Central Electricity Regulatory Commission

New Delhi

Petition No. 152/TT/2025

Coram:

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

Date of Order: 15.10.2026

In the matter of:

Petition for truing up of the transmission tariff for the 2019-24 tariff period and the determination of the transmission tariff for the 2024-29 tariff period for 7 Nos. of Assets under "North Eastern Region Strengthening Scheme-VI" in the North Eastern Region under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

And in the matter of:

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

…Petitioner

Versus

1. **Assam Power Distribution Company Limited,**
   4th Floor, Bijulee Bhawan, Paltan Bazar,
   Guwahati – 781001, Assam.

2. **Meghalaya Energy Corporation Limited,**
   Short Round Road, "Lumjingshai"
   Shillong – 793001, Meghalaya.

3. **Government of Arunachal Pradesh,**
   Itanagar, Arunachal Pradesh.

4. **Power and Electricity Department,**
   Government of Mizoram, Aizawl,
   Mizoram.

5. **Manipur State Power Distribution Corporation Limited,**
   Keishampat, Imphal.

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. **Kohima-Mariani Transmission Limited,**
Plot No-101, Part-III, GIDC Estate, Sector-28,
Gandhinagar- 382028, Gujrat.

…Respondents

Parties Present : Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vijay G., PGCIL
Shri Anshul Garg, PGCIL
Shri Divyanshu Mishra, PGCIL
Shri Arjun Malhotra, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited (hereinafter referred to as "the Petitioner / PGCIL"), has filed this Petition for truing-up of the transmission tariff for the 2019-24 tariff period, under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") and for the determination of the transmission tariff for the 2024-29 tariff period in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as "the 2024 Tariff Regulations") with respect to the following assets (hereinafter referred to as "the transmission assets / Combined Asset") under "North Eastern Region Strengthening Scheme-VI" (hereinafter referred to as "the transmission project") in the Northern Eastern Region:

Asset No	Asset Name	COD	Remarks
Asset-1	2 Nos. 400 kV line bays at Imphal Sub-station (for termination of Imphal-New Kohima 400 kV D/C line under TBCB)	1.8.2020*	All the assets have been combined as on 1.4.2024 in the instant Petition
Asset-2	1x125 MVAR, 400 kV 3 Phase bus reactor at 400/132 kV Imphal (PG) Sub-station along with associated bays	22.8.2020	

Asset-3	400/220 kV, 500 MVA, ICT-2 along with associated bays, 400 kV, 125 MVAR, 3 Phase Bus Reactor-2 along with associated bay and numbers 400 kV line bays for termination of 400 kV D/C New Kohima- New Mariani line (Line under TBCB scope) at 400/220 kV New Mariani Sub-station	1.1.2021	
Asset-4	400/220 kV, 500 MVA ICT-1 along with associated bays at 400/220 kV New Mariani Sub-station	14.2.2021	
Asset-5	420 kV, 125 MVAR Bus Reactor-1 along with associated bays at New Mariani Sub-station	17.3.2021	
Asset-6	Additional works for operation of 400 kV D/C Misa-New Mariani line (initially operated at 220 kV) at 400 kV level along with 400 kV bays at Misa (GIS) and New Mariani Sub-station	11.5.2021	
Asset-7	2 numbers 220 kV line bays at New Mariani Sub-station	23.5.2021*	

** COD approved under Regulation 5(2) of the 2019 Tariff Regulations*

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

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

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

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

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

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

f) Allow the Initial spares claimed as project as a whole.

g) Condone the delay in completion of subject asset-6 on merit of the same being out of the control of Petitioner in line with CERC Regulations'2019 22(2) "uncontrollable factors" and approve the tariff as claimed.

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

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

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

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

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

m) 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.

Pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

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

a) Investment Approval (IA) for implementation of the transmission project was accorded by the Board of Directors (BoD) of the Petitioner in its 353rd meeting held on 1.5.2018 and communicated vide Memorandum No. C/CP/PA1819-02-0C-IA003 dated 25.5.2018, at an estimated cost of ₹21595 lakh including IDC of ₹1343 lakh based on December, 2017 price level.

b) The scope of the scheme was discussed and agreed in the 5th meeting of the Standing Committee on Power System Planning in the North-Eastern Region held on 8.8.2015. The transmission project was agreed in 15th NERPC meeting held on 25.8.2015 at Guwahati.

c) In the 6th Standing Committee Meeting on Power System Planning of North Eastern Region held on 3.10.2016, the connectivity at the New Mariani Sub-station was revised and it was decided that only Mariani (AEGCL)-Misa line section would be

disconnected from Mariani (AEGCL) and terminated at the New Mariani (Powergrid) for the 400kV operation. Further, only one circuit of Samaguri-Mariani (AEGCL) 220 kV line would be shifted to the New Mariani Sub-station and 2 Numbers of 220 kV line bays would be constructed by the Petitioner at the New Mariani Sub-station for the termination of New Mariani-Mariani (AEGCL) 220 kV D/C (Twin Moose) line to be constructed by AEGCL. For reactive compensation, 420 kV, 2x125 MVAR bus reactors at New Mariani were also approved for implementation under this scheme.

d) Subsequently, the final scope of works of the transmission project was approved in the 37th meeting of Empowered Committee on Transmission held on 19.9.2017 and 18th TCC/ NERPC meetings held on 10.10.2017 and 11.10.2017.

e) The entire scope of the work has been completed and covered under the instant transmission project, the details of which are a under:

Transmission Lines

(i) Disconnection of Mariani (AEGCL)-Misa 400 kV line (presently operated at 220 kV) from Mariani (AEGCL) and termination of the same at 400 kV bus at both New Mariani (Powergrid) and Misa Sub-stations and operation of the resultant New Mariani (Powergrid)-Misa line (ckt-2) at 400 kV;

(ii) Termination of the existing Misa-New Mariani (Powergrid) 400 kV (presently operated at 220 kV) line (ckt-1) at 400 kV bus at both Misa and New Mariani (Powergrid) Sub-stations and operation of the resultant line at rated voltage level of 400 kV

Sub-station

a) Imphal Sub-station

- Bus reactor: 420 kV, 1x125 MVAR bus reactor (2nd) along with associated bay
- 400 kV Line bay: 2 Numbers. 400 kV line bays for termination of Imphal-New Kohima 400 kV D/C line (line under TBCB)

b) **Misa Sub-station**

- * 400 kV Line bay: 2 Numbers 400 kV line bays (GIS) for termination of New Mariani-Misa 400 kV D/C line

c) New Mariani Sub-station

- ICT: 400/ 220 kV, 2x500 MVA ICT along with associated bays
- Bus reactor: 420 kV, 2x125 MVAR bus reactor along with associated bays
- 400 kV Line bay:

a) 2 Numbers 400 kV line bays for termination of Misa-New Mariani 400 kV D/C line

b) 2 Numbers. 400 kV line bays for termination of New Kohima-New Mariani 400 kV D/C line (line under TBCB)

- 220 kV Line bay: 2 Numbers 220 kV line bays for termination of Mariani (AEGCL)-New Mariani (Powergrid) 220 kV D/C (Twin Moose) line (line under AEGCL scope)

****Note:**

a) At Misa Sub-station under DPR of NERSS-II (Part-B) one complete diameter have been considered for Silchar-Misa (along with switchable line reactor). Similarly, in the DPR of NERSS-VI provision of procurement of one complete diameter has been kept for 400 kV Misa-Mariani D/C line to be terminated at Misa Sub-station.
It may be noted that these two schemes are being implemented in the almost same time frame and hence, one single GIS package has been considered comprising requirements of GIS bays at Misa Sub-station under both NERSSII (part-B) & NERSS-VI.
Further, it may also be mentioned that considering the advantage of GIS technology from reliability point of view, it has been considered that both the diameters shall have one feeder for Silchar D/C line & one feeder for Mariani D/C line to ensure the availability of at least one bay of both Silchar D/C & Misa D/C line in case of LBB operation of TIE bay for any of the two diameters.
Accordingly, in the BOQ 2 Numbers line bays and one Tie bay has been considered under both NERSS-II (part-B) & NERSS-VI.
b) 2 Numbers 420 kV, 50 MVAR fixed line reactors installed at Misa end of the Misa – New Mariani line are required to be charged at rated voltage level of 400 kV in view of 400 kV operation of the Misa-New Mariani D/C line.
c) With 400 kV operation of Misa-New Mariani D/C line, 2 Numbers 220 kV line bays vacated at Misa shall be utilised by AEGCL for Misa-Sankardebnagar 220 kV D/C line (line under AEGCL scope)
d) With 400 kV operation of Misa-New Mariani (ckt-1) at 400 kV, the 220kV bay vacated at New Mariani shall be utilised by AEGCL for termination of one of the 220 kV Samaguri-Mariani (AEGCL) 2xS/C lines from Mariani (AEGCL) to New Mariani (Powergrid) thus forming Samaguri-New Mariani (Powergrid) and Samaguri-Mariani (AEGCL) 220 kV S/C lines.

f) As per the IA dated 1.5.2018, the transmission assets were scheduled to be commissioned within 24 months from the date of the IA, i.e., by 1.5.2020. The Commission vide its order dated 28.6.2023 in Petition No. 45/TT/2022, had determined the transmission tariff with respect to the transmission assets for the period from their respective CODs to 31.3.2024. The Commission had not condoned the entire time over-run of 45 days, 76 days, 131 days and 143 days

with respect to Asset-4, Asset-5, Asset-6 and Asset-7 respectively. The details of the same are as under:

Assets	SCOD as per IA	Revised SCOD as per MoP letter dated 27.7.2020	COD	Time over-run (days)	Time over-run not condoned (days)
Asset-1	1.5.2020	31.12.2020	1.8.2020	-	-
Asset-2			22.8.2020	-	-
Asset-3			1.1.2021	-	-
Asset-4			14.2.2021	45	45
Asset-5			17.3.2021	76	76
Asset-6			11.5.2021	131	131
Asset-7			23.5.2021	143	143

4. The Respondents are the Distribution Licensees, Power Departments, and Designated inter-State Transmission Customers, mainly beneficiaries of the Northern Eastern Region, who are procuring transmission services from the Petitioner.

5. The Petitioner has served a copy of the Petition on the Respondents, and the notices regarding the filing of this Petition have been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as “the Act”). However, no comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner.

6. The hearing in this matter was held on 27.11.2025, and the order was reserved. This order is being passed considering the submissions made by the Petitioner in the Petition vide affidavit dated 9.11.2024 and along with the additional submissions filed vide affidavits dated 3.9.2025 and 8.12.2025. None of the respondents has filed reply in the matter despite notice.

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

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

8. The details of the trued-up transmission charges claimed by the Petitioner with respect to the transmission assets are as under:

Asset-1

(₹ in lakh)

Particulars	2020-21(Pro-rata 243 days)	2021-22	2022-23	2023-24
Depreciation	19.24	32.15	34.07	34.80
Interest on Loan	15.23	23.66	25.34	26.21
Return on Equity	18.99	31.84	33.75	34.53
O&M Expenses	44.31	68.90	71.32	73.82
Interest on Working Capital	2.56	3.76	3.93	4.63
Total	**100.33**	**160.31**	**168.41**	**173.99**

Asset-2

(₹ in lakh)

Particulars	2020-21(Pro-rata 222 days)	2021-22	2022-23	2023-24
Depreciation	37.95	70.99	73.13	73.85
Interest on Loan	32.38	56.78	57.03	55.49
Return on Equity	39.89	74.69	76.97	77.74
O&M Expenses	20.24	34.45	35.66	36.91
Interest on Working Capital	2.37	3.96	4.07	4.70
Total	**132.83**	**240.87**	**246.86**	**248.69**

Asset-3

(₹ in lakh)

Particulars	2020-21(Pro-rata 90 days)	2021-22	2022-23	2023-24
Depreciation	75.71	333.82	340.51	343.65
Interest on Loan	68.31	287.03	283.30	269.18
Return on Equity	79.85	352.22	359.33	362.69
O&M Expenses	84.32	353.92	366.60	378.98
Interest on Working Capital	6.58	26.19	26.80	31.05
Total	**314.77**	**1353.18**	**1376.54**	**1385.55**

Asset-4

(₹ in lakh)

Particulars	2020-21(Pro-rata 46 days)	2021-22	2022-23	2023-24
Depreciation	12.92	109.51	112.93	119.53
Interest on Loan	10.94	89.71	96.07	99.51
Return on Equity	13.70	116.16	119.82	126.86
O&M Expenses	30.51	250.57	259.62	268.25
Interest on Working Capital	1.77	13.64	14.16	16.82
Total	**69.84**	**579.59**	**602.60**	**630.97**

Asset-5

(₹ in lakh)

Particulars	2020-21(Pro-rata 15 days)	2021-22	2022-23	2023-24
Depreciation	2.69	70.67	73.41	77.31

Interest on Loan	2.52	63.62	63.66	63.24
Return on Equity	2.84	74.85	77.77	81.94
O&M Expenses	1.37	34.45	35.66	36.91
Interest on Working Capital	0.17	4.05	4.17	4.93
Total	**9.59**	**247.64**	**254.67**	**264.33**

Asset-6

(₹ in lakh)

Particulars	2021-22(Pro-rata 325 days)	2022-23	2023-24
Depreciation	155.66	180.43	187.02
Interest on Loan	129.38	154.54	155.62
Return on Equity	162.83	188.47	195.14
O&M Expenses	105.41	122.54	126.83
Interest on Working Capital	9.87	11.51	13.56
Total	**563.15**	**657.49**	**678.17**

Asset-7

(₹ in lakh)

Particulars	2021-22(Pro-rata 313 days)	2022-23	2023-24
Depreciation	32.90	50.01	50.72
Interest on Loan	28.66	41.17	39.15
Return on Equity	33.14	49.90	50.67
O&M Expenses	41.37	49.92	51.68
Interest on Working Capital	2.81	3.74	4.35
Total	**138.88**	**194.74**	**196.57**

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner with respect to the transmission assets are as under:

Asset-1

(₹ in lakh)

Particulars	2020-21(Pro-rata 243 days)	2021-22	2022-23	2023-24
O&M Expenses	5.55	5.74	5.94	6.15
Maintenance Spares	9.98	10.34	10.70	11.07
Receivables	18.58	19.77	20.76	21.39
Total Working Capital	**34.11**	**35.85**	**37.40**	**38.61**
Rate of Interest (in %)	11.25	10.50	10.50	12.00
Interest on Working Capital	**2.56**	**3.76**	**3.93**	**4.63**

Asset-2

(₹ in lakh)

Particulars	2020-21(Pro-rata 222 days)	2021-22	2022-23	2023-24
O&M Expenses	2.77	2.87	2.97	3.08
Maintenance Spares	4.99	5.17	5.35	5.54

Receivables	26.93	29.70	30.43	30.58
Total Working Capital	**34.69**	**37.74**	**38.75**	**39.20**
Rate of Interest (in %)	11.25	10.50	10.50	12.00
Interest on Working Capital	**2.37**	**3.96**	**4.07**	**4.70**

Asset-3

(₹ in lakh)

Particulars	2020-21(Pro-rata 90 days)	2021-22	2022-23	2023-24
O&M Expenses	28.49	29.49	30.55	31.58
Maintenance Spares	51.29	53.09	54.99	56.85
Receivables	157.38	166.83	169.71	170.35
Total Working Capital	**237.16**	**249.41**	**255.25**	**258.78**
Rate of Interest (in %)	11.25	10.50	10.50	12.00
Interest on Working Capital	**6.58**	**26.19**	**26.80**	**31.05**

Asset-4

(₹ in lakh)

Particulars	2020-21(Pro-rata 46 days)	2021-22	2022-23	2023-24
O&M Expenses	20.17	20.88	21.64	22.35
Maintenance Spares	36.31	37.59	38.94	40.24
Receivables	68.32	71.46	74.29	77.58
Total Working Capital	**124.80**	**129.93**	**134.87**	**140.17**
Rate of Interest (in %)	11.25	10.50	10.50	12.00
Interest on Working Capital	**1.77**	**13.64**	**14.16**	**16.82**

Asset-5

(₹ in lakh)

Particulars	2020-212020-21(Pro-rata 15 days)	2021-22	2022-23	2023-24
O&M Expenses	2.77	2.87	2.97	3.08
Maintenance Spares	4.99	5.17	5.35	5.54
Receivables	28.76	30.53	31.40	32.50
Total Working Capital	**36.52**	**38.57**	**39.72**	**41.12**
Rate of Interest (in %)	11.25	10.50	10.50	12.00
Interest on Working Capital	**0.17**	**4.05**	**4.17**	**4.93**

Asset-6

(₹ in lakh)

Particulars	2021-22(Pro-rata 325 days)	2022-23	2023-24
O&M Expenses	9.87	10.21	10.57
Maintenance Spares	17.76	18.38	19.02
Receivables	77.98	81.06	83.38
Total Working Capital	**105.61**	**109.65**	**112.97**
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	**9.87**	**11.51**	**13.56**

Asset-7

(₹ in lakh)

Particulars	2021-22(Pro-rata 313 days)	2022-23	2023-24
O&M Expenses	4.02	4.16	4.31
Maintenance Spares	7.24	7.49	7.75
Receivables	19.97	24.01	24.17
Total Working Capital	**31.23**	**35.66**	**36.23**
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	**2.81**	**3.74**	**4.35**

Capital Cost for the 2019-24 Tariff Period

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

11. The Commission vide its order dated 28.6.2023 in Petition No. 45/TT/2022, allowed the following capital cost against which the Petitioner has claimed the following capital cost as on COD. The details of the same are as under:

(₹ in lakh)

Assets	Capital Cost as on COD allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	Capital Cost as on COD claimed in the instant Petition
Asset-1	465.18	467.30
Asset-2	1041.07	1043.12
Asset-3	5326.46	5330.89
Asset-4	1818.75	1829.08
Asset-5	1117.21	1129.32
Asset-6	3153.95	3220.04
Asset-7	477.23	486.27

12. The Petitioner has submitted that the variation between the capital cost as on COD approved vide order dated 28.6.2023 in Petition No. 45/TT/2022 and the capital cost as on COD claimed in the instant Petition is primarily on account of the treatment of IDC disallowed due to the time overrun not condoned by the Commission.

13. We have considered the Petitioner's submissions. It is observed that the variation in the capital cost as on COD approved vide order dated 28.6.2023 and the capital cost as on COD claimed in the instant Petition is primarily attributable to the disallowance of IDC on account of the time overrun that was not condoned. Further, with respect to Asset-

6, the Petitioner, in compliance with the aforesaid order, has submitted documents in support of its claim for the time over-run on account of RoW issues. Accordingly, we proceed to examine the time overrun with respect to Asset-6 and the consequential computation of IDC for the transmission assets.

Time Over-run

14. The Commission vide its order dated 28.6.2023 in Petition No. 45/TT/2022, had condoned a time overrun of 5 months on account of the Covid-19 Pandemic. However, the Commission did not condone the further time overrun of 45 days, 76 days,131 days and 143 days with respect to Asset-4, Asset-5, Asset-6 and Asset-7 respectively. The Commission vide the aforesaid order held as follows:

> *"44. As regards Asset-6 and Asset-7, the Petitioner has submitted that the time overrun is on account of Covid-19, severe RoW issues, extended rain and inundation of work, anti CAA agitation. We have gone through the submissions of the Petitioner. As stated above, the SCOD of the transmission project has already been revised to 31.12.2020. The time over-run due to the reasons given by the Petitioner, i.e. delay in manufacturing and supply on account of lockdown and restrictions due to Covid-19, anti-CAA protests and extended rainfall and flood is subsumed in the time over-run already condoned up to 31.12.2020 on account of Covid-19 pandemic. Therefore, the time over-run beyond 31.12.2020 in case of Asset-6 and Asset-7 is not condoned. The Petitioner has not explained the time over-run beyond the revised SCOD of 31.12.2020. As regards RoW problems, the Petitioner is directed to submit the status of transmission line as on 31.12.2020 and submit locations impacted due RoW problems faced at the time of truing-up. Accordingly, time over-run on account of RoW problems will be considered at the time of truing up based on the submission of the Petitioner. Therefore, the time over-run beyond 31.12.2020 in case of Asset-6 and Asset-7 is not condoned."*

15. In compliance with the above direction of the Commission, the Petitioner in the instant truing-up Petition has submitted that, out of the total 7 locations, 3 locations and the spans between location 1/0 to 2/0, 2/0 to 3/0 and 3/0 to 4/0 were affected due to RoW issues. The Petitioner has further submitted that severe ROW issues at the new transmission tower locations delayed the commencement of transmission line foundation works. Consequently, the foundation & erection works were substantially affected due to the severe RoW issues encountered during the execution of the transmission project. The works could be taken up only after continuous persuasion with the Administration for

finalization and subsequent disbursement of compensation to the PEPs.

16. The Petitioner has further submitted that owing to the wide gap between the compensation demanded by the PEPs and the compensation assessed by the Revenue Authorities, repeated persuasion and negotiations were undertaken by the Revenue Authorities with the PEPs before the compensation could be finalised. The process of finalization of compensation was also delayed on account of elections in the State of Assam during the 1st quarter of 2021. The chronology of events is submitted by the Petitioner is tabulated as under:

Date	Particulars
04.03.2020	Letter was written to District agriculture Officer, Jorhat, Assam for finalization of compensation to be paid to the land owners
12.03.2020	Letter was written to Circle Officer, Mariani for solving the RoW problems
12.03.2020	Letter was written to District agriculture Officer, Jorhat, Assam for finalization of compensation to be paid to the land owners
13.03.2020	Letter was written to office in charge, Mariani Police station, Jorhat for un-authorized construction under RoW area of EHV line
10.12.2020	Letter was written to Mariani revenue Circle Officer, Mariani for finalization of compensation
28.01.2021	Letter was written to Circle officer Mariani Revenue circle for resolving the RoW problems
30.01.2021	Letter was written to Mariani revenue Circle Officer, Mariani for finalization of compensation(Land value calculated based on compensation notices)
03.02.2021	Letter was written to Mariani revenue Circle Officer, Mariani for finalization of compensation(Land value calculated based on compensation notices)
04.02.2021	Letter was written to Circle officer Mariani Revenue circle to share minutes of meeting held on 02.02.2021 regarding compensation payment
24.03.2021	Letter was written to Mariani revenue Circle Officer, Mariani for finalization of compensation (Land value calculated based on compensation notices)
31.03.2021	Letter was written to Mariani revenue Circle Officer, Mariani for finalization of compensation(Land value calculated based on compensation notices)

17. The Petitioner has submitted documentary evidence in support of the correspondences referred to in the above table. Accordingly, the Petitioner has prayed for condonation of the entire time overrun of 131 days from revised SCOD (31.12.2020) with respect to Asset-6 in the instant Petition.

18. We have considered the Petitioner's submissions and perused the documents placed on record. It is observed that the Petitioner has submitted the copies of

correspondence exchanged with the concerned authorities regarding the resolution of RoW and compensation-related issues. However, upon perusal of the said correspondence, it is observed that none of the communications specifically establish that the construction activities were stalled or stopped on account of such issues.

19. Further, the Petitioner vide letter dated 20.3.2020 addressed to the Circle Officer, Mariani Revenue Circle, brought to the notice of the concerned authority the alleged illegal construction activities being carried out under / within the RoW of the proposed transmission line section. The same issue was reiterated vide letter dated 28.1.2021. However, the said communications primarily relate to compensation and RoW related issues and do not establish that the construction activities were actually obstructed or prevented.

20. It is further observed that the documents placed on record do establish that out of the 7 affected locations, only the spans between locations 1/0 to 2/0, 2/0 to 3/0, and 3/0 to 4/0 were affected by RoW issues. The correspondences submitted by the Petitioner do not specifically identify or establish the impact of the alleged construction activities remained affected. Accordingly, we are not inclined to condone the time overrun of 131 days with respect to Asset-6, as the documents furnished by the Petitioner do not substantiate that the construction activities were halted or that any agitation / obstruction by landowners had occurred which prevented commissioning of the transmission project.

Interest During Construction (IDC)

21. The allowable IDC has been recomputed based on the information furnished by the Petitioner in the instant Petition regarding the loans deployed and applicable interest rates thereon up to the COD. Accordingly, the accrual of IDC and the IDC discharges allowed are as follows:

(₹ in lakh)

Assets	IDC claimed	IDC disallowed due to computational error	IDC disallowed due to time overrun not condoned	Allowable IDC as on COD	IDC allowed on cash basis as on COD	IDC undischarged as on COD	IDC discharged during 2020-21	IDC discharged during 2021-22
Asset-1	26.36	0.25	-	26.11	25.63	0.48	-	0.48
Asset-2	36.95	0.52	-	36.43	24.59	11.84	9.17	2.67
Asset-3	298.76	0.18	-	298.58	213.19	85.40	-	85.40
Asset-4	63.15	-	10.33	52.82	37.70	15.13	1.72	13.41
Asset-5	77.24	-	12.26	64.98	51.67	13.31	-	13.31
Asset-6	131.93	-	35.95	95.98	82.47	13.51	-	13.51
Asset-7	48.45	-	11.06	37.39	28.41	8.98	-	8.98

Incidental Expenditure During Construction (IEDC)

22. The IEDC claimed by the Petitioner and approved for the purpose of truing-up of the tariff is as follows:

(₹ in lakh)

Assets	IEDC claimed as per Auditor's Certificate	IEDC disallowed due to time over-run not condoned	IEDC Allowed
Asset-1	63.05	-	63.05
Asset-2	116.53	-	116.53
Asset-3	596.11	-	596.11
Asset-4	189.36	8.35	181.01
Asset-5	126.46	9.14	117.32
Asset-6	429.73	50.90	378.83
Asset-7	156.91	20.07	136.84

Initial Spares

23. The Petitioner has submitted that the Initial Spares have been claimed in accordance with the limits specified under Regulation 23 of the 2019 Tariff Regulations. The Petitioner has submitted that the entire scope of the transmission project is being considered as a consolidated asset in the instant Petition. Accordingly, in terms of the APTEL's judgement dated 14.9.2019 in Appeal No.74 of 2017, the Initial Spares have been claimed as a percentage of the overall project cost. The details of Initial Spares claimed by the Petitioner are as under:

₹ in Lakhs

Asset	Total Plant & machinery cost (cut-off) (₹ in lakh) (A)	Initial Spares claimed as per AC (₹ in lakh) (B)	Norms as per the 2014 Tariff Regulations (%)	Initial Spares worked out as per norms (₹ in lakh) {C= (A-B)x2.50 / (100-2.50)}	Surplus/ Excess initial spares (₹ in lakh) D= (C-B)
For Substation (brownfield)					
Asset-1	529.89	43.85	6	31.02	-12.83
Asset-2	1239.81	34.23	6	76.95	42.72
Asset-3	5562.28	144.3	6	345.83	201.53
Asset-4	2109.34	0	6	134.64	134.64
Asset-5	1294.63	0	6	82.64	82.64
Asset-6	3536.14	400.08	6	200.17	-199.91
Asset-7	1004.96	102.22	6	57.62	-44.6
Total	**15277.05**	**724.68**	**6**	**928.87**	**204.20 (Surplus)**
For Transmission line					
Asset-6	390.54	3.58	1	3.91	**0.33 (surplus)**

24. In accordance with the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares are required to be allowed based on the overall project cost. The overall project cost of the transmission assets can be determined only upon the transmission assets being combined into a consolidated asset. However, in the instant Petition, the Petitioner has proposed to combine the transmission assets during the 2024-29 tariff period.

25. Therefore, the claim towards the Initial Spares, based on the overall project cost, in accordance with the aforesaid judgement of the APTEL, can be considered only after the assets are combined during the 2024-29 tariff period. Accordingly, the details of the Initial Spares allowed are worked out as follows:

Asset	Total Plant & machinery cost (cut-off) (₹ in lakh) (A)	Initial Spares claimed as per AC (₹ in lakh) (B)	Norms as per the 2014 Tariff Regulations (%)	Initial Spares worked out as per norms (₹ in lakh) {C= (A-B)x2.50 / (100-2.50)}	Surplus/ Excess Initial Spares (₹ in lakh) D= (C-B)	Initial Spares allowed
Substation						
Asset-1	529.89	43.85	6	31.02	(12.83)	31.02
Asset-2	1223.92	34.23	6	75.94	41.71	34.23
Asset-3	5555.49	144.30	6	345.40	201.10	144.30
Asset-4	2094.06	0.00	6	133.66	133.66	0.00
Asset-5	1294.63	0.00	6	82.64	82.64	0.00
Asset-6	3103.2	400.08	6	172.54	(227.54)	172.54
Asset-7	783.468	102.22	6	43.48	(58.74)	43.48
Transmission line						
Asset-6	390.54	3.58	1	3.91	0.33	3.58

26. Accordingly, the details of the capital cost approved as on the COD with respect to the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	Capital Cost as on the COD as per the Auditor's Certificate (A)	Disallowed IDC (B)	IDC discharged after COD (C)	Disallowed IEDC (D)	Disallowed Initial Spare upto COD (E)	Opening Capital Cost as on the COD (E)=(A)-(B)-(C)-(D)
Asset-1	469.13	0.25	0.48	-	12.83	455.57
Asset-2	1055.04	0.52	11.84	-	-	1042.68
Asset-3	5416.29	0.18	85.40	-	-	5330.72
Asset-4	1852.56	10.33	15.13	8.35	-	1818.75
Asset-5	1151.91	12.26	13.31	9.14	-	1117.20
Asset-6	3256.38	35.95	13.51	50.90	227.54	2928.48
Asset-7	517.96	11.06	8.98	20.07	58.74	419.11

Additional Capital Expenditure (ACE)

27. The Commission vide its order dated 28.6.2023 in Petition No. 45/TT/2022, allowed the following ACE with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Assets	ACE allowed				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	-	116.08	178.76	-	-
Asset-2	-	199.28	149.52	-	-

Asset-3	-	256.72	232.22	637.32	--
Asset-4	-	16.98	433.34	74.10	
Asset-5	-	2.04	306.17	51.66	-
Asset-6	-	-	2079.52	349.12	148.33
Asset-7	-	-	591.28	38.38	27.14

28. The Petitioner has claimed the following ACE based on the actual expenditure with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	--	77.91	39.93	27.72	--
	--	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(b)	--

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	--	241.96	80.97	--	27.24
		Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)	--	Claimed under regulation 24(1)(a) & 25(1)(d)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-3	--	833.24	173.91	78.38	40.73
		Claimed under regulation 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a)	Claimed under regulation 24(1)(a)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-4	--	201.01	63.05	66.7	183.33
		Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-5	--	198.39	1.42	102.33	45.73
		Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-6	--	--	50.74	148.35	88.11
			Claimed under regulation 24(1)(a)	Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a) & 24(1)(b)

Asset	ACE				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-7	--	--	399.41	0.02	27.14
			Claimed under regulation 24(1)(a) & 24(1)(b)	Claimed under regulation 24(1)(a)	Claimed under regulation 24(1)(b)

29. The Petitioner has submitted that the ACE claimed with respect to the transmission assets is within the original scope of the work. The ACE approved by the Commission during the 2019-24 tariff period was based on the projected expenditure. In this regard, the Petitioner has submitted that while projecting the estimated ACE, the contracts were not closed, and liabilities were not finalized. However, in the instant Petition, the ACE has been claimed based on the actual payments made to the contractors upon receipt of invoices and after taking into account the amendments made up to the end of the 2019-24 tariff period. The ACE claimed during the 2019-24 tariff period is on account of the undischarged liabilities towards the final payment/withheld payments arising from the contractual exigencies with respect to the works executed prior to the cut-off date.

30. The Petitioner vide affidavit dated 18.8.2025 and 22.12.2025, has also submitted the Liability Flow Statements containing the following head / party-wise details of the ACE incurred during the 2019-24 tariff period:

Asset-1

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability discharge claimed under Regulation 24 (1)(a) of 2019 TR			Addition to the Gross block (Unexecuted Work) (Regulation 24(1)(b) of 2019 TR				Outstanding Liability as on 31.3.2024
				2020-21	2021-22	Total (19-24)	2020-21	2021-22	2022-23	Total (19-24)	

Asset-1	Sterling & Wilson Ltd	Substation	**187.56**	13.05	21.68	**34.73**	65.78	13.25	27.72	**106.75**	152.83
	Sterling & Wilson Ltd	IT & Communication	**1.96**	-	1.96	**1.96**	-	7.04	-	**7.04**	-
	TOTAL		**189.52**	**13.05**	**23.64**	**36.69**	**65.78**	**20.29**	**27.72**	**113.79**	**152.83**

Asset-2

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability Discharge claimed under Regulation 24 (1)(a) of 2019 TR				Addition to the Gross block (Unexecuted Work) claimed under Regulation 24(1)(b) of 2019 TR			Outstanding Liability as on 31.3.2024
				2020-21	2021-22	2023-24	Total (19-24)	2020-21	2021-22	Total (19-24)	
Asset-2	Sterling & Wilson Ltd	Substation	100.21	57.91	15.06	27.24	**100.21**	180.82	55.17	**235.99**	-
	Sterling & Wilson Ltd	PLCC & IT	1.41	1.41	0.00	0.00	**1.41**	0.65	-	**0.65**	-
	TOTAL		**101.62**	**59.32**	**15.06**	**27.24**	**101.62**	**181.47**	**55.17**	**236.64**	**0.00**

Asset-3

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Year of Actual Capitalisation	Outstanding Liability as on COD /31st March 2014 *	Liability discharge claimed under regulation 24(1)(a) of 2019 TR				Addition to the Gross block (Unexecuted Work) claimed under regulation 24 (1)(b) of 2019 TR					Outstanding Liability as on 31.3.2024
					2020-21	2021-22	2022-23	2023-24	Total (19-24)	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-3	Sterling & Wilson Ltd	Substation		119.11	0.00	0.00	78.38	40.73	**119.11**	823.19	88.51			**911.70**	-
	Sterling & Wilson Ltd	IT & Communication		-					**-**	10.05				**10.05**	
	TOTAL			**119.11**	**0.00**	**0.00**	**78.38**	**40.73**	**119.11**	**833.24**	**88.51**	**0.00**		**921.75**	**0.00**

Asset-4

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability Discharge claimed under Regulation 24 (1)(a) of 2019 TR					Addition to the Gross block (Unexecuted Work) claimed under Regulation 24(1)(b) of 2019 TR				Outstanding Liability as on 31.3.2024
				2020-21	2021-22	2022-23	2023-24	Total (19-24)	2020-21	2021-22	2022-23	Total (19-24)	
Asset-4	Sterling & Wilson Ltd	Sub station	276.02	4.81	35.55	52.33	183.33	**276.02**	193.94	24.42	14.37	**232.73**	-
	Sterling & Wilson Ltd	PLCC	-	-	-	-	-	**-**	-	-	-	**-**	
	Sterling & Wilson Ltd	IT	-	-			-	**-**	0.54			**0.54**	
	TOTAL		**276.02**	**4.81**	**35.55**	**52.33**	**183.33**	**276.02**	**194.48**	**24.42**	**14.37**	**233.27**	**0.00**

Asset-5

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability Discharge claimed under Regulation 24 (1)(a) of 2019 TR				Addition to the Gross block (Unexecuted Work) claimed under Regulation 24(1)(b) of 2019 TR				Outstanding Liability as on 31.3.2024
				2020-21	2021-22	2022-23	Total (19-24)	2020-21	2022-23	2023-24	Total (19-24)	
Asset-5	Sterling & Wilson Ltd	Substation	16.46	0.48	0.07	15.90	**16.46**	196.79	86.33	45.73	**328.86**	-
Asset-5	Sterling & Wilson Ltd	PLCC	-	-	-	-	**-**	-	-		**-**	
Asset-5	Sterling & Wilson Ltd	IT	-				**-**	1.11			**1.11**	
	TOTAL		**16.46**	**0.48**	**0.07**	**15.90**	**16.46**	**197.90**	**86.33**	**45.73**	**329.97**	**0.00**

Asset-6

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability Discharge claimed under Regulation 24 (1)(a) of 2019 TR							Outstanding Liability as on 31.3.2024
				2021-22	2022-23	2023-24	Total (19-24)	2022-23	2023-24	Total (19-24)	
Asset-6	Sterling & Wilson Ltd	S/s	685.87	14.40	10.66	15.06	**40.13**	13.80	72.72	**86.52**	645.74
	Sterling & Wilson Ltd	Communication	0.29			0.29	**0.29**			**-**	
	Sterling & Wilson Ltd	IT	0.05			0.05	**0.05**	43.46		**43.46**	
	Sterling & Wilson Ltd	TL	618.57				**-**			**-**	618.57
	Sterling & Wilson Ltd	OPGW						21.67			
	JV of M/s NHVS & KEC International Ltd	S/s	-			0.00	**-**		-	**-**	
	JV of M/s NHVS & KEC International Ltd	PLCC	-			0.00	**-**		-	**-**	
	JV of M/s NHVS & KEC International Ltd	S/s	426.08			0.00	**-**		-	**-**	426.08
	M/s Godrej & Boyce Ltd	S/s	-			0.00	**-**			**-**	
	Toshniwal Industries	S/s	-				**-**		-	**-**	
	M/s AVS Engg. Services	S/s	-				**-**		-	**-**	
	Sterling and Wilson (Spares)	S/s	253.02				**-**	58.76	-	**58.76**	253.02
	Procurement of Spares	TL	-				**-**	-	-	**-**	
	Shnider Electric & Others	SS	63.62				**-**		-	**-**	63.62
	Compensation	TL	231.05				**-**	-	-	**-**	231.05
	TOTAL		**2278.54**	**14.40**	**10.66**	**15.40**	**40.46**	**137.69**	**72.72**	**188.73**	**2,238.08**

Asset-7

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31st March 2019*	Liability Discharge claimed under regulation 24(1)(a) of 2019 TR			Unexecuted work claimed under regulation 24(1)(b) of 2019 TR			Outstanding Liability as on 31.3.2024
				2021-22	2022-23	Total (19-24)	2021-22	2023-24	Total (19-24)	
Asset-7	Sterling & Wilson Ltd	S/s	**297.11**	31.30	0.02	**31.32**	328.04	27.14	**355.18**	265.79
	Sterling & Wilson Ltd	IT	**-**			**-**	22.56		**22.56**	-
	Toshniwal Industries	S/s	**-**			**-**	17.52	-	**17.52**	-
	TOTAL		**297.11**	**31.30**	**0.02**	**31.32**	**368.12**	**27.14**	**395.25**	**265.79**

31. We have considered the Petitioner's submissions. It is observed that the Petitioner has claimed the ACE with respect to the transmission assets on account of the discharge of liability/retention payments against the work executed prior to the cut-off date and for the works deferred for execution. Accordingly, in terms of Regulation 24(1)(a), 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations, the ACE claimed by the Petitioner with respect to the transmission assets are approved as follows:

(₹ in lakh)

Assets	Details	ACE Approved				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Asset-1	**ACE**	-	78.83	43.93	27.72	-
	Add: IDC Discharged	-	-	0.48	-	-
	Net ACE allowed	**-**	**78.83**	**44.42**	**27.72**	**-**
Asset-2	**ACE**	-	240.79	70.22	-	27.24
	Add: IDC Discharged	-	9.17	2.67	-	-
	Net ACE allowed	**-**	**249.96**	**72.89**	**-**	**27.24**
Asset-3	**ACE**	-	833.24	88.51	78.38	40.73
	Add: IDC Discharged	-	-	85.40	-	-
	Net ACE Allowed	**-**	**833.24**	**173.91**	**78.38**	**40.73**
Asset-4	**ACE**	-	199.29	59.97	66.70	183.33
	Add: IDC Discharged	-	1.72	13.41	-	-
	Net ACE Allowed	**-**	**201.01**	**73.38**	**66.70**	**183.33**
Asset-5	**ACE**	-	198.39	0.07	102.33	45.73
	Add: IDC Discharged	-		13.31	-	-
	Net ACE Allowed	**-**	**198.39**	**13.38**	**102.23**	**198.39**
Asset-6	**ACE**	-	-	14.40	148.35	88.11
	Add: IDC Discharged	-	-	13.51	-	-
	Net ACE Allowed	**-**	**-**	**27.91**	**148.35**	**88.11**
Asset-7	**ACE**	-	-	399.41	0.02	27.14
	Add: IDC Discharged	-	-	8.98	-	-
	Net ACE Allowed	**-**	**-**	**408.39**	**0.02**	**27.14**

32. Accordingly, the details of the total ACE approved with respect to the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	ACE allowed				
	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Asset-1	0.00	78.83	44.42	27.72	0.00

Asset-2	0.00	249.96	72.89	0.00	27.24
Asset-3	0.00	833.24	173.91	78.38	40.73
Asset-4	0.00	201.01	73.38	66.70	183.33
Asset-5	0.00	211.70	0.07	102.23	45.73
Asset-6	0.00	0.00	27.91	148.35	88.11
Asset-7	0.00	0.00	408.39	0.02	27.14

33. Accordingly, the details of the capital cost and the actual ACE approved with respect to the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	**Opening Capital Cost allowed as on COD**	**ACE allowed for 2019-24 period**					**Capital Cost as on 31.3.2024**
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**	
Asset-1	455.57	0.00	78.83	44.42	27.72	0.00	606.54
Asset-2	1042.68	0.00	249.96	72.89	0.00	27.24	1392.77
Asset-3	5330.72	0.00	833.24	173.91	78.38	40.73	6456.97
Asset-4	1818.75	0.00	201.01	73.38	66.70	183.33	2343.17
Asset-5	1117.20	0.00	198.39	13.37	102.23	45.73	1476.92
Asset-6	2928.48	0.00	0.00	27.91	148.35	88.11	3192.85
Asset-7	419.11	0.00	0.00	408.39	0.02	27.14	854.66

Debt-Equity Ratio

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

Asset-1

Funding	**Capital Cost as on 1.4.2019/CODs**		**ACE during the 2019-24 tariff period (₹ in lakh)**		**Capital Cost as on 31.3.2024**	
	(₹ in lakh)	**(in %)**	**(₹ in lakh)**	**(in %)**	**(₹ in lakh)**	**(in %)**
Debt	318.90	70	105.68	70	424.58	70
Equity	136.67	30	45.29	30	181.96	30
Total	**455.57**	**100**	**150.97**	**100**	**606.54**	**100**

Asset-2

Funding	**Capital Cost as on 1.4.2019/CODs**		**ACE during the 2019-24 tariff period (₹ in lakh)**		**Capital Cost as on 31.3.2024**	
	(₹ in lakh)	**(in %)**	**(₹ in lakh)**	**(in %)**	**(₹ in lakh)**	**(in %)**
Debt	729.88	70	245.06	70	974.94	70
Equity	312.80	30	105.03	30	417.83	30
Total	**1042.68**	**100**	**350.09**	**100**	**1392.77**	**100**

Asset-3

Funding	Capital Cost as on 1.4.2019/CODs		ACE during the 2019-24 tariff period (₹ in lakh)		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	3731.50	70	788.38	70	4519.88	70
Equity	1599.22	30	337.88	30	1937.09	30
Total	**5330.72**	**100**	**1126.26**	**100**	**6456.97**	**100**

Asset-4

Funding	Capital Cost as on 1.4.2019/CODs		ACE during the 2019-24 tariff period (₹ in lakh)		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	1273.13	70	367.09	70	1640.22	70
Equity	545.62	30	157.33	30	702.95	30
Total	**1818.75**	**100**	**524.42**	**100**	**2343.17**	**100**

Asset-5

Funding	Capital Cost as on 1.4.2019/CODs		ACE during the 2019-24 tariff period (₹ in lakh)		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	782.04	70	251.81	70	1033.85	70
Equity	335.16	30	107.92	30	443.08	30
Total	**1117.20**	**100**	**359.73**	**100**	**1476.92**	**100**

Asset-6

Funding	Capital Cost as on 1.4.2019/CODs		ACE during the 2019-24 tariff period (₹ in lakh)		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	2049.94	70	185.06	70	2235.00	70
Equity	878.54	30	79.31	30	957.85	30
Total	**2928.48**	**100**	**264.37**	**100**	**3192.85**	**100**

Asset-7

Funding	Capital Cost as on 1.4.2019/CODs		ACE during the 2019-24 tariff period (₹ in lakh)		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	293.38	70	304.89	70	598.26	70
Equity	125.73	30	130.67	30	256.40	30
Total	**419.11**	**100**	**435.55**	**100**	**854.66**	**100**

Depreciation

35. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD), has been worked out for the transmission assets for the 2019-24 tariff period as

per the rates of depreciation specified in the 2019 Tariff Regulations. Accordingly, the depreciation approved with respect to the transmission assets for the 2019-24 tariff period is as follows:

Asset-1

(₹ in lakh)

	Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	455.57	534.40	578.82	606.54
B	Addition during the year 2019-24 due to actual ACE	78.83	44.42	27.72	0.00
C	Closing Gross Block (A+B)	534.40	578.82	606.54	606.54
D	Average Gross Block (A+C)/2	494.99	556.61	592.68	606.54
E	Freehold land	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	478.85	539.49	574.57	588.43
G	Average Gross Block (100% depreciable assets)	16.13	17.12	18.11	18.11
H	Depreciable value (excluding IT equipment and software) (F*90%)	430.97	485.54	517.11	529.59
I	Depreciable value of IT equipment and software (G*100%)	16.13	17.12	18.11	18.11
J	Total Depreciable Value (H+I)	447.10	502.67	535.23	547.70
K	Weighted average rate of Depreciation (WAROD) (in %)	5.72%	5.69%	5.69%	5.68%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
M	Balance useful life at the beginning of the year (Year)	23.00	23.00	22.00	21.00
N	**Depreciation for the period/year (D*K)**	**18.85**	**31.70**	**33.73**	**34.47**
O	Cumulative depreciation at the end of period/year	18.85	50.54	84.27	118.74
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	428.26	452.12	450.95	428.96

Asset-2

(₹ in lakh)

	Particulars	2020-21 (Pro-rata for 222 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	1042.68	1292.64	1365.53	1365.53
B	Addition during the year 2019-24 due to actual ACE	249.96	72.89	0.00	27.24

C	Closing Gross Block (A+B)	1292.64	1365.53	1365.53	1392.77
D	Average Gross Block (A+C)/2	1167.66	1329.08	1365.53	1379.15
E	Freehold land	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	1158.69	1319.23	1355.67	1369.29
G	Average Gross Block (100% depreciable assets)	8.97	9.86	9.86	9.86
H	Depreciable value (excluding IT equipment and software) (F*90%)	1042.82	1187.30	1220.10	1232.36
I	Depreciable value of IT equipment and software (G*100%)	8.97	9.86	9.86	9.86
J	Total Depreciable Value (H+I)	1051.79	1197.16	1229.96	1242.22
K	Weighted average rate of Depreciation (WAROD) (in %)	5.36%	5.36%	5.35%	5.35%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
M	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00
N	**Depreciation for the period/year (D*K)**	**38.06**	**71.18**	**73.11**	**73.83**
O	Cumulative depreciation at the end of period/year	38.06	109.24	182.35	256.17
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	1013.73	1087.92	1047.62	986.05

Asset-3

(₹ in lakh)

	Particulars	**2020-21 (Pro-rata for 90 days)**	**2021-22**	**2022-23**	**2023-24**
A	Opening Gross Block	5330.72	6163.96	6337.86	6416.24
B	Addition during the year 2019-24 due to actual ACE	833.24	173.91	78.38	40.73
C	Closing Gross Block (A+B)	6163.96	6337.86	6416.24	6456.97
D	Average Gross Block (A+C)/2	5747.34	6250.91	6377.05	6436.61
E	Freehold land	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	5714.00	6216.44	6342.58	6402.14

G	Average Gross Block (100% depreciable assets)	33.34	34.47	34.47	34.47
H	Depreciable value (excluding IT equipment and software) (F*90%)	5142.60	5594.79	5708.32	5761.92
I	Depreciable value of IT equipment and software (G*100%)	33.34	34.47	34.47	34.47
J	Total Depreciable Value (H+I)	5175.94	5629.27	5742.80	5796.40
K	Weighted average rate of Depreciation (WAROD) (in %)	5.34%	5.34%	5.34%	5.34%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
M	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00
N	**Depreciation for the period/year (D*K)**	**75.71**	**333.78**	**340.44**	**343.59**
O	Cumulative depreciation at the end of period/year	75.71	409.49	749.93	1093.52
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	5100.23	5219.78	4992.86	4702.88

Asset-4

(₹ in lakh)

	Particulars	**2020-21 (Pro-rata for 46 days)**	**2021-22**	**2022-23**	**2023-24**
A	Opening Gross Block	1818.75	2019.76	2093.14	2159.84
B	Addition during the year 2019-24 due to actual ACE	201.01	73.38	66.70	183.33
C	Closing Gross Block (A+B)	2019.76	2093.14	2159.84	2343.17
D	Average Gross Block (A+C)/2	1919.26	2056.45	2126.49	2251.51
E	Freehold land	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	1912.86	2049.78	2119.82	2244.83
G	Average Gross Block (100% depreciable assets)	6.40	6.68	6.68	6.68
H	Depreciable value (excluding IT equipment and software) (F*90%)	1721.57	1844.80	1907.84	2020.35
I	Depreciable value of IT equipment and software (G*100%)	6.40	6.68	6.68	6.68

J	Total Depreciable Value (H+I)	1727.97	1851.48	1914.51	2027.03
K	Weighted average rate of Depreciation (WAROD) (in %)	5.31%	5.31%	5.31%	5.31%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
M	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00
N	**Depreciation for the period/year (D*K)**	**12.85**	**109.23**	**112.93**	**119.53**
O	Cumulative depreciation at the end of period/year	12.85	122.08	235.01	354.54
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	1715.12	1729.40	1679.51	1672.49

Asset-5

(₹ in lakh)

	Particulars	**2020-21 (Pro-rata for 15 days)**	**2021-22**	**2022-23**	**2023-24**
A	Opening Gross Block	1117.20	1315.59	1328.96	1431.19
B	Addition during the year 2019-24 due to actual ACE	198.39	13.38	102.23	45.73
C	Closing Gross Block (A+B)	1315.59	1328.96	1431.19	1476.92
D	Average Gross Block (A+C)/2	1216.39	1322.28	1380.08	1454.06
E	Freehold land	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	1211.52	1316.85	1374.65	1448.63
G	Average Gross Block (100% depreciable assets)	4.87	5.43	5.43	5.43
H	Depreciable value (excluding IT equipment and software) (F*90%)	1090.37	1185.16	1237.19	1303.77
I	Depreciable value of IT equipment and software (G*100%)	4.87	5.43	5.43	5.43
J	Total Depreciable Value (H+I)	1095.24	1190.59	1242.61	1309.20
K	Weighted average rate of Depreciation (WAROD) (in %)	5.32%	5.32%	5.32%	5.32%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
M	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00	22.00
N	**Depreciation for the period/year (D*K)**	**2.66**	**70.34**	**73.40**	**77.30**

O	Cumulative depreciation at the end of period/year	2.66	73.00	146.40	223.70
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	1092.58	1117.59	1096.22	1085.50

Asset-6

(₹ in lakh)

	Particulars	**2021-22 (Pro-rata for 325 days)**	**2022-23**	**2023-24**
A	Opening Gross Block	2928.48	2956.39	3104.74
B	Addition during the year 2019-24 due to actual ACE	27.91	148.35	88.11
C	Closing Gross Block (A+B)	2956.39	3104.74	3192.85
D	Average Gross Block (A+C)/2	2942.43	3030.57	3148.80
E	Freehold land	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	2928.60	3016.74	3134.97
G	Average Gross Block (100% depreciable assets)	13.83	13.83	13.83
H	Depreciable value (excluding IT equipment and software) (F*90%)	2635.74	2715.06	2821.47
I	Depreciable value of IT equipment and software (G*100%)	13.83	13.83	13.83
J	Total Depreciable Value (H+I)	2649.57	2728.89	2835.30
K	Weighted average rate of Depreciation (WAROD) (in %)	5.39%	5.40%	5.41%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
M	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
N	**Depreciation for the period/year (D*K)**	**141.33**	**163.72**	**170.31**
O	Cumulative depreciation at the end of period/year	141.33	305.06	475.36
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	2508.24	2423.84	2359.94

Asset-7

(₹ in lakh)

	Particulars	2021-22 (Pro-rata for 313 days)	2022-23	2023-24
A	Opening Gross Block	419.11	827.50	827.52
B	Addition during the year 2019-24 due to actual ACE	408.39	0.02	27.14
C	Closing Gross Block (A+B)	827.50	827.52	854.66
D	Average Gross Block (A+C)/2	623.31	827.51	841.09
E	Freehold land	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	612.75	794.26	807.84
G	Average Gross Block (100% depreciable assets)	10.55	33.26	33.26
H	Depreciable value (excluding IT equipment and software) (F*90%)	551.48	714.83	727.05
I	Depreciable value of IT equipment and software (G*100%)	10.55	33.26	33.26
J	Total Depreciable Value (H+I)	562.03	748.09	760.31
K	Weighted average rate of Depreciation (WAROD) (in %)	5.62%	5.67%	5.66%
L	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
M	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00
N	Depreciation for the period/year (D*K)	**30.05**	**46.93**	**47.64**
O	Cumulative depreciation at the end of period/year	30.05	76.97	124.62
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	531.98	671.12	635.69

36. The details of the depreciation allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022 with respect to the transmission assets, depreciation claimed in the instant Petition, and trued-up depreciation approved in the instant order are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	19.87	37.76	42.56	42.56
Claimed by the Petitioner in the instant Petition	19.24	32.15	34.07	34.80
Approved after trued-up in this order	18.85	31.70	33.73	34.47

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	37.17	70.41	74.39	74.39
Claimed by the Petitioner in the instant Petition	37.95	70.99	73.13	73.85
Approved after trued-up in this order	38.06	71.18	73.11	73.83

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	71.87	304.44	327.56	344.49
Claimed by the Petitioner in the instant Petition	75.71	333.82	340.51	343.65
Approved after trued-up in this order	75.71	333.78	340.44	343.59

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	12.23	108.99	122.41	124.37
Claimed by the Petitioner in the instant Petition	12.92	109.51	112.93	119.53

Approved after trued-up in this order	12.85	109.23	112.93	119.53

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.44	67.62	77.09	78.46
Claimed by the Petitioner in the instant Petition	2.69	70.67	73.41	77.31
Approved after trued-up in this order	2.66	70.34	73.40	77.30

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	201.95	293.15	306.50
Claimed by the Petitioner in the instant Petition	155.66	180.43	187.02
Approved after trued-up in this order	141.33	163.72	170.31

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	36.73	60.55	62.39
Claimed by the Petitioner in the instant Petition	32.90	50.01	50.72
Approved after trued-up in this order	30.05	46.93	47.64

Interest on Loan (IoL)

37. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and prevailing interest rate. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved with

respect to the transmission assets are as follows:

Asset-1

(₹ in lakh)

	Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	318.90	374.08	405.18	424.58
B	Cumulative Repayments up to Previous Year	0.00	18.85	50.54	84.27
C	Net Loan-Opening (A-B)	318.90	355.24	354.64	340.31
D	Addition due to ACE	55.18	31.09	19.40	0.00
E	Repayment during the year	18.85	31.70	33.73	34.47
F	Net Loan-Closing (C+D-E)	355.24	354.64	340.31	305.84
G	Average Loan (C+F)/2	337.07	354.94	347.47	323.07
H	Weighted Average Rate of Interest on Loan (in %)	6.636%	6.447%	7.222%	8.036%
I	**Interest on Loan (G*H)**	**14.89**	**22.88**	**25.09**	**25.96**

Asset-2

(₹ in lakh)

	Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	729.88	904.85	955.87	955.87
B	Cumulative Repayments up to Previous Year	0.00	38.06	109.24	182.35
C	Net Loan-Opening (A-B)	729.88	866.79	846.63	773.53
D	Addition due to ACE	174.97	51.03	0.00	19.07
E	Repayment during the year	38.06	71.18	73.11	73.83
F	Net Loan-Closing (C+D-E)	866.79	846.63	773.53	718.77
G	Average Loan (C+F)/2	798.33	856.71	810.08	746.15
H	Weighted Average Rate of Interest on Loan (in %)	6.689	6.645	7.035	7.432
I	**Interest on Loan (G*H)**	**32.48**	**56.93**	**56.99**	**55.46**

Asset-3

(₹ in lakh)

	Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	3731.50	4314.77	4436.51	4491.37
B	Cumulative Repayments up to Previous Year	0.00	75.71	409.49	749.93
C	Net Loan-Opening (A-B)	3731.50	4239.06	4027.01	3741.44
D	Addition due to ACE	583.27	121.73	54.87	28.51
E	Repayment during the year	75.71	333.78	340.44	343.59
F	Net Loan-Closing (C+D-E)	4239.06	4027.01	3741.44	3426.36
G	Average Loan (C+F)/2	3985.28	4133.04	3884.23	3583.90
H	Weighted Average Rate of Interest on Loan (in %)	6.894	6.872	7.227	7.443
I	**Interest on Loan (G*H)**	**67.74**	**284.01**	**280.70**	**266.74**

Asset-4

(₹ in lakh)

	Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	1273.13	1413.84	1465.20	1511.89
B	Cumulative Repayments up to Previous Year	0.00	12.85	122.08	235.01
C	Net Loan-Opening (A-B)	1273.13	1400.99	1343.13	1276.89
D	Addition due to ACE	140.71	51.37	46.69	128.33
E	Repayment during the year	12.85	109.23	112.93	119.53
F	Net Loan-Closing (C+D-E)	1400.99	1343.13	1276.89	1285.69
G	Average Loan (C+F)/2	1337.06	1372.06	1310.01	1281.29
H	Weighted Average Rate of Interest on Loan (in %)	6.458	6.522	7.336	7.770
I	**Interest on Loan (G*H)**	**10.88**	**89.49**	**96.10**	**99.55**

Asset-5

(₹ in lakh)

	Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	782.04	920.91	930.28	1001.84
B	Cumulative Repayments up to Previous Year	0.00	2.66	73.00	146.40
C	Net Loan-Opening (A-B)	782.04	918.25	857.27	855.44
D	Addition due to ACE	138.87	9.37	71.56	32.01
E	Repayment during the year	2.66	70.34	73.40	77.30
F	Net Loan-Closing (C+D-E)	918.25	857.27	855.44	810.15
G	Average Loan (C+F)/2	850.14	887.76	856.36	832.79
H	Weighted Average Rate of Interest on Loan (in %)	7.456%	7.134%	7.436%	7.596%
I	**Interest on Loan (G*H)**	**2.60**	**63.33**	**63.67**	**63.26**

Asset-6

(₹ in lakh)

	Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
A	Gross Normative Loan	2049.94	2069.48	2173.32
B	Cumulative Repayments up to Previous Year	0.00	141.33	305.06
C	Net Loan-Opening (A-B)	2049.94	1928.14	1868.26
D	Addition due to ACE	19.54	103.85	61.68
E	Repayment during the year	141.33	163.72	170.31
F	Net Loan-Closing (C+D-E)	1928.14	1868.26	1759.63
G	Average Loan (C+F)/2	1989.04	1898.20	1813.95
H	Weighted Average Rate of Interest on Loan (in %)	6.551	7.283	7.708
I	**Interest on Loan (G*H)**	**116.02**	**138.24**	**139.83**

Asset-7

(₹ in lakh)

	Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
A	Gross Normative Loan	293.38	579.25	579.27
B	Cumulative Repayments up to Previous Year	0.00	30.05	76.97
C	Net Loan-Opening (A-B)	293.38	549.21	502.29
D	Addition due to ACE	285.88	0.01	19.00
E	Repayment during the year	30.05	46.93	47.64
F	Net Loan-Closing (C+D-E)	549.21	502.29	473.65
G	Average Loan (C+F)/2	421.29	525.75	487.97
H	Weighted Average Rate of Interest on Loan (in %)	7.067	7.185	7.372
I	**Interest on Loan (G*H)**	**25.53**	**37.78**	**35.97**

38. The details of the IoL allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022 with respect to the transmission assets, the IoL claimed in the instant Petition, and trued-up IoL approved in the instant order are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	16.80	30.50	32.09	29.07
Claimed by the Petitioner in the instant Petition	15.23	23.66	25.34	26.21
Approved after trued-up in this order	14.89	22.88	25.09	25.96

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	32.30	57.76	56.40	51.34
Claimed by the Petitioner in the instant Petition	32.38	56.78	57.03	55.49
Approved after trued-up in this order	32.48	56.93	56.99	55.46

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	65.51	264.17	263.04	255.15
Claimed by the Petitioner in the instant Petition	68.31	287.03	283.30	269.18
Approved after trued-up in this order	67.74	284.01	280.70	266.74

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	10.40	88.80	92.78	86.46
Claimed by the Petitioner in the instant Petition	10.94	89.71	96.07	99.51
Approved after trued-up in this order	10.88	89.49	96.10	99.55

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.33	61.89	65.59	61.28
Claimed by the Petitioner in the instant Petition	2.52	63.62	63.66	63.24
Approved after trued-up in this order	2.60	63.33	63.67	63.26

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	164.74	224.23	216.02
Claimed by the Petitioner in the instant Petition	129.38	154.54	155.62
Allowed after truing-up in this order	116.02	138.24	139.83

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	32.23	49.82	47.08
Claimed by the Petitioner in the instant Petition	28.66	41.17	39.15

Approved after trued-up in this order	25.53	37.78	35.97

Return on Equity (RoE)

39. The Petitioner has submitted that its Income Tax Assessment has been completed and the assessment orders have been issued by the Income Tax Department for the FY 2019-20 and FY 2020-21, and the income has been assessed under MAT [115JB of the Income Tax Act, 1961 (IT Act, 1961)]. The Petitioner has further submitted that the Income Tax Returns (ITRs) have been filed for the FYs 2021-22, 2022-23 and 2023-24.

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

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

41. The Petitioner has submitted that the ITR for the FY 2023-24 has now been filed. It is further submitted that the Assessment Orders for the FYs 2019-20 and 2020-21 and 2020-21 and ITRs for the FYs 2021-22. The revised computation of the effective tax percentage is as under:

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

42. We have considered the Petitioner's submissions and have also gone through the

record. We note that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013 subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up of the RoE for truing up of the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assesses), if any, imposed shall not be taken into account for the purpose of grossing-up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up, shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rates based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax 't' (in %)	Base rate of RoE (in %)	Grossed-up rate for RoE [(Base Rate)/(1-t)] (in%)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

43. Accordingly, the trued-up RoE approved with respect to the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
A	Opening Equity	136.67	160.32	173.65	181.96
B	Addition due to ACE	23.65	13.33	8.32	0.00
C	Closing Equity (A+B)	160.32	173.65	181.96	181.96
D	Average Equity (A+C)/2	148.50	166.98	177.81	181.96
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782
H	**Return on Equity allowed for the period/year (D*G)**	**18.57**	**31.36**	**33.40**	**34.18**

Asset-2

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 222 days)	2021-22	2022-23	2023-24
A	Opening Equity	312.80	387.79	409.66	409.66
B	Addition due to ACE	74.99	21.87	0.00	8.17
C	Closing Equity (A+B)	387.79	409.66	409.66	417.83
D	Average Equity (A+C)/2	350.30	398.73	409.66	413.75
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782
H	**Return on Equity allowed for the period/year (D*G)**	**40.02**	**74.89**	**76.94**	**77.71**

Asset-3

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 90 days)	2021-22	2022-23	2023-24
A	Opening Equity	1599.22	1849.19	1901.36	1924.87
B	Addition due to ACE	249.97	52.17	23.51	12.22
C	Closing Equity (A+B)	1849.19	1901.36	1924.87	1937.09
D	Average Equity (A+C)/2	1724.20	1875.27	1913.12	1930.98
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782
H	**Return on Equity allowed for the period/year (D*G)**	**79.85**	**352.21**	**359.32**	**362.68**

Asset-4

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 46 days)	2021-22	2022-23	2023-24
A	Opening Equity	545.62	605.93	627.94	647.95
B	Addition due to ACE	60.30	22.01	20.01	55.00
C	Closing Equity (A+B)	605.93	627.94	647.95	702.95
D	Average Equity (A+C)/2	575.77	616.93	637.94	675.45
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.78	18.782%	18.782
H	**Return on Equity allowed for the period/year (D*G)**	**13.63**	**115.87**	**119.82**	**126.86**

Asset-5

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 15 days)	2021-22	2022-23	2023-24
A	Opening Equity	335.16	394.68	398.69	429.36
B	Addition due to ACE	59.52	4.01	30.67	13.72
C	Closing Equity (A+B)	394.68	398.69	429.36	443.08
D	Average Equity (A+C)/2	364.92	396.68	414.02	436.22
E	Return on Equity (Base Rate) (in %)	15.500%	15.500%	15.500%	15.500%
F	Tax Rate applicable (in %)	17.472%	17.472%	17.472%	17.472%
G	Rate of Return on Equity (in %)	18.782%	18.782%	18.782%	18.782%
H	**Return on Equity allowed for the period/year (D*G)**	**2.82**	**74.50**	**77.76**	**81.93**

Asset-6

(₹ in lakh)

Sl. No.	Particulars	2021-22 (Pro-rata for 325 days)	2022-23	2023-24
A	Opening Equity	878.54	886.92	931.42
B	Addition due to ACE	8.37	44.51	26.43
C	Closing Equity (A+B)	886.92	931.42	957.85
D	Average Equity (A+C)/2	882.73	909.17	944.64
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	**Return on Equity allowed for the period/year (D*G)**	**147.62**	**170.76**	**177.42**

Asset-7

(₹ in lakh)

Sl. No.	Particulars	2021-22 (Pro-rata for 313 days)	2022-23	2023-24
A	Opening Equity	125.73	248.25	248.26
B	Addition due to ACE	122.52	0.01	8.14
C	Closing Equity (A+B)	248.25	248.26	256.40
D	Average Equity (A+C)/2	186.99	248.25	252.33
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.78	18.782%
H	**Return on Equity allowed for the period/year (D*G)**	**30.12**	**46.63**	**47.39**

44. The details of the RoE allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022 for the transmission assets, RoE claimed in the instant Petition, and trued-up RoE approved in respect of the transmission assets in the instant order are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	19.63	37.79	42.82	42.82
Claimed by the Petitioner in the instant Petition	18.99	31.84	33.75	34.53
Approved after trued-up in this order	18.57	31.36	33.40	34.18

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	39.09	74.10	78.31	78.31
Claimed by the Petitioner in the instant Petition	39.89	74.69	76.97	77.74
Approved after trued-up in this order	40.02	74.89	76.94	77.71

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	75.79	321.13	345.63	363.58
Claimed by the Petitioner in the instant Petition	79.85	352.22	359.33	362.69
Approved after trued-up in this order	79.85	352.21	359.32	362.68

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	12.98	115.64	129.94	132.03
Claimed by the Petitioner in the instant Petition	13.70	116.16	119.82	126.86
Approved after trued-up in this order	13.63	115.87	119.82	126.86

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.59	71.69	81.77	83.23
Claimed by the Petitioner in the instant Petition	2.84	74.85	77.77	81.94
Approved after trued-up in this order	2.82	74.50	77.76	81.93

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	210.40	304.72	318.74
Claimed by the Petitioner in the instant Petition	162.83	188.47	195.14
Approved after trued-up in this order	147.62	170.76	177.42

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	37.34	61.29	63.13
Claimed by the Petitioner in the instant Petition	33.14	49.90	50.67
Approved after trued-up in this order	30.12	46.63	47.39

Operation & Maintenance Expenses (O&M Expenses)

45. The Petitioner has claimed the following O&M Expenses with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Asset No.	2020-21	2021-22	2022-23	2023-24
Asset-1	44.31	68.90	71.32	73.82
Asset-2	20.24	34.45	35.66	36.91
Asset-3	84.32	353.92	366.60	378.98
Asset-4	30.51	250.57	259.62	268.25
Asset-5	1.37	34.45	35.66	36.91
Asset-6	-	105.41	122.54	126.83
Asset-7	-	41.37	49.92	51.68

46. We have considered the Petitioner's submissions. Accordingly, the O&M Expenses approved with respect to the Combined Asset as per the norms specified in the 2019 Tariff Regulations are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (pro-rata 243 days)	2021-22	2022-23	2023-24
2 numbers 400 kV line bays for Imphal:New Kohima I and II				
Number of bays	2	2	2	2
Norms (₹ lakh/Bay)	33.28	34.45	35.66	36.91
Total O&M Expenses (₹ in lakh)	**44.31**	**68.90**	**71.32**	**73.82**

Asset-2

(₹ in lakh)

Particulars	2020-21 (pro-rata 222 days)	2021-22	2022-23	2023-24
1 no. 400 kV 3 Phase bus reactor at 400/132 kV Imphal Sub-station				
Number of bays	1	1	1	1
Norms (₹ lakh/Bay)	33.28	34.45	35.66	36.91
Total O&M Expenses (₹ in lakh)	**20.24**	**34.45**	**35.66**	**36.91**

Asset-3

(₹ in lakh)

Particulars	2020-21 (pro-rata 90 days)	2021-22	2022-23	2023-24
400 KV substation bays: **(i) 1 no. 400 kV ICT 2 bay for New Mariani,** **(ii) 1 no. 400 kV Bus reactor bay at New Mariani** **(iii) 2 Numbers 400 kV line bays for 400 kV D/C New Kohima-New Mariani-I and II**				
Number of bays	4	4	4	4
Norms (₹ lakh/Bay)	33.28	34.45	35.66	36.91
	8.21	137.8	142.64	147.64
1 no. 220 kV ICT 2 Bay at New Mariani				
Number of bays	1	1	1	1
Norms (₹ lakh/Bay)	23.30	24.12	24.96	25.84
	5.75	24.12	24.96	25.84
1 no. 500 MVA ICT 2 at New Mariani				
Transformation Capacity (MVA)	500	500	500	500
Norms (₹ Lakh per MVA)	0.371	0.384	0.398	0.411
	45.74	192	199	205.5
Total O&M Expenses (₹ in lakh)	**84.31**	**353.92**	**366.60**	**378.98**

Asset-4

(₹ in lakh)

Particulars	2020-21 (pro-rata 46 days)	2021-22	2022-23	2023-24
1 no. 400 kV ICT-1 Bay at New Mariani				
Number of bays	1	1	1	1
Norms (₹ lakh/Bay)	33.28	34.45	35.66	36.91
O& M expenses allowed	4.20	34.45	35.66	36.91
1 no. 220 kV ICT Bay at New Mariani				
Number of bays	1	1	1	1
Norms (₹ lakh/Bay)	23.30	24.12	24.96	25.84
O& M expenses allowed	2.94	24.12	24.96	25.84
1 no. 500 MVA ICT 1, 400 kV at New Mariani				
Transformation Capacity (MVA)	500	500	500	500
Norms (₹ Lakh per MVA)	0.371	0.384	0.398	0.411
O& M expenses allowed	23.38	192.00	199.00	205.50
Total O&M Expenses (₹ in lakh)	**30.51**	**250.57**	**259.62**	**268.25**

Asset-5

(₹ in lakh)

Particulars	2020-21 (pro-rata 15 days)	2021-22	2022-23	2023-24
125 MVAR Bus Reactor Bay at 400 kV New Mariani				
Number of bays	1	1	1	1
Norms (₹ lakh/Bay)	33.28	34.45	35.66	36.91
Total O&M Expenses (₹ in lakh)	**1.37**	**34.45**	**35.66**	**36.91**

Asset-6

(₹ in lakh)

Particulars	2021-22 (pro-rata 325 days)	2022-23	2023-24
2 numbers 400 kV line bays at New Mariani for New Mariani – Misa transmission line			
Number of bays	2	2	2
Norms (₹ lakh/Bay)	34.45	35.66	36.91
	61.35	71.32	73.82
2 numbers 400 kV GIS line bays at Misa for New Mariani – Misa transmission line			
Number of bays	2.00	2.00	2.00
Norms (₹ lakh/Bay)	24.12	24.96	25.84
	42.94	49.92	51.67
400 kV D/C Additional Transmission Line			
D/C (Twin & Triple Conductor) (km)	1.33	1.33	1.33
Norms (₹ lakh/ km)	0.94	0.98	1.01
	1.11	1.30	1.34
Total O&M Expenses (₹ in lakh)	**105.42**	**122.54**	**126.84**

Asset-7

(₹ in lakh)

Particulars	2021-22 (pro-rata 313 days)	2022-23	2023-24
2 Numbers 220 kV Line Bays at New Mariani Sub-station			
Number of bays	2	2	2
Norms (₹ lakh/Bay)	24.12	24.96	25.84
Total O&M Expenses (₹ in lakh)	**41.37**	**49.92**	**51.68**

47. Accordingly, the details of the O&M Expenses allowed vide order dated 28.6.2023 in Petition 45/TT/2022, O&M Expenses claimed in the instant Petition, and trued-up O&M Expenses approved in the instant order in respect of the transmission assets are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	44.31	68.90	71.32	73.82
Claimed by the Petitioner in the instant Petition	44.31	68.90	71.32	73.82
Approved after trued-up in this order	44.31	68.90	71.32	73.82

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	20.24	34.45	35.66	36.91
Claimed by the Petitioner in the instant Petition	20.24	34.45	35.66	36.91
Approved after trued-up in this order	20.24	34.45	35.66	36.91

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	84.31	353.92	366.60	378.98
Claimed by the Petitioner in the instant Petition	84.32	353.92	366.60	378.98
Approved after trued-up in this order	84.31	353.92	366.60	378.98

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	30.51	250.57	259.62	268.25
Claimed by the Petitioner in the instant Petition	30.51	250.57	259.62	268.25
Approved after trued-up in this order	30.51	250.57	259.62	268.25

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	1.37	34.45	35.66	36.91
Claimed by the Petitioner in the instant Petition	1.37	34.45	35.66	36.91
Approved after trued-up in this order	1.37	34.45	35.66	36.91

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	105.41	122.54	126.84
Claimed by the Petitioner in the instant Petition	105.41	122.54	126.83
Approved after trued-up in this order	105.41	122.54	126.84

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	41.37	49.92	51.68
Claimed by the Petitioner in the instant Petition	41.37	49.92	51.68
Approved after trued-up in this order	41.37	49.92	51.68

Interest on Working Capital (IWC)

48. 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 the 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 & 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 allowed thereon for the transmission assets are as under:

Asset-1

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.55	5.74	5.94	6.15
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.98	10.34	10.70	11.07
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	18.36	19.55	20.65	21.28
D	Total Working Capital (A+B+C)	33.89	35.63	37.29	38.50
E	Rate of Interest for working capital (in %)	11.25	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	2.54	3.74	3.92	4.62

Asset- 2

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 222 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.77	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	4.99	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	26.99	29.76	30.42	30.57
D	Total Working Capital (A+B+C)	34.76	37.80	38.74	39.18
E	Rate of Interest for working capital (in %)	11.25	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	2.38	3.97	4.07	4.70

Asset- 3

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 90 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	28.49	29.49	30.55	31.58
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	51.29	53.09	54.99	56.85

C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	157.09	166.45	169.38	170.04
D	Total Working Capital (A+B+C)	236.87	249.03	254.92	258.47
E	Rate of Interest for working capital (in %)	11.25	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	6.57	26.15	26.77	31.02

Asset- 4

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 46 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	20.17	20.88	21.64	22.35
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	36.31	37.59	38.94	40.24
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	68.12	71.36	74.30	77.58
D	Total Working Capital (A+B+C)	124.61	129.82	134.87	140.17
E	Rate of Interest for working capital (in %)	11.25	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	1.77	13.63	14.16	16.82

Asset- 5

(₹ in lakh)

Sl. No.	Particulars	2020-21 (Pro-rata for 15 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.77	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	4.99	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	28.85	30.41	31.40	32.50
D	Total Working Capital (A+B+C)	36.62	38.45	39.72	41.11
E	Rate of Interest for working capital (in %)	11.25	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	0.17	4.04	4.17	4.93

Asset- 6

(₹ in lakh)

Sl. No.	Particulars	2021-22 (Pro-rata for 325 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	9.87	10.21	10.57
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	17.76	18.38	19.03
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	71.96	74.73	77.11
D	Total Working Capital (A+B+C)	99.58	103.32	106.71
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	9.31	10.85	12.81

Asset- 7

(₹ in lakh)

Sl. No.	Particulars	2021-22 (Pro-rata for 313 days)	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	4.02	4.16	4.31
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	7.24	7.49	7.75
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	18.66	22.79	23.04
D	Total Working Capital (A+B+C)	29.91	34.44	35.10
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on Working Capital allowed for the period/year (D*E)	2.69	3.62	4.21

49. Accordingly, the details of the IWC allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022 with respect to the transmission assets, IWC claimed in the instant Petition, and trued-up IWC approved in the instant order are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.59	4.00	4.25	4.29
Claimed by the Petitioner in the instant Petition	2.56	3.76	3.93	4.63
Approved after trued-up in this order	2.54	3.74	3.92	4.62

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.35	3.96	4.10	4.07
Claimed by the Petitioner in the instant Petition	2.37	3.96	4.07	4.70
Approved after trued-up in this order	2.38	3.97	4.07	4.70

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	6.43	25.10	26.19	26.96
Claimed by the Petitioner in the instant Petition	6.58	26.19	26.80	31.05
Approved after trued-up in this order	6.57	26.15	26.77	31.02

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	1.74	13.62	14.38	14.65
Claimed by the Petitioner in the instant Petition	1.77	13.64	14.16	16.82
Approved after trued-up in this order	1.77	13.63	14.16	16.82

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	0.16	3.95	4.30	4.31
Claimed by the Petitioner in the instant Petition	0.17	4.05	4.17	4.93

Approved after trued-up in this order	0.17	4.04	4.17	4.93

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	11.57	15.43	15.81
Claimed by the Petitioner in the instant Petition	9.87	11.51	13.56
Approved after trued-up in this order	9.31	10.85	12.81

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	2.96	4.15	4.22
Claimed by the Petitioner in the instant Petition	2.81	3.74	4.35
Approved after trued-up in this order	2.69	3.62	4.21

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

50. Accordingly, the details of the trued-up Annual Fixed Charges (AFC) approved with respect to the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (pro-rata for 243 days)	2021-22	2022-23	2023-24
Depreciation	18.85	31.70	33.73	34.47
Interest on Loan	14.89	22.88	25.09	25.96
Return on Equity	18.57	31.36	33.40	34.18
O&M Expenses	44.31	68.90	71.32	73.82
Interest on Working Capital	2.54	3.74	3.92	4.62
Total	**99.16**	**158.58**	**167.46**	**173.04**

Asset-2

(₹ in lakh)

Particulars	2020-21 (pro-rata for 222 days)	2021-22	2022-23	2023-24
Depreciation	38.06	71.18	73.11	73.83
Interest on Loan	32.48	56.93	56.99	55.46
Return on Equity	40.02	74.89	76.94	77.71
O&M Expenses	20.24	34.45	35.66	36.91
Interest on Working Capital	2.38	3.97	4.07	4.70
Total	**133.17**	**241.42**	**246.77**	**248.60**

Asset-3

(₹ in lakh)

Particulars	2020-21 (pro-rata for 90 days)	2021-22	2022-23	2023-24
Depreciation	75.71	333.78	340.44	343.59
Interest on Loan	67.74	284.01	280.70	266.74
Return on Equity	79.85	352.21	359.32	362.68
O&M Expenses	84.31	353.92	366.60	378.98
Interest on Working Capital	6.57	26.15	26.77	31.02
Total	**314.18**	**1350.07**	**1373.83**	**1383.00**

Asset-4

(₹ in lakh)

Particulars	2020-21 (pro-rata for 46 days)	2021-22	2022-23	2023-24
Depreciation	12.85	109.23	112.93	119.53
Interest on Loan	10.88	89.49	96.10	99.55
Return on Equity	13.63	115.87	119.82	126.86
O&M Expenses	30.51	250.57	259.62	268.25
Interest on Working Capital	1.77	13.63	14.16	16.82
Total	**69.64**	**578.79**	**602.62**	**631.01**

Asset-5

(₹ in lakh)

Particulars	2020-21 (pro-rata for 15 days)	2021-22	2022-23	2023-24
Depreciation	2.66	70.34	73.40	77.30
Interest on Loan	2.60	63.33	63.67	63.26
Return on Equity	2.82	74.50	77.76	81.93
O&M Expenses	1.37	34.45	35.66	36.91
Interest on Working Capital	0.17	4.04	4.17	4.93
Total	**9.62**	**246.66**	**254.66**	**264.33**

Asset-6

(₹ in lakh)

Particulars	2021-22 (pro-rata for 325 days)	2022-23	2023-24
Depreciation	141.33	163.72	170.31
Interest on Loan	116.02	138.24	139.83
Return on Equity	147.62	170.76	177.42
O&M Expenses	105.41	122.54	126.84
Interest on Working Capital	9.31	10.85	12.81
Total	**519.70**	**606.11**	**627.20**

Asset-7

(₹ in lakh)

Particulars	2021-22 (pro-rata for 325 days)	2022-23	2023-24
Depreciation	30.05	46.93	47.64
Interest on Loan	25.53	37.78	35.97
Return on Equity	30.12	46.63	47.39
O&M Expenses	41.37	49.92	51.68
Interest on Working Capital	2.69	3.62	4.21
Total	**129.76**	**184.87**	**186.90**

51. The details of the AFC allowed vide order dated 28.6.2023 in Petition 45/TT/2022 with respect to the transmission assets, AFC claimed in the instant Petition, and trued-up AFC approved in the instant order are as follows:

Asset-1

(₹ in lakh)

Particulars	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	103.20	178.96	193.04	192.57
Claimed by the Petitioner in the instant Petition	100.33	160.31	168.41	173.99
Approved after trued-up in this order	99.16	158.58	167.46	173.04

Asset-2

(₹ in lakh)

Particulars	2020-21 (Pro-rata 222 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No.	131.16	240.68	248.86	245.02

45/TT/2022				
Claimed by the Petitioner in the instant Petition	132.83	240.87	246.86	248.69
Approved after trued-up in this order	133.17	241.42	246.77	248.60

Asset-3

(₹ in lakh)

Particulars	2020-21 (Pro-rata 90 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	303.91	1268.76	1329.02	1369.16
Claimed by the Petitioner in the instant Petition	314.77	1353.18	1376.54	1385.55
Approved after trued-up in this order	314.18	1350.07	1373.83	1383.00

Asset-4

(₹ in lakh)

Particulars	2020-21 (Pro-rata 46 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	67.86	577.62	619.12	625.76
Claimed by the Petitioner in the instant Petition	69.84	579.59	602.60	630.97
Approved after trued-up in this order	69.64	578.79	602.62	631.01

Asset-5

(₹ in lakh)

Particulars	2020-21 (Pro-rata 15 days)	2021-22	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	8.89	239.60	264.41	264.19
Claimed by the Petitioner in the instant Petition	9.59	247.64	254.67	264.33
Approved after trued-up in this order	9.62	246.66	254.66	264.33

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata 325 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	694.07	960.07	983.91
Claimed by the Petitioner in the instant Petition	563.15	657.49	678.17
Approved after trued-up in this order	519.70	606.11	627.20

Asset-7

(₹ in lakh)

Particulars	2021-22 (Pro-rata 313 days)	2022-23	2023-24
Allowed vide order dated 28.6.2023 in Petition No. 45/TT/2022	150.63	225.73	228.50
Claimed by the Petitioner in the instant Petition	138.88	194.74	196.57
Approved after trued-up in this order	129.76	184.87	186.90

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

52. The Petitioner has combined all the assets for the determination of the transmission tariff for the 2024-29 tariff period and has claimed the following transmission charges with respect to the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	964.35	1034.49	1068.61	1061.23	1039.01
Interest on Loan	686.70	687.38	645.20	560.80	477.83
Return on Equity	979.99	1054.83	1091.24	1091.24	1091.24
O&M Expenses	810.25	853.09	897.22	944.05	994.84
Interest on Working Capital	74.07	78.09	80.41	80.91	81.68
Total	**3515.36**	**3707.88**	**3782.68**	**3738.23**	**3684.60**

53. The Petitioner has claimed following IWC with respect to the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	67.52	71.09	74.77	78.67	82.90

Maintenance Spares	121.54	127.96	134.58	141.61	149.23
Receivables	433.40	457.14	466.36	459.62	454.27
Total Working Capital	622.46	656.19	675.71	679.90	686.40
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**74.07**	**78.09**	**80.41**	**80.91**	**81.68**

Effective Date of Commercial Operation (E-COD)

54. The Petitioner has claimed the E-COD of the Combined Asset as on 31.1.2021. Based on the trued-up admitted capital cost and the actual CODs of the transmission assets being combined, the E-COD of the Combined Asset has been worked out as follows:

Computation of E-COD					
Asset	**COD**	**Admitted Capital Cost as on 31.3.2024**	**Weight of the cost (in %)**	**Number of Days from last COD**	**Weighted Days**
Asset-1	1.8.2020	606.54	3.72	295	10.96
Asset-2	22.8.2020	1392.77	8.53	274	23.38
Asset-3	1.1.2021	6456.97	39.56	142	56.17
Asset-4	14.2.2021	2343.17	14.35	98	14.07
Asset-5	17.3.2021	1476.92	9.05	67	6.06
Asset-6	11.5.2021	3192.85	19.56	12	2.35
Asset-7	23.5.2021	854.66	5.24	0	-
Total		16323.90	100		112.98
E-COD (Latest COD-Total Weighted Days =30.1.2021)					

55. The E-COD is used to determine the lapsed life of the project as a whole, which works out as three (3) years as on 1.4.2024 (i.e., the number of completed years from the E-COD on 1.4.2024).

Weighted Average Life (WAL)

56. Regulation 33 of the 2024 Tariff Regulations has been considered for determination of the WAL. The Combined Asset comprises various elements, such as land, building, transmission line, sub-station and PLCC and each element having a different span of life. Accordingly, the concept of WAL has been adopted to determine

the useful life of the transmission project as a whole.

57. The WAL has been determined based on the admitted capital cost of the individual elements as on 1.4.2024. For this purpose, the element-wise useful life specified under the 2024 Tariff Regulations has been considered. Accordingly, the WAL of the Combined Asset has been worked out as 24 years, as follows:

Particular	Asset Cost (₹ in lakh)	Life in Years (2)	Weighted Cost (3) = (1)x(2)	Weighted Average Life of Asset (in years) (4) = (3)/ (1)
Land - Freehold	-			
Land - Leasehold	-			
Building Civil Works & Colony	-	25	0.00	
Transmission Line	455.22	35	15932.84	
Sub Station	15383.49	25	384587.16	
PLCC	363.55	15	5453.32	
IT Equipment (Incl. Software)	121.64	7	851.47	
Batteries	455.22	25	0.00	
Total	**16323.90**		**406824.78**	**24.00**

58. The WAL as on 1.4.2024, as determined above, shall be applied prospectively for the 2024-29 tariff period, and no retrospective adjustment of depreciation for the 2019-24 tariff period, being the previous tariff period, is required. As discussed above, the E-COD of the Combined Asset is 31.1.2021, and the lapsed life of the project as a whole works out as three (3) years as on 1.4.2024 (i.e., the number of completed years from the E-COD as on 1.4.2024). Accordingly, the WAL has been considered for determining the remaining useful life of the Combined Asset as on 31.3.2024, which works out as 24 years.

Capital Cost

59. Regulation 19 of the 2024 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 checks in accordance with these regulations shall form the basis for the determination of tariff for existing and new*

projects.

(2) The Capital Cost of a new project shall include the following:
(a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
(b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;
(c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
(d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
(e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
(g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
(h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
(i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
(k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
(l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
(m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;
(n) Expenditure on account of change in law and force majeure events; and
(o) ……..
(p) ……..

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

(4) ……..

(5) ……..

(6) The following shall be excluded from the capital cost of the existing and new projects:
(a) The assets forming part of the project but not in use, as declared in the tariff petition;
(b) De-capitalised Assets after the date of commercial operation on account of

obsolescence;

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

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

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

(d) ……..

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

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

60. We have considered the Petitioner's submissions. The trued-up capital cost of ₹606.54 lakh, ₹1392.77 lakh, ₹6456.97 lakh, ₹2343.17 lakh, ₹1476.92 lakh, ₹3192.85 lakh and ₹854.66 lakh, has been approved by the Commission with respect to Asset-1 to 7, respectively, as on 31.3.2024 in this instant order. Accordingly, the total capital cost of ₹16323.90 lakh is being considered as the opening capital cost as on 1.4.2024 with respect to the Combined Asset for the 2024-29 tariff period, subject to the admissibility of the additional Initial Spares as deliberated in the succeeding paragraphs.

Initial Spares

61. The Petitioner has submitted that Initial Spares amounting to ₹219.89 lakh, which were disallowed by the Commission vide order dated 28.6.2023 in Petition No. 45/TT/2022 with respect to Asset-1, Asset-6, and Asset-7, have been claimed in the instant Petition.

62. In response to the Commission's query, the Petitioner vide affidavit dated 3.9.2025, has submitted that the Initial Spares claimed for Asset-2 to Asset-5 are within the specified ceiling limit. Although the Initial Spares for Asset-1, Asset-6, and Asset-7 exceed the ceiling limit individually, the entire project has been considered as a combined asset for the 2024–29 tariff period. Accordingly, in line with the APTEL judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares have been claimed at the overall project level and are within the permissible limit.

63. We have considered the Petitioner's submissions. The APTEL vide its judgment dated 14.9.2019 in Appeal No. 74 of 2017 had observed that for the purpose of prudence check, the Commission may restrict the Initial Spares to the cost of the individual asset and subsequently, at the time of truing-up allow the Initial Spares in accordance with the ceiling limit based on the overall project cost. The relevant portion of the said judgment is extracted as under:

> *"18.13. …… We do not agree with this methodology of restricting initial spares asset / element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true- up."*

64. The transmission assets were put into commercial operation during the 2019-24 tariff period. In accordance with the 2019 Tariff Regulations, the details of the cut-off date with respect to the transmission assets are as follows:

Asset Name	COD	Cut-off Date
Asset-1	1.8.2020	31.8.2023
Asset-2	22.8.2020	31.8.2023
Asset-3	1.1.2021	31.1.2024
Asset-4	14.2.2021	29.2.2024
Asset-5	17.3.2021	31.3.2024
Asset-6	11.5.2021	31.5.2024
Asset-7	23.5.2021	31.5.2024

65. Since, the Petitioner has combined all the transmission assets for the 2024-29 tariff period, the Initial Spares are re-calculated with respect to the Combined Asset based on overall project cost, in accordance with the aforementioned APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017. The details of Initial Spares allowed as follows:

(₹ in lakh)

Asset	Total Plant & Machinery Cost (cut-off) (₹ in lakh) (A)	Initial Spares claimed (₹ in lakh) (B)	Ceiling Limit (%) (C)	Allowable Initial Spares (₹ in lakh) {D= (A-B)xC / (100-C)}	Initial Spares allowed earlier (₹ in lakh) (F)	Additional Initial Spares allowed as on 1.4.2024 (₹ in lakh)
For Substation (brownfield)						
Asset-1	529.89	43.85	6	31.02	31.02	
Asset-2	1223.92	34.23	6	75.94	34.23	

Asset-3	5555.49	144.3	6	345.40	144.30	
Asset-4	2094.06	0	6	133.66	0.00	
Asset-5	1294.63	0	6	82.64	0.00	
Asset-6	3103.2	400.08	6	172.54	172.54	
Asset-7	783.468	102.22	6	43.48	43.48	
Total	**14584.66**	**724.68**	**6**	**884.68**	**425.58**	**299.10**
For Transmission line						
Asset-6	390.54	3.58	1	3.91	3.58	

66. Accordingly, the details of additional Initial Spares allowed as on 1.4.2024 with respect to the Combined Asset are as follows:

(₹ in lakh)

Trued-up Capital Cost as on 31.3.2024	Additional Initial Spares allowed as per the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017	Capital Cost allowed as on 1.4.2024
16323.90	299.10	16623.01

Additional Capital Expenditure

67. Regulations 24 and 25 of the 2014 Tariff Regulations provides as follows:

> ***"24. Additional Capitalisation 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 23of these regulations;*
> *(d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;*
> *(e) Change in law or compliance of any existing law which is not provided for in the original scope of work;*
> *(f) For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;*
>
> *Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and*
>
> *(g) Force Majeure events:*
>
> *Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.*

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

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

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

(a) Payment made against award of arbitration or for compliance with the directions or order of any statutory authority, or order or decree of any court of law;
(b) Change in law or compliance with any existing law which is not provided for in the original scope of work;
(c) Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;
(d) Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;
(e) Force Majeure events;
(f) Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and

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

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

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

68. The Petitioner has claimed the following ACE with respect to the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Assets	Particulars	Projected ACE				
		2024-25	2025-26	2026-27	2027-28	2028-29
Combined Asset		1364.36	1292.34	0.00	0.00	0.00
	Claimed under 2024 Tariff Regulation	Regulation 24 (1)(a) & 25(1)(d)	Regulation 25(1)(d)			

69. The Petitioner has submitted that the ACE projected for the 2024-29 tariff period pertains to the undischarged liabilities towards the final or withheld payments under the Sub-station package arising from the contractual exigencies with respect to the works executed prior to the cut-off date. The ACE claimed beyond the cut-off date relates to the liability / retention payments for works within the original scope of work and executed prior to the cut-off date and is covered under Regulation 24 (1)(a) and 25(1)(d) of the 2024 Tariff Regulations.

70. The Petitioner has also submitted the Liability Flow Statement with respect to the Combined Asset as follows:

(₹ in lakh)

Asset No.	Head wise /Party wise	Particulars	Outstanding Liability as on 31.3.2024	Liability discharge (2024-29)			Outstanding Liability as on 31.3.2029
				2024-25	2025-26	Total (24-29)	
Asset-1	Sterling & Wilson Ltd	Substation	**152.83**	152.83	-	**152.83**	-
Asset-6	Sterling & Wilson Ltd	Substation	**645.74**	645.74	-	**645.74**	-
Asset-6	Sterling & Wilson Ltd	TL	**618.57**	-	618.57	**618.57**	-
Asset-6	JV of M/s NHVS & KEC International Ltd	Substation	**426.08**	31.95	394.13	**426.08**	-
Asset-6	Sterling and Wilson (Spares)	Substation	**253.02**	204.43	48.59	**253.02**	-
Asset-6	Shnider Electric & Others	Substation	**63.62**	63.62	-	**63.62**	-
Asset-6	Compensation	TL	**231.05**	-	231.05	**231.05**	-
Asset-7	Sterling & Wilson Ltd	Substation	**265.79**	265.79	-	**265.79**	-

	Total		**2656.70**	**1364.36**	**1292.34**	**2656.70**	**-**

71. We have considered the Petitioner's submissions. It is observed that the Petitioner has projected the ACE towards discharge of the liabilities towards the final/retention payments for works executed prior to the cut-off date. Accordingly, in terms of Regulations 24(1)(a) and 25(1)(d) of the 2024 Tariff Regulations, the ACE projected by the Petitioner with respect to the Combined Asset is allowed subject to truing up for the 2024-29 tariff period, as follows:

(₹ in lakh)

Assets	**Particulars**	**Projected ACE**				
		2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Combined Asset		1364.36	1292.34	0.00	0.00	0.00
	Allowed under 2024 Tariff Regulation	Regulation 24 (1)(a) & 25(1)(d)	Regulation 25(1)(d)			

72. Accordingly, the details of the capital cost and ACE allowed with respect to the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Asset	**Capital Cost as on 1.4.2024**	**ACE Allowed**					**Capital Cost as on 31.3.2029**
		2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	
Combined Asset	16623.01	1364.36	1292.34	0.00	0.00	0.00	19279.71

Debt Equity Ratio

73. Regulation 18 of the 2024 Tariff Regulations provides as under:

> *"**18. Debt-Equity Ratio**: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:*
>
> *Provided that:*
>
> *i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*
> *ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:2*
> *iii.*
> *iv. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*
>
> *Explanation- The premium, if any, raised by the generating company or the transmission*

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

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

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

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

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

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

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

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

74. We have considered the Petitioner's submissions. Accordingly, the debt-equity ratio considered for the purpose of computation of tariff with respect to the Combined Asset for the 2024-29 tariff period is as follows:

Funding	Capital Cost as on 1.4.2024		ACE		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	11636.10	70	1859.69	70	13495.80	70
Equity	4986.90	30	797.01	30	5783.91	30
Total	**16623.01**	**100**	**2656.70**	**100**	**19279.71**	**100**

Depreciation

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

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

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

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, the weighted average life for the generating station or the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.
(3) The salvage value of the asset shall be considered as 10%, and depreciation shall be allowed up to the maximum of 90% of the capital cost of the asset:

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

…….
Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system, as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.
(4) …….

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

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

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

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

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

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

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

76. We have considered the Petitioner’s submissions. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter, up to 31.3.2029. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Combined Asset as per the depreciation rates specified in the 2024 Tariff Regulations. Accordingly, the depreciation allowed for the Combined Asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as follows:

(₹ in lakh)

	Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
A	Opening Gross Block	16623.01	17987.37	19279.71	19279.71	19279.71
B	Addition during the year 2024-29 due to actual ACE	1364.36	1292.34	0.00	0.00	0.00
C	Closing Gross Block (A+B)	17987.37	19279.71	19279.71	19279.71	19279.71
D	Average Gross Block (A+C)/2	17305.19	18633.54	19279.71	19279.71	19279.71
E	Freehold land included in average capital cost	0.00	0.00	0.00	0.00	0.00
F	Average Gross Block (90% depreciable assets)	15996.13	18511.90	19158.07	19158.07	19158.07
G	Average Gross Block (100% depreciable assets)	121.64	121.64	121.64	121.64	121.64
H	Depreciable value (excluding IT equipment and software) (F*90%)	14396.51	16660.71	17242.26	17242.26	17242.26
I	Depreciable value of IT equipment and software (G*100%)	121.64	121.64	121.64	121.64	121.64
J	Total Depreciable Value (H+I)	14518.15	16782.35	17363.90	17363.90	17363.90
K	Weighted average rate of Depreciation (WAROD) (in %)	5.54%	5.52%	5.50%	5.45%	5.29%

L	Lapsed useful life at the beginning of the year (Year)	3.00	4.00	5.00	6.00	7.00
M	Balance useful life at the beginning of the year (Year)	21.00	20.00	19.00	18.00	17.00
N	**Depreciation during the year (D*K)**	**959.00**	**1029.13**	**1060.40**	**1051.38**	**1020.85**
O	Cumulative depreciation at the end of period/year	3605.64	4634.78	5695.17	6746.55	7767.40
P	Remaining Aggregate Depreciable Value at the end of the year (I-P)	10912.51	12147.57	11668.73	10617.35	9596.50

Interest on Loan (IoL)

77. Regulation 32 of the 2024 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 gross normative loans for the calculation of interest on loans.*

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

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.
(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;
Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

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

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

Provided further that if the generating company or the transmission licensee, as the case may be, does not have any actual loan, then the rate of interest for a loan shall

be considered as 1-year MCLR of the State Bank of India as applicable as on April 01, of the relevant financial year.

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

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

78. The Petitioner has submitted that IoL has been considered on the basis of the rate prevailing as on 1.4.2024. Accordingly, the Weighted Average Rate of Interest (WAROI) on loans 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 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of truing-up.

79. We have considered the submissions of the Petitioner. Accordingly, the IoL allowed with respect to the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	11636.11	12591.16	13495.80	13495.80	13495.80
B	Cumulative Repayments up to Previous Year	2646.65	3605.64	4634.78	5695.17	6746.55
C	Net Loan-Opening (A-B)	8989.46	8985.52	8861.02	7800.63	6749.25
D	Addition due to ACE	955.05	904.64	0.00	0.00	0.00
E	Repayment during the year	959.00	1029.13	1060.40	1051.38	1020.85
F	Net Loan-Closing (C+D-E)	8985.52	8861.02	7800.63	6749.25	5728.40
G	Average Loan (C+F)/2	8987.49	8923.27	8330.83	7274.94	6238.83
H	Weighted Average Rate of Interest on Loan (in %)	7.641	7.708	7.757	7.732	7.703
I	**Interest on Loan (G*H)**	**686.75**	**687.84**	**646.19**	**562.48**	**480.59**

Return on Equity (RoE)

80. Regulations 30 and 31 of the 2024 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.*

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

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

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

Provided further that:

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

…….……"

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

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

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

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

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

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

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

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

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

81. The Petitioner has submitted that MAT rate applies to the Petitioner. Accordingly, the applicable MAT rate has been considered for the purpose of for RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed with respect to the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	4986.90	5396.20	5783.91	5783.91	5783.91
B	Addition due to ACE	409.31	387.70	0.00	0.00	0.00
C	Closing Equity (A+B)	5396.20	5783.91	5783.91	5783.91	5783.91
D	Average Equity (A+C)/2	5191.55	5590.05	5783.91	5783.91	5783.91
E	Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax) (%)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (Pre-tax) (D*G)**	**975.08**	**1049.92**	**1086.33**	**1086.33**	**1086.33**

Operation and Maintenance Expenses (O&M Expenses)

82. The O&M Expenses claimed by the Petitioner with respect to the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses Claimed	810.25	853.09	897.22	944.05	**994.84**

83. Regulation 36(3) of the 2024 Tariff Regulations provides as under:

*"**36. Operation and Maintenance Expenses:***

……

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

Particulars	***2024-***	***2025-***	***2026-***	***2027-***	***2028-***
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	*41.34*	*43.51*	*45.79*	*48.20*	*50.73*
400 kV	*29.53*	*31.08*	*32.71*	*34.43*	*36.23*
220 kV	*20.67*	*21.75*	*22.90*	*24.10*	*25.36*
132 kV and below	*15.78*	*16.61*	*17.48*	*18.40*	*19.35*
Norms for Transformers/Reactors (Rs Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAr (Rs Lakh per MVA or per MVAr)	*0.262*	*0.276*	*0.290*	*0.305*	*0.322*
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Single Circuit (Bundled conductor with four or more sub-conductors)	*0.738*	*0.776*	*0.817*	*0.860*	*0.905*
Single Circuit (Twin & Triple Conductor)	*0.492*	*0.518*	*0.545*	*0.573*	*0.603*
Single Circuit (Single Conductor)	*0.246*	*0.259*	*0.272*	*0.287*	*0.302*
Double Circuit (Bundled conductor with four or more sub-conductors)	*1.291*	*1.359*	*1.430*	*1.506*	*1.585*
Double Circuit (Twin & Triple Conductor)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Double Circuit (Single Conductor)	*0.369*	*0.388*	*0.409*	*0.430*	*0.453*
Multi Circuit (Bundled Conductor with four or more sub-conductor)	*2.266*	*2.385*	*2.510*	*2.642*	*2.781*
Multi Circuit (Twin & Triple Conductor)	*1.509*	*1.588*	*1.671*	*1.759*	*1.851*
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	*2.07*	*2.18*	*2.30*	*2.42*	*2.55*
Gazuwaka BTB (Rs Lakh/MW)	*1.83*	*1.92*	*2.03*	*2.13*	*2.24*
HVDC bipole scheme (Rs Lakh/MW)	*1.04*	*1.10*	*1.16*	*1.22*	*1.28*

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

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

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

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

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

84. We have considered the Petitioner's submissions. The O&M Expenses for the 2024-29 tariff period have been worked out in accordance with Regulation 36(3) of the 2024 Tariff Regulations, and the same are as follows:

(₹ in lakh)

Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Transmission Line					
Double Circuit (Twin Conductor)					
Norms (₹ lakh/ km)	0.861	0.906	0.953	1.003	1.056
line Length in KM	1.33	1.33	1.33	1.33	1.33
O&M Expenses Allowable	**1.15**	**1.20**	**1.27**	**1.33**	**1.40**
Sub Station					
400 kV Conventional Substation Bays: 1 no. of Bus reactor bay at New Mariani 1 no. of ICT bay for New Mariani 2 nos. of bays for New Mariani: Misa 1 no. of Bus Reactor Bay at Imphal 1 no. of ICT 2 bay at New Mariani 1 no. of Bus Reactor bay at New Mariani 2 nos. of line bay I and II for New Mariani: New Kohima 2 nos. of line bay I and II for Imphal: New Kohima					
Norms (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
Total No. of bays	11	11	11	11	11
O&M Expenses Allowable	**324.83**	**341.88**	**359.81**	**378.73**	**398.53**
400 kV Substation Reactors: 1 no. of 125 MVAR Capacity Bus Reactor at Mariani S/s 1 no. of 125 MVAR Capacity Bus Reactor at Imphal S/s 1 no. of 125 MVAR Capacity Bus Reactor at Mariani S/s					
Norms (₹ lakh/MVA)	0.262	0.276	0.29	0.305	0.322

MVAR Capacity	375	375	375	375	375
O&M Expenses Allowable	**98.25**	**103.5**	**108.75**	**114.375**	**120.75**
220 kV Substation bays: 1 no. of ICT bay at New Mariani 1 no. of ICT 2 bay at New Mariani 2 nos. of line bays at New Mariani					
Norms (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total no. of Bays	4	4	4	4	4
O&M Expenses	**82.68**	**87**	**91.6**	**96.4**	**101.44**
400 kV Substation ICTs: 1 no. of 500 MVA Capacity ICT1 at New Mariani 1 no. of 500 MVA Capacity ICT2 at New Mariani					
Norms (₹ lakh/MVA)	0.262	0.276	0.29	0.305	0.322
Total MVA Capacity	1000	1000	1000	1000	1000
O&M Expenses Allowable	**262.00**	**276.00**	**290.00**	**305.00**	**322.00**
400 kV GIS Substation Bays: 2 nos. of line bays for Misa: New Mariani					
Norms (₹ lakh/Bay)	20.67	21.75	22.90	24.10	25.36
Total bays	2	2	2	2	2
O&M Expenses	**41.34**	**43.5**	**45.8**	**48.2**	**50.72**
Total O&M Expenses Allowable	**810.25**	**853.08**	**897.23**	**944.04**	**994.84**

(₹ in lakh)

O&M Expenses	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses allowed for the transmission line	1.15	1.20	1.27	1.33	1.40
O&M Expenses allowed for the Sub-station	809.10	851.88	895.96	942.71	993.44
Total O&M Expenses allowed	**810.25**	**853.08**	**897.23**	**944.04**	**994.84**

Interest on Working Capital (IWC)

85. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations provide as under:

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

(d) For Hydro generating station (including Pumped Storage Hydro generating station) and Transmission System:
(i) Receivables equivalent to 45 days of annual fixed cost;
(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.
……

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

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

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

86. The Petitioner has submitted that it has computed IWC for the 2024-29 period considering the SBI Base Rate plus 325 basis points as on 1.4.2024. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC has been worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The Rate of Interest (RoI) considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for the FY 2024-25, 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9.00% plus 325 basis points) for the FY 2025-26 and 11.95% for FY 2026-27 to FY 2028-29 (SBI 1-year MCLR applicable as on 1.4.2026 of 8.70% plus 325 basis points).

87. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period with respect to the Combined Assets are as follows:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	67.52	71.09	74.77	78.67	82.90
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	121.54	127.96	134.58	141.61	149.23
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	432.12	456.20	464.88	458.03	451.77
D	**Total Working Capital (A+B+C)**	**621.18**	**655.25**	**674.23**	**678.30**	**683.90**

E	Rate of Interest for working capital (in %)	11.90	12.25	11.95	11.95	11.95
F	**Interest on Working Capital (D*E)**	**73.92**	**80.27**	**80.57**	**81.06**	**81.73**

Annual Fixed Charges for the 2024-29 Tariff Period

88. The AFC allowed with respect to the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	959.00	1029.13	1060.40	1051.38	1020.85
Interest on Loan	686.75	687.84	646.19	562.48	480.59
Return on Equity	975.08	1049.92	1086.33	1086.33	1086.33
O&M Expenses	810.25	853.10	897.22	944.04	994.85
Interest on Working Capital	73.92	80.27	80.57	81.06	81.73
Total	**3504.99**	**3700.26**	**3770.72**	**3725.29**	**3664.35**

Filing Fee and Publication Expenses

89. The Petitioner has sought reimbursement of the fee paid by it for filing the Petition and publication expenses in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

90. We have considered the Petitioner's submissions. The Petitioner is entitled to reimbursement of the fees paid for filing the Petition and publication expenses incurred on this count directly from the beneficiaries or long-term customers, as the case may be in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

> *"**99. Special Provisions relating to Central Transmission Utility of India Ltd. (CTUIL):** The fee and charges of CTUIL shall be allowed separately by the Commission through a separate regulation:*
>
> *Provided that until such regulation is issued by the Commission, the expenses of CTUIL shall be borne by Power Grid Corporation of India Ltd. (PGCIL) which shall be recovered by PGCIL as additional O&M expenses through a separate petition."*

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

License Fee and RLDC Fees and Charges

94. The Petitioner has claimed reimbursement of the license fee, RLDC Fees and Charges.

95. We have considered the Petitioner's submissions. The Petitioner is allowed the reimbursement of the license fee in accordance with Regulation 94(4) of the 2024 Tariff Regulations for the 2024-29 tariff period. The Petitioner is also allowed to recover the RLDC fee and charges from the beneficiaries in terms of Regulation 94(3) of the 2024 Tariff Regulations for the 2024-29 tariff period.

Goods and Services Tax

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

the same may be recovered from the beneficiaries.

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

Security Expenses, Insurance and Capital Spares

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

99. The Petitioner has not claimed any Security Expenses regarding the Combined Asset in the instant Petition. The Petitioner has submitted that a separate Petition will be filed for truing up of Security Expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations.

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

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

Regulations.

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

> *"36(3)*
> *(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:*
>
> *Provided that in case of self-insurance, the premium shall not exceed 0.12% of the GFA of the assets insured;*
>
> *Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization."*

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

Sharing of Transmission Charges

104. The Petitioner has submitted that the transmission charges for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers. Further, the tariff for the 2024-29 tariff period will be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations and will be shared by the beneficiaries and long-term transmission customers as per the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as the

2020 Sharing Regulations), as amended from time to time. .

105. The Petitioner further submitted that the yearly transmission charges of Asset-1 shall be borne by KMTL from the COD of the transmission asset, i.e., from 1.8.2020 up to 31.12.2020, and thereafter, the transmission charges for the 2 Nos. 400 kV line bays at Imphal Sub-station shall be recovered from the pool. Further, the transmission charges for Asset-7 from its COD, i.e., 23.5.2021 until the actual power flow through the downstream asset of AEGCL shall be borne by AEGCL. Thereafter, the same shall be recovered from the pool. The transmission charges for the 2024-29 tariff period shall be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations, and shall be shared by the beneficiaries and long-term transmission customers in terms of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from to time.

106. We have considered the Petitioner's submissions. For Asset-1, the COD approved as 1.8.2020 under Regulation 5(2) of the 2019 Tariff Regulations as downstream network of KMTL was not ready, while the associated transmission line under the control of KMTL was ready on 31.12.2020. Therefore, we are of the view that the yearly transmission charges of the Asset-1 from its COD, i.e., 1.8.2020 up to 31.12.2020 shall be borne by KMTL. Thereafter, the transmission charges of the 2 Nos. 400 kV line bays at Imphal Sub-station shall be shared in accordance with Regulation 5 to 8 of 2020 Sharing Regulations.

107. With regard to Asset-7, the COD has been approved as 23.5.2021 under Regulation 5(2) of the 2019 Tariff Regulations, as the downstream network of AEGCL was not ready. Accordingly, the transmission charges from the COD of Asset-7, i.e., 23.5.2021, until the actual power flow through the downstream asset of AEGCL shall be borne by AEGCL. Thereafter, the transmission charges shall be included in the PoC

charges.

108. With effect from 1.7.2011, the sharing of transmission charges for inter-State transmission systems was governed by the 2010 Sharing Regulations and with effect from 1.11.2020 (after repeal of the 2010 Sharing Regulations), the sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the billing, collection and disbursement of the transmission charges with respect to the transmission assets shall be recovered in accordance with the provisions of the 2020 Sharing Regulations, read with Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

109. **To summarize:**

a) The details of the trued-up AFC claimed by the Petitioner and approved in the instant order with respect to the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(₹ in lakh)

AFC	2020-21 (Pro-rata for 243 days)	2021-22	2022-23	2023-24
Claimed	100.33	160.31	168.41	173.99
Approved	99.16	158.58	167.46	173.04

Asset-2

(₹ in lakh)

AFC	2020-21 (Pro-rata for 222 days)	2021-22	2022-23	2023-24
Claimed	132.83	240.87	246.86	248.69
Approved	133.17	241.42	246.77	248.60

Asset-3

(₹ in lakh)

AFC	2020-21 (Pro-rata for 90 days)	2021-22	2022-23	2023-24
Claimed	314.77	1353.18	1376.54	1385.55
Approved	314.18	1350.07	1373.83	1383.00

Asset-4

(₹ in lakh)

AFC	2020-21 (Pro-rata for 46 days)	2021-22	2022-23	2023-24
Claimed	69.84	579.59	602.60	630.97
Approved	69.64	578.79	602.62	631.01

Asset-5

(₹ in lakh)

AFC	2020-21 (Pro-rata for 15 days)	2021-22	2022-23	2023-24
Claimed	9.59	247.64	254.67	264.33
Approved	9.62	246.66	254.66	264.33

Asset-6

(₹ in lakh)

AFC	2021-22 (Pro-rata for 325 days)	2022-23	2023-24
Claimed	563.15	657.49	678.17
Approved	519.70	606.11	627.20

Asset-7

(₹ in lakh)

AFC	2021-22 (Pro-rata for 313 days)	2022-23	2023-24
Claimed	138.88	194.74	196.57
Approved	129.76	184.87	186.90

b) The details of the AFC claimed in the instant Petition and AFC allowed with respect to the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

AFC	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	3515.36	3707.88	3782.68	3738.23	3684.60
Allowed	3504.99	3700.26	3770.72	3725.29	3664.35

110. This order disposes of the Petition No. 152/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member