire stretch all along Indo Bhutan border is adjoining the forests of Buxa Tiger Reserve up to Rangamati, this too shows that the Petitioner, right from the beginning, ought to have been aware of the requirement for obtaining the requisite clearances and should have factored it in while planning. Therefore, the lackadaisical approach of the Petitioner in planning, follow-ups, and applying for the forest approvals before the authority has caused the said delay. Hence, the claim of the Petitioner under the present head cannot be allowed and thus deserves to be rejected at the threshold.

Rejoinder by the Petitioner in response to the Reply of MSEDCL.

124. In response, the Petitioner vide affidavit dated 9.2.2024 has submitted that the reasons for delay, along with supporting documents, have already been submitted along with the Petition.

C. Delay due to severe RoW Issues:

125. The Petitioner has submitted that severe RoW were faced during the construction of the Transmission line, wherein constant agitation was faced from Tea Garden owners and villagers throughout the stretch and at Alipurduar, Marichbari and Cooch Behar. The Petitioner has submitted that PGCIL had constantly approached the District Administration and the State Authority to resolve the issues.

126. The chronology of events submitted by the Petitioner is as under:

S. No.	Location No.	Date	Description	Purpose
1	All Locations	18.9.2013	Letter to: District Magistrate, (Alipurduar)	Request for administrative action towards clearing the corridor of 400 KV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
2	35A/1	20.1.2014	Letter to: Block Development Officer (Alipurduar - II) Jalpaiguri	Obstruction in the Construction work of the INDO - BHUTAN project 400 KV D/c (Quad) Punatsangchu - Alipurduar Transmission line (Indian project) at location no. - 35A/1 by Sri Biswajit Das, S/o late Biren Das
3	2A/0	5.6.2014	Letter to Pradhan, Marichbari	Regarding hindrance in Construction activities
4		30.11.2014	Letter from Kumargram tea garden	Payment of Compensation shall be after DM order
5		02.12.2014	Legal Notice	Regarding the hindrance in Construction activities
6	49A/1	19.12.2014	Letter to: Block Development Officer (Kumargram Block) Alipurduar	Obstruction during Construction of 400 KV Punatsangchu - Alipurduar (INDO - BHUTAN Project) Transmission Line
7	13/0	13.4.2015	Letter to Pradhan, Marichbari	Regarding the hindrance in Construction activities
8		04.06.2015	Letter from Kumargram tea garden	Payment of Compensation shall be after DM order
9	4/0	08.10.2015	Letter to Pradhan,	Regarding the hindrance in



S. No.	Location No.	Date	Description	Purpose
			Marichbari	Construction activities
10	27/0, 47/0, 35A/0, 62/0, 18/0	04.08.2016	Letter to: District Magistrate, (Alipurduar) Copy to: SDO - Alipurduar	Request for administrative action towards clearing the corridor of 400 KV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
11		18.08.2016	Letter from: DM - Alipurduar	Call a meeting
12	18/0, 27/0, 35A/0, 47/0	30.08.2016	Letter from: BDO, Jasodanga	Call meeting on dated 01.09.2016
13	35A/0	19.09.2016	Letter from: BDO, Jasodanga	Call meeting on dated 23.09.2016
14	62/0	27.09.2016	Letter from: BDO, Kumargram	Call meeting on dated 04.10.2016
15	18/0, 47/0, 47/1	28.09.2016	Letter to: District Magistrate, (Alipurduar) Copy to: ADM - Alipurduar	Request for administrative action towards clearing the corridor of 400 KV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
16	50/0, 49A/0	03.10.2016	Letter to: Block Development Officer, Kumargram, Alipurduar	Request for administrative action towards clearing the corridor of 400 KV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
17		05.10.2016	Letter from: DM - Alipurduar	Call a meeting
18	62/0	19.10.2016	Letter from: BDO, Kumargram	Re-Call meeting on dated 25.10.2016
19	50/0, 49A/0	10.11.2016	Notice from DM, Alipurduar	Hearing under section 16(1) on dated 09.11.2016
20	18/0, 47/0, 47/1	17.05.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: (1) District Magistrate, (Alipurduar), (2) I/C Kumargram Police Station, (3) I/C Alipurduar	Request for providing police personnel towards clearing the corridor for the construction of 400 KV D/c (Quad) P-A Alipurduar line
21	52/1, 54/2, 54/3, 53/0	26.05.2017	Letter to: Inspector in charge, (Kumargram Police Station), Alipurduar	Obstruction in Construction of 400 KV D/c (Quad) Punatsangchu - Alipurduar (India Portion) Transmission line
22	11/0	29.05.2017	Letter to: Block Development Officer, Coochbehar-II, Pundibari	Obstruction in Construction of 400 KV D/c (Quad) Punatsangchu - Alipurduar (India Portion) Transmission line
23	47/1	30.05.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: District Magistrate, (Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of the 400 KV D/C (Quad) Alipurduar - Punatsangchu (Bhutan) Transmission line
24	49A/1	30.05.2017	Notice from BDO, Kumargram	Call meeting on dated 02.06.2017

S. No.	Location No.	Date	Description	Purpose
25	4/0 TO 5/0	22.11.2017	Letter to: Office In-Charge (Pundibari Police Station), Coochbehar, Copy To: B.D.O. Coochbehar	Provide administrative help for construction of the International Indo Bhutan 400 KV D/c Punatsangchu - Alipurduar line
26	47/1	05.12.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: District Magistrate, (Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of 400 KV D/C (Quad) Alipurduar - Punatsangchu (Bhutan) Transmission line
27	20A/0-20/0	22.01.2018	Email to: DM, (Alipurduar) Copy to: SP, (Alipurduar), BDO (Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of 400 KV D/C (Quad) Alipurduar - Punatsangchu (Bhutan) Transmission line

Reply of MPPMCL

127. MPPMCL, Respondent No. 23, vide affidavit dated 6.4.2023, has submitted that proper follow-up was not made with the District Administration to resolve the issues of RoW on time. The table of events also supports it, for example, on 8.10.2015, the hindrance in construction activities was observed, but the Petitioner took 10 months to take up the matter with the administration on 4.8.2016. A similar kind of delay in follow-up was also observed at S. Nos. 9, 10, 19, 20, 24 and 25 of the table. Considering the same, MPPMCL requested the Commission not to condone the delay on the above ground as the entire delay is on the part of the Petitioner.

Rejoinder by the Petitioner in response to the Reply of MPPMCL.

128. With regard to the contention of RoW issues made by MPPMCL, the Petitioner vide affidavit dated 26.7.2023 has submitted that severe ROW issues were faced during the construction of the Transmission line by Tea Garden owners and Villagers throughout the stretch. In addition, there were consistent ROW issues due to objections by Villagers and Tea Garden producers/owners at Alipurduar, Marichbari and Cooch

Behar. The Petitioner submitted that PGCIL had approached the District Administration and State Authority to resolve the issue. The Petitioner submitted that the detailed chronology of ROW issues at Alipurduar-Punatsangchu Transmission line has already been submitted and is not repeated herein for prolixity. Further, the Petitioner has submitted that the RoW issues at Sl. No. 9 and 10, Sl. No. 19 and 20, Sl. No. 24 and 25 of the table do not pertain to a particular location, but they pertain to different locations/ stretches of the said transmission line.

129. The Petitioner has further submitted that from the years 2013-2018, PGCIL has given the proper chronology of events demonstrating the reasons for delay due to RoW issues. The Petitioner submitted that PGCIL, vide various letters to the District Administration, time and again, had flagged and demonstrated the various issues etc. regarding hindrance in the construction of the Transmission Line, payment of compensation, obstruction during the construction of the Transmission Line, to provide for administrative help from the officials for obstruction in stringing work for construction, to call the meetings with them etc. The reasons were thus beyond the control of PGCIL.

Reply of Bihar State Power Holding Company Limited

130. BSPHCL, Respondent 45, vide affidavit dated 20.4.2023, has submitted that with respect to the delay due to RoW issues, the claim of delay of 52 months on this account is unjustified. The Petitioner has not clearly mentioned when the alleged ROWs at the stated locations ceased. The time period and the quantum of land affected on account of the alleged ROW are also not clear from the petition. For e.g., in the letter dated 4.6.2015 of Kumargram Tea Garden they have only vented the difficulties being faced by them and harm being caused to the tea garden, in the letter dated 28.9.2016 it has been acknowledged that a group of people did agree to allow

the work and accordingly work was started, and in the letter dated 22.1.2018 (with respect to location 20A/0-20/0) it is stated that full line is complete except the balance 400 meter stringing work thereby showing that ROW was progressively resolved.

Rejoinder by the Petitioner in response to Reply of BSPHCL.

131. The Petitioner submitted that the claim of a 52 month delay due to RoW issues is unjustified, has submitted that the said contention raised by BSPHCL is wrong and denied. The Petitioner submitted that PGCIL has given a proper reasoning in chronological order with the documentary proof explaining the delay in execution, which was mainly because of the various factors viz. delay in land acquisition for HVDC station at Alipurduar, delay in diversion of land through Buxa Tiger Reserve (wild life) and severe RoW problems in construction of the transmission line, led to the delay in completion of the project. The Petitioner sought liberty of the Commission to rely on the same at the time of the hearing.

Reply of MSEDCL

132. MSEDCL, Respondent No. 24, vide affidavit dated 27.1.2024, has submitted that the claim of delay of 52 months on account of RoW issues is unjustified. The Petitioner has not clearly mentioned when the alleged RoW issues at the stated locations ceased. The time period and the quantum of land affected on account of the alleged ROW are also not clear from the petition. MSEDCL has further submitted that while referring to the detailed table of events provided in Para 10.1(c) of the Petition, it can easily be inferred that proper follow-up has not been made with the District Administration to resolve the RoW issues on time. Hence, the claim of the Petitioner under the present head cannot be allowed and thus deserves to be rejected at the threshold.

Rejoinder by the Petitioner in response to the Reply of MSEDCL.



133. In response, the Petitioner has submitted that the reasons for delay, along with supporting documents, have already been submitted along with the Petition.

134. The Petitioner has further submitted that the major reasons for the delay, including late receipt of land at Alipurduar, diversion of land through Buxa Tiger Reserve (wildlife) and RoW problems in the construction of the Transmission line, led to the delay in completion of the project. The Petitioner further submitted that it was appreciated that the different types of problems were encountered by the Petitioner simultaneously, bringing the work to a complete halt on many occasions. Although various problems occurring concurrently could have delayed the project enormously, the experience & expertise of the petitioner in project planning & execution curtailed the delay and the Transmission Line for regular use was available with effect from 29.3.2018.

135. The Petitioner summarised the events of delay in chronological order as under and prayed the Commission to condone the delay as under:

S. No.	Description	Activity start date	Activity end date	Total Delay (Months)	Effective Delay in Months
1	Delay in acquisition of land for ± 800 kV HVDC Alipurduar Sub-station	12.11.2009	06.01.2014	53	50
2	Delay in Forest approval	04.05.2013	27.11.2017	54	54
3	RoW issues	18.09.2013	22.01.2018	52	52

Analysis and Decision

136. As per the IA dated 15.4.2010, the transmission scheme was scheduled to be commissioned within 57 months, i.e., by 15.1.2015, against which the assets have been put into commercial operation on 3.7.2019, with a time-overrun of 1630 days. The Petitioner has submitted that the instant asset is delayed due to the delay in the

acquisition of land for ± 800 kV HVDC Alipurduar Sub-station, delay in Statutory (Forest) Clearance in Buxa Tiger Reserve and Severe RoW Issues.

137. The detailed justification of time delays as submitted by the Petitioner is as under:

B. Delay in acquisition of land for ± 800 kV HVDC Alipurduar Sub-station :

138. The Petitioner has submitted that the land acquisition process for the Alipurduar Sub-station, initiated proactively by the petitioner in November 2009, faced significant delays due to severe resistance from local landowners, legal hurdles, and administrative complexities. Although initial efforts targeted 180 acres across Coochbehar and Jalpaiguri districts, persistent farmer agitation and lack of consensus led to abandonment of the original site by September 2011. A new site of approximately 177 acres was then identified, but acquisition was further delayed due to land ceiling restrictions under the West Bengal Land Reforms Act, requiring legal amendments and fresh applications. The process was further complicated by tribal and Barga land, record mismatches, and the involvement of over 300 landowners, necessitating individual negotiations and extensive documentation. Ultimately, despite continuous follow-ups and support from state authorities, the entire acquisition process took about 53 months, with final possession completed between May and July 2014.

139. The respondent, BSPHCL, has submitted that the Petitioner's reliance on the Commission's order dated 15.10.2019 in Petition No. 198/TT/2017, which pertained to Assets-2 and 3, questioning its relevance to Asset-4. It is asserted that the Petitioner must clearly explain how the delay in HVDC station land acquisition impacted Asset-4. Additionally, there is a discrepancy in the delay period—while the petitioner claims 50 months, the Commission had acknowledged only 45 months and 21 days as the delay beyond its control. The respondent also questions the due diligence of the Petitioner in surveying the land, highlighting that the public hearing in July 2010 had already

revealed challenges, and thus, the Petitioner should have anticipated the issues. Clarification is also sought on the distance and nature of the alternate land (claimed to be 40 km away), and on whether the petitioner took adequate mitigating measures after acquiring 75% of the land by June 2013 to minimise delays specifically for Asset-4.

140. In response to the reply of BSPHCL, the Petitioner has submitted that it has given proper reasons, i.e., delay in forest approval, ROW problems in the construction of the Transmission Line led to the delay in completion of the project. The Petitioner reiterated that Asset-4 was ready for intended use w.e.f. 29.3.2018, and finally could be under the commercial operation w.e.f. 3.7.2019. The said delay was thus neither intentional nor asked for by PGCIL

141. The Respondent BRPL has submitted that the Petitioner, being a Govt. of India company, is in the business of transmission for more than a decade and is well aware of issues of land acquisition, forest clearances and RoW. Further, PGCIL decides the timeline for completion of the project after taking into consideration the aforesaid. Further, submitted that as per IA, the project was to be completed on or before 15.01.2015 and therefore, was to achieve CoD in the tariff period 2014-19 covered under 2014 Tariff Regulations. BRPL submitted that Regulation 12(1)(a) of the 2014 Tariff Regulations prescribes that land acquisition is a controllable factor. Therefore, the Petitioner cannot claim that the land acquisition delays should be allowed to cause time-overrun in the project, under the 'change in law' clause.

142. In response to the reply of BRPL, the Petitioner, in its rejoinder has submitted the delay due to late receipt of land at Alipurduar, diversion of land through Buxa Tiger Reserve (wildlife) and RoW problems in construction of transmission line, led to the delay in completion of the project and the same were beyond control of the Petitioner. The Petitioner also submitted that the different types of problems were encountered by

the Petitioner simultaneously, bringing the work to a complete halt on many occasions.

143. We have considered both the Petitioner's and Respondent's submissions. We have also gone through the documents placed on record.

144. After careful perusal of documents submitted by the Petitioner, it was observed that the Petitioner initiated the process for Land acquisition vide letter dated 12.11.2009 with the concerned District Magistrate, Coochbihar & Jalpaiguri. Accordingly, the application for land acquisition for both, i.e., Coochbihar & Jalpaiguri, had been filed by the Petitioner on 17.2.2010. Further, the Petitioner took up the matter efficiently with the local district authorities as well as at govt levels vide various correspondences & at various meetings dated 25.2.2010, 17.2.2011, 29.7.2011, 3.8.2011, 26.8.2011, 7.9.2011, 20.9.2011, 20.12.2011, 4.1.2012, 7.2.2012, 17.2.2012, 12.3.2012, 9.4.2012, 8.6.2012, 25.9.2012, 30.10.2012, 19.6.2013, 16.9.2013, 28.11.2013 and 6.1.2014. Also, it was observed that the cabinet approval for the land was accorded on 28.12.2010; however, vide letter dated 26.8.2011, the local Land acquisition authority shows an inability to complete the PIR due to agitation of local people and the processor of land parcels. Further, it was observed that after the effective persuasion and pursuit by the Petitioner and support of the local district authorities at various levels, the procurement of 75% land was completed in June 2013, 85% land was procured in November 2013, and the subsequent direct purchase of the balance land was completed in April-May 2014.

145. We also observed the Petitioner's submissions vide order dated 15.10.2019 in Petition No. 198/TT/2017, where the Commission has condoned the time delay from I. A (15.4.2010) to finally acquire (5.2.2014) the land at Alipurduar HVDC station on the basis that the said time delay is beyond the control of the Petitioner. The relevant extract of the order dated 15.10.2019 in Petition No. 198/TT/2017 is as under:

"29. The Petitioner started the process of land acquisition on 12.11.2009 and the actual possession of land was received only on 5.2.2014. Thus, total time taken for land acquisition



activity comes to around 50 months. In this regard, the Petitioner has submitted the detailed chronology of the activities from 12.11.2009 to 5.2.2014 along with documentary evidence. On perusal of information submitted by the Petitioner, it is observed that the Petitioner approached the District Land Acquisition Officer for acquisition of land on 12.11.2009 that is 5 months 3 days before the Investment Approval. The Petitioner also wrote various letters to District Magistrate regarding the land acquisition problems and the last letter was on 5.2.2014. **The time delay with respect to land acquisition from date of investment approval, (15.4.2010) till finally acquired (5.2.2014) amounts to 45 months 21 days which is beyond the control of the Petitioner. Therefore, overall time overrun of 32 months 7 days (980 Days) in commissioning of the Asset-A and Asset-B covered in the instant petition is condoned.** The other reasons for delay cited by the Petitioner on account of RoW issues and land acquisition at Agra, floods and heavy rains is not being dealt further as the entire delay has been condoned on account of delay in land acquisition for main sub-station at Alipurduar.”

146. Further, in response to contention raised by the BSPHCL with regard to the order dated 15.10.2019 in Petition No. 198/TT/2017, relied upon by the Petitioner, that the Order was passed with respect to Assets-2 and 3 of the instant Petition and how the delay in land acquisition for HVDC station impacted Asset-4 herein. The Petitioner started the process of land acquisition in 2009, but the patch of land identified by the Petitioner could not be acquired as the Local Authority vide letter dated 9.9.2011, requested the Petitioner to identify an alternative piece of land and submit a fresh proposal. The entire exercise related to the land acquisition undertaken by the Petitioner from November 2009 to September 2011 was rendered futile. The Petitioner identified an alternate land site (177.37 acres) about 40 kms from the earlier identified land and initiated the process of land acquisition; however, at that time, the required land was beyond the permissible ceiling limit as per the new West Bengal Land Reforms Act, which was notified in July 2012. The Petitioner took up the required waiver amendment regarding “Holding of land in excess of ceiling limit” in the West Bengal Land Reform rule and was notified by the State Government in July 2012. The Petitioner filed a fresh application as per the amended Act in August 2012, for which the State Govt. approval was received on 8.11.2012.

147. We are of the view that without identification of the Land and subsequent completion of the Land acquisition process for the sub-station where the associated

Line bays were to be constructed, the Petitioner was not able to finalise the route of the 400 kV D/C Transmission line. Therefore, the delay in land acquisition of Alipurduar Sub-station caused a delay in the construction of 400 kV D/C Transmission line, i.e., Asset-4. Moreover, the Petitioner had initiated the process of acquisition of land on 12.11.2009 which is 154 days before the IA. The Petitioner also wrote various letters to the District Magistrate regarding the land acquisition problems, and the last letter was written on 6.1.2014. Further, the assessment of the compensation of standing properties of families with homestead land was completed on 5.2.2014.

148. Further, Regulation 22 of the 2019 Tariff Regulations also provides the reasons to be considered as uncontrollable factors for deciding time over-run. The relevant extract of the same is as below:

“22. Controllable and Uncontrollable factors:

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

(1) The “controllable factors” shall include but shall not be limited to the following: a. Efficiency in the implementation of the project not involving approved change in scope of such project, change in statutory levies or change in law or force majeure events; and b. Delay in execution of the project on account of contractor or supplier or agency of the generating company or transmission licensee.

(2) The “uncontrollable factors” shall include but shall not be limited to the following:

a. Force Majeure events;

b. Change in law; and

c. Land acquisition except where the delay is attributable to the generating company or the transmission licensee

.....”

149. In view of the above, we are of the view that in the instant petition, the delay attributed to the land acquisition falls under uncontrollable factors. Therefore, the time overrun from the date of the IA, i.e., 15.4.2010, to 5.2.2014, i.e., 1392 days, was beyond the control of the Petitioner, and the same has been condoned. Accordingly, the details of time overrun due to land acquisition are as under:

Description	Delay Claimed		Delay Condoned		Total Delay Condoned in days	Effective delay condoned from SCOD, i.e., 15.1.2015
	Activity start date	Activity end date	Activity start date	Activity end date		
Delay in acquisition of land for ±800 kV HVDC Alipurduar	12.11.2009	6.1.2014	15.4.2010	5.2.2014	1392 days	-

Sub-station						
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B. Delay in Statutory (Forest) Clearance in Buxa Tiger Reserve:

150. The Petitioner has submitted that finalisation of line routing had been started immediately after finalisation of land, i.e., after April 2013. After finalisation of the best possible route for the transmission line from Alipurduar to the Indian border, it was noted that the line passes through a reserved forest area, i.e., Buxa Tiger Reserve, leading to a number of clearances to be obtained before starting the work of construction of the transmission line in these areas. The work in the forest area could not be started on time due to the late receipt of the forest clearance. The forest clearance proposal for the subject line was submitted to the Govt. of West Bengal on 4.5.2013 on priority, after land finalisation and line routing. However, the forest clearance was only granted on November 22, 2017, which is 24 months after the proposal was submitted, compared to the minimum 10 to 12 months term.

151. MPPMCL has submitted that the delay in obtaining forest approval was only because of improper liaising by the Petitioner with the Government and Forest officials. They had been pursued regularly, and the forest approval would have been obtained on time.

152. In response to the reply of MPPMCL, the Petitioner vide affidavit dated 26.7.2023 has submitted that from the year 2013 to 2017, PGCIL has diligently and continuously followed up with the respective department of the Government department and officials, in order to seek the forest clearance for setting up the transmission asset being Asset-4. The delay has occurred primarily due to the delay in getting the confirmation by the forest officials with respect to setting up the transmission asset, which is Asset-4.

153. BSPHCL has submitted that the Petitioner had identified the alternate land in

September, 2011, therefore once the alternate land was identified in September, 2011 and the process pursuant to it had started, the Petitioner would have been aware of the alternate land passing through a tiger reserve, the claim of the Petitioner that after finalization of the best possible route for transmission line it was noted that the line passes through reserved forest area is unjustified. Additionally, the letter dated 19.7.2013 notes that the entire Indo-Bhutan border is adjacent to the Buxa Tiger Reserve forests up to Rangamati. This further demonstrates that the Petitioner should have known from the start that obtaining the necessary clearances would be necessary and should have taken that into consideration when making plans. In view of the aforementioned, BSPHCL argued that the Petitioner's inability to complete the work associated with this asset efficiently is the reason for the inexplicable delay in submitting the forest clearance proposal, which was made in May 2013. As a result, the Petitioner is not entitled to any relief. The Petitioner must clearly state whether or not it was allowed to commence work as indicated in the letter dated 22.6.2016 regarding in-principal approval (Stage-1) for Buxa Tiger Reserve. The Petitioner had also taken over 4 months in communicating its compliance with the points of Stage-I clearance and submitting the request for issuance of Stage-II clearance.

154. In response to the reply of BSPHCL, the Petitioner has submitted that the route of the transmission line was not frozen before finalization of the sub-station land coordinates. Further, after procurement of 75% land in May-June 2013, the Petitioner approached the forest department on 4.5.2013 and Stage-II final approval (Permission to work) was granted on 22.11.2017, after continuous follow up with the forest authority.

155. MSEDCL has submitted that the claim of the Petitioner that after finalization of the best possible route for the transmission line, it was noted that the line passes through a reserved forest area is unjustified. Further, it is recorded in the letter dated

19.7.2013 that the entire stretch all along the Indo-Bhutan border is adjoining the forests of Buxa Tiger Reserve up to Rangamati, this too shows that the Petitioner, right from the beginning, ought to be aware of the requirement for obtaining the requisite clearances and should have factored it in while planning. Therefore, the lackadaisical approach of the Petitioner in planning, follow-ups, and applying for the forest approvals before the authority has caused the said delay. Hence, the claim of the Petitioner under the present head cannot be allowed and thus deserves to be rejected at the threshold.

156. In response to the reply of MSEDCL, the Petitioner has submitted that the reasons for delay, along with supporting documents, have already been submitted along with the Petition.

157. We have considered both the Petitioner's and Respondent's submissions. We have also gone through the documents placed on record. It was observed that the Petitioner has claimed the time delay of 1668 days (from 4.5.2013 to 27.11.2017) against the delay in forest clearance.

158. After perusal of the documents, we noted that the area adjacent to the Bhutan border is the Buxa Tiger Reserve, and there is no possibility of avoiding the Tiger Reserve as the entire area from Rangamati to Assam is a wildlife sanctuary. The proposal was submitted by the Petitioner to the concerned authority vide letter dated 04.05.2013. Further, the proposal of diversion of '16.39 Ha.' forest land was forwarded to the concerned authority for examination and joint inspection vide letter dated 7.6.2013. Accordingly, the joint inspection was carried out on 9.7.2013 and the matter was further processed vide letters dated 16.7.2013, 19.7.2013, 9.10.2013, 22.10.2013, 23.12.2013, 24.2.2014, 5.3.2014, 26.5.2014, 4.6.2014, 18.12.2014, 27.2.2015, 4.4.2015, 7.5.2015, 10.6.2015, 17.6.2015, 31.10.2015, 13.11.2015, 19.1.2016, 23.2.2016 at various concerned authorities as well as at various govt. higher authorities. Finally, in principle I Approval for Diversion of '16.39 Ha' of Forest Land in

favour of Petitioner for construction of 400 kV Punatsangchu-I to Alipurduar transmission line through Buxa Tiger Reserve had been accorded by the concerned authority vide letter dated 22.6.2016. Further, the Compliances of Terms & Conditions of Stage-I approval for further grant of Stage-II approval had been done by the Petitioner vide letter dated 3.11.2016 and further the matter had been perused vide letters dated 29.1.2017, 7.7.2017, 19.07.2017, 28.07.2017, 16.08.2017, 23.10.2017, 07.11.2017, 14.11.2017 & 21.11.2017 at various concerned authorities of Govt. of West Bengal. The final approval of the Ministry of Environment, Forest & Climate Change for diversion of '16.39 Ha.' of forest land for construction of 400 kV Punatsangchu-I to Alipurduar transmission line through Buxa Tiger Reserve was granted in favour of the Petitioner vide letter dated 22.11.2017.

159. As per the chronology of Forest clearance submitted by the Petitioner, the Petitioner submitted the proposal for diversion of '16.39 Ha.' land on 4.5.2013 and finally obtained Stage -II approval on 22.11.2017. Therefore, the total period of 1663 days was taken for forest clearance-related issues. As per the Forest (Conservation) Amendment Rules, 2014, notified by MOEF & CC in the official Gazette on 14.3.2014, the timeline for the forest approval after submission of the proposal is 300 days (including processing by State Government and Central Government officials) from the submission of the proposal.

160. In this case, however, the forest clearance process took 1362 days beyond the prescribed 300-day period. This prolonged the delay in securing forest approval and completing associated formalities had a cascading effect on the execution of the transmission asset and was entirely beyond the Petitioner's control.

161. Accordingly, we are of the view that the period from 1.3.2014 (i.e., 300 days after the submission of the final proposal on 4.5.2013) to 22.11.2017, amounting to a delay of 1362 days due to the forest clearance, was beyond the control of the

Petitioner. Accordingly, the details of time overrun condoned/not condoned owing to forest clearance are as under:

No.	Description	Delay Claimed		Delay Condoned		Total Delay Condoned in days	Effective delay condoned from SCOD, i.e., 15.1.2015
		Activity start date	Activity end date	Activity start date	Activity end date		
1	Delay in Forest approval	4.5.2013	22.11.2017	1.3.2014	22.11.2017	1362 days	1042 days

162. Further in reference to the contention raised by the Respondent, i.e., BSPHCL that the Petitioner had submitted the forest clearance proposal as late as in May 2013, we are at view that after finalization of Land for sub-station, the Petitioner was only able to finalize the route of transmission line and hence accordingly the Petitioner had pursued the matter for diversion of forest land in May 2013, i.e., before procurement of 75% land in June 2013. Therefore, the contention of the Respondent is not found acceptable .

Delay due to severe RoW Issues:

163. The Petitioner submitted that severe RoW issues were faced during the construction of the Transmission line, wherein constant agitation was faced from Tea Garden owners and villagers throughout the stretch and at Alipurduar, Marichbari and Cooch Behar. The Petitioner has submitted that PGCIL had constantly approached the District Administration and State Authority to resolve the issues.

164. MPPMCL has submitted that proper follow-up was not made with the District Administration to resolve the issues of RoW on time. The table of events also supports it, for example, on 8.10.2015, the hindrance in construction activities was overserved, but the Petitioner took 10 months to take up the matter with the administration on 4.8.2016. A similar kind of delay in follow-up was also observed at S. No. 9, 10, 19, 20 and 24 and 25 of the table.

165. In response to the reply of MPPMCL, the Petitioner vide affidavit dated 26.7.23 has submitted that PGCIL had approached the District Administration and the State Authority to resolve the issue. Further, the Petitioner submitted that the RoW issues at Sl. No. 9 and 10, S. No. 19 and 20, S. No. 24 and 25 of the table do not pertain to a particular location, but they pertain to different locations/stretches of the said transmission line. The Petitioner has submitted that PGCIL vide various letters to the District Administration, time and again, had flagged and demonstrated the various issues etc. regarding hindrance in the construction of the Transmission Line, payment of compensation, obstruction during the construction of the Transmission Line, to provide for administrative help from the officials for obstruction in stringing work for construction, to call meetings with them etc. The reasons were thus beyond the control of PGCIL.

166. BSPHCL has submitted that with respect to the delay due to the RoW issues, the claim of delay of 52 months on this account is unjustified. The Petitioner has not clearly mentioned when the alleged ROWs at the stated locations ceased. The time period and the quantum of land affected on account of the alleged ROW are also not clear from the petition. For e.g., in the letter dated 4.6.2015 of Kumargram Tea Garden they have only vented the difficulties being faced by them and harm being caused to the tea garden, in the letter dated 28.9.2016 it has been acknowledged that a group of people did agree to allow the work and accordingly work was started, and in the letter dated 22.1.2018 (with respect to location 20A/0-20/0) it is stated that full line is complete except the balance 400 meter stringing work thereby showing that ROW was progressively resolved.

167. In response to the Reply of BSPHCL, the Petitioner, vide affidavit dated 26.7.2023, has submitted that PGCIL has provided a proper reasoning in chronological order with the documentary proof explaining the delay in execution due to RoW.

168. The Respondent, MSEDCL, vide affidavit dated 27.1.2024, with respect to the delay due to RoW and has submitted that the claim of delay of 52 months on account of RoW issues is unjustified. The Petitioner has not clearly mentioned when the alleged RoW issues at the stated locations ceased. The time period and the quantum of land affected on account of the alleged ROW are also not clear from the Petition. MSEDCL has further submitted that proper follow-up has not been made with the District Administration to resolve RoW issues on time.

169. In response to MSEDCL's reply, the Petitioner, vide affidavit dated 9.2.2024, has submitted that the reasons for delay, along with supporting documents, have already been submitted along with the Petition.

170. We have considered both the Petitioner's and Respondent's submissions. We have also gone through the documents placed on record. It was observed that the Petitioner has claimed the time delay of 1587 days (from 18.09.2013 to 22.01.2018) against the delay due to various RoW issues. The Petitioner has submitted the following chronology of events related to the execution of the Project:

ROW Chronology

S. No.	Date	Description	Purpose
1	18.9.2013	Letter to: District Magistrate, (Alipurduar)	Request for administrative action towards clearing the corridor of 400 kV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
2	20.1.2014	Letter to: Block Development Officer (Alipurduar - II) Jalpaiguri	Obstruction in the Construction work of the INDO - BHUTAN project 400 kV D/c (Quad) Punatsangchu - Alipurduar Transmission line (Indian project) at location no. - 35A/1 by Sri Biswajit Das, S/o late Biren Das
3	5.6.2014	Letter to Pradhan, Marichbari	Regarding the hindrance in Construction activities
4	30.11.2014	Letter from Kumargram tea garden	Payment of Compensation shall be after DM order
5	02.12.2014	Legal Notice	Regarding the hindrance in Construction activities
6	19.12.2014	Letter to: Block Development Officer (Kumargram Block)	Obstruction during Construction of 400 kV Punatsangchu - Alipurduar (INDO - BHUTAN Project) Transmission Line

S. No.	Date	Description	Purpose
		Alipurduar	
7	13.4.2015	Letter to Pradhan, Marichbari	Regarding the hindrance in Construction activities
8	04.06.2015	Letter from Kumargram tea garden	Payment of Compensation shall be after DM order
9	08.10.2015	Letter to Pradhan, Marichbari	Regarding the hindrance in Construction activities
10	04.08.2016	Letter to: District Magistrate, (Alipurduar) Copy to: SDO - Alipurduar	Request for administrative action towards clearing the corridor of 400 kV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
11	18.08.2016	Letter from: DM - Alipurduar	Call a meeting
12	30.08.2016	Letter from: BDO, Jasodanga	Call meeting on dated 01.09.2016
13	19.09.2016	Letter from: BDO, Jasodanga	Call meeting on dated 23.09.2016
14	27.09.2016	Letter from: BDO, Kumargram	Call meeting on dated 04.10.2016
15	28.09.2016	Letter to: District Magistrate, (Alipurduar) Copy to: ADM - Alipurduar	Request for administrative action towards clearing the corridor of 400 kV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
16	03.10.2016	Letter to: Block Development Officer, Kumargram, Alipurduar	Request for administrative action towards clearing the corridor of 400 kV D/c (Quad) Punatsangchu (Bhutan) - Alipurduar (India portion) Transmission line
17	05.10.2016	Letter from: DM - Alipurduar	Call a meeting
18	19.10.2016	Letter from: BDO, Kumargram	Re-Call meeting on 25.10.2016
19	10.11.2016	Notice from DM, Alipurduar	Hearing under section 16(1) on dated 09.11.2016
20	17.05.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: (1) District Magistrate, (Alipurduar), (2) I/C Kumargram Police Station, (3) I/C Alipurduar	Request for providing police personnel towards clearing the corridor of construction of 400 KV D/c (Quad) P-A Alipurduar line
21	26.05.2017	Letter to: Inspector in charge, (Kumargram Police Station), Alipurduar	Obstruction in Construction of 400 KV D/c (Quad) Punatsangchu - Alipurduar (India Portion) Transmission line
22	29.05.2017	Letter to: Block Development Officer, Coochbehar-II, Pundibari	Obstruction in Construction of 400 KV D/c (Quad) Punatsangchu - Alipurduar (India Portion) Transmission line
23	30.05.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: District Magistrate, (Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of the 400 KV D/C (Quad) Alipurduar -

S. No.	Date	Description	Purpose
			Punatsangchu (Bhutan) Transmission line
24	30.05.2017	Notice from BDO, Kumargram	Call meeting on 02.06.2017
25	22.11.2017	Letter to: Office In-Charge (Pundibari Police Station), Coochbehar, Copy To: B.D.O. Coochbehar	Provide administrative help for the construction of the International Indo Bhutan 400 KV D/c Punatsangchu - Alipurduar line
26	05.12.2017	Letter to: Superintendent of Police, (Alipurduar) Copy to: District Magistrate, (Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of the 400 KV D/C (Quad) Alipurduar - Punatsangchu (Bhutan) Transmission line
27	22.01.2018	Email to: DM, (Alipurduar) Copy to: SP, (Alipurduar), BDO(Alipurduar)	Request for administrative action for obstruction in stringing work for construction in the Indian portion of the 400 KV D/C (Quad) Alipurduar - Punatsangchu (Bhutan) Transmission line

171. After careful perusal of the documents submitted by the Petitioner, it was observed that vide letter dated 18.09.2013, the Petitioner intimated about the route of 400 kV D/C (Quad) Punatsangchu-Alipurduar Transmission line to the District Magistrate and requested to extend their co-operation towards execution of the project. The Petitioner submitted a letter to the local administration on 20.1.2014 regarding the first-RoW issue at location 35A/1, requesting immediate resolution. Further, it was observed that the Petitioner also took up the matter very effectively with the local panchayat, BDO, District Magistrate as well as Police administration to resolve the RoW issues at various locations like 2A/0, 49A/1, 13/0, 4/0, 27/0, 47/0, 35A/0, 62/0, 18/0, 47/1, 50/0, 49A/0, 52/1, 54/2, 54/3, 53/0, 11/0, 4/0 to 5/0 and 20A/0 to 20/0 vide letters dated 5.6.2014, 19.12.2014, 13.4.2015, 8.10.2015, 4.8.2016, 28.9.2016, 3.10.2016, 17.5.2017, 26.5.2017, 29.5.2017, 22.11.2017, 5.12.2017 & 22.1.2018 respectively. The BDO and District Magistrate called various meetings & hearings to resolve the RoW issues as requested by the Petitioner, as per letters dated 18.8.2016, 30.8.2016, 19.9.2016, 27.9.2016, 5.10.2016, 19.10.2016, 10.11.2016, and 30.5.2017.

172. Further, perusal of the letter dated 4.8.2016, it was observed that 157 foundations out of 178 foundations, tower erection at 137 locations and approx. 11 km of stringing work have been completed by the Petitioner up to 04.8.2016. Further, after pursuance of email dated 22.1.2018 it was observed that all the construction work of 400 kV D/C transmission line except 400 meter stringing work has been completed on January 2018 and the Petitioner requested to the District Magistrate, Alipurduar to resolve the RoW issue at Location No. 20A/0 -20/0, so that the said 400 meter stringing span could be initiated for completion the construction work of 400 kV D/C transmission line.

173. Therefore, we are at the view that the total delay of 1587 days claimed by the Petitioner from 18.9.2013 to 22.1.2018, during which various RoW issues hindered the construction of the transmission asset, a period of 1463 days from 20.1.2014 (when the Petitioner first notified the local administration about the RoW issue at location 35A/1) to 22.1.2018 (when the final correspondence regarding RoW clearance was sent) was beyond control of the Petitioner.

174. However, the period from 20.1.2014 to 5.2.2014 has been subsumed in the delay that we have already condoned above in this order with reference to the observation on the condonation of delay for obtaining the forest clearance, land acquisition and the period of delay from 1.3.2014 to 22.11.2017. Therefore, the time overrun from 6.2.2014 to 28.2.2014, i.e., 22 days and 23.11.2017 to 22.1.2018, i.e., 61 days, due to the RoW issue is beyond the control of the Petitioner and the same has been condoned. Accordingly, the details of time overrun condoned/not condoned owing to the RoW issue are as follows:

Description	Delay Claimed		Delay Condoned		Total Delay Condoned in days	Effective delay Condoned from SCOD, i.e., 15.1.2015
	Activity start date	Activity end date	Activity start date	Activity end date		
Delay in acquisition of land for ± 800 kV	18.9.2013	22.1.2018	6.2.2014	28.2.2014	83 days	61 days

HVDC Alipurduar Sub-station			23.11.2017	22.1.2018		
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175. We also refer to the CEA Energisation Certificate, and the same are as under:

क्षेत्रीय निरीक्षण संगठन
REGIONAL INSPECTORIAL ORGANISATION
14, गोल्फ क्लब रोड, टॉलीगंज, कोलकाता-700033
14 Golf Club Road, Tollygunj, Kolkata-700033

Tel No.: 033-24235107
Tel/FAX No.: 24235108

No. RIO/ER/SP(I)/PGCIL/400 kV line/2018/ 898

Dated: 24.01.2018

To,
Shri Anirban Mazumdar, DGM,
PGCIL, Alipurduar Substation,
Tapsikhata, P.O. & Dist-Alipurduar,
West Bengal-736121

Subject: Approval for energization of new 400 kV Alipurduar-Punatsangchu D/C transmission line (64.152 Route Km) for energization under regulation 43 of CEA (Measures Relating to Safety and Electric Supply), Regulations, 2010.

Ref:

1. Application No B/2017/00286 dated 13.12.2017 ✓
2. Inspection Report vide No. RIO/ER/SP(I)/PGCIL/400 kV Line/2018/875 dated 12.01.2018 ✓
3. Your compliance report vide No-ER-II/APD/TLC/400kVP-A/CEA/2018 dated 13.01.2018 & 16.01.2018 ✓

Whereas the inspection of electrical installations mentioned in the subject was carried out by the undersigned on 09.01.2018, and whereas your compliance of our observations raised under sl.No-(2) above has been received vide your compliance report under sl.No-(3) of reference above.

With reference to the above subject and reference, approval is hereby granted to energize the new 400 kV Alipurduar-Punatsangchu D/C transmission line (64.152 Route Km).

This approval is strictly subject to

- (i) Your consistent full compliance with the relevant provisions of CEA (Measures Relating to Safety and Electric Supply), Regulations, 2010 in every respect.
- (ii) NOC from Defence Aviation Authorities and NHAI

This approval shall remain valid for a period of two years from the date of issue.

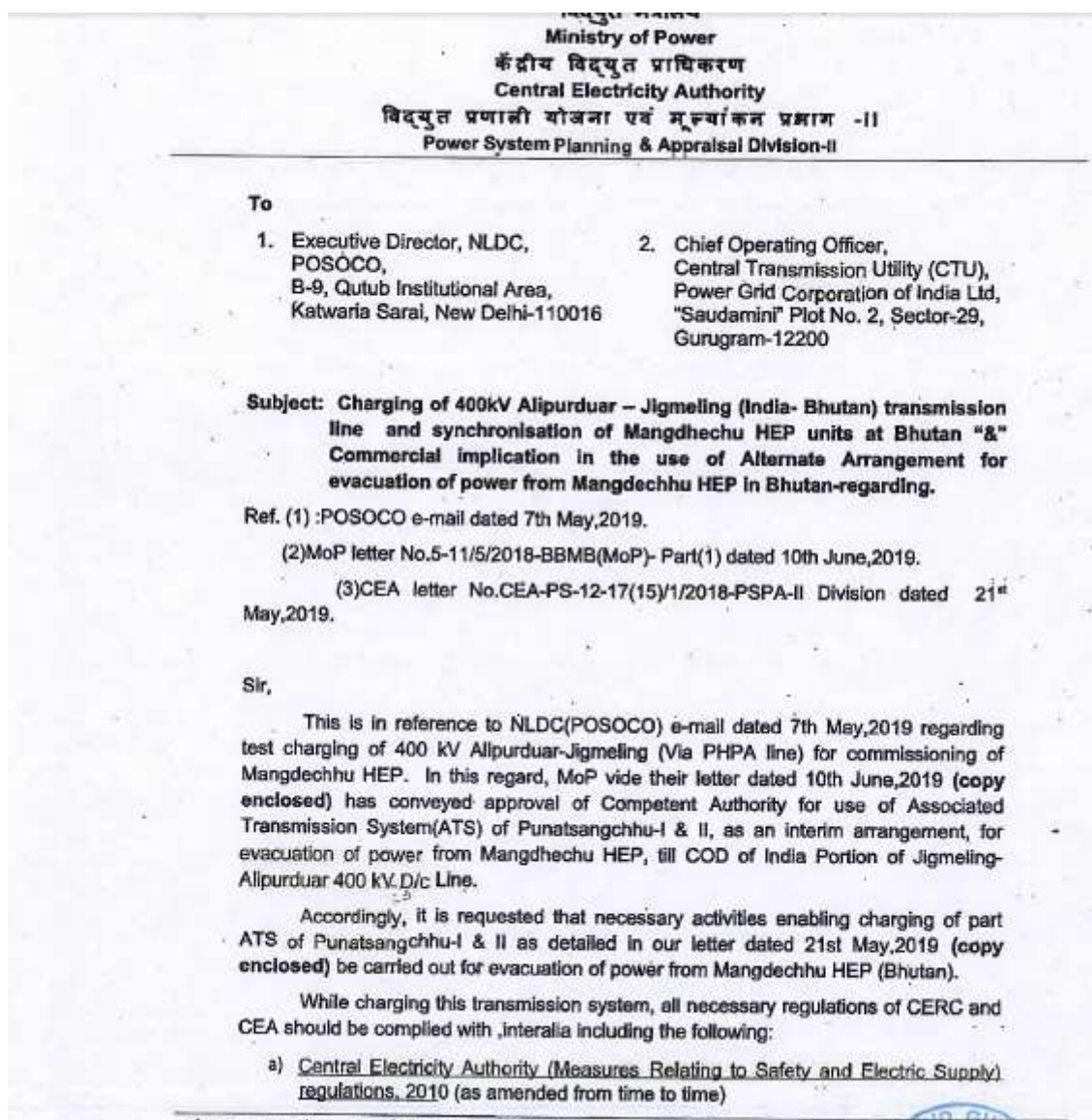
Subhro Paul
(Subhro Paul)
Dy. Director

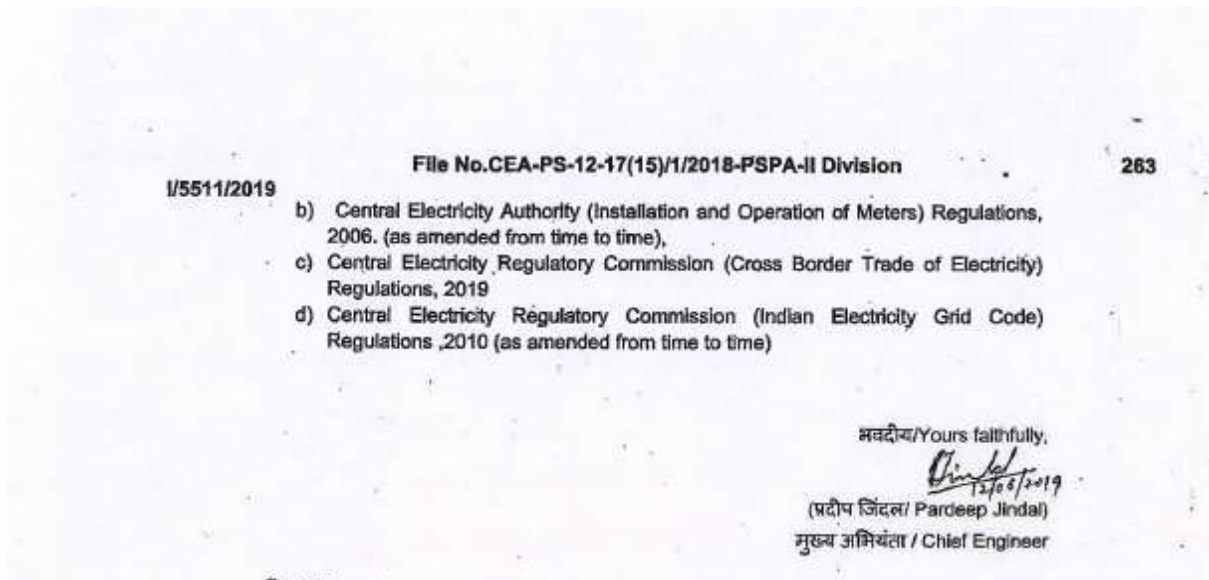
176. As per the above Energization Certificate dated 24.1.2018, we can conclude that the Petitioner has completed the transmission line and was ready for charging.

177. Further, regarding to the contention of the Respondent that the Petitioner failed to follow up adequately with the District Administration to resolve the RoW issues in a timely manner, and when the cited RoW concerns at the specified locations were resolved, we are at the view that the Petitioner proactively took up the matter with the local administration as soon as any RoW issue arose and pursued its resolution without delay. Therefore, based on the supporting documents submitted by the Petitioner, the contentions of the Respondents are hereby rejected.

178. The Petitioner has submitted that the Indian portion of the 400 kV Alipurduar-Phunatsangchu transmission line was completed on 29.3.2018. However, the line could not be commissioned for regular service due to the delay in commissioning of

the Puntschangu-I HEP (Generation plant in Bhutan). Subsequently, the Petitioner filed Petition No. 193/TT/2019 for the determination of the tariff of 400 kV Alipurduar-Phunatsangchu Transmission Line, including the associated bays at Alipurduar Substation, with the COD as 29.3.2018. The Petitioner had withdrawn the claimed COD dated 29.3.2018 and utilized the instant transmission asset through an interim arrangement, facilitating power transfer utilizing Punatsangchu-I-Alipurduar 400 kV line from 3.7.2019. The relevant extracts of the letter dated 12.6.2019 of CEA are as under:





179. Based on the above-mentioned interim arrangement, the Petitioner has been utilizing Asset-4 since 3.7.2019, drawing power from the Mangechhu Generating Station. However, it was observed that the Petitioner has not submitted any reason for the delay for the period 23.1.2018 to 28.3.2018. Accordingly, the same has not been condoned.

180. Now, the moot question that arises for our consideration is whether the time overrun is condonable from 29.3.2018 to 3.7.2019.

181. As per Regulation 22 (2) of the 2019 Tariff regulations, time overrun is condonable only if the delay is attributable to 'uncontrollable factors', i.e., 'Force Majeure events' or 'Change in Law' events. In the instant Petition, the period from 29.3.2018 to 03.07.2019 was not affected by any such 'Force Majeure' or 'Change in Law' circumstances. Therefore, we are not inclined to condone the time overrun from 29.3.2018 to 3.7.2019.

182. However, for the period 29.3.2018 to 3.7.2019, the Petitioner is at liberty to claim the compensation in terms of LDs, IDC or IEDC from Bhutan Power Corporation (BPC) Limited as per the arrangement/agreement entered into, if any.

183. Based on the above, out of the total time overrun of 1630 days, the net impact

of time overrun on account of acquisition of land for ± 800 kV HVDC Alipurduar Sub-station, Forest approval and the RoW issues, which is about 1169 days, is beyond the control of the petitioner and the same has been condoned. The period from 29.3.2018 to 3.7.2019 (461 days) is not beyond the control of the petitioner, and the same has not been condoned.

184. Therefore, the summary of the SCOD, Time overrun claimed by the Petitioner and time overrun condoned/not condoned are as follows:

Asset	SCOD as per IA	Time Delay Claimed	Time Overrun Condoned	Time Overrun not Condoned
Asset-4	15.1.2015	1630 days	1103	527 days

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

185. The Petitioner has claimed IDC as part of the capital cost and has submitted the statement showing the IDC claim, discharge of IDC liability as on COD and thereafter as under:

(₹ in lakh)				
Asset	IDC as per Auditor Certificate	IDC discharged up to COD	IDC discharged during 2019-20	IDC discharged during 2020-21
Asset-4	4673.81	4040.89	523.50	109.42

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

(₹ in lakh)

Asset	IDC as per Auditor Certificate	IDC disallowed due to time overrun not condoned	IDC allowed	IDC discharged up to COD
Asset-4	4673.81	1477.91	3195.91	3195.91

187. Further, the Petitioner has claimed the IEDC for the transmission asset as per the Auditor Certificate. The Petitioner has further submitted that the entire amount of IEDC for the transmission asset has been discharged up to the COD. As the time overrun for the transmission asset has been partially condoned, there is partial disallowance of IEDC. The IEDC claimed, as per the Auditor's Certificate, considered and discharged up to COD is as under:

(₹ in lakhs)

IEDC Claimed as per Auditor Certificate (A)	IEDC Disallowed due to time Over-run not Condoned (B)	IEDC Allowed (C)=(A-B)
947.07	148.28	798.79

Initial Spares

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

“(d) Transmission System

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

189. The Petitioner has claimed initial spares with respect to the transmission assets

at the Project Level in line with Regulation 23 of the 2019 Tariff Regulations are as under:

Sub-stations:

Asset	Particulars	Plant and Machinery Cost (A) (₹ in lakh)	Initial Spares claimed (B) (₹ in lakh)	Ceiling Limit (%) (C)	Initial Spares worked out (₹ in lakh)
					$D = (A-B) \times C \div (100-C)$
Asset-4	S/S (AIS-Brown Field)	1592.02	11.66	6.0	100.87

Transmission Line:

Asset	Particulars	Plant and Machinery Cost (A) (₹ in lakh)	Initial Spares claimed (B) (₹ in lakh)	Ceiling Limit (%) (C)	Initial Spares worked out (₹ in lakh)
					$D = (A-B) \times C \div (100-C)$
Asset-4	T/L	24270.62	220.00	1.0	242.94

190. MPPMCL has submitted that the Initial Spares claimed are more than the ceiling limit provided in the regulation, and the same may be considered only as per the applicable Regulation 23 of the 2019 Tariff Regulations.

191. In response, the Petitioner submitted that the Initial Spares have been claimed within the limit specified as per Regulation 23 of the 2019 Tariff Regulations, and the contentions of MPPMCL are liable to be dismissed.

192. BSPHCL has submitted that the claim for Initial spares may be considered only as per the applicable Regulation 23, and the claims beyond it are liable to be rejected.

193. In response, the Petitioner submitted that the claim for initial spares for sub-station and transmission line for the project has been calculated as per Regulation 23 of the 2019 Tariff Regulations, on an overall project basis and is within the specified time limit under Regulation 23 of the 2019 Tariff Regulations.

194. We have considered both the Petitioner's and the Respondent's submissions. It was observed that the initial spares claimed by the Petitioner are within the limits

specified, even when considered on an asset-wise basis. Accordingly, taking into consideration Form-13 submitted by the Petitioner, the details of the Initial Spares allowed for the 2019-24 tariff period are as follows:

(₹ in lakh)

Asset	Components of the Asset	Plant and Machinery Cost for the Calculation of Initial Spares	Initial Spares Claimed	Ceiling limit as per Regulations (in %)	Initial Spares Allowable	Excess Initial Spares	Initial Spares Allowed
Asset-4	Sub-station	1592.02	11.66	6.00	100.87	-	11.66
Asset-4	Transmission Line	24270.62	220.00	1.00	242.94	-	220.00

Capital Cost Allowed as on COD

195. Accordingly, the capital cost allowed with respect to the transmission asset as on COD is as follows:

(₹ in lakh)

Asset	Capital Cost claimed till COD	Less: IDC disallowed due to time overrun	Less: IEDC disallowed due to time overrun	Less: Undischarged IDC as on COD	Less: Excess Initial Spares	Capital Cost as on COD
Asset-4	32067.92	1477.91	148.28	0.00	0.00	30441.73

Additional Capital Expenditure

196. Regulation 24 of the 2019 Tariff Regulations provide 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; and*
 - f. *Force Majeure events:*

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

- 2) *The generating company or the transmission licensee, as the case may 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.”*

197. The Petitioner has claimed that the ACE incurred/ projected to be incurred is mainly on account of the balance/ retention of payments and, hence, the same are to be claimed under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations. The Petitioner has claimed capital cost as on 31.3.2024 as under:

(₹ in lakh)

Name of the Element	FR Approved Cost	RCE Approved Cost	Expenditure Up to COD	Actual/ Projected ACE				Estimated Completion Cost
				2019-20	2020-21	2021-22	2022-23	
Asset-4	24668.17	34490.88	32067.92	449.10	17.11	5.65	174.26	32714.04

198. The Petitioner has also submitted the party-wise details with respect to the transmission asset being claimed are as under:

(₹ in lakh)

Asset	Parties	Particulars	Outstanding Liability as on COD	Discharge under Reg. 24 (1)(a) of the 2019 Tariff Regulations					Outstanding Liability as on 31.3.2024
				2019-20	2020-21	2021-22	2022-23	Total (For 2019-24)	
Asset-4	BHEL	Sub-station	76.43	24.73	-	-	51.70	76.43	-
	ABB India Limited	Sub-station	158.40	35.84	-	-	122.56	158.40	-
	Tata Project, Aditya Birla Insulator and Ors.	Transmission Line	387.10	364.34	17.11	5.65	-	387.10	-
Total			621.93	424.91	17.11	5.65	174.26	621.93	-

(₹ in lakh)				
Asset	Parties	Particulars	Work deferred for execution (under Reg. 24 (1)(b) of the 2019 Tariff Regulations)	
			2019-20	Total (19-24)
Asset-4	BHEL	Sub-station	14.99	14.99
	ABB India Limited	Sub-station	9.20	9.20
	Tata Project, Aditya Birla Insulator and Ors.	Transmission Line	-	-
Total			24.19	24.19

199. MPPMCL has submitted that the Petitioner has proposed costs towards the additional capitalization during the 2019-24 on account of undischarged liability. MPPMCL also submitted that the Petitioner has not supported its contention with the proper documents and details, and has also not justified the same. MPPMCL submitted that the Additional Capitalisation may be deferred until the trued-up, when the actual ACE details are submitted.

200. In response, the Petitioner has submitted that the contentions of the Respondent are incorrect and denied. The Petitioner further submitted that PGCIL has duly explained Additional Capitalization claimed during the 2019-24 tariff period for Asset-4 and submitted that the additional capitalization is on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.

201. BSPHCL submitted that, as per Regulation 24 of the 2019 Tariff Regulations, the claim of the ACE is subject to a prudence check.

202. In response, the Petitioner has submitted that the claim of ACE is in accordance with Regulation 24 of the 2019 Tariff Regulations. The Petitioner further submitted that the ACE incurred/projected to be incurred in the subject asset is mainly on account of Balance/Retention Payments and hence the same may be allowed by this Commission under Regulation 24(1)(a) and 24(1)(b) Tariff Regulation, 2019.

203. We have considered both the Petitioner's and Respondent's submissions. The

projected ACE allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations on account of Balance/Retention Payments and under Regulation 24(1)(b) of the 2019 Tariff Regulations on account of works deferred for execution are as follows:

(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (a)	424.91	17.11	5.65	174.26
ACE as per the Auditor's Certificate allowed under Regulation 24 (1) (b)	24.19	-	-	-
Add: IDC Discharged	-	-	-	-
ACE allowed in the instant order	449.10	17.11	5.65	174.26

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

(₹ in lakh)							
Asset	Capital Cost as on COD	Projected ACE					Capital Cost as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-4	30441.73	449.10	17.11	5.65	174.26	-	31087.85

Debt-Equity ratio

205. Regulation 18 of the 2019 Tariff Regulations provides as follows:

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

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

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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt:

equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

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

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

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

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

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.”

206. The debt-equity considered for the purpose of computation of tariff for the transmission asset for 2019-24 tariff period is as follows:

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	21309.21	70.00	452.28	70.00	21761.50	70.00
Equity	9132.52	30.00	193.84	30.00	9326.36	30.00
Total	30441.73	100.00	646.12	100.00	31087.85	100.00

Determination of Tariff of 2019-24 Tariff Period with respect to Asset-1 to Asset-4

Depreciation

207. Regulation 33 of the 2019 Tariff Regulations provides as follows:

“33. Depreciation: (1) *Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units: Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.*

(2) *The value base for the purpose of depreciation shall be the capital cost of the Asset admitted by the Commission. In case of multiple units of a generating station or*

multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the Asset-for part of the year, depreciation shall be charged on pro rata basis.

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

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

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

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

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

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

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the Asset-of the generating station and transmission system: Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the asset

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

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

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

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

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

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

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

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

208. The Commission has considered the submissions of the Petitioner. 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) at Annexure has been worked out for the transmission assets as per the rates of depreciation specified in the 2019 Tariff Regulations. Depreciation allowed with respect to the transmission assets for the 2019-24 tariff period is as under:

(₹ in lakh)

Asset-1						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Depreciation					
A	Opening Gross Block	536.61	612.27	612.27	612.27	877.48
B	Addition, during the year 2019-24, due to projected ACE	75.66	0.00	0.00	265.21	0.00
C	Closing Gross Block (A+B)	612.27	612.27	612.27	877.48	877.48
D	Average Gross Block (A+C)/2	574.44	612.27	612.27	744.87	877.48
E	Average Gross Block (90% depreciable assets)	574.44	612.27	612.27	744.87	877.48
F	Average Gross Block (100% depreciable assets)	-	-	-	-	-
G	Depreciable value (excluding IT equipment and software) (E*90%)	517.00	551.04	551.04	670.39	789.73
H	Depreciable value of IT equipment and software (F*100%)	-	-	-	-	-
I	Total Depreciable Value (G+H)	517.00	551.04	551.04	670.39	789.73
J	Weighted average rate of Depreciation (WAROD) (in %)	4.85	4.88	4.88	4.87	4.86
K	Lapsed useful life at the beginning of the year (Year)	1	2	3	4	5
L	Balance useful life at the beginning of the year (Year)	24	23	22	21	20
M	Depreciation during the year (D*J)	27.88	29.88	29.88	36.24	42.60
N	Cumulative Depreciation at the end of the year	51.58	81.46	111.35	147.59	190.19
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	465.41	469.58	439.70	522.80	599.54

(₹ in lakh)

Asset-2						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	379896.87	389030.91	392282.11	393869.05	397329.07
B	Addition, during the year 2019-24, due to projected ACE	9134.04	3251.20	1586.94	3460.02	0.00
C	Closing Gross Block (A+B)	389030.91	392282.11	393869.05	397329.07	397329.07
D	Average Gross Block (A+C)/2	384463.89	390656.51	393075.58	395599.06	397329.07
E	Freehold Land	2529.33	2529.33	2529.33	2529.33	2529.33
F	Average Gross Block (90% depreciable assets)	381934.56	388127.18	390546.25	393069.73	394799.74
G	Average Gross Block (100% depreciable assets)	-	-	-	-	-
H	Depreciable value (excluding IT equipment and software and Freehold land) (F*90%)	343741.10	349314.46	351491.63	353762.76	355319.77
I	Depreciable value of IT equipment and software (G*100%)	-	-	-	-	-
J	Total Depreciable Value (H+I)	343741.10	349314.46	351491.63	353762.76	355319.77
K	Weighted average rate of Depreciation (WAROD) (in %)	5.03	5.03	5.02	5.02	5.02
L	Lapsed useful life at the beginning of the year (Year)	1	2	3	4	5
M	Balance useful life at the beginning of the year (Year)	24	23	22	21	20
N	Depreciation during the year (D*K)	19350.69	19633.94	19745.11	19865.28	19948.67
O	Cumulative Depreciation at the end of the year	47823.97	67457.91	87203.02	107068.29	127016.96
P	Remaining Aggregate Depreciable Value at the end of the year(J-O)	295917.14	281856.55	264288.61	246694.46	228302.80

(₹ in lakh)

Asset-3						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	34321.13	35062.23	35080.92	35080.92	35227.12
B	Addition, during the year 2019-24, due to projected ACE	741.10	18.69	0.00	146.20	0.00
C	Closing Gross Block (A+B)	35062.23	35080.92	35080.92	35227.12	35227.12
D	Average Gross Block (A+C)/2	34691.68	35071.58	35080.92	35154.02	35227.12
E	Freehold Land	3551.11	3551.11	3551.11	3551.11	3551.11
F	Average Gross Block (90% depreciable assets)	31140.57	31520.47	31529.81	31602.91	31676.01
G	Average Gross Block (100% depreciable assets)	-	-	-	-	-
H	Depreciable value (excluding IT equipment and software	28026.52	28368.42	28376.83	28442.62	28508.41



Asset-3						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	and Freehold land) (F*90%)					
I	Depreciable value of IT equipment and software (G*100%)	-	-	-	-	-
J	Total Depreciable Value (H+I)	28026.52	28368.42	28376.83	28442.62	28508.41
K	Weighted average rate of Depreciation (WAROD) (in %)	4.32	4.33	4.33	4.33	4.33
L	Lapsed useful life at the beginning of the year (Year)	1	2	3	4	5
M	Balance useful life at the beginning of the year (Year)	26	25	24	23	22
N	Depreciation during the year (D*K)	1497.04	1517.10	1517.60	1520.64	1523.69
O	Cumulative Depreciation at the end of the year	3650.07	5167.18	6684.77	8205.42	9729.10
P	Remaining Aggregate Depreciable Value at the end of the year(J-O)	24376.44	23201.24	21692.06	20237.21	18779.31

(₹ in lakh)

Asset-4						
	Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	30441.73	30890.83	30907.94	30913.59	31087.85
B	Addition, during the year 2019-24, due to projected ACE	449.10	17.11	5.65	174.26	-
C	Closing Gross Block (A+B)	30890.83	30907.94	30913.59	31087.85	31087.85
D	Average Gross Block (A+C)/2	30666.28	30899.39	30910.77	31000.72	31087.85
E	Freehold Land	448.08	448.08	448.08	448.08	448.08
F	Average Gross Block (90% depreciable assets)	30218.20	30451.31	30462.69	30552.64	30639.77
G	Average Gross Block (100% depreciable assets)	-	-	-	-	-
H	Depreciable value (excluding IT equipment and software and Freehold land) (F*90%)	27196.38	27406.18	27416.42	27497.38	27575.80
I	Depreciable value of IT equipment and software (G*100%)	-	-	-	-	-
J	Total Depreciable Value (H+I)	27196.38	27406.18	27416.42	27497.38	27575.80
K	Weighted average rate of Depreciation (WAROD) (in %)	5.16	5.16	5.16	5.16	5.15
L	Lapsed useful life at the beginning of the year (Year)	0	0	1	2	3
M	Balance useful life at the beginning of the year (Year)	34.00	34.00	33.00	32.00	31.00
N	Depreciation during the year (D*K)	1180.60	1595.10	1595.70	1598.92	1601.99
O	Cumulative Depreciation at the end of the year	1180.60	2775.70	4371.40	5970.32	7572.31



P	Remaining Aggregate Depreciable Value at the end of the year(J-O)	26015.78	24630.48	23045.02	21527.06	20003.49
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Interest on Loan (IoL)

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

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

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

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

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

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized: Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;

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

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

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

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

210. The weighted average rate of IoL has been considered as claimed by the Petitioner. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of truing up.

211. The IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations as under:

(₹ in lakh)

Asset-1						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	375.63	428.59	428.59	428.59	614.24
B	Cumulative Repayments up to the Previous Year	23.70	51.58	81.46	111.35	147.59
C	Net Loan-Opening (A-B)	351.93	377.01	347.12	317.24	466.65
D	Additions due to ACE	52.96	-	-	185.65	-
E	Repayment during the year	27.88	29.88	29.88	36.24	42.60
F	Net Loan-Closing (C+D-E)	377.01	347.12	317.24	466.65	424.04
G	Average Loan (C+F)/2	364.47	362.06	332.18	391.95	445.35
H	Weighted Average Rate of Interest on Loan (%)	8.666	8.554	8.563	8.573	8.585
I	Interest on Loan	31.58	30.97	28.44	33.60	38.23

(₹ in lakh)

Asset-2						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	265927.84	272321.67	274597.51	275708.37	278130.38
B	Cumulative Repayments up to the Previous Year	28473.28	47823.97	67457.91	87203.02	107068.29
C	Net Loan-Opening (A-B)	237454.56	224497.70	207139.60	188505.35	171062.09
D	Additions due to ACE	6393.83	2275.84	1110.86	2422.01	0.00
E	Repayment during the year	19350.69	19633.94	19745.11	19865.28	19948.67
F	Net Loan-Closing (C+D-E)	224497.70	207139.60	188505.35	171062.09	151113.42
G	Average Loan (C+F)/2	230976.13	215818.65	197822.47	179783.72	161087.75
H	Weighted Average Rate of Interest on Loan (%)	4.937	5.052	5.169	5.273	5.420
I	Interest on Loan	11402.08	10902.51	10224.45	9480.71	8730.63

(₹ in lakh)

Asset-3						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	24024.80	24543.57	24556.65	24556.65	24658.99
B	Cumulative Repayments up to the Previous Year	2153.03	3650.07	5167.18	6684.77	8205.42
C	Net Loan-Opening (A-B)	21871.77	20893.50	19389.48	17871.88	16453.58
D	Additions due to ACE	518.77	13.08	0.00	102.34	0.00
E	Repayment during the year	1497.04	1517.10	1517.60	1520.64	1523.69
F	Net Loan-Closing (C+D-E)	20893.50	19389.48	17871.88	16453.58	14929.89
G	Average Loan (C+F)/2	21382.63	20141.49	18630.68	17162.73	15691.73
H	Weighted Average Rate of Interest on Loan (%)	8.156	8.126	8.113	8.097	8.078
I	Interest on Loan	1744.02	1636.79	1511.42	1389.68	1267.56



Asset-4						
	Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	21309.21	21623.58	21635.56	21639.52	21761.50
B	Cumulative Repayments up to the Previous Year	0.00	1180.60	2775.70	4371.40	5970.32
C	Net Loan-Opening (A-B)	21309.21	20442.98	18859.86	17268.12	15791.18
D	Additions due to ACE	314.37	11.98	3.96	121.98	0.00
E	Repayment during the year	1180.60	1595.10	1595.70	1598.92	1601.99
F	Net Loan-Closing (C+D-E)	20442.98	18859.86	17268.12	15791.18	14189.19
G	Average Loan (C+F)/2	20876.10	19651.42	18063.99	16529.65	14990.18
H	Weighted Average Rate of Interest on Loan (%)	8.007	7.954	7.948	7.942	7.934
I	Interest on Loan	1246.74	1563.17	1435.80	1312.76	1189.36

Return on Equity (RoE)

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

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

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

Provided that return on equity in respect of Additional Capitalization after cutoff date beyond the original scope excluding Additional Capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to 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 Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;

b) an additional rate of return on equity of 0.25% shall be allowed for every

incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%: Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.

(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODE) occurs plus 350 basis point, subject to ceiling of 14%;

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

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

Rate of pre-tax return on equity = Base rate / (1-t)

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

Illustration-

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

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

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

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

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

213. The Petitioner has submitted that the MAT rate applies to it. The MAT rate applicable has been considered for the purpose of the RoE, which shall be trued-up in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE allowed with

respect to the transmission assets is as follows:

(₹ in lakh)

Asset-1						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	160.98	183.68	183.68	183.68	263.24
B	Addition, due to ACE	22.70	-	-	79.56	-
C	Closing Equity (A+B)	183.68	183.68	183.68	263.24	263.24
D	Average Equity (A+C)/2	172.33	183.68	183.68	223.46	263.24
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	32.37	34.50	34.50	41.97	49.44

(₹ in lakh)

Asset-2						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	113969.03	116709.24	117684.60	118160.68	119198.69
B	Addition, due to ACE	2740.21	975.36	476.08	1038.01	-
C	Closing Equity (A+B)	116709.24	117684.60	118160.68	119198.69	119198.69
D	Average Equity (A+C)/2	115339.14	117196.92	117922.64	118679.69	119198.69
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	21662.42	22011.35	22147.65	22289.83	22387.31

(₹ in lakh)

Asset-3						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	10296.33	10518.66	10524.27	10524.27	10568.13
B	Addition, due to ACE	222.33	5.61	-	43.86	-
C	Closing Equity (A+B)	10518.66	10524.27	10524.27	10568.13	10568.13
D	Average Equity (A+C)/2	10407.50	10521.47	10524.27	10546.20	10568.13
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	1954.68	1976.09	1976.62	1980.73	1984.85

(₹ in lakh)

Asset-4						
	Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	9132.52	9267.25	9272.38	9274.08	9326.36
B	Addition, due to ACE	134.73	5.13	1.70	52.28	-
C	Closing Equity (A+B)	9267.25	9272.38	9274.08	9326.36	9326.36
D	Average Equity (A+C)/2	9199.88	9269.82	9273.23	9300.22	9326.36
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	1288.83	1741.01	1741.65	1746.72	1751.63



Operation and Maintenance Expenses

214. The O&M Expenses for the Tariff Period 2019-24 claimed by the Petitioner for the transmission assets are as follows:

(₹ in lakh)

Asset:1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset:1 - 2 Nos. of 220 kV Bays at Alipurduar Pooling Station					
Number of line bays	2	2	2	2	2
Norms	22.51	23.30	24.12	24.96	25.84
Total O&M Expenses	45.02	46.60	48.24	49.92	51.68

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
800 kV LILO HVDC Transmission Line					
Line Length in km.	21.320	21.320	21.320	21.320	21.320
Norms for Double Circuit (Bundled conductor with four or more sub conductors)	1.322	1.368	1.416	1.466	1.517
O&M Expenses	28.19	29.17	30.19	31.26	32.34
132/110 kV Earth Electrode Transmission Line					
Line Length in km.	72.19	72.19	72.19	72.19	72.19
Norms for Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
O&M Expenses	18.19	18.77	19.49	20.14	20.86
Agra: ±800KV 3000 MW HVDC POLE-III & POLE-IV					
No. of Bays	2	2	2	2	2
Norms	1025.2	1061.2	1098.4	1136.8	1176.8
O&M Expenses	2050.40	2122.40	2196.80	2273.60	2353.60
Total O&M Expenses	2096.78	2170.34	2246.48	2325.00	2406.81

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
LILO of Bongaigaon - Binaguri (Siliguri) 400 kV D/C Line (QUAD)					
Line Length in km.	2.445	2.445	2.445	2.445	2.445
Norms for Double Circuit (Bundled conductor with four or more sub conductors)	1.322	1.368	1.416	1.466	1.517
O&M Expenses	3.23	3.34	3.46	3.58	3.71
LILO of Birpara-Salakati D/C TL					
Line Length in km.	72.19	72.19	72.19	72.19	72.19
Norms for Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433

O&M Expenses	0.69	0.72	0.74	0.77	0.79
LILO of Bongaigaon - Binaguri (Siliguri) AC 400 kV D/C Line (QUAD)					
Line Length in km.	4.009	4.009	4.009	4.009	4.009
Norms for Multi Circuit (Bundled conductor with four or more sub conductors)	2.319	2.401	2.485	2.572	2.662
O&M Expenses	9.30	9.63	9.96	10.31	10.67
400 kV AIS Bays					
No. of Bays	8	8	8	8	8
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	257.2	266.24	275.6	285.28	295.28
220 kV AIS Bays					
No. of Bays	6	6	6	6	6
Norms	22.51	23.30	24.12	24.96	25.84
O&M Expenses	135.06	139.8	144.72	149.76	155.04
400 kV Transformer					
No. of transformers	2	2	2	2	2
MVA Capacity	315	315	315	315	315
Norms	0.358	0.371	0.384	0.398	0.411
O&M Expenses	225.54	233.73	241.92	250.74	258.93
Total O&M Expenses Allowed	631.02	653.46	676.40	700.44	724.42

(₹ in lakh)

Asset-4					
Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
400 kV D/C Alipurduar- Punatsangchung Transmission Line					
Line Length in km.	64.15	64.15	64.15	64.15	64.15
Norms for Double Circuit (Bundled conductor with four or more sub conductors)	1.322	1.368	1.416	1.466	1.517
O&M Expenses	64.26	87.76	90.84	94.04	97.32
400 kV AIS Bays					
No. of Bays	2	2	2	2	2
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	47.96	66.56	68.90	71.32	73.82
Total O&M Expenses	111.22	154.32	159.74	165.36	171.14



215. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as under:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.26	0.27	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

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

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

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

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

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

216. The O&M Expenses approved for the transmission asset in accordance with Regulation 35(3)(a) of the 2019 Tariff Regulations as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1: 2 Nos. of 220 kV Bays at Alipurduar Pooling Station					
Number of line bays	2	2	2	2	2
Norms	22.51	23.30	24.12	24.96	25.84
Total O&M Expenses allowable	45.02	46.60	48.24	49.92	51.68

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
800 kV LILO HVDC Transmission Line					
Line Length in km.	21.320	21.320	21.320	21.320	21.320
Norms for Double Circuit (Bundled conductor with four or more sub	1.322	1.368	1.416	1.466	1.517

conductors)					
O&M Expenses allowed	28.19	29.17	30.19	31.26	32.34
132/110 kV Earth Electrode Transmission Line					
Line Length in km.	72.19	72.19	72.19	72.19	72.19
Norms for Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
O&M Expenses	18.19	18.77	19.49	20.14	20.86
Agra: ± 800 kV 3000 MW HVDC POLE-III & POLE-IV					
Norms for $\{\pm 800$ kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW) }	2,563	2,653	2,746	2,842	2,942
O&M Expenses*	2050.40	2122.40	2196.80	2273.60	2353.60
Total O&M Expenses	2096.78	2170.34	2246.48	2325.00	2406.81

the O&M expenses of ± 800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ± 800 kV, Bishwanath-Agra HVDC bi-pole scheme

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
LILo of Bongaigaon - Binaguri (Siliguri) 400 kV D/C Line (QUAD)					
Line Length in km.	2.445	2.445	2.445	2.445	2.445
Norms for Double Circuit (Bundled conductor with four or more sub conductors)	1.322	1.368	1.416	1.466	1.517
O&M Expenses	3.23	3.34	3.46	3.58	3.71
LILo of Birpara-Salakati D/C TL					
Line Length in km.	72.19	72.19	72.19	72.19	72.19
Norms for Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
O&M Expenses	0.69	0.72	0.74	0.77	0.79
LILo of Bongaigaon-Binaguri (Siliguri) AC 400 kV D/C Line (QUAD)					
Line Length in km.	4.009	4.009	4.009	4.009	4.009
Norms for Multi Circuit (Bundled conductor with four or more sub conductors)	2.319	2.401	2.485	2.572	2.662
O&M Expenses	9.30	9.63	9.96	10.31	10.67
400 kV AIS Bays					
No. of Bays	8	8	8	8	8
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	257.2	266.24	275.6	285.28	295.28
220 kV AIS Bays					
No. of Bays	6	6	6	6	6
Norms	22.51	23.30	24.12	24.96	25.84



O&M Expenses	135.06	139.8	144.72	149.76	155.04
400 kV Transformer					
No. of transformers	2	2	2	2	2
MVA Capacity	315	315	315	315	315
Norms	0.358	0.371	0.384	0.398	0.411
O&M Expenses	225.54	233.73	241.92	250.74	258.93
Total O&M Expenses allowable	631.02	653.46	676.40	700.44	724.42

(₹ in lakh)

Asset-4					
Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
400 kV D/C Alipurduar- Punatsangchung Transmission Line					
Line Length in km.	64.15	64.15	64.15	64.15	64.15
Norms for Double Circuit (Bundled conductor with four or more sub conductors)	1.322	1.368	1.416	1.466	1.517
O&M Expenses	64.26	87.76	90.84	94.04	97.32
400 kV AIS Bays					
No. of Bays	2	2	2	2	2
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	47.96	66.56	68.90	71.32	73.82
Total O&M Expenses	111.22	154.32	159.74	165.36	171.14

Interest on Working Capital (IWC)

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

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

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

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

(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff



period 2019 - 24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

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

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

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

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

218. The Petitioner has considered the rate of IWC as 12.05% for the 2019-24 period.

The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FY 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24. The components of the working capital and interest thereon allowed are as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	3.75	3.88	4.02	4.16	4.31
Working Capital for Maintenance Spares (15% of O&M Expenses)	6.75	6.99	7.24	7.49	7.75
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	17.24	17.90	17.77	20.35	22.89
Total Working Capital	27.74	28.77	29.02	32.00	34.95
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	3.34	3.24	3.05	3.36	4.19

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	174.73	180.86	187.21	193.75	200.57
Working Capital for Maintenance Spares (15% of O&M Expenses)	314.52	325.55	336.97	348.75	361.02

Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	6810.44	6848.08	6797.15	6747.07	6681.46
Total Working Capital	7299.69	7354.49	7321.33	7289.57	7243.05
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	879.61	827.38	768.74	765.40	869.17

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	52.58	54.45	56.37	58.37	60.37
Working Capital for Maintenance Spares (15% of O&M Expenses)	94.65	98.02	101.46	105.07	108.66
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	729.39	725.20	711.78	700.55	688.95
Total Working Capital	876.63	877.67	869.61	863.98	857.99
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	105.63	98.74	91.31	90.72	102.96

(₹ in lakh)

Asset-4					
Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M Expenses for one month)	12.43	12.86	13.31	13.78	14.26
Working Capital for Maintenance Spares (15% of O&M Expenses)	22.37	23.15	23.96	24.80	25.67
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	640.90	632.32	616.63	603.02	588.88
Total Working Capital	675.69	668.32	653.90	641.60	628.81
Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
Interest on working capital	60.73	75.19	68.66	67.37	75.46

Annual Fixed Charges for the 2019-24 Tariff Period

219. The transmission charges allowed for the 2019-24 tariff period are as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	27.88	29.88	29.88	36.24	42.60
Interest on Loan	31.58	30.97	28.44	33.60	38.23
Return on Equity	32.37	34.50	34.50	41.97	49.44
O&M Expenses	45.02	46.60	48.24	49.92	51.68
Interest on Working Capital	3.34	3.24	3.05	3.36	4.19
Total	140.19	145.19	144.11	165.09	186.14



(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	19350.69	19633.94	19745.11	19865.28	19948.67
Interest on Loan	11402.08	10902.51	10224.45	9480.71	8730.63
Return on Equity	21662.42	22011.35	22147.65	22289.83	22387.31
O&M Expenses	2096.78	2170.34	2246.48	2325.00	2406.81
Interest on Working Capital	879.61	827.38	768.74	765.40	869.17
Total	55391.58	55545.52	55132.43	54726.22	54342.59

(₹ in lakh)

Asset-3					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1497.04	1517.10	1517.60	1520.64	1523.69
Interest on Loan	1744.02	1636.79	1511.42	1389.68	1267.56
Return on Equity	1954.68	1976.09	1976.62	1980.73	1984.85
O&M Expenses	631.02	653.46	676.40	700.44	724.42
Interest on Working Capital	105.63	98.74	91.31	90.72	102.96
Total	5932.39	5882.18	5773.35	5682.21	5603.48

(₹ in lakh)

Asset-4					
Particulars	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	1180.60	1595.10	1595.70	1598.92	1601.99
Interest on Loan	1246.74	1563.17	1435.80	1312.76	1189.36
Return on Equity	1288.83	1741.01	1741.65	1746.72	1751.63
O&M Expenses	111.22	154.32	159.74	165.36	171.14
Interest on Working Capital	60.73	75.19	68.66	67.37	75.46
Total	3888.12	5128.78	5001.55	4891.14	4789.57

Filing Fee and Publication Expenses

220. The Petitioner has claimed reimbursement of the fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled to the reimbursement of filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on a pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

License Fee and RLDC Fees and Charges

221. The Petitioner has claimed reimbursement of the license fee and RLDC Fees and Charges. The Petitioner is allowed reimbursement of the license fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The

Petitioner is also allowed for recovery of the RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

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

223. MPPMCL submitted that the demand of the Petitioner is premature and need not to be considered at this juncture as the same is not applicable in the Electricity Sector.

224. In response, the Petitioner submitted that the claim of the PGCIL is not premature as the Transmission Charges claimed is exclusive of GST. The Petitioner further submitted that if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to PGCIL and the same shall be charged & billed separately by PGCIL. Further additional taxes, if any, are to be paid by the POWERGRID on account of demand from the Government. / Statutory Authorities, the same may be allowed to be recovered from the beneficiaries.

225. BSPHCL submitted that Regulation 56 of the 2019 Tariff Regulations contemplates recovery of statutory charges by the generating company and not by the transmission licensee. The said claim is hence liable to be rejected. In any event, such a claim is premature.

226. In response, the Petitioner submitted that the CGST Act, 2017, has been implemented w.e.f. 1.7.2017 and the Govt. of India has exempted the charges of

transmission of electricity vide notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 at serial no. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL and the Transmission Charges claimed by PGCIL is exclusive of the same. However, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to the petitioner, and the same shall be charged & billed separately by PGCIL.

227. BRPL submitted that PGCIL has stated that, currently, as per the GoI Notification No. 12/2018- Central Tax (Rate) dated 28.06.2017 at Sr. No. 25, the GST rate is ‘NIL’. In this regard, it has been added that if GST is levied at any rate in future on charges of Transmission of Electricity, then the same shall be borne and additionally paid by the respondent(s) to the Petitioner, and the same shall be charged and billed separately by the Petitioner along with additional taxes, if any. BRPL submitted that such a prayer of the Petitioner is not tenable.

228. In response, the Petitioner submitted that under the CGST Act, 2017, implemented w.e.f. 01.07.2017, the Govt of India has exempted the charges of transmission of electricity vide notification no. 12/2017–Central Tax (Rate) dated 28.06.2017 at Serial No. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL. Hence, the Transmission Charges as indicated at para 8.4 above is exclusive of GST. Further, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to the petitioner, and the same shall be charged & billed separately by the petitioner. Further additional taxes, if any, are to be paid by the petitioner on account of demand from Govts./ Statutory authorities, the same may be

allowed to be recovered from the beneficiaries.

229. MSEDCL submitted that Transmission Lines are exempted from the implication of GST and related taxes. It is submitted that, under the CGST Act, 2017, implemented, w.e.f. 01.07.2017, the Govt of India has exempted the charges of transmission of electricity vide notification no. 12/2017 – Central Tax (Rate) dated 28.06.2017 at serial no. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL. Thus, the GST is not applicable to transmission charges. The prayer of the petitioner is premature, and hence, the same may not be allowed.

230. In response, the Petitioner submitted that under the CGST Act, 2017, implemented w.e.f. 01.07.2017, the Govt of India has exempted the charges of transmission of electricity vide notification no. 12/2017 – Central Tax (Rate) dated 28.06.2017 at serial no. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL. Hence, the Transmission Charges as claimed under the instant petition are exclusive of GST. Further, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to the Petitioner, and the same shall be charged & billed separately by the Petitioner.

231. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Govt./ Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

232. We have considered both the Petitioner's and Respondent's submissions. GST is not levied on transmission service at present, and we are of the view that the Petitioner's prayer is premature.

Security Expenses

233. The Petitioner has submitted that security expenses for the instant assets are not claimed in the instant Petition, and it would file a separate petition for claiming the overall security expenses and the consequential IWC. The Petitioner has requested to consider the actual security expenses incurred during 2018-19 for claiming estimated security expenses for the 2019-20, which shall be subject to true-up at the end of the year based on the actuals. The Petitioner has submitted that a similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 shall be filed on a yearly basis and actual expenses of the previous year, subject to being trued-up at the end of the year on actual expenses. The Petitioner has submitted that the difference, if any, between the estimated security expenses and actual security expenses as per the audited accounts may be allowed to be recovered from the beneficiaries on a yearly basis.

234. BSPHCL has submitted that the claim made in Para 13.8 of the Petition may only be considered as per Regulation 35(3)(c) of the 2019 Tariff Regulations.

235. BRPL has submitted that the Petitioner in Para 13.8 has stated that Regulation 35(3)(c) of the Tariff Regulations, 2019 provides for the Security Expenses and Capital Spares for the transmission system to be allowed separately after a prudence check. BRPL also submitted that the Petitioner has stated that a separate petition shall be filed for claiming the overall Security Expenses and consequential Interest on Working Capital (IOWC) on the same, although the Petitioner proposes to claim the estimated Security Expenses for 2019-20 on the actual expenses of 2018-19 which will be trued up on annual basis. A similar petition for Security Expenses shall be filed for the years 2020-21, 2021-22, 2022-23, and 2023-24. BRPL submitted that if this is the process to be adopted by the Petitioner, then there is no need for the IOWC, as the same is claimed in advance. BRPL submitted that the Petitioner may also clarify under which

provision of the Tariff Regulations, 2019, PGCIL is seeking such relief from the Commission.

236. In response, the Petitioner submitted that as per Regulation 35(3)(c) of CERC 2019 Tariff Regulations, the Security Expenses and Capital Spares for the transmission system shall be allowed separately after a prudence check. The Petitioner submitted that a separate petition no. 260/MP/2020 was filed before the Commission for claiming the overall Security Expenses and consequential Interest on Working Capital (IOWC) on the same wherein it was proposed to consider actual Security Expense incurred by the Petitioner for the FY 2018-19 after escalating the same at 3.51% per annum and estimated additional Security Expenses for new sub-stations to be commissioned in future, for arriving at the Estimated Security Expense for the year 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24. The Commission vide order dated 3.8.2021 allowed the petitioner to recover the estimated Security Expenses from beneficiaries as per the provisions of the 2020 Sharing Regulations. The difference, if any, between the Estimated Security Expenses and Actual Security Expenses calculated as per audited accounts, on a year-to-year basis, may be allowed to recover/refund from beneficiaries. Further, the capital spares shall be claimed by the Petitioner at the end of the tariff block as per actual. Accordingly, these expenses are not claimed in the subject petition through the relevant Tariff Form and shall be claimed separately in a separate petition along with all other assets.

237. We have considered both the Petitioner's and Respondent's submissions. The Petitioner has claimed the consolidated security expenses on a projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in the 2018-19 in Petition No. 260/MP/2020. The Commission, vide order dated 3.8.2021 in Petition No. 260/MP/2020, approved the security expenses from 1.4.2019 to 31.3.2024. Therefore, the Petitioner's prayer in the instant Petition for allowing it to file a separate

Petition for claiming overall security expenses and consequential IWC has become infructuous.

Capital Spares

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

Sharing of Transmission Charges

239. The Petitioner has submitted that the transmission charges for Asset-1 shall be borne by WBSETCL from the date of commercial operation of the asset till 05.06.2018. Thereafter, the transmission charges shall be recovered on a monthly basis in accordance with Regulation 43 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

240. Further, the Petitioner has submitted that the Tariff for Transmission of Electricity (Annual Fixed Cost) for Assets-2 & 3 shall be shared from the DICs of all regions as per the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

241. The Petitioner has also submitted that Tariff for Transmission of Electricity (Annual Fixed Cost) for 2019-24 for Asset-4 shall be recovered on 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 as per applicable Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 or as amended from time to time.

242. The Respondent BSPHCL has submitted that sharing of the transmission charges ought to be done as per the applicable Tariff and Sharing Regulations, and

should also consider the ruling at para 80 of the order dated 28.02.2022 in Petition No. 193/TT/2019. Further, it may also be pointed out that Appeal no. 33 of 2021 preferred by GRIDCO Limited against the order dated 15.10.2019 in Petition no. 198/TT/2017 is pending before the APTEL, in which the answering Respondent has also filed its reply.

243. In response, the Petitioner submitted that Transmission Charges are 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 Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 dated 15.06.2010 and amendment to these Regulations issued vide order dated 30.11.2012 or as amended from time to time, as applicable. Further, these charges shall be recovered on a monthly basis, and the billing collection and disbursement of Transmission Charges shall be governed by the provisions of CERC (sharing of interstate Transmission Charges and Losses) Regulations, 2020.

244. We have considered the Petitioner and Respondent's submissions. The sharing of the transmission charges for different transmission assets is as under:

Asset-1:

245. The COD of the Asset-1 is approved as 1.3.2018 under 4(3)(ii) of the 2014 Tariff Regulations, as the associated downstream transmission system under the control of the petitioner is not ready. The relevant extracts of the order dated 28.02.2022 in Petition No. 193/TT/2019 is as under:

"80. We have considered the submissions of the Petitioner and BSPHCL and taken note of the fact that despite several opportunities and notices, WBSETCL has not filed any reply. COD of Asset-II has been approved under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations due to non-commissioning of the downstream system under the scope of WBSETCL. Therefore, the transmission charges for Asset II shall be borne by WBSETCL from COD of Asset-II i.e. 1.3.2018 till 5.6.2018. With effect from 6.6.2018, the billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of the 2010 Sharing Regulations as provided in Regulation 43 of the 2014 Tariff Regulations."

246. With reference to Asset-1, it is observed that in the order dated 28.02.2022 in Petition No. 193/TT/2019, the Commission has already stated that the transmission charges for instant transmission Asset (Asset-II in Petition No. 193/TT/2019) shall be borne by WBSETCL from COD of Asset, i.e. 1.3.2018 till 5.6.2018. With effect from 6.6.2018 up to 30.10.2020, the billing, collection and disbursement of the transmission charges shall be governed by the provisions of the 2010 Sharing Regulations as provided in Regulation 43 of the 2014 Tariff Regulations. With effect from 1.11.2020, the sharing of transmission charges shall be governed by the provisions of the 2020 sharing Regulations.

Asset-2:

247. The COD of Asset-2 has been approved as on 21.09.2017. The Commission vide order dated 29.06.2021 in Petition No. 358/TT/2020 with respect to the transmission charges is held as under:

“62. The Commission vide order dated 15.10.2019 in Petition No. 198/TT/2017 w.r.t. sharing of transmission charges held as follows:

“72. The asset covered in the instant petition is related to the assets covered in Petition No. 67/TT/2015. We reiterate our decisions in order dated 8.1.2016 and 31.8.2017 in Petition No. 67/TT/2015 and hold that the subject transmission assets are of strategic and national importance and the transmission charges shall be borne by all DICs.

73. The Petitioner shall be entitled to recover the annual fixed charges as approved above from the DICs of all regions as per the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.”

In view of the above, the asset being of national importance, the transmission charges shall be borne by all DICs. With effect from 1.11.2020, sharing of transmission charges is governed by provisions of the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, “the 2020 Sharing Regulations”). Accordingly, the liabilities of DICs for arrears of transmission charges determined through this order shall be recovered from the concerned DICs through Bill 2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. For the subsequent period, billing, collection and disbursement of transmission charges shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.”

248. As per the above decision of the Commission, the transmission charges from COD of the Asset-2, i.e. 21.09.2017 to up to 31.10.2020, shall be recovered from all

DICs.

249. Sharing Regulations, 2020, are effective from 1.11.2020. The relevant extracts of the 2020 Sharing Regulations are as under:

“5(3) National Component-HVDC shall comprise of the following:

(b) 100% of Yearly Transmission Charges for Biswanath-Chariali/ Alipurdwar to Agra HVDC transmission system;

250. Based on Regulation 5(3) of the 2020 sharing Regulations, 100% of the yearly transmission charges as of 1.11.2020 shall be included in the National Component.

Asset-3:

251. The COD of the Asset-3 is approved as 21.09.2017, and the transmission charges from 21.9.2017 to 31.10.2020 shall be governed by the provisions of the 2010 Sharing Regulations as provided in Regulation 43 of the 2014 Tariff Regulations. With effect from 1.11.2020, the sharing of transmission charges shall be governed as per the provisions of the 2020 sharing Regulations.

Asset-4:

252. The COD of the Asset-4 is approved as on 3.7.2019. Therefore, the transmission charges from 3.7.2019 to 31.10.2020 shall be governed by the provisions of the 2010 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations. With effect from 1.11.2020, the sharing of transmission charges shall be governed as per the provisions of the 2020 sharing Regulations.

253. The liabilities of DICs for arrears of transmission charges determined through this order shall be recovered from the concerned DICs through Bill 2 under Regulation 15(2)(b) of the 2020 Sharing Regulations. For the subsequent period, billing, collection and disbursement of transmission charges shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

254. To summarise:

- a. The trued-up Annual Fixed Charges approved with respect to Asset-1 for the 2014-19 tariff period are as follows:

(₹ in lakh)		
Asset	2017-18 (Pro-rata for 31 days)	2018-19
Asset-1	13.06	180.14

- b. The Annual Fixed Charges approved with respect to the Asset-1 to Asset-4 for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	140.19	145.19	144.11	165.09	186.14
Asset-2	55391.58	55545.52	55132.43	54726.22	54342.59
Asset-3	5932.39	5882.18	5773.35	5682.21	5603.48

(₹ in lakh)					
Asset	2019-20 (pro-rata for 273 days)	2020-21	2021-22	2022-23	2023-24
Asset-4	3888.12	5128.78	5001.55	4891.14	4789.57

255. Annexure to this order given hereinafter forms part of the order.

256. This order disposes of Petition No. 5/TT/2023 in terms of the above discussion and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson

Annexure

Asset-1													
2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
Building	31.60	-	-	-	66.79	27.75	126.14	3.34%	-	-	-	2.17	3.75
Transmission Line	-	-	-	-	-	-	-	5.28%	-	-	-	-	-
Sub Station	215.81	-	-	-	79.08	115.58	410.47	5.28%	-	-	-	13.48	18.62
PLCC	-	-	-	-	-	-	-	6.33%	-	-	-	-	-
Total	247.41	-	-	-	145.87	143.33	536.61		-	-	-	15.65	22.37
							Average Gross Block (₹ in lakh)		0.00	0.00	0.00	320.34	464.94
							Weighted Average Rate of Depreciation (%)		0.00	0.00	0.00	4.89	4.81

Asset-1													
Particular	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE					Admitted Capital Cost as on 31.3.2024	Rate of Depreciation (%)	Annual Depreciation				
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24
Building	126.14	-	-	-	65.99	-	192.13	3.34%	4.21	4.21	4.21	5.32	6.42
Transmission Line	-	-	-	-	-	-	-	5.28%	-	-	-	-	-
Sub-station	410.47	75.66	-	-	199.22	-	685.35	5.28%	23.67	25.67	25.67	30.93	36.19
PLCC	-	-	-	-	-	-	-	6.33%	-	-	-	-	-
IT Equipment	-	-	-	-	-	-	-	15.00%	-	-	-	-	-
Total	536.61	75.66	-	-	265.21	-	877.48		27.88	29.88	29.88	36.24	42.60
									Average Gross Block (₹ in lakh)		574.44	612.27	877.48
									Weighted Average Rate of Depreciation (%)		4.85	4.88	4.86



Asset-2													
Particular	Admitted Capital Cost as on 1.4.2019	Projected ACE					Admitted Capital Cost as on 31.3.2024	Rate of Depreciation (%)	Annual Depreciation				
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24
Land	2529.33	-	-	-	-	-	2529.33	0.00%	-	-	-	-	-
Building	40988.59	3328.04	1179.07	527.88	819.84	-	46843.42	3.34%	1424.60	1499.87	1528.37	1550.88	1564.57
Transmissi on Line	14395.87	174.47	-	-	17.45	-	14587.79	5.28%	764.71	769.31	769.31	769.77	770.24
Sub-station	320839.81	5631.53	2072.13	1059.06	2622.73	-	332225.26	5.28%	17089.01	17292.39	17375.05	17472.25	17541.49
PLCC	1143.27	-	-	-	-	-	1143.27	6.33%	72.37	72.37	72.37	72.37	72.37
IT Equipment	-	-	-	-	-	-	-	15.00%	-	-	-	-	-
Total	379896.87	9134.04	3251.20	1586.94	3460.02	-	397329.07		19,350.69	19,633.94	19,745.11	19,865.28	19,948.67
							Average Gross Block (₹ in lakh)		384463.89	390656.51	393075.58	395599.06	397329.07
							Weighted Average Rate of Depreciation (%)		5.03	5.03	5.02	5.02	5.02

Asset-3													
Particulars	Admitted Capital Cost as on 1.4.2019	Projected ACE					Admitted Capital Cost as on 31.3.2024	Rate of Depreciation (%)	Annual Depreciation				
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24
Land	3551.11	-	-	-	-	-	3551.11	0.00%	-	-	-	-	-
Building	7716.64	-	-	-	87.73	-	7804.37	3.34%	257.74	257.74	257.74	259.20	260.67
Transmission Line	6651.27	33.04	-	-	-	-	6684.31	5.28%	352.06	352.93	352.93	352.93	352.93
Sub-station	16161.61	708.06	18.69	-	51.47	-	16939.83	5.28%	872.03	891.21	891.71	893.06	894.42
PLCC	240.50	-	-	-	7.00	-	247.50	6.33%	15.22	15.22	15.22	15.45	15.67
IT Equipment	-	-	-	-	-	-	-	15.00%	-	-	-	-	-
Total	34321.13	741.10	18.69	-	146.20	-	35227.12		1497.04	1517.10	1517.60	1520.64	1523.69
							Average Gross Block (₹ in lakh)		34691.68	35071.58	35080.92	35154.02	35227.12
							Weighted Average Rate of Depreciation (%)		4.32	4.33	4.33	4.33	4.33



Asset-4													
Particulars	Admitted Capital Cost as on COD	Projected ACE					Admitted Capital Cost as on 31.3.2024	Rate of Depreciation (%)	Annual Depreciation				
		2019-20	2020-21	2021-22	2022-23	2023-24			2019-20	2020-21	2021-22	2022-23	2023-24
Land	448.08	-	-	-	-	-	448.08	0.00%	-	-	-	-	-
Building	726.17	-	-	-	159.10	-	885.27	3.34%	24.25	24.25	24.25	26.91	29.57
Transmission Line	27213.86	364.34	17.11	5.65	-	-	27600.96	5.28%	1446.51	1456.58	1457.18	1457.33	1457.33
Sub-station	1924.59	84.76	-	-	12.10	-	2021.45	5.28%	103.86	106.09	106.09	106.41	106.73
PLCC	129.03	-	-	-	3.06	-	132.09	6.33%	8.17	8.17	8.17	8.26	8.36
IT Equipment	0.00	-	-	-	-	-	-	15.00%	-	-	-	-	-
Total	30441.73	449.10	17.11	5.65	174.26	0.00	31087.85		1582.79	1595.10	1595.70	1598.92	1601.99
Average Gross Block (₹ in lakh)									30666.28	30899.39	30910.77	31000.72	31087.85
Weighted Average Rate of Depreciation (%)									5.16	5.16	5.16	5.16	5.15

