CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 566/TT/2025

Coram:

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

Date of Order: 15.10.2026

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 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 for truing up of the Transmission Tariff for the 2019-24 tariff period and determination of the Transmission Tariff for the 2024-29 tariff period for the assets under "POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan" in the Eastern Region.

And in the matter of:

Power Grid Corporation of India Limited,
SAUDAMINI, Plot No-2,
Sector-29, Gurgaon-122001 (Haryana). **...Petitioner**

Versus

1. **Bihar State Power (Holding) Company Limited,**
   Vidyut Bhawan, Bailey Road,
   Patna - 800021, Bihar

2. **West Bengal State Electricity Distribution Company Limited,**
   Bidyut Bhawan, Bidhan Nagar,
   Block DJ, Sector-II, Salt Lake City,
   Kolkata - 700091, West Bengal.

3. **Grid Corporation of Orissa Limited,**
   Shahid Nagar,
   Bhubaneswar - 751007, Odisha.

4. **Damodar Valley Corporation,**
   DVC Tower, Maniktala,
   Civic Centre, VIP Road,
   Kolkata - 700054, West Bengal.

5. **Power Department, Government of Sikkim,**
   Gangtok - 737101, Sikkim.

6. **Jharkhand Bijli Vitran Nigam Limited,**
   Engineering Building, H.E.C., Dhurwa,
   Ranchi - 834004, Jharkhand.

7. **Alipurduar Transmission Limited,**
   (Subsidiary of Adani Transmission Limited),
   101, Part-III, G.I.D.C Estate, Sector-28,
   Gandhinagar - 382028, Gujarat. **...Respondent(s)**

Parties Present: Ms. Adya Jha, BSPHCL
Ms. Satya Jha, BSPHCL
Ms. Shweta Sharma, WBSETCL
Shri Diggaj Pathak, WBSETCL
Ms. Vaibhavi Pathak, WBSETCL
Shri Zafrul Hasan, PGCIL
Ms. Supriya Singh, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, a deemed transmission licensee, 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 determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as "the 2024 Tariff Regulations") for the 2024-29 tariff period in respect for the following transmission assets (hereinafter referred to as "Combined Asset/transmission assets") under "POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan" in the Eastern Region (hereinafter referred to as the 'transmission project'').

Asset 1: 02 Nos. 400 kV GIS line bays along-with 01 No.80 MVAR switchable line reactor (with 400 ohm NGR) along with associated bay at Kishanganj GIS Sub-station {associated with 400 kV D/C (Quad) Kishanganj - Dharbhanga 400 kV D/C line (line under TBCB)};

Asset 2: 01 No.1X80 MVAR Switchable Line Reactor (SLR with 400 ohm NGR) along-with associated bays at Kishanganj GIS {for Ckt-II of 400 kV D/C Kishanganj - Dharbhanga line under TBCB};

Asset 3: 02 Nos.400 kV line bays at Siliguri Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB); and

Asset 4: 02 Nos.400 kV line bays at Alipurduar Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB).

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

a) *"Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 20 & 21 above.*

b) *Condone the entire time overrun of instant assets as claimed in the petition.*

c) *Approve the initial spares claimed on project level.*

d) *Approve the Additional capitalization claimed for 2019-24 block and for 2024-29 block for the assets covered under this petition.*

e) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 20 & 21 above for respective block.*

f) *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.*

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

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 Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 27 above.*

j) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 27 above.*

k) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 27 above.*

l) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 28 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.

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

Background

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

a. The Investment Approval (IA) of the transmission project was accorded by Board of Directors (BoD) of the Petitioner in its meeting held on 10.3.2017 vide Memorandum No. C/CP/PA1617-03-0U-IA019dated.20.3.2017 at an estimated cost of ₹11952 lakh including an IDC of ₹720 lakh based on October, 2016 price level.

b. The scope of work covered under the transmission project is as follows:

A. Sub-station extension at Alipurduar:

- 02 Nos.400 kV line bays at Alipurduar Sub-station for termination of Alipurduar-Siliguri 400 kV D/C (Quad) line (line under TBCB)

B. Sub-station extension at Siliguri:

- 02 Nos.400 kV line bays at Siliguri Sub-station for termination of Alipurduar-Siliguri 400 kV D/C (Quad) line (line under TBCB)

C. Sub-station extension at Kishanganj:

- 02 Nos.400 kV GIS line bays at Kishanganj Sub-station for termination of Kishanganj-Darbhanga 400 kV D/C (Quad) line (line under TBCB)
- 02 Nos.Switchable line reactor bay for 80 MVAR switchable line reactor (with 400 ohm NGR) on each circuit of Kishanganj-Darbhanga 400 kV D/C (Quad) line at Kishanganj end.

Note: 02 Nos.400 kV line bays at Darbhanga for termination of Kishanganj-Darbhanga 400 kV (Quad) line and 80 MVAR switchable line reactors (with 400 Ohm NGR) in each circuit of Darbhanga end of Kishanganj-Darbhanga 400 kV D/C (Quad) line is being implemented through TBCB.

c. The details of the transmission assets covered in various tariff Petitions are as under:

Asset No	Asset Name	COD	Remarks
Asset-1	02 Nos.400 kV GIS line bays along-with 01 numbers 80 MVAR switchable line reactor (with 400 ohm NGR) alongwith associated bay at Kishanganj GIS Sub-station {associated with 400 kV D/C (Quad) Kishanganj - Dharbhanga 400 kV D/C line (line under TBCB)}.	14.3.2019	Covered under order dated 5.5.2022 in Petition No. 677/TT/2020
Asset-2	01 No.1X80 MVAR Switchable Line Reactor (SLR with 400 ohm NGR) along-with associated bays at Kishanganj GIS {for Ckt-II of 400 kV D/C Kishanganj - Dharbhanga line under TBCB}.	22.6.2019	Covered under order dated 29.8.2023 in Petition No. 113/TT/2021
Asset-3	02 Nos.400 kV line bays at Siliguri Sub-station (for 400 kV D/C Alipurduar - Siligur line under TBCB).	1.8.2019*	
Asset-4	02 Nos.400 kV line bays at Alipurduar Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB).	1.8.2019*	

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

d. The complete transmission project as per the IA is completed and covered in the instant Petition.

e. The Commission, vide order dated 5.5.2022 in Petition No. 677/TT/2022, had trued-up the transmission tariff for Asset-1 from the COD to 31.3.2019 and determined the transmission tariff for the 2019-24 tariff period. The Commission, while truing-up the tariff for the 2014-19 period, disallowed the time over-run of 9 days in commissioning of Asset-1, and directed that the final decision on time over-run will be taken at the time of truing-up of the tariff for the 2019-24 tariff period, considering the decision in Petition No. 470/MP/2019 after its disposal, which was filed by the Alipurduar

Transmission Limited (ATL) with one of the prayers as an extension of SCOD of its transmission project as it was affected by the force majeure events.

f. The Commission, vide order dated 23.6.2023 followed by the corrigendum dated 5.7.2023 in Petition No. 470/MP/2019 approved the COD of the TBCB line associated with Asset-1 as 14.3.2019 (instead of claim of ATL of deemed COD as 6.3.2019), and accordingly, condoned the time over-run of 9 days from 6.3.2019 to 14.3.2019 with regards to Asset-1.

g. Further, the Commission vide order dated 29.8.2023 in Petition No.113/TT/2021 granted the transmission tariff in respect of Asset-2, Asset-3, and Asset-4 from their respective CODs to 31.3.2024.

h. The Petitioner has filed the present Petition for truing-up of the transmission tariff for the 2019-24 tariff period for the respective transmission assets and the determination of transmission tariff for the 2024-29 tariff period for the Combined Asset (after combing the transmission assets) in the Eastern Region as under:

Asset No.	Asset Name	COD	Remarks
Asset-1	02 Nos. 400 kV GIS line bays along-with 01 No.80 MVAR switchable line reactor (with 400 ohm NGR) alongwith associated bay at Kishanganj GIS Sub-station {associated with 400 kV D/C (Quad) Kishanganj - Dharbhanga 400 kV D/C line (line under TBCB)}.	14.3.2019	All assets merged during the 2024-29 tariff period with the Effective COD (E-COD): 14.5.2019
Asset-2	01 No.1X80 MVAR Switchable Line Reactor (SLR with 400 ohm NGR) along-with associated bays at Kishanganj GIS {for Ckt-II of 400 kV D/C Kishanganj - Dharbhanga line under TBCB}.	22.6.2019	
Asset-3	02 Nos.400 kV line bays at Siliguri Sub-station (for 400 kV D/C Alipurduar - Siligur line under TBCB).	1.8.2019	
Asset-4	02 Nos.400 kV line bays at Alipurduar Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB).	1.8.2019	

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

5. The Petitioner has served the Petition on the Respondents and notice regarding filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. Bihar State Power (Holding) Company Limited (BSPHCL), Respondent No. 1, vide affidavit dated 7.11.2025 has filed its reply in the instant Petition. The Petitioner has not filed its rejoinder to the reply of BSPHCL.

6. The hearing in this matter was held on 6.11.2025 and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 17.10.2024 and subsequent affidavits dated 10.9.2025 and 11.11.2025 and BSPHCL's reply vide affidavit dated 7.11.2025.

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

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

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

Asset-1:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	195.66	227.64	233.44	230.59	230.33
Interest on Loan	184.28	174.68	158.72	150.15	145.50
Return on Equity	195.06	226.96	232.35	229.30	229.03
Interest on Working Capital	11.59	11.70	10.93	10.84	12.42

O&M Expenses	67.53	69.90	72.36	74.88	77.52
Total	**654.12**	**710.88**	**707.80**	**695.76**	**694.80**

Asset-2:

(₹ in lakh)

Particulars	2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	40.39	55.68	55.00	52.99	52.50
Interest on Loan	40.38	47.36	41.89	38.16	36.38
Return on Equity	43.10	59.41	58.69	56.55	56.02
Interest on Working Capital	2.62	3.23	2.96	2.88	3.29
O&M Expenses	17.46	23.30	24.12	24.96	25.84
Total	**143.95**	**188.98**	**182.66**	**175.54**	**174.03**

Asset-3:

(₹ in lakh)

Particulars	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	32.92	56.14	59.12	59.14	59.14
Interest on Loan	32.20	46.51	44.04	42.86	41.89
Return on Equity	34.17	58.47	61.65	61.67	61.67
Interest on Working Capital	3.36	4.97	4.78	4.85	5.64
O&M Expenses	42.87	66.56	68.90	71.32	73.82
Total	**145.52**	**232.65**	**238.49**	**239.84**	**242.16**

Asset-4:

(₹ in lakh)

Particulars	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	55.85	83.88	83.88	83.88	83.88
Interest on Loan	56.17	69.99	61.81	61.11	60.34
Return on Equity	59.01	88.63	88.63	88.63	88.63
Interest on Working Capital	4.44	6.12	5.69	5.77	6.69
O&M Expenses	42.87	66.56	68.90	71.32	73.82
Total	**218.34**	**315.18**	**308.91**	**310.71**	**313.36**

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

Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	5.63	5.83	6.03	6.24	6.46
Maintenance Spares	10.13	10.49	10.85	11.23	11.63
Receivables	80.42	87.64	87.26	85.78	85.43
Total Working Capital	**96.18**	**103.96**	**104.14**	**103.25**	**103.52**
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Interest on Working Capital	**11.59**	**11.70**	**10.93**	**10.84**	**12.42**

Asset-2

(₹ in lakh)

Particulars	2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	1.88	1.94	2.01	2.08	2.15
Maintenance Spares	3.38	3.50	3.62	3.74	3.88
Receivables	22.81	23.30	22.52	21.64	21.40
Total Working Capital	**28.07**	**28.74**	**28.15**	**27.46**	**27.43**
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	**2.62**	**3.23**	**2.96**	**2.88**	**3.29**

Asset-3

(₹ in lakh)

Particulars	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	5.36	5.55	5.74	5.94	6.15
Maintenance Spares	9.65	9.98	10.34	10.70	11.07
Receivables	26.83	28.68	29.40	29.57	29.77
Total Working Capital	**41.84**	**44.21**	**45.48**	**46.21**	**46.99**
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	**3.36**	**4.97**	**4.77**	**4.85**	**5.64**

Asset-4

(₹ in lakh)

Particulars	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	5.36	5.55	5.74	5.94	6.15
Maintenance Spares	9.65	9.98	10.34	10.70	11.07
Receivables	40.27	38.86	38.08	38.31	38.53
Total Working Capital	**55.28**	**54.39**	**54.16**	**54.95**	**55.75**
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	**4.44**	**6.12**	**5.69**	**5.77**	**6.69**

Capital Cost for the 2019-24 Tariff Period

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

12. For Asset-1, the Commission vide order dated 5.5.2022 in Petition No. 677/TT/2020, trued-up the transmission tariff for the 2014-19 tariff period and granted the transmission tariff for the 2019-24 tariff period.

13. For Asset-2, Asset-3 and Asset-4, the Commission, vide order dated 29.8.2023 in Petition No. 113/TT/2021 approved the transmission tariff from the CODs of the respective transmission assets to 31.3.2024.

14. The details of the capital cost and ACE allowed by the Commission in the aforesaid orders for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset-1								
Asset	**Apportioned Approved Cost as per FR**	**Capital Cost admitted as on 01.4.2019**	**ACE allowed during 2019-24**					**Capital Cost allowed as on 31.3.2024**
			19-20	**20-21**	**21-22**	**22-23**	**23-24**	
Asset-1	7456.76	3038.16*	830.48	461.79	64.88	0.00	0.00	4395.32

**: deduction/excludes:*
i. IDC deduction due to time over-run not condoned amounting to ₹ 2.05 lakh
ii. IEDC deduction due to time over-run not condoned amounting to ₹0.52 lakh
iii. IDC discharged after the COD in FY 2019-20 amounting to ₹0.91 lakh

(₹ in lakh)

Asset-2, Asset-3 & Asset-4								
Asset	**Apportioned Approved Cost as per FR**	**Capital Cost admitted as on 1.4.2019**	**ACE allowed during 2019-24**					**Capital Cost allowed as on 31.3.2024**
			19-20	**20-21**	**21-22**	**22-23**	**23-24**	
Asset -2	1239.11	933.26*	99.25	41.01	41.01	10.25	0.00	1124.78
Asset -3	1425.76	800.04**	193.18	100.00	0.00	0.00	0.00	1093.22
Asset -4	1821.37	1539.36***	1.07	0.00	64.34	0.00	0.00	1604.77

****Asset-2:***
i. IDC and IEDC deducted due to time over-run not condoned (amounting to ₹1.91 lakh and 16.26 lakh respectively)
**Asset-3:*
i. IDC and IEDC deducted due to time over-run not condoned (amounting to ₹36.23 lakh and 0.01 lakh respectively) and excess Initial Spares (under Sub-station head) deducted amounting to ₹10.91 lakh
****** Asset-4:***
i. IDC and IEDC deducted due to time over-run not condoned (amounting to ₹31.96 lakh and 0.65 lakh respectively) and undischarged liability due to IDC as on the COD is ₹1.07 lakh

15. The Petitioner in the instant Petition has claimed the following capital cost in respect of the transmission assets based on the Auditor Certificates for the 2019-24 tariff period:

(₹ in lakh)

Asset-1								
Asset No.	**Apportioned Approved Cost as per FR**	**Capital cost as on 31.3.2019**	**ACE claimed for 2019-24**					**Capital Cost as on 31.3.2024**
			19-20	**20-21**	**21-22**	**22-23**	**23-24**	
Asset -1	7456.76	3041.64	841.26	289.96 ^	-98.40 ^	-9.85^	0	4064.61
Remarks: ***^:** Adjustment in cost certificate after LD recovered from contractor(s) {amounting to ₹1.62 lakh, ₹104.71 lakh & ₹9.85 lakh in FY 2020-21, FY 2021-22 & FY 2022-23 respectively}*								

(₹ in lakh)

Asset-2, Asset-3 & Asset-4								
Asset No.	**Apportioned Approved Cost as per FR**	**Capital Cost as on COD**	**ACE claimed during 2019-24**					**Capital Cost as on 31.3.2024**
			19-20	**20-21**	**21-22**	**22-23**	**23-24**	
2^	1239.11	951.43	105.22	31.95	-75.72^	-18.60^	0	994.28
3	1425.76	847.18	146.08	113.71	0.45	0	0	1107.42
4	1821.37	1573.04	0	0	0	0	0	1573.04
Remarks: ***^: Asset-2:*** *(i) Adjustment in Cost Certificate after Liquidated Damage (LD) recovered from the contractor(s) up to the extent of IDC & IEDC deducted {IDC & IEDC due to time ove-rrun deducted amounting to ₹18.17 lakh, whereas, LD recovered amounting to ₹102.32 lakh & ₹18.60 lakh in FY 2021-22 & FY 2022-23 respectively}*								

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Cost Over-run

16. BSPHCL, vide affidavit dated 7.11.2025 has submitted that the Petitioner has provided generic explanation for cost escalation. Further, the delay in execution, leading to time overrun is attributable to the Petitioner, and cannot be condoned for the reasons provided by the Petitioner. Consequently, any cost escalation on this account also cannot be passed on to the beneficiaries and must be borne by the Petitioner.

17. We have considered the submissions of BSPHCL. The Commission, vide order dated 5.5.2022 in Petition No. 677/TT/2020 and order dated 29.8.2023 in Petition No. 113/TT/2021, has already allowed the capital cost of the instant transmission assets. In

the present true-up Petition, the capital cost claimed by the Petitioner is within the FR approved cost. Accordingly, there is no cost over-run in the instant case.

Time Over-run

18. As per the IA, the transmission assets were scheduled to be put under commercial operation within 24 months from the date of IA which is 10.3.2017 matching with the completion schedule of associated TBCB line. Accordingly, the Scheduled Date of Commercial Operation (SCOD) of the transmission assets is 5.3.2019, against which the transmission assets have been put under commercial operation as under:

Assets	SCOD	COD	Time over-run
Asset-1	5.3.2019	14.3.2019	9 days
Asset-2		22.6.2019	109 days
Asset-3		1.8.2019	149 days
Asset-4		1.8.2019	149 days

19. The details of the time over-run condoned/not condoned by the Commission vide order dated 5.5.2022 in Petition No. 677/TT/2020 in case of Asset-1 and order dated 29.8.2023 in Petition No. 113/TT/2021 in case of Asset-2 to Asset-4 has are as under:

Assets	SCOD	COD	Total Time over-run	Time over-run condoned	Time over-run not condoned
Asset-1	5.3.2019	14.3.2019	9 days	-	9 days
Asset-2		22.6.2019	109 days	-	109 days
Asset-3		1.8.2019	149 days	-	149 days
Asset-4		1.8.2019	149 days	-	149 days

20. In regard to the time over-run in commissioning of Asset-1, the Commission vide order dated 5.5.2022 in Petition No. 677/TT/2020 issued the following directions:

> *"35. ATL has filed Petition No.470/MP/2019, wherein one of the prayers made by ATL was for extension of SCOD of its transmission project as it was affected by force majeure events and it is pending adjudication before the Commission. The issues with respect to DTPC and PLCC at Kishanganj Sub-station will be dealt with in Petition No.470/MP/2019.*
> *36. ……*
> *We observe that the Petitioner applied for CEA energization of the transmission asset on 1.3.2019 and the SCOD was 5.3.2019. However, CEA energization certificate was issued on 8.3.2019. The DTPC and PLCC works were completed by ATL on 11.3.2019 and thereafter transmission asset was put under commercial operation on 14.3.2019 with a time*

over-run of 9 days. It is observed that there was a time over-run of 3 days from SCOD till the issue of energization certificate on 8.3.2019. The line could not be energized as DTPC and PLCC works were completed only on 11.3.2019 and 2 days were taken for charging of the bays. As we have observed in paragraph 35 above extension of SCOD and COD of the transmission line of ATL will be decided in the Petition No.470/MP/2019. Therefore, we are not inclined to take any decision on the time over-run of the transmission assets of the Petitioner at this stage in the present petition. The same will be decided at the time of truing up of the tariff of the 2019-24 tariff period, considering the decisions in Petition No.470/MP/2019 after its disposal.
……."

21. The Commission, vide order dated 23.6.2023 in Petition No. 470/MP/2019 issued the following directions:

"97. ……
We find that the declaration of deemed COD by the Petitioner for Element-2 without completing its scope of works on 6.3.2019 is not valid. The delay in completion of the asset was on account of the DTPC and PLCC at Kishanganj sub-station. Hence, we approve the COD of the Element-2 as 14.3.2019. As the delay in completion of the asset has been found to be on account of the DTPC and PLCC at Kishanganj sub-station i.e. from 6.3.2019 to 10.3.2019 cannot be considered as a Force Majeure event as claimed by the Petitioner (ApTL). After implementation of connection facilities minimum time of 72 hours was required to declare the COD of the assets in terms of the Article 6.2.1 of the TSA. Accordingly, the time taken from 11.3.2019 to 14.3.2019 was beyond the control of the petitioner (ApTL)."

22. Further, the Commission vide corrigendum dated 5.7.2023 to the order dated 23.6.2023 in Petition No. 470/MP/2019 directed as under:

"2. The last two sentences of paragraph 97 of the order stands modified, as under:

"Accordingly, the time taken from 11.3.2019 to 13.3.2019 was attributable to the Petitioner in terms of the TSA. In view of the above, the LTTCs are entitled for liquidated damages for the delay of 8 days for achieving the COD of the Element 2."

23. In regard to the time over-run in commissioning of Asset-3 & Asset-4, the Commission vide order dated 29.8.2023 in Petition No. 113/TT/2021 issued the following directions:

"39. ……the Petitioner completed M/C portion and provided front for termination of TBCB line. As time over-run of the instant 400 kV bays is concerned, the implementation of M/C circuit portion and consequent RoW issues in implementation of this is impacted the commissioning of the Asset-II and Asset-III. The Petitioner has filed separate tariff petition No. 45/TT/2023 wherein claiming tariff for 5 km M/C line along with Jigmeling-Alipurduar D/C, so the time over-run with respect to M/C alongwith D/C line will be dealt in that petition. Based on the outcome of the decision of the Commission in Petition

No.45/TT/2023, the time overrun in case of Asset-II and Asset- III will be reviewed at the time of truing-up. Pending the decision of the Commission in Petition No.45/TT/2023 regarding time-over run with respect to M/C portion, time-over run . with respect to Asset-1 and Asset-2 in the instant petition is considered not condoned."

24. Subsequently, the Commission vide order dated 19.7.2025 in Petition No. 45/TT/2023 has condoned the time over-run of 700 days including 590 days (9.1.2018 to 22.8.2019) due to delay in Forest/Wildlife Clearance in Assam area, and 110 days (4.3.2021 to 22.6.2021) due to COVID-19 restrictions imposed by the Bhutan Government in commissioning of the transmission asset: 400 kV D/C (quad) Alipuduar-Jigmeling Transmission line (Indian Portion) and 02 Nos. of 400 kV line bays at Alipurduar Sub-station.

25. The Petitioner in the instant Petition has prayed the Commission to condone the entire time over-run of 9 days for Asset-1. Further, with respect to the time over-run in commissioning of Asset-3 & Asset-4, the Petitioner has submitted that at the time of filing of the instant truing-up Petition, the order in Petition No. 45/TT/2023 was yet to be passed. Accordingly, in absence of the final order in Petition No. 45/TT/2023, the Petitioner has submitted that the IDC & IEDC deducted (provisionally due to time over-run not condoned vide order dated 29.8.2023 in 113/TT/2021) has been reclaimed in the instant truing-up Petition up to the date of order in Petition No. 45/TT/2023.

26. The Commission, vide Technical Validation (TV) letter dated 25.8.2025 directed the Petitioner to provide the detailed reasons for the time over-run and correspondence exchanged, if any, and chronology of the time over-run along with the documents in the prescribed format.

27. The Petitioner, vide affidavit dated 10.9.2025, has submitted the following:

The Transmission Scheme comprises of the following assets:

Sl. No.	Name	COD	SCOD	Delay (days)	Remarks
1*	02 Nos. 400 kV GIS line bays along-with 01 No. 80 MVAR switchable line reactor (with 400 ohm NGR) alongwith associated bay at Kishanganj GIS Sub-station {associated with 400 kV D/C (Quad) Kishanganj - Dharbhanga 400 kV D/C line (line under TBCB*)}.	5.3.2019 (& matching with respective TBCB lines)	14.3.2019	9	Not condoned (provisionally) In Petition No. 677/TT/2020. Now, being re-claimed under instant Petition in terms of the Commission's direction in Petition No. 470/MP/2019.
2*	01 Nos. 1X80 MVAR Switchable Line Reactor (SLR with 400 ohm NGR) along-with associated bays at Kishanganj GIS {for Ckt-II of 400 kV D/C Kishanganj - Dharbhanga line under TBCB}.		22.6.2019	109	Not condoned (113/TT/2021)
3**	02 Nos. 400 kV line bays at Siliguri Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB).		1.8.2019	149	Not condoned (provisionally) (113/TT/2021). Now, being re-claimed under instant Petition in terms of the Commission's direction in Petition No. 45/TT/2023.
4**	02 Nos. 400 kV line bays at Alipurduar Sub-station (for 400 kV D/C Alipurduar - Siliguri line under TBCB).		1.8.2019	149	

Remarks:

- *<u>*Assets-1 & 2:</u> associated with TBCB line (400 kV D/C Kishanganj - Dharbhanga) of M/s ApTL: Alipurduar Transmission Ltd (ADANI) which commissioned w.e.f. 14.3.2019 (deemed COD was 6.3.2019).*
- *<u>**Assets-3 & 4:</u> associated with TBCB line (400 kV D/C Alipurduar – Siliguri) of M/s ApTL: Alipurduar Transmission Ltd (ADANI) which commissioned w.e.f. 20.1.2020.*

<u>Asset-1:</u>

(a) With regards to Asset-1, the Petitioner has submitted that there is a delay of 9 days in the COD of Asset-1 w.r.t to the SCOD of 5.3.2019. The Petitioner had submitted the reasons for the time over-run for the same in Petition No. 677/TT/2020 and had mentioned that the delay of 9 days shall be decided upon the decision in Petition No. 470/MP/2019 after its disposal. In this regard, the Petitioner has submitted that the order in Petition No. 470/MP/2019 had been issued by the Commission on 23.6.2023 followed by a corrigendum dated 5.7.2023 which was linked with the delay

of Asset-1. The Petitioner has further submitted the following justification for the delay of 9 days in commissioning of Asset-1 in Petition No. 677/TT/2020:

(i) The Petitioner has completed its scope of works, i.e., line bays and reactors at Kishanganj end prior to 5.3.2019, i.e., as per the completion schedule of the IA. The Petitioner has prayed to condone the marginal time over-run of 9 days as additional time of 9 days was taken to comply with charging clearances/ approvals/ requirements/ compliances.

(ii) The CEA clearance was received on 8.3.2019 and the COD of the transmission asset was declared on 14.3.2019. Various documents and e-mails annexed with the Petition clearly establish that the time over-run was on account of TBCB licensee.

(iii) The CTUIL vide letter dated 19.2.2019 informed TBCB licensee about the connection details of the transmission system under the scope of works to be executed by TBCB licensee. Part of the correspondence at Annexure-III(b) under table 2(b) requires that 400 kV Kishanganj- Darbhanga D/C line for FODP (1 set) and approach cable (depends on site survey) will be provided by the TBCB licensee at both ends. The e-mail exchanged between the parties on 8.3.2019 shows that TBCB licensee had not completed DTPC cabling in Kishanganj Sub-station.

(iv) Further, the e-mail sent on 11.3.2019 by the TBCB licensee shows that the end-to-end testing of DTPC was done and that PLCC and DTPC were ready. This email, thus, shows that TBCB licensee was not ready on 5.3.2019 and that the work under its scope was completed only on 11.3.2019 and, thereafter, the asset was put under commercial operation on 14.3.2019.

Asset-2:

(a) With respect of Asset-2, the Petitioner has submitted that the time over-run is mainly on account of the unsatisfactory mobilization by the contractor(s).

Assets-3 & 4:

(a) With respect to Assets-3 & 4, the Petitioner has submitted that the same delay reasons for the Assets-3 & 4 as detailed in Petition No. 113/TT/2021. The Petitioner has further submitted that the Commission, vide order dated 29.8.2023 in 113/TT/2021 had provisionally not condoned the time over-run of 149 days (each) citing the following observations:

"39. ……
the Petitioner completed M/C portion and provided front for termination of TBCB line. As time over-run of the instant 400 kV bays is concerned, the implementation of M/C circuit portion and consequent RoW issues in implementation of this is impacted the commissioning of the Asset-II and Asset-III. The Petitioner has filed separate tariff petition No. 45/TT/2023 wherein claiming tariff for 5 km M/C line along with Jigmeling-Alipurduar D/C, so the time over-run with respect to M/C alongwith D/C line will be dealt in that petition. Based on the outcome of the decision of the Commission in Petition No.45/TT/2023, the time overrun in case of Asset-II and Asset- III will be reviewed at the time of truing-up. Pending the decision of the Commission in Petition No.45/TT/2023 regarding time-over run with respect to M/C portion, time-over run ……..in the instant petition is considered not condoned."

(b) With respect to the above, the Petitioner has submitted that at the time of filing of the instant truing-up Petition, the order in Petition No. 45/TT/2023 was yet to be passed. However, the order in Petition No. 45/TT/2023 was passed by the Commission vide order dated 19.7.2025 with the following observations:

(i) The delay in the transmission line 400 kV D/C Alipurtduar – Jigmeling, interlinked with Assets 3 & 4 for assessment of condonation of time over-run, has been partially condoned by the Commission, whereby, the delay condoned is 700 days out of total delay of 1262 days.

(ii) Specifically, the Commission condoned 700 days of time over-run, broken down as follows:

- 590 days (9.1.2018 to 22.8.2019): Condoned due to delay in Forest/Wildlife Clearance, which inherently subsumed associated Right of Way (RoW) issues during this period.
- 110 days (4.3.2021 to 22.6.2021): Condoned due to COVID-19 restrictions imposed by Bhutan, beyond the Petitioner's control.

(c) Since the delay in the M/C line up to 22.8.2019 has been formally condoned by the Commission in order in Petition No. 45/TT/2023, and since the 149-days delay each for Assets-3 & 4 (6.3.2019 to 1.8.2019) is fully encompassed within this condoned period, the delay in commissioning Assets 3 & 4 is derivative and consequential to the condoned delay in the transmission line.

28. In regard to the time over-run for Asset-1, BSPHCL has submitted that it is evident that ATL had not given cogent and sufficient reasons for condonation of delay, and consequently, the delay was not condoned by the Commission vide order dated 23.6.2023 in Petition No. 470/MP/2019. In such circumstances, the said delay in relation to Asset-1 cannot be passed on to the beneficiaries. Further, regarding time over-run of Asset-2, BPSHCL has submitted that the Commission vide order dated 29.8.2023 in Petition No. 113/TT/2021 has already concluded that the delay in commissioning Asset-2 is not justified. Therefore, the delay in commissioning of Asset-2 should not be condoned. Regarding the time over-run for Assets-3 & 4, BSPHCL has submitted that while the Petitioner has claimed dependency on the 400 kV Alipurduar–Jigmeling transmission line (specifically the M/C portion), the entire transmission line was commissioned only on 24.6.2021 (no separate COD for the M/C portion), whereas Asset-3 and Asset-4 were commissioned nearly two years earlier, on 1.8.2019. Furthermore, the condonation of time over-run in respect of 400 kV Alipurduar–Jigmeling transmission line till 22.8.2019 cannot be automatically extended to Asset-3

and Asset-4, especially when these assets were commissioned on 1.8.2019 even before the end of the condoned period. In view of the above, the Petitioner has not satisfactorily justified the delay in commissioning of Asset-3 and Asset-4. Accordingly, the delay in commissioning of Assets-3 & 4 should not be condoned.

Analysis and Decision

Asset-1:

29. We have considered the submissions of the Petitioner and BSPHCL and gone through the record. In respect of Asset-1, it is noted that the Commission vide order dated 5.5.2022 in Petition No. 677/TT/2020 observed that the time over-run in commissioning of Asset-1 will be decided at the time of truing-up of the tariff of the 2019-24 tariff period, considering the decisions in Petition No. 470/MP/2019 after its disposal. Further, the Commission, vide order dated 23.6.2023 in Petition No. 470/MP/2019 & followed by the corrigendum dated 5.7.2023 to the said order, passed the following directions:

> *"97. ……We find that the declaration of deemed COD by the Petitioner for Element-2 without completing its scope of works on 6.3.2019 is not valid. The delay in completion of the asset was on account of the DTPC and PLCC at Kishanganj sub-station. Hence, we approve the COD of the Element-2 as 14.3.2019. As the delay in completion of the asset has been found to be on account of the DTPC and PLCC at Kishanganj sub-station i.e. from 6.3.2019 to 10.3.2019 cannot be considered as a Force Majeure event as claimed by the Petitioner (ApTL). After implementation of connection facilities minimum time of 72 hours was required to declare the COD of the assets in terms of the Article 6.2.1 of the TSA. Accordingly, the time taken from 11.3.2019 to 14.3.2019 was beyond the control of the petitioner (ApTL)."*

30. The relevant excerpt of corrigendum dated 5.7.2023 to the order dated 23.6.2023 in Petition No. 470/MP/2019 is extracted as under:

> *"2. The last two sentences of paragraph 97 of the order stands modified, as under:*
>
> *"Accordingly, the time taken from 11.3.2019 to 13.3.2019 was attributable to the Petitioner in terms of the TSA. In view of the above, the LTTCs are entitled for liquidated damages for the delay of 8 days for achieving the COD of the Element 2."*

31. Accordingly, we are of the view that the COD of the TBCB line is approved as 14.3.2019 and the Petitioner also claimed the COD of the Asset-1 as 14.3.2019. Based on the Petitioner's submissions, the minor delay of 9 days is not condonable due to the fact that the bilateral issue between the Petitioner and APTL on account of implantation of DTPC and PLCC at Kishanganj Sub-station is not condonable. Accordingly, we are not inclined to condone the time over-run of 9 days, hence, the same is not condoned.

Asset-2:

32. With regard to the time over-run in commissioning of Asset-2, the Petitioner has submitted that the delay of 109 days was mainly on account of the unsatisfactory mobilization by the contractor(s).

33. It has been noted that the Commission vide order dated 29.8.2023 in Petition No. 113/TT/2021 had disallowed the time over-run in commissioning of Asset-2 as per Regulation 22(1)(b) of the 2019 Tariff Regulations stating that the reasons for time over-run in case of Asset-2 falls under the category of "contractual issues" and therefore, controllable. Accordingly, we are not inclined to condone the time over-run in case of Asset-2.

Asset-3 and Asset-4:

34. In regard to Assets-3 & 4, the Commission, vide order dated 29.8.2023 in Petition No. 113/TT/2021 passed the following directions:

> *"39. ……the Petitioner completed M/C portion and provided front for termination of TBCB line. As time over-run of the instant 400 kV bays is concerned, the implementation of M/C circuit portion and consequent RoW issues in implementation of this is impacted the commissioning of the Asset-II and Asset-III. The Petitioner has filed separate tariff petition No. 45/TT/2023 wherein claiming tariff for 5 km M/C line along with Jigmeling-Alipurduar D/C, so the time over-run with respect to M/C alongwith D/C line will be dealt in that petition. Based on the outcome of the decision of the Commission in Petition No.45/TT/2023, the time overrun in case of Asset-II and Asset- III will be reviewed at the time of truing-up. Pending the decision of the Commission in Petition No.45/TT/2023 regarding time-over run with respect to M/C portion, time-over run .in the instant petition is not condoned."*

35. Further, the Commission, vide order dated 19.7.2025 in Petition No. 45/TT/2023 has condoned the time over-run of 700 days including 590 days (9.1.2018 to 22.8.2019) due to delay in Forest/Wildlife Clearance in Assam area, and 110 days (4.3.2021 to 22.6.2021) due to COVID-19 restrictions imposed by the Bhutan Government in commissioning of the transmission asset: 400 kV D/C (quad) Alipuduar-Jigmeling transmission line (Indian Portion) and 02 Nos. of 400 kV line bays at Alipurduar Sub-station.

36. We have considered the Petitioner's submissions. The Commission, vide order dated 29.8.2023 in Petition No. 113/TT/2021 had granted liberty to the Petitioner to claim tariff for the 5 km Multi-Circuit (M/C) line through a separate tariff Petition, i.e., Petition No. 45/TT/2023, wherein the tariff for the Jigmeling–Alipurduar 400 kV D/C transmission line along with the 5 km M/C portion was proposed to be claimed. The Commission had further observed that the issue of time over-run relating to the M/C portion would be dealt with in the said Petition and, based on the outcome thereof, the time over-run in respect of Asset-II and Asset-III would be reviewed at the time of truing-up.

37. It has been, however, observed that in Petition No. 45/TT/2023, which was disposed of vide order dated 19.7.2025, the Petitioner sought tariff for the Jigmeling–Alipurduar 400 kV D/C (Quad) transmission line (Indian Side) – ER-II portion, comprising both the D/C line and the 5 km M/C portion, and claimed a common COD of 24.6.2021. Thus, the Petitioner did not seek tariff for the M/C portion as a distinct transmission asset, nor did it furnish a separate analysis of the time over-run attributable exclusively to the M/C portion. Consequently, the time over-run examined in Petition No. 45/TT/2023 pertains to the combined D/C and M/C transmission system and does not isolate the impact of the 5 km M/C line.

38. In view of the above deviation from the approach contemplated in the order dated 29.8.2023 in Petition No. 113/TT/2021, it is necessary to independently examine the impact of the M/C portion on the time over-run in the present transmission tariff Petition. Accordingly, the issue of time over-run attributable to the M/C portion, insofar as it affects Asset-3 and Asset-4, is analysed separately in the succeeding paragraphs.

39. Asset-3 and Asset-4 comprises two Nos. of 400 kV line bays each at Siliguri and Alipurduar Sub-stations for termination of the 400 kV Alipurduar–Siliguri transmission line. The principal issue for our consideration is whether the delay in commissioning of the M/C portion of about 5 km has any bearing on the commissioning of Asset-3 and Asset-4. Before examining this issue, it is necessary to consider the scope of work covered under Petition No. 45/TT/2023.

40. The scope of the transmission project, as approved under Petition No. 45/TT/2023, broadly comprises the following:

Transmission Lines:

1. Jigmeling–Alipurduar 400 kV D/C (Quad) Line (Indian Side) – NER Portion;
2. Jigmeling–Alipurduar 400 kV D/C (Quad) Line (Indian Side) – ER-II Portion (including D/C and M/C portions).

Sub-station:

1. Extension of the 400 kV Alipurduar Sub-station, including two numbers of 400 kV line bays for termination of the Jigmeling–Alipurduar 400 kV D/C (Quad) line.

41. The Investment Approval (the IA) for the above transmission project was accorded by the BoD of the Petitioner's Company in its 326th Meeting held on 9.3.2016 and communicated vide Memorandum Ref. C/CP/Mangdechhu HEP in Bhutan dated 15.3.2016, at an estimated cost of ₹80863 lakh, including IDC of ₹4685 lakh, based on the October 2015 price level. The project was scheduled to be commissioned within 22

months from the date of the IA, and accordingly, the SCOD was 9.1.2018**.** However, the transmission line covered under the said Petition was ultimately commissioned on 24.6.2021.

42. The instant Petition, however, pertains to a different transmission project comprising two numbers of 400 kV line bays at Alipurduar Sub-station and two numbers of 400 kV line bays at Siliguri Sub-station for termination of the Alipurduar–Siliguri 400 kV D/C (Quad) transmission line. The transmission line is being implemented under the Tariff Based Competitive Bidding (TBCB) route and bays are implemented under RTM. As per the IA dated 10.3.2017, the bays were scheduled to be commissioned within 24 months, matching the implementation schedule of the associated TBCB transmission line. Accordingly, the SCOD of Asset-3 and Asset-4 was 5.3.2019. The Petitioner has claimed the COD of these assets as 1.8.2019 under Regulation 5(2) of the 2019 Tariff Regulations on the ground that the associated transmission line under the control of Alipurduar Transmission Limited (ATL) was not ready for charging and the associated Alipurduar–Siliguri transmission line under ATL was commissioned on 7.1.2020.

43. From the above chronology, it is evident that the commissioning of the M/C portion of about 5 km, which formed part of the Jigmeling–Alipurduar transmission project, did not affect the commissioning or utilisation of Asset-3 and Asset-4. Both the TBCB transmission line and the associated line bays were capable of being put into use from 7.1.2020, whereas the M/C portion, along with the Jigmeling–Alipurduar D/C line, was commissioned much later on 24.6.2021. Thus, the delay in commissioning of the M/C portion had no causal nexus with the commissioning of Asset-3 and Asset-4.

44. In view of the above, we find no merit in the Petitioner's contention that the delay in commissioning of the M/C portion impacted the commissioning of Asset-3 and Asset-

4. We further observe that providing the termination arrangement (front) for the TBCB transmission line at Alipurduar Sub-station was the responsibility of the Petitioner itself. The associated TBCB line was commissioned independently on 7.1.2020, and the delay in commissioning of the Jigmeling–Alipurduar M/C portion cannot be relied upon to justify the time over-run for the instant transmission assets. Accordingly, the time over-run in commissioning of Asset-3 and Asset-4 is attributable to the Petitioner and the same is not condoned.

45. Accordingly, the details of the SCOD, COD, and time over-run condoned/not condoned in commissioning of the transmission assets in the instant order is as under:

Assets	SCOD	COD	Time overrun	Time overrun condoned	Time overrun not condoned
Asset-1	5.3.2019	14.3.2019	9 days	Nil	9 days
Asset-2		22.6.2019	109 days	Nil	109 days
Asset-3		1.8.2019	149 days	Nil	149 days
Asset-4		1.8.2019	149 days	Nil	149 days

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

46. The Petitioner has claimed IDC of ₹17.33 lakh, ₹1.91 lakh, ₹42.29 lakh and ₹175.92 lakh for Asset-1, Asset-2, Asset-3 and Asset-4, respectively, and has submitted the Auditor's Certificates in support of the claim. The Petitioner has also submitted the computation of IDC, along with the year-wise details of the IDC discharged.

47. BSPHCL has submitted that in terms of Regulation 21(5) of the 2019 Tariff Regulations, if the delay in achieving the COD is attributable, in whole or in part, to the Petitioner (or its contractor, supplier, or agency), the IDC and IEDC may be disallowed after a prudence check. In the present case, as demonstrated above, the Petitioner has failed to establish that the time over-run occurred due to the uncontrollable factors

and/or a force majeure event. In the absence of any credible justification for such delay, the IDC and IEDC attributable to this delay period ought to be disallowed. Therefore, the Petitioner is not entitled to claim the IDC and IEDC beyond the SCOD, i.e., beyond 5.3.2019.

48. The details of the loan submitted in Form-9C for the 2019-24 tariff period, and the IDC computation sheet, have been considered for the purpose of IDC calculation on a cash basis and an accrued basis. The un-discharged IDC as on the COD has been treated as ACE in the year in which it has been discharged. Accordingly, based on the information furnished by the Petitioner, the trued-up IDC allowed for the transmission asset are as under:

(₹ in lakh)

Asset	IDC as per Auditor's Certificate (A)	IDC disallowed (B)	IDC Allowed (C)=(A)-(B)	Undischarged IDC as on COD (D)	IDC Discharged in 2019-20 as ACE (E)	IDC Discharged in 2020-21 as ACE (F)	IDC allowed on COD (G)=(C)-(D)
Asset-1	17.33	2.06	15.27	0.91	0.91	0.00	14.36
Asset-2	1.91	1.91	0.00	0.00	0.00	0.00	0.00
Asset-3	42.29	36.19	6.10	0.00	0.00	0.00	6.10
Asset-4	175.92	34.80	141.12	0.00	0.00	0.00	141.12

49. The Petitioner has claimed the IEDC of ₹42.18 lakh, ₹124.44 lakh, ₹1.92 lakh and ₹189.81 lakh for Asset-1, Asset-2, Asset-3 and Asset-4, respectively, as per the Auditor's Certificate. The Petitioner has submitted that the entire IEDC for the transmission asset has been discharged up to the COD.

50. As the entire time over-run for the transmission assets has been disallowed, the IEDC has been allowed proportionately. The details of the IEDC claimed as per the Auditor's Certificate, IEDC allowed, and IEDC disallowed, are as under:

(₹ in lakh)

Asset	IEDC Claimed (As per Auditor's Certificate)	IEDC disallowed as on COD	IEDC allowed as on COD
Asset-1	42.18	0.52	41.66

Asset	IEDC Claimed (As per Auditor's Certificate)	IEDC disallowed as on COD	IEDC allowed as on COD
Asset-2	124.44	16.26	108.18
Asset-3	1.92	0.33	1.59
Asset-4	189.81	32.36	157.45

Initial Spares

51. The Commission, vide order dated 5.5.2022 in Petition No. 677/TT/2020, has allowed the following Initial Spares in case of Asset-1 and the same is as follows:

(₹ in lakh)

Asset Name	Plant & Machinery cost considered as on cut-off date	Initial Spares claimed	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per 2014 Tariff Regulations	Initial Spares allowed	Discharge of Initial Spares as on COD
Asset-I	3998.96	141.96	5.00	203.00	141.96	141.96

52. The Commission, vide order dated 29.8.2023 in Petition No 113/TT/2021, has allowed the following Initial Spares in case of Asset-2, Asset-3 and Asset-4:

(₹ in lakh)

Assets	Plant and Machinery cost for calculation of Initial Spares	Initial Spares claimed	Ceiling limit as per Regulations (in %)	Initial Spares allowable	Excess Initial Spares	Initial Spares allowed
Asset-I	917.51	33.27	5.00	46.54	-	33.27
Asset-II	1096.15	76.02	6.00	65.11	10.91	65.11
Asset-III	1261.24	16.39	6.00	79.46	-	16.39

53. The Petitioner has submitted that the entire scope of the transmission project is being filed as a consolidated asset under the instant Petition. The Petitioner has further submitted that in line with the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares are being claimed as a percentage of the overall project cost in the instant Petition. The details of the Initial Spares claimed by the Petitioner are as under:

Assets	Total Plant & machinery cost as on cut-off date) (₹ in lakh) (A)	Initial Spares claimed (₹ in lakh) (B)	Norms as per the 2019 Tariff Regulations (in %) (C)	Initial Spares worked out as per norms (₹ in lakh) {D= (A-B) x C / (100-C)}	Surplus/ Excess Initial Spares (₹ in lakh) E= (D-B)
For Transmission Line					
NIL					
For Sub-station (incl. PLCC)					
1	3998.96	141.96	7.00*	290.31	148.35
2	768.84	33.27	7.00*	55.37	22.10
3	1063.21	76.02	6.00**	63.01	-13.01
4	1196.90	16.39	6.00**	75.35	58.96
Total	**-**	**267.64**	**-**	**484.04**	**261.40 (surplus)**
Note: *Asset – 1 & 2: Sub-station: 400/220 kV Kishanganj (GIS): Brownfield **Asset – 3: Sub-station: 400/220 kV Siliguri (New) (AIS): Brownfield **Asset – 4: Sub-station: 400/220 kV Alipurduar (AIS): Brownfield					

54. The Petitioner has further submitted that the Initial Spares claimed for Asset-3 are in excess of permissible limit by ₹13.01 lakh and the same has been deducted from the capital cost of Asset-3 for computation of truing-up tariff for the 2019-24 tariff period. However, as per the computation of the Initial Spares on project level, no Initial Spares are deductible. Accordingly, the Petitioner has added back ₹13.01 lakh to the capital cost of the project as on 1.4.2024.

55. Further in compliance with the Commission's query, the details of the Initial Spares discharged statement submitted by the Petitioner are as under:

(₹ in lakh)

Asset	Total Initial Spares claimed (SS incl. PLCC)	Initial Spares Discharge				
		As on COD	2019-20	2022-23	2023-24	2024-25
Asset-1	141.96	99.37	42.59	0.00	0.00	0.00
Asset-2	33.27	23.37	8.24	1.66	0.00	0.00
Asset-3	76.02	72.17	2.74	1.11	0.00	0.00
Asset-4	16.39	16.39	0.00	0.00	0.00	0.00

56. BSPHCL has submitted that Regulation 23 of the 2019 Tariff Regulations only provides an upper limit and does not grant an automatic right to claim Initial Spares up to that limit; and detailed item-wise justification for the Petitioner's claim regarding the Initial Spares is still required. BSPHCL has further submitted that the Petitioner cannot rely solely on the fact that the claimed Initial Spares are "within permissible limits" without demonstrating necessity. Further, for Asset-3, excess Initial Spares of ₹10.91 lakh were deducted by the Commission. The Petitioner has now claimed ₹13.01 lakh as recoverable on a project-level basis and proposes adding it back to capital cost from 1.4.2024. BSPHCL has contended that Initial Spares computation must be done asset-wise, and not project-wise, as previously followed in Petition No. 113/TT/2021, and therefore, the excess Initial Spares of ₹13.01 lakh should not be allowed.

57. We have considered the submissions of the Petitioner and BSPHCL. The instant transmission assets were commissioned during the 2014-19 and 2019-24 tariff periods. Therefore, as per the 2014 Tariff Regulations, & 2019 Tariff Regulations, the details of the COD and respective cut-off dates in respect of transmission asset are as under:

Asset	COD	Cut-off Date
Asset-1	14.3.2019	31.3.2023
Asset-2	22.6.2019	30.6.2023
Asset-3	1.8.2019	31.8.2023
Asset-4	1.8.2019	31.8.2023

58. The APTEL vide its judgment dated 14.9.2019 in Appeal No. 74 of 2017, observed that the Commission for the purpose of prudence check may restrict the Initial Spares to the cost of the individual asset and later at the time of truing-up and allow Initial Spares as per the ceiling limit on the overall project cost. The relevant portion of the said judgment is extracted here 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."

59. In the instant case, Asset-1 is commissioned in 2014-19 tariff period and Asset-2, Asset-3 and Asset-4 were commissioned in 2019-24 tariff period. The Petitioner has not combined all the assets in 2019-24 tariff period. Therefore, the Initial Spares claimed by the Petitioner is allowed on individual asset in the 2019-24 tariff period and the Initial Spares of Combined Asset will be carried out in 2024-29 tariff period as the Petitioner has combined the assets in the 2024-29 tariff period.

60. Further, it has been observed that the Petitioner has claimed the Initial Spares in respect of Asset-I & Asset-II in accordance with 7% ceiling limit, instead of 5% considered by the Commission in order dated 5.5.2022 in Petition No. 677/TT/2020 and 29.8.2023 in Petition No. 113/TT/2021. The Petitioner has not furnished any justification for the same. Therefore, in the absence of any detailed justification and supporting documents, the Initial Spares claimed by the Petitioner @7% ceiling limit is hereby, rejected.

61. Therefore, the transmission assets had been commissioned during the 2014-19 and 2019-24 tariff periods, and in line with Commissions finding in orders dated 5.5.2022 in Petition No. 677/TT/2020 and order dated 29.8.2023 in Petition No. 113/TT/2021, the Initial Spares have been worked out in accordance with the 2014 Tariff Regulations, and 2019 Tariff Regulations, and allowed as under:

(₹ in lakh)

Asset	Total Plant & machinery cost as on cut-off date) (A)	Initial Spares claimed (B)	Norms as per the 2014 Tariff Regulations (in %) (C)	Initial Spares worked out as per norms (D)={(A-B) *C} /(100- C)	Initial Spares allowed vide order dated 5.5.2022 in petition No. 677/TT/2020 (E)	Excess Initial Spares (F)= (B-D)
1	3998.96	141.96	5.00	203.00	141.96	0.00

Assets	Total Plant & machinery cost as on cut-off date) (A)	Initial Spares claimed (B)	Norms as per the 2019 Tariff Regulations (in %) (C)	Initial Spares worked out as per norms (D)={(A-B) *C} /(100- C)	Excess Initial Spares (F)= (B-D)
2	768.84	33.27	5	38.71	0.00
3	1063.21	76.02	6	63.01	(13.01)
4	1196.90	16.39	6	75.35	0.00

62. Therefore, as per the Initial Spares discharge statement, the Initial Spares of ₹9.16 lakh, ₹2.74 lakh, ₹1.11 lakh in respect of Asset-3 are being deducted from the capital cost as on the COD, ACE of FY 2019-20 and FY 2020-21, respectively.

63. Accordingly, the details of the capital cost as on the COD/1.4.2019 in respect of transmission assets are as follows:

(₹ in lakh)

Assets	Capital cost as on COD/31.3.2019 as per Auditor Certificate (A)	Less: IDC Disallowed due to time over-run (B)	Less: undischarged IDC (C)	Less: IEDC Disallowed due to time over-run (D)	Less Excess Initial Spares (E)	Capital Cost as on COD/1.4.2019 F=(A-B-C-D-E)
Asset-1	3041.64	2.06	0.91	0.52	0.00	3038.15
Asset-2	951.43	1.91	0.00	16.26	0.00	933.26
Asset-3	847.18	36.19	0.00	0.33	9.16	801.50
Asset-4	1573.04	34.80	0.00	32.36	0.00	1505.88

Additional Capital Expenditure (ACE)

64. The Commission, vide order dated 5.5.2022 in Petition No. 677/TT/2020 allowed the ACE in respect of Asset-1 for the 2019-24 tariff period on account of the balance and retention payments and deferred works under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations. Further, the Commission, vide order dated 29.8.2023 in Petition No. 113/TT/2021, allowed the ACE in respect of Asset-2, Asset-3 and Asset-4

for the 2019-24 tariff period on account of balance and retention payments and deferred works under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations. Accordingly, the asset-wise approved ACE for the 2019-24 tariff period as per the previous said orders are as under:

(₹ in lakh)

Asset No.	ACE allowed during 2019-24				
	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	830.48	461.79	64.88	0.00	0.00
Asset-2	99.25	41.01	41.01	10.25	0.00
Asset-3	193.18	100.00	0.00	0.00	0.00
Asset-4	1.07	0.00	64.34	0.00	0.00

65. Against this, the Petitioner has claimed the following ACE in respect of the transmission assets based on the actual expenditure in accordance with the below-mentioned Regulations:

(₹ in lakh)

Asset	Particulars	Regulation	ACE claimed during the 2019-24 tariff period				
			2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	Balance and retention payments for liabilities	Claimed under Regulation of the 2019 Tariff Regulations	841.26	289.96	-98.40	-9.85	0.00
			24(1)(a)				
Asset-2			105.22	31.95	-75.72	-18.60	0.00
			24(1)(a) & 24(1)(b)	24(1)(a)			
Asset-3			146.08	113.71	0.45	0.00	0.00
			24(1)(a)				
Asset-4			0.00	0.00	0.00	0.00	0.00
			24(1)(a)				

66. In regard to the variation in ACE as allowed by the Commission vide the aforesaid orders vis-à-vis claimed by the Petitioner in the instant Petition, the Petitioner has submitted that while projecting the estimated ACE, contracts were not closed, and the liabilities were not finalized. However, in the instant true up Petition, the ACE has been

claimed on the basis of the actual payments made to the contractor after receipt of the final invoices from the contractor and incorporating the amendments till the end of the 2019-24 tariff period. The Petitioner has submitted that the ACE claimed is on account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies and for works executed prior to the cut-off date.

67. The Petitioner has further submitted the Liability Flow Statement containing head-wise and party-wise details of the actual ACE incurred during the 2019-24 tariff period for the transmission assets as under:

(₹ in lakh)

Asset	Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2019	Discharge			Total	Additional Liability Recognised and Discharged		Total	Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2019-24	2021-22	2022-23	2019-24	
Asset-1	GE T&D India Limited, Techno Electric and Engineering Company Limited, Xian XD Switchgear Electric Company Limited (Associated with M/s Techno Electric and Engineering Company Limited)	Sub-station	2018-19	1314.76	841.26	289.96	6.31	1137.53	(104.71)	(9.85)	(114.56)	177.23

(₹ in lakh)

Asset	Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2019	Discharge			Total	Additional Liability Recognised and Discharged			Total
					2019-20	2020-21	2021-22	2019-24	2019-20	2021-22	2022-23	2019-24
Asset-2	GE T&D India Limited, Techno Electric and Engineering Company Limited, Xian XD Switchgear Electric Company Limited (Associated with M/s Techno Electric and Engineering Company Limited)	Sub-station	FY 2019-20	140.25	81.70	31.95	26.60	140.25	23.52	(102.32)	(18.60)	(97.40)

(₹ in lakh)

Asset	Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2019	Discharge			Total
					2019-20	2020-21	2021-22	2019-24
Asset-3	M/s GE T&D & etc.	Sub-station & PLCC	1.8.2019	260.24	146.08	113.71	0.45	260.24

68. The Petitioner has submitted that in case of Asset-1 and Asset-2, the Commission had disallowed the IDC and IEDC on account of non-condonation of the time over-run in orders dated 5.5.2022 and 29.8.2023 in Petition No. 677/TT/2020 and Petition No. 113/TT/2021, respectively. Subsequently, the Liquidated Damages (LD) were recovered in respect of Asset-1 from the executing contractors in 2020-21, 2021-22 and FY 2022-23 which was reduced from the capital cost as per the accounting procedures. Further, in Asset-2, LD was recovered in 2021-22 and 2022-23. The details of the IDC and IEDC disallowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 and order dated 29.8.2023 in Petition No. 113/TT/2021 and LD recovered are as under:

(₹ in lakh)

Assets	COD	IDC & IEDC disallowed as on COD	LD Recovered	Year of LD Recovery
Asset-1	26.10.2019	2.58	116.18	2020-21, 2021-22 & 2022-23
Asset-2	22.6.2019	18.17	120.92	2021-22 & 2022-23

69. In response to the Commission's query, the Petitioner vide affidavit dated 10.9.2025 submitted the following details in respect of the LD recovery:

(₹ in lakh)

Assets	Total LD levied	LD levied year-wise		
		2020-21	2021-22	2022-23
Asset-1	116.18	1.62	104.71	9.85
Asset-2	120.92	0.00	102.32	18.60

70. It has been noted that for Asset-1, LD was recovered from the contractor amounting to ₹116.18 lakh and accordingly, on its recovery, it was reduced from the capital cost in the respective years. As such, the ACE reflected in the Auditor's

Certificate in 2020-21, 2021-22 and 2022-23 is ₹289.96 lakh, ₹-98.40 lakh, and ₹-9.85 lakh, respectively, considering the recovered LD. Accordingly, the LD amount recovered to the extent of the IDC/IEDC disallowed (i.e. ₹2.58 lakh), is added back to arrive at the ACE allowed for FYs 2020-21 and 2021-22, respectively.

71. Further, in case of Asset-2, LD amounting to ₹120.92 lakh was recovered and accordingly, on its recovery, it was reduced from the capital cost in the respective years. As such, the ACE reflected in the Auditor's Certificate in 2021-22 and 2022-23 is ₹-75.72 lakh and ₹-18.60 lakh, respectively, considering the recovered LD. Accordingly, the LD amount recovered to the extent of the IDC/IEDC disallowed (i.e. ₹18.17 lakh), is added back to arrive at the ACE allowed for 2021-22 and 2022-23, respectively.

72. Regulations 21(4) and 21(5) of the 2019 Tariff Regulations provides as under:

> *"21. Interest During Construction (IDC) and Incidental Expenditure during Construction (IEDC)*
>
> *Xxxx*
>
> *Xxxxx*
>
> *(4) If the delay in achieving the COD is not attributable to the generating company or the transmission licensee, IDC and IEDC beyond SCOD may be allowed after prudence check and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be adjusted in the capital cost of the generating station or the transmission system, as the case may be.*
>
> *(5) If the delay in achieving the COD is attributable either in entirety on in part to the generating company or the transmission licensee or its contractor or supplier or agency, in such cases, IDC and IEDC beyond SCOD may be disallowed after prudence check either in entirety or on pro-rata basis corresponding to the period of delay not condoned and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be retained by the generating company or the transmission licensee, as the case may be."*

73. We have considered the Petitioner's submissions. When the time over-run is attributable to the project developer, or its contractors, the cost of the time over-run, i.e., IDC and IEDC has to be borne by the project developer and LD, if any, recovered can be retained by the Petitioner. In the instant case, the time over-run in case of Asset-1

was disallowed. Accordingly, the IDC and IEDC for the period of the time over-run disallowed in case of Asset-1, i.e., ₹2.58 lakh, is added back as ₹1.62 lakh and ₹0.96 lakh to arrive at the ACE allowed for FY 2020-21 and 2021-22, respectively.

74. Further, the time over-run in case of Asset-2 was not condoned. Accordingly, the IDC and IEDC for the period of time over-run not condoned in case of Asset-2 was deducted from the capital cost. The amount of LD recovered by the Petitioner to the extent of the IDC and IEDC disallowed, i.e., ₹18.17 lakh is added back to the ACE allowed for FY 2021-22.

75. Therefore, as per Regulation 21(1)(5) of the 2019 Tariff Regulations, the details of the LDs added back to the extent of IDC/IEDC disallowed in respect of Asset-1, and Asset-2 are as under:

(₹ in lakh)

Assets	**IDC and IEDC disallowed as on COD**	**LD recovered**			**LD added back to the respective year**	
		2020-21	**2021-22**	**2022-23**	**2020-21**	**2021-22**
Asset-1	2.58	1.62	104.71	9.85	1.62	0.96
Asset-2	18.17	0.00	102.32	18.60	0.00	18.17
Total		**1.62**	**207.03**	**28.45**	**1.62**	**19.13**

76. Therefore, the details of the ACE allowed after adjustment of the LD in respect of Asset-1 & Asset-2 for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset	**Particulars**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Asset-1	ACE allowed as per the Auditor's Certificates (A)	842.17	289.96	-98.40	-9.85	0.00
	Adjustment for the LD recovered allowed (B)	0.00	1.62	0.96	0.00	0.00
	Net ACE allowed (C = A + B)	**842.17**	**291.58**	**-97.44**	**-9.85**	**0.00**
Asset-2	ACE allowed as per the Auditor's Certificates (A)	105.22	31.95	-75.72	-18.60	0.00

Asset	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Adjustment for the LD recovered allowed (B)	0.00	0.00	18.17	0.00	0.00
	Net ACE allowed (C = A + B)	**105.22**	**31.95**	**-57.55**	**-18.60**	**0.00**

77. Accordingly, the ACE allowed for the transmission assets towards the balance and retention payments under Regulation 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations and after adjustment of the LD as applicable in case of Asset-1 and Asset-2 is as under:

(₹ in lakh)

Asset	Particulars	Regulation	ACE allowed for the 2019-24 tariff period				
			2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	Balance and retention payments for liabilities	Allowed under Regulation of the 2019 Tariff Regulations	842.17#	291.58	-97.44	-9.85	0.00
			24(1)(a)				
Asset-2			105.22	31.95	-57.55	-18.60	0.00
			24(1)(a) & 24(1)(b)	24(1)(a)			
Asset-3			143.34*	112.60**	0.45	0.00	0.00
			24(1)(a)				
Asset-4			0.00	0.00	0.00	0.00	0.00
			24(1)(a)				

#Includes IDC discharged after the COD during FY 2029-20 of ₹0.91 lakh earlier disallowed due to the time over-run not condoned has been added back
**excluding excess Initial Spares of ₹2.74 lakh discharged after the COD during 2019-20*
*** excluding excess Initial Spares of ₹1.11 lakh discharged after the COD in 2020-21*

78. The capital cost and ACE allowed in respect of the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)

Assets	FR Apportioned Approved Cost	Capital Cost up to 1.4.2019	ACE allowed					Total Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	7456.76	3038.15	842.17	291.58	-97.44	-9.85	0.00	4064.62

Assets	FR Apportioned Approved Cost	Capital Cost up to 1.4.2019	ACE allowed					Total Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-2	1239.11	933.26	105.22	31.95	-57.55	-18.60	0.00	994.28
Asset-3	1425.76	801.50	143.34	112.60	0.45	0.00	0.00	1057.89
Asset-4	1821.37	1505.88	0.00	0.00	0.00	0.00	0.00	1505.88

Debt-Equity ratio

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

Asset-1:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	2126.70	70.00	718.53	70.00	2845.23	70.00
Equity	911.45	30.00	307.94	30.00	1219.39	30.00
Total	**3038.15**	**100.00**	**1026.46**	**100.00**	**4064.62**	**100.00**

Asset-2:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	653.28	70.00	42.71	70.00	696.00	70.00
Equity	279.98	30.00	18.31	30.00	298.28	30.00
Total	**933.26**	**100.00**	**61.02**	**100.00**	**994.28**	**100.00**

Asset-3:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	561.05	70.00	179.47	70.00	740.52	70.00
Equity	240.45	30.00	76.92	30.00	317.37	30.00
Total	**801.50**	**100.00**	**256.39**	**100.00**	**1057.89**	**100.00**

Asset-4:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1054.12	70.00	0.00	0.00	1054.12	70.00
Equity	451.76	30.00	0.00	0.00	451.76	30.00
Total	**1505.88**	**100.00**	**0.00**	**0.00**	**1505.88**	**100.00**

Depreciation

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

81. The depreciation approved for the transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset-1						
Sl. No.	**Particulars**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Capital cost	3038.15	3880.33	4171.91	4074.47	4064.62
B	Addition during the year 2019-24 due to ACE	842.17	291.58	-97.44	-9.85	0.00
C	Closing Capital cost (A+B)	3880.33	4171.91	4074.47	4064.62	4064.62
D	Average Capital cost (A+C)/2	3459.24	4026.12	4123.19	4069.54	4064.62
E	Average Capital cost (90% depreciable assets)	3336.14	3882.41	3972.87	3919.22	3914.30
F	Average Capital cost (100% depreciable assets)	123.10	143.70	150.32	150.32	150.32
G	Depreciable value (excluding IT equipment and software) (E*90%)	3002.53	3494.17	3575.58	3527.30	3522.87
H	Depreciable value of IT equipment and software (F*100%)	123.10	143.70	150.32	150.32	150.32
I	Total Depreciable Value (G+H)	3125.63	3637.88	3725.90	3677.62	3673.19
J	Weighted average rate of Depreciation (WAROD) (in %)	5.6519	5.6517	5.6608	5.6659	5.6663
K	Balance useful life at the beginning of the year (Year)	21	20	19	18	17
L	Lapsed useful life at the beginning of the year (Year)	3	4	5	6	7

Asset-1						
Sl. No.	**Particulars**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
M	**Depreciation during the year (D*J)**	**195.51**	**227.54**	**233.41**	**230.57**	**230.31**
N	Cumulative Depreciation at the end of the year	202.74	430.28	663.69	894.27	1124.58
O	Remaining Aggregate Depreciable Value at the end of the year	2922.88	3207.59	3062.21	2783.35	2548.61

(₹ in lakh)

Asset-2						
Sl. No.	**Particulars**	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Capital cost	933.26	1038.48	1070.43	1012.88	994.28
B	Addition during the year 2019-24 due to ACE	105.22	31.95	-57.55	-18.60	0.00
C	Closing Capital cost (A+B)	1038.48	1070.43	1012.88	994.28	994.28
D	Average Capital cost (A+C)/2	985.87	1054.45	1041.65	1003.58	994.28
E	Average Capital cost (90% depreciable assets)	985.87	1054.45	1041.65	1003.58	994.28
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	887.28	949.01	937.49	903.22	894.85
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	887.28	949.01	937.49	903.22	894.85
J	Weighted average rate of Depreciation (WAROD) (in %)	5.2800	5.2800	5.2800	5.2800	5.2800
K	Balance useful life at the beginning of the year (Year)	22	21	20	19	18
L	Elapsed useful life at the beginning of the year (Year)	3	4	5	6	7
M	**Depreciation during the year (D*J)**	**40.39**	**55.68**	**55.00**	**52.99**	**52.50**
N	Cumulative Depreciation at the end of the year	40.39	96.07	151.07	204.05	256.55
O	Remaining Aggregate Depreciable Value at the end of the year	846.89	852.94	786.42	699.16	638.30

(₹ in lakh)

Asset-3						
Sl. No.	**Particulars**	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Capital cost	801.50	944.84	1057.44	1057.89	1057.89
B	Addition during the year 2019-24 due to ACE	143.34	112.60	0.45	0.00	0.00
C	Closing Capital cost (A+B)	944.84	1057.44	1057.89	1057.89	1057.89
D	Average Capital cost (A+C)/2	873.17	1001.14	1057.66	1057.89	1057.89
E	Average Capital cost (90% depreciable assets)	873.17	1001.14	1057.66	1057.89	1057.89
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	785.85	901.02	951.90	952.10	952.10
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	785.85	901.02	951.90	952.10	952.10
J	Weighted average rate of Depreciation (WAROD) (in %)	5.4282	5.4092	5.4023	5.4023	5.4023
K	Balance useful life at the beginning of the year (Year)	20	19	18	17	16
L	Lapsed useful life at the beginning of the year (Year)	3	4	5	6	7
M	**Depreciation during the year (D*J)**	**31.60**	**54.15**	**57.14**	**57.15**	**57.15**
N	Cumulative Depreciation at the end of the year	31.60	85.75	142.89	200.04	257.19
O	Remaining Aggregate Depreciable Value at the end of the year	754.25	815.27	809.01	752.06	694.91

(₹ in lakh)

Asset-4						
Sl. No.	**Particulars**	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Capital cost	1505.88	1505.88	1505.88	1505.88	1505.88
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	1505.88	1505.88	1505.88	1505.88	1505.88
D	Average Capital cost (A+C)/2	1505.88	1505.88	1505.88	1505.88	1505.88

Asset-4						
Sl. No.	**Particulars**	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
E	Average Capital cost (90% depreciable assets)	1505.88	1505.88	1505.88	1505.88	1505.88
F	Average Capital cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1355.29	1355.29	1355.29	1355.29	1355.29
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	1355.29	1355.29	1355.29	1355.29	1355.29
J	Weighted average rate of Depreciation (WAROD) (in %)	5.3323	5.3323	5.3323	5.3323	5.3323
K	Balance useful life at the beginning of the year (Year)	21	20	19	18	17
L	Lapsed useful life at the beginning of the year (Year)	3	4	5	6	7
M	**Depreciation during the year (D*J)**	**53.53**	**80.30**	**80.30**	**80.30**	**80.30**
N	Cumulative Depreciation at the end of the year	53.53	133.83	214.13	294.43	374.73
O	Remaining Aggregate Depreciable Value at the end of the year	1301.76	1221.46	1141.16	1060.86	980.57

82. The details of the depreciation allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, depreciation claimed by the Petitioner in the instant Petition and trued up depreciation approved in the instant order are as under:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	195.20	231.35	245.99	247.78	247.78
Claimed by the Petitioner in the instant Petition	195.66	227.64	233.44	230.59	230.33
Approved after true-up in this order	195.51	227.54	233.41	230.57	230.31

Asset-2	2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	40.27	55.60	57.76	59.12	59.39
Claimed by the Petitioner in the instant Petition	40.39	55.68	55.00	52.99	52.50
Approved after true-up in this order	40.39	55.68	55.00	52.99	52.50
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	32.42	56.38	59.02	59.02	59.02
Claimed by the Petitioner in the instant Petition	32.92	56.14	59.12	59.14	59.14
Approved after true-up in this order	31.60	54.15	57.14	57.15	57.15
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	54.74	82.14	83.84	85.54	85.54
Claimed by the Petitioner in the instant Petition	55.85	83.88	83.88	83.88	83.88
Approved after true-up in this order	53.53	80.30	80.30	80.30	80.30

Interest on Loan (IoL)

83. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and rate of interest. The Commission, vide RoP for the hearing dated 7.11.2025 directed the Petitioner to submit excel sheets with proper linkages for Form-9C for the 2019-24 tariff period. Accordingly, the Petitioner vide affidavit dated 11.11.2025 submitted the excel linked Form-9C.

84. We have considered the Petitioner's submissions. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved in respect of the transmission assets are as follows:

(₹ in lakh)

Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	2126.70	2716.23	2920.33	2852.12	2845.23

Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
B	Cumulative Repayments upto Previous Year	7.23	202.74	430.28	663.69	894.27
C	Net Loan-Opening (A-B)	2119.47	2513.49	2490.05	2188.43	1950.96
D	Additions	589.52	204.11	-68.21	-6.90	0.00
E	Repayment during the year	195.51	227.54	233.41	230.57	230.31
F	Net Loan-Closing (C+D-E)	2513.49	2490.05	2188.43	1950.96	1720.65
G	Average Loan (C+F)/2	2316.48	2501.77	2339.24	2069.70	1835.81
H	Weighted Average Rate of Interest on Loan (in %)	7.9491	6.9792	6.7847	7.2557	7.9271
I	**Interest on Loan (G*H)**	**184.14**	**174.60**	**158.71**	**150.17**	**145.53**

(₹ in lakh)

Particulars		Asset-2				
		2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	653.28	726.94	749.30	709.02	696.00
B	Cumulative Repayments upto Previous Year	0.00	40.39	96.07	151.07	204.05
C	Net Loan-Opening (A-B)	653.28	686.55	653.24	557.95	491.94
D	Additions	73.65	22.37	-40.29	-13.02	0.00
E	Repayment during the year	40.39	55.68	55.00	52.99	52.50
F	Net Loan-Closing (C+D-E)	686.55	653.24	557.95	491.94	439.44
G	Average Loan (C+F)/2	669.91	669.89	605.59	524.95	465.69
H	Weighted Average Rate of Interest on Loan (in %)	7.7688	7.0697	6.9165	7.2700	7.8119
I	**Interest on Loan (G*H)**	**40.38**	**47.36**	**41.89**	**38.16**	**36.38**

(₹ in lakh)

Particulars		Asset-3				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	561.05	661.39	740.21	740.52	740.52
B	Cumulative Repayments upto Previous Year	0.00	31.60	85.75	142.89	200.04
C	Net Loan-Opening (A-B)	561.05	629.79	654.46	597.63	540.48

Particulars		Asset-3				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
D	Additions	100.34	78.82	0.32	0.00	0.00
E	Repayment during the year	31.60	54.15	57.14	57.15	57.15
F	Net Loan-Closing (C+D-E)	629.79	654.46	597.63	540.48	483.33
G	Average Loan (C+F)/2	595.42	642.12	626.04	569.06	511.91
H	Weighted Average Rate of Interest on Loan (in %)	7.7870	6.9908	6.8029	7.2856	7.9163
I	**Interest on Loan (G*H)**	**30.91**	**44.89**	**42.59**	**41.46**	**40.52**

(₹ in lakh)

Particulars		Asset-4				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	1054.12	1054.12	1054.12	1054.12	1054.12
B	Cumulative Repayments upto Previous Year	0.00	53.53	133.83	214.13	294.43
C	Net Loan-Opening (A-B)	1054.12	1000.58	920.28	839.99	759.69
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	53.53	80.30	80.30	80.30	80.30
F	Net Loan-Closing (C+D-E)	1000.58	920.28	839.99	759.69	679.39
G	Average Loan (C+F)/2	1027.35	960.43	880.14	799.84	719.54
H	Weighted Average Rate of Interest on Loan (in %)	7.8611	6.9749	6.7196	7.3126	8.0289
I	**Interest on Loan (G*H)**	**53.84**	**66.99**	**59.14**	**58.49**	**57.77**

85. The details of the IoL allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, IoL claimed by the Petitioner in the instant Petition, and trued-up IoL approved in the instant order are as under:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	190.74	208.33	203.9	185.59	165.29
Claimed by the Petitioner in the instant Petition	184.28	174.68	158.72	150.15	145.50

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Approved after true-up in this order	184.14	174.60	158.71	150.17	145.53
Asset-2	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	41.36	53.25	51.02	47.80	43.34
Claimed by the Petitioner in the instant Petition	40.38	47.36	41.89	38.16	36.38
Approved after true-up in this order	40.38	47.36	41.89	38.16	36.38
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	32.86	53.71	51.89	47.16	42.40
Claimed by the Petitioner in the instant Petition	32.20	46.51	44.04	42.86	41.89
Approved after true-up in this order	30.91	44.89	42.59	41.46	40.52
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	56.74	79.56	74.62	69.53	62.52
Claimed by the Petitioner in the instant Petition	56.17	69.99	61.81	61.11	60.34
Approved after true-up in this order	53.84	66.99	59.14	58.49	57.77

Return on Equity (RoE)

86. The Petitioner has submitted that its Income Tax Assessment has been completed, and 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). The Petitioner has further submitted that the Income Tax Returns (ITR) have been filed for the FY 2021-22 and FY 2022-23 and FY 2023-24.

87. The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health

and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

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

88. We have considered the Petitioner's submissions and have also gone through the record. We have noted 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 the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up of the rate of RoE. Any under recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be on a year-to-year basis.

Therefore, the following effective tax rate based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

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

89. Accordingly, the trued-up RoE approved in respect of the transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)

	Particulars	Asset-1				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Equity	911.45	1164.10	1251.57	1222.34	1219.39
B	Additions	252.65	87.47	-29.23	-2.96	0.00
C	Closing Equity (A+B)	1164.10	1251.57	1222.34	1219.39	1219.39
D	Average Equity (A+C)/2	1037.77	1207.84	1236.96	1220.86	1219.39
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (D*G)**	**194.91**	**226.86**	**232.33**	**229.30**	**229.02**

(₹ in lakh)

	Particulars	Asset-2				
		2019-20 (pro-rata 284 days)	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Opening Equity	279.98	311.54	321.13	303.86	298.28
B	Additions	31.57	9.59	-17.27	-5.58	0.00
C	Closing Equity (A+B)	311.54	321.13	303.86	298.28	298.28
D	Average Equity (A+C)/2	295.76	316.34	312.50	301.07	298.28
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (D*G)**	**43.10**	**59.41**	**58.69**	**56.55**	**56.02**

(₹ in lakh)

	Particulars	Asset-3				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	240.45	283.45	317.23	317.37	317.37
B	Additions	43.00	33.78	0.14	0.00	0.00
C	Closing Equity (A+B)	283.45	317.23	317.37	317.37	317.37
D	Average Equity (A+C)/2	261.95	300.34	317.30	317.37	317.37
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (D*G)**	**32.80**	**56.41**	**59.60**	**59.61**	**59.61**

(₹ in lakh)

	Particulars	Asset-4				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	451.76	451.76	451.76	451.76	451.76
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	451.76	451.76	451.76	451.76	451.76
D	Average Equity (A+C)/2	451.76	451.76	451.76	451.76	451.76
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (D*G)**	**56.57**	**84.85**	**84.85**	**84.85**	**84.85**

90. The details of the RoE allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, RoE claimed by the Petitioner in the instant Petition, and trued-up RoE approved in the instant order are as under:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	194.59	230.99	245.83	247.66	247.66
Claimed by the Petitioner in the instant Petition	195.06	226.96	232.35	229.30	229.03
Approved after true-up in this order	194.91	226.86	232.33	229.30	229.02

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	42.97	59.33	61.64	63.09	63.38
Claimed by the Petitioner in the instant Petition	43.10	59.41	58.69	56.55	56.02
Approved after true-up in this order	43.10	59.41	58.69	56.55	56.02
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	33.68	58.78	61.60	61.60	61.60
Claimed by the Petitioner in the instant Petition	34.17	58.47	61.65	61.67	61.67
Approved after true-up in this order	32.80	56.41	59.60	59.61	59.61
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	57.84	86.80	88.61	90.42	90.42
Claimed by the Petitioner in the instant Petition	59.01	88.63	88.63	88.63	88.63
Approved after true-up in this order	56.57	84.85	84.85	84.85	84.85

Operation & Maintenance Expenses (O&M Expenses)

91. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses for the transmission assets:

(₹ in lakh)

Particulars	Asset-1				
O&M Expenses	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	67.53	69.90	72.36	74.88	77.52

(₹ in lakh)

Particulars	Asset-2				
O&M Expenses	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	17.46	23.30	24.12	24.96	25.84

(₹ in lakh)

Particulars	Asset-3				
O&M Expenses	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	42.87	66.56	68.90	71.32	73.82

(₹ in lakh)

Particulars	Asset-4				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	42.87	66.56	68.90	71.32	73.82

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

(₹ in lakh)

Particulars	Asset-1				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV GIS Sub-station Kishenganj:Dharbhanga-I Bay (1 no. bay) Kishenganj:Dharbhanga-II Bay (1 no. bay) Kishenganj:Dharbhanga-I 80 MVAR SLR-I (1 no. bay)					
Norms (₹ lakh/Bay)	22.505	23.296	24.115	24.962	25.837
Total O&M Expenses (₹ in lakh)	**67.52**	**69.89**	**72.35**	**74.89**	**77.51**

(₹ in lakh)

Particulars	Asset-2				
	2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
400 kV GIS Sub-station Kishenganj:1x80 MVAR SLR circuit-II of TBCB Kishenganj-Dharbhanga line (1 no. bay)					
Norms (₹ lakh/Bay)	22.505	23.296	24.115	24.962	25.837
Total O&M Expenses (₹ in lakh)	**17.46**	**23.30**	**24.12**	**24.96**	**25.84**

(₹ in lakh)

Particulars	Asset-3				
	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
400 kV Sub-station Siliguri:02 nos. 400 kV line bays (02 nos.)					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Total O&M Expenses (₹ in lakh)	**42.87**	**66.56**	**68.90**	**71.32**	**73.82**

(₹ in lakh)

Particulars	Asset-4				
	2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
400 kV Sub-station Alipurduar: 02 nos. 400 kV line bays (02 nos.)					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Total O&M Expenses (₹ in lakh)	**42.87**	**66.56**	**68.90**	**71.32**	**73.82**

93. The details of the O&M Expenses allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, O&M Expenses claimed by the Petitioner in the instant Petition and trued-up O&M Expenses approved in the instant order are as under:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	67.52	69.89	72.35	74.89	77.51
Claimed by the Petitioner in the instant Petition	67.53	69.90	72.36	74.88	77.52
Approved after true-up in this order	67.52	69.89	72.35	74.89	77.51
Asset-2	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	17.46	23.30	24.12	24.96	25.84
Claimed by the Petitioner in the instant Petition	17.46	23.30	24.12	24.96	25.84
Approved after true-up in this order	17.46	23.30	24.12	24.96	25.84
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	42.87	66.56	68.90	71.32	73.82
Claimed by the Petitioner in the instant Petition	42.87	66.56	68.90	71.32	73.82
Approved after true-up in this order	42.87	66.56	68.90	71.32	73.82
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**

Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	42.87	66.56	68.90	71.32	73.82
Claimed by the Petitioner in the instant Petition	42.87	66.56	68.90	71.32	73.82
Approved after true-up in this order	42.87	66.56	68.90	71.32	73.82

Interest on Working Capital (IWC)

94. 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 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

95. The components of the trued-up working capital and interest approved thereon for the transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)

Particulars		Asset-1				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.63	5.82	6.03	6.24	6.46
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	10.13	10.48	10.85	11.23	11.63
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	80.37	87.61	87.25	85.78	85.43
D	**Total Working Capital (A+B+C)**	**96.12**	**103.91**	**104.13**	**103.25**	**103.51**
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	**Interest on working capital (D*E)**	**11.58**	**11.69**	**10.93**	**10.84**	**12.42**

(₹ in lakh)

Particulars		Asset-2				
		2019-20 (pro-rata 284 days)	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	1.88	1.94	2.01	2.08	2.15
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	3.38	3.49	3.62	3.74	3.88
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	22.81	23.30	22.52	21.64	21.40
D	**Total Working Capital (A+B+C)**	**28.06**	**28.73**	**28.14**	**27.47**	**27.43**
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	**Interest on working capital (D*E)**	**2.62**	**3.23**	**2.96**	**2.88**	**3.29**

(₹ in lakh)

Particulars		Asset-3				
		2019-20 (pro-rata 244 days)	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.36	5.55	5.74	5.94	6.15
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.65	9.98	10.34	10.70	11.07
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	26.09	27.97	28.72	28.89	29.10
D	**Total Working Capital (A+B+C)**	**41.10**	**43.51**	**44.79**	**45.53**	**46.32**
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	**Interest on working capital (D*E)**	**3.30**	**4.89**	**4.70**	**4.78**	**5.56**

(₹ in lakh)

Particulars		Asset-4				
		2019-20 (pro-rata 244 days)	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.36	5.55	5.74	5.94	6.15

Particulars		Asset-4				
		2019-20 (pro-rata 244 days)	**2020-21**	**2021-22**	**2022-23**	**2023-24**
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.65	9.98	10.34	10.70	11.07
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	38.94	37.56	36.83	37.06	37.29
D	**Total Working Capital (A+B+C)**	**53.94**	**53.09**	**52.91**	**53.70**	**54.51**
E	Rate of Interest for working capital (in %)	12.05	11.25	10.50	10.50	12.00
F	**Interest on working capital (D*E)**	**4.33**	**5.97**	**5.56**	**5.64**	**6.54**

96. The details of the IWC allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, IWC claimed by the Petitioner in the instant Petition and trued-up IWC approved in the instant order are as follows:

(₹ in lakh)

Asset-1	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	11.67	12.28	11.87	11.77	11.58
Claimed by the Petitioner in the instant Petition	11.59	11.70	10.93	10.84	12.42
Approved after true-up in this order	11.58	11.69	10.93	10.84	12.42
Asset-2	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	2.63	3.31	3.15	3.18	3.15
Claimed by the Petitioner in the instant Petition	2.62	3.23	2.96	2.88	3.29
Approved after true-up in this order	2.62	3.23	2.96	2.88	3.29
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	3.36	5.08	4.88	4.91	4.93

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	3.36	4.97	4.78	4.85	5.64
Approved after true-up in this order	3.30	4.89	4.70	4.78	5.56
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	4.41	6.20	5.85	5.93	5.92
Claimed by the Petitioner in the instant Petition	4.44	6.12	5.69	5.77	6.69
Approved after true-up in this order	4.33	5.97	5.56	5.64	6.54

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

97. Accordingly, the AFC approved after the truing-up for the 2019-24 tariff period in respect of the transmission assets are as follows:

(₹ in lakh)

Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	195.51	227.54	233.41	230.57	230.31
B	Interest on Loan	184.14	174.60	158.71	150.17	145.53
C	Return on Equity	194.91	226.86	232.33	229.30	229.02
D	O&M Expenses	67.52	69.89	72.35	74.89	77.51
E	Interest on Working Capital	11.58	11.69	10.93	10.84	12.42
F	**Total (A+B+C+D+E)**	**653.66**	**710.58**	**707.73**	**695.77**	**694.79**

(₹ in lakh)

Particulars		Asset-2				
		2019-20 (pro-rata 284 days)	2020-21	2021-22	2022-23	2023-24
A	Depreciation	40.39	55.68	55.00	52.99	52.50
B	Interest on Loan	40.38	47.36	41.89	38.16	36.38
C	Return on Equity	43.10	59.41	58.69	56.55	56.02
D	O&M Expenses	17.46	23.30	24.12	24.96	25.84
E	Interest on Working Capital	2.62	3.23	2.96	2.88	3.29
F	**Total (A+B+C+D+E)**	**143.96**	**188.97**	**182.65**	**175.55**	**174.03**

(₹ in lakh)

Particulars		Asset-3				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Depreciation	31.60	54.15	57.14	57.15	57.15
B	Interest on Loan	30.91	44.89	42.59	41.46	40.52
C	Return on Equity	32.80	56.41	59.60	59.61	59.61
D	O&M Expenses	42.87	66.56	68.90	71.32	73.82
E	Interest on Working Capital	3.30	4.89	4.70	4.78	5.56
F	**Total (A+B+C+D+E)**	**141.48**	**226.91**	**232.93**	**234.32**	**236.66**

(₹ in lakh)

Particulars		Asset-4				
		2019-20 (pro-rata 244 days)	2020-21	2021-22	2022-23	2023-24
A	Depreciation	53.53	80.30	80.30	80.30	80.30
B	Interest on Loan	53.84	66.99	59.14	58.49	57.77
C	Return on Equity	56.57	84.85	84.85	84.85	84.85
D	O&M Expenses	42.87	66.56	68.90	71.32	73.82
E	Interest on Working Capital	4.33	5.97	5.56	5.64	6.54
F	**Total (A+B+C+D+E)**	**211.14**	**304.67**	**298.75**	**300.60**	**303.28**

98. The details of the AFC allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020 for Asset-1 and vide order dated 29.8.2023 in Petition No. 113/TT/2021 for Asset-2, Asset-3 and Asset-4, AFC claimed by the Petitioner in the instant Petition and trued-up AFC approved in the instant order are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 5.5.2022 in Petition No. 677/TT/2020	659.71	752.84	779.93	767.69	749.81
Claimed by the Petitioner in the instant Petition	654.12	710.88	707.80	695.76	694.80
Approved after true-up in this order	653.66	710.58	707.73	695.77	694.79
Asset-2	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	144.70	194.79	197.70	198.14	195.10

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	143.95	188.98	182.66	175.54	174.03
Approved after true-up in this order	143.96	188.97	182.65	175.55	174.03
Asset-3	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	145.19	240.51	246.28	244.00	241.76
Claimed by the Petitioner in the instant Petition	145.52	232.65	238.49	239.84	242.16
Approved after true-up in this order	141.48	226.91	232.93	234.32	236.66
Asset-4	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 29.8.2023 in Petition No. 113/TT/2021	216.61	321.26	321.83	322.74	318.22
Claimed by the Petitioner in the instant Petition	218.34	315.18	308.91	310.71	313.36
Approved after true-up in this order	211.14	304.67	298.75	300.60	303.28

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

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

(₹ in lakh)

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	460.34	462.30	442.45	442.45	392.92
Interest on Loan	256.01	224.60	188.14	152.27	118.41
Return on Equity	441.08	446.07	446.07	446.07	446.07
Interest on Working Capital	27.69	27.87	27.61	27.63	27.08
O&M Expenses	242.72	255.52	268.84	282.92	297.88
Total	**1427.84**	**1416.36**	**1373.11**	**1351.34**	**1282.36**

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

(₹ in lakh)

Particulars	Combined Asset				
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
O&M Expenses	20.23	21.29	22.40	23.58	24.82
Maintenance Spares	36.41	38.33	40.33	42.44	44.68
Receivables	176.04	174.62	169.29	166.15	158.10
Total Working Capital	**232.68**	**234.24**	**232.02**	**232.17**	**227.60**
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	**27.69**	**27.87**	**27.61**	**27.63**	**27.08**

Effective Date of Commercial Operation (E-COD)

101. The Petitioner has combined the transmission assets in the instant Petition and has claimed the E-COD in respect of the Combined Asset as 14.5.2019. We have considered the Petitioner's submission and the E-COD has been worked out as 13.5.2019 instead of 14.5.2019 as claimed by the Petitioner. The working of the E-COD is as under:

Assets	Trued-up Capital cost as on 31.3.2024 (₹ in lakh)	COD	No. of days from COD of Asset from COD of Project	Weight of cost (in %)	Weighted days
Asset-1	4064.62	14.3.2019	140.00	**53.32**	**74.65**
Asset-2	994.28	22.6.2019	40.00	**13.04**	**5.22**
Asset-3	1057.89	1.8.2019	0.00	**13.88**	**0.00**
Asset-4	1505.88	1.8.2019	0.00	**19.76**	**0.00**
Total	**7622.66**			**100.00**	**79.87**
E-COD					**13.5.2019**

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

Weighted Average Life ("WAL") of the Project

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

104. The WAL has been determined based on the admitted capital cost of individual elements under the transmission system as on 13.5.2019 (E-COD) and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, the WAL in respect of the Combined Asset has been worked out as 24 years as under:

Particulars	**Combined Asset Cost (₹ in lakh) (1)**	**Life as per 2024 Tariff Regulations (Years) (2)**	**Weighted Cost (3)=(1)x(2)**	**Weighted Average Life of Asset (in years) (4)=(3)/(1)**
Building Civil Works & Colony	12.84	25	320.94	23.88 years (Rounded off to 24 Years)
Transmission Line	0.00	35	0.00	
Sub Station	7133.49	25	178337.16	
PLCC	326.02	7	2282.14	
IT Equipment incl. software	150.32	7	1052.22	
Total	**7622.66**		**181992.46**	**24**

105. The WAL as on 13.5.2019 (E-COD), as determined above, is applicable prospectively (i.e., for the 2024-29 tariff period onwards), and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed in the preceding paragraphs, the E-COD of the Combined Asset is 13.5.2019, and the lapsed life of the project works out as 4 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, WAL has been used to determine the remaining useful life as on 13.5.2019 to be 24 years.

Capital Cost

106. 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 decapitalised from the original project only after its redeployment;

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

(d)……

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

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

107. The Petitioner has claimed the following capital cost for the Combined Asset during the 2024-29 tariff period:

(₹ in lakh)

Asset	FR Apportioned approved cost	Capital cost as on 31.3.2024	ACE claimed during 2024-29					Capital Cost as on 31.3.2029
			24-25	25-26	26-27	27-28	28-29	
Combined Asset	11943.00^	7739.35*	177.23	0.00	0.00	0.00	0.00	7916.58

^Approved IA FR cost for the Combined Asset is ₹11952.00 lakh (₹7465.76 lakh for Asset-1, and ₹4486.24 lakh for Asset-2 to Asset-4)

**Initial Spares of ₹13.01 lakh (under Sub-station head) added back based on project level computation worked out*

108. The Petitioner has added back the Initial Spares of ₹13.01 lakh based on the project level as on 1.4.2024.

109. We have considered the Petitioner's submission of the. The capital cost has been dealt in line with Regulation 19(3) of the 2024 Tariff Regulations. The trued-up capital

cost of ₹7622.66 lakh has been approved by the Commission as on 31.3.2024 and thus, the same is being claimed as the opening capital cost as on 1.4.2024 for determination of the AFC in respect of the Combined Asset for the 2024-29 tariff period. The add back of the Initial Spares of ₹13.01 lakh claimed by the Petitioner shall be dealt with in the succeeding paragraphs.

Initial Spares

110. The Petitioner has claimed the add back of the Initial Spares of ₹13.01 lakh based on the project level as on 1.4.2024, in terms of the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017.

111. 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 the Commission for the purpose of prudence check may restrict the Initial Spares to the cost of the individual asset and later at the time of truing-up allow the Initial Spares as per the ceiling limit on the overall project cost.

112. The Petitioner has combined all the assets during the 2024-29 tariff period. Therefore, in terms of the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares have been worked out in respect of the Combined Asset and allowed as under:

(₹ in lakh)

Asset	Total Plant & machinery cost as on cut-off date)	Initial Spares claimed	Norms as per the 2014/2019 Tariff Regulations (in %)	Initial Spares worked out as per norms	Initial Spares Allowed in instant order during 2019-24 Tariff period	Additional Initial Spares allowed
	(A)	(B)	(C)	(D)={(A-B) *C} /(100-C)		
1	3998.96	141.96	5	203.00	141.96	
2	768.84	33.27	5	38.71	33.27	
Total	**4767.80**	**175.23**		**241.71**	**175.23**	**0.00**

No Additional Initial Spares are being allowed in respect of the Combined asset						
3	1063.21	76.02	6	63.01	63.01	
4	1196.9	16.39	6	75.35	16.39	
Total	**2260.11**	**92.41**		**138.36**	**79.40**	**13.01**
Additional Initial Spares ₹13.01 lakh (₹92.41 lakh - ₹79.40 lakh) is being allowed in respect of the Combined Asset						

113. Accordingly, the details of the capital cost in respect of the Combined Asset as on 1.4.2024 are as follows:

(₹ in lakh)

Combined Capital Cost as on 31.3.2024	Additional Initial Spares allowed as per the APTEL's judgment dated 14.9.2019	Combined Capital Cost as on 1.4.2024
7622.66	13.01	7635.67

Additional Capital Expenditure (ACE)

114. Regulations 24 and 25 of the 2024 Tariff Regulations provides as under:

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

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

- *(a) Undischarged liabilities recognized to be payable at a future date;*
- *(b) Works deferred for execution;*
- *(c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 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 Capitalisation within the original scope and after the cut-off date

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

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

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

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

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

115. The Petitioner has claimed the following ACE for Asset-1 during the 2024-29 tariff period under Regulation 25(1)(d) of the 2024 Tariff Regulations on account of the payment made towards the liability admitted for the works within the original scope executed prior to the cut-off date:

(₹ in lakh)

ACE claimed during 2024-29				
2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
177.23	0.00	0.00	0.00	0.00

116. The Petitioner has further submitted the Liability Flow Statement containing head-wise and party-wise details of ACE claimed during the 2024-29 tariff period for Asset-1 as follows:

(₹ in lakh)

Asset	**Party Name**	**Particulars**	**Year of Actual Capitalization**	**Outstanding Liability as on 31.3.2024**	**Discharge**	**Total**	**Outstanding Liability as on 31.3.2029**
					2024-25	**2024-29**	
Combined Asset	GE T&D India Limited, Techno Electric and Engineering Company Limited, Xian XD Switchgear Electric Company Limited (Associated with M/s Techno Electric and Engineering Company Limited)	Sub-station	2018-19	177.23	177.23	1.137.53	0.00

117. We have considered the Petitioner's submissions. The ACE claimed by the Petitioner towards the balance and retention payments is allowed under Regulation 25(1)(d) of the 2024 Tariff Regulations and the capital cost allowed for the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Asset	**Capital Cost admitted as on 1.4.2024**	**ACE allowed for the 2024-29 tariff period**	**Capital Cost allowed as on 31.3.2029**
Combined Asset	7635.67	177.23	7812.90

Debt-Equity ratio

118. 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:*
iii. *any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

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

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.
(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2024, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2024 shall be considered:

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

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

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

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

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

119. The debt-equity ratio considered for the purpose of computation of the tariff for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of tariff for the Combined Asset for the 2024-29 tariff period is as under:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	5344.97	70.00	124.06	70.00	5469.03	70.00
Equity	2290.70	30.00	53.17	30.00	2343.87	30.00
Total	**7635.67**	**100.00**	**177.23**	**100.00**	**7812.90**	**100.00**

Depreciation

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

> ***"33. Depreciation:*** *(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In the case of the tariff of all the units of a generating station or all elements of a transmission system including the communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:*
>
> *Provided that the effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which a single tariff needs to be determined.*
>
> *(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, the weighted average life for the generating station or the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.*
>
> *(3) The salvage value of the asset shall be considered as 10%, and depreciation shall be allowed up to the maximum of 90% of the capital cost of the asset:*
>
> *Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;*
>
> *…….*
>
> *Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system, as the case may*

be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4) ……

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

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

……

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

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

……

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

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

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

(10) Xxxxx
(11) Xxxx
(12) Xxxx"

121. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter, up to 31.3.2029. The WAROD has been

worked out for the Combined Asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

122. 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)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Capital cost	7635.67	7812.90	7812.90	7812.90	7812.90
B	Addition during the year 2024-29 due to ACE	177.23	0.00	0.00	0.00	0.00
C	Closing Capital cost (A+B)	7812.90	7812.90	7812.90	7812.90	7812.90
D	Average Capital cost (A+C)/2	7724.29	7812.90	7812.90	7812.90	7812.90
E	Average Capital cost (90% depreciable assets)	7573.97	7662.58	7662.58	7662.58	7662.58
F	Average Capital cost (100% depreciable assets)	150.32	150.32	150.32	150.32	150.32
G	Depreciable value (excluding IT equipment and software) (E*90%)	6816.57	6896.33	6896.33	6896.33	6896.33
H	Depreciable value of IT equipment and software (F*100%)	150.32	150.32	150.32	150.32	150.32
I	Total Depreciable Value (G+H)	6966.89	7046.64	7046.64	7046.64	7046.64
J	Weighted average rate of Depreciation (WAROD) (in %)	5.8762	5.8348	5.5808	5.4011	4.9549
K	Lapsed useful life at the beginning of the year (Year)	4	5	6	7	8
L	Balance useful life at the beginning of the year (Year)	20	19	18	17	16
M	**Depreciation during the year (D*J)**	**453.90**	**455.87**	**436.02**	**421.98**	**387.12**
N	Cumulative Depreciation at the end of the year	2466.95	2922.82	3358.84	3780.82	4167.94
O	Remaining Aggregate Depreciable Value at the end of the year	4499.94	4123.83	3687.81	3265.83	2878.71

Interest on Loan (IoL)

123. 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 decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.
(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

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

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

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

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

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

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

124. The Commission, vide RoP for the hearing dated 7.11.2025 directed the Petitioner to submit the excel sheets with proper linkages for Form-9C for the 2024-29 tariff period.

125. Accordingly, the Petitioner vide affidavit dated 11.11.2025 has submitted the excel linked Form-9C. Further, 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.

126. BSPHCL has submitted that the IoL is determined in terms of Regulation 32 of the 2024 Tariff Regulations based on the weighted rate of interest calculated on actual loan portfolio on a specific date, as applicable. Therefore, such automatic billing and adjusting of changes arising from the floating rates of interest ought not to be permitted.

127. We have considered the Petitioner's and BSPHCL's submissions. The floating rate of interest, if any, will be considered at the time of true-up. The IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed for the 2024-29 tariff period in respect of the Combined Asset is as follows:

(₹ in lakh)

	Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
A	Gross Normative Loan	5344.97	5469.03	5469.03	5469.03	5469.03
B	Cumulative Repayments upto Previous Year	2013.05	2466.95	2922.82	3358.84	3780.82
C	Net Loan-Opening (A-B)	3331.92	3002.08	2546.21	2110.19	1688.21
D	Additions	124.06	0.00	0.00	0.00	0.00
E	Repayment during the year	453.90	455.87	436.02	421.98	387.12
F	Net Loan-Closing (C+D-E)	3002.08	2546.21	2110.19	1688.21	1301.09
G	Average Loan (C+F)/2	3167.00	2774.15	2328.20	1899.20	1494.65
H	Weighted Average Rate of Interest on Loan (in %)	7.9752	7.9752	7.9752	7.9752	7.9752
I	**Interest on Loan (G*H)**	**252.57**	**221.24**	**185.68**	**151.46**	**119.20**

Return on Equity (RoE)

128. Regulations 30 and 31 of the 2024 Tariff Regulations provides as under:

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

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

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

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

Provided further that:

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

……."

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

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

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

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

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."

129. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner's submissions and have gone through the record. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)

	Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
A	Opening Equity	2290.70	2343.87	2343.87	2343.87	2343.87
B	Additions	53.17	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	2343.87	2343.87	2343.87	2343.87	2343.87
D	Average Equity (A+C)/2	2317.29	2343.87	2343.87	2343.87	2343.87
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	**Return on Equity (D*G)**	**435.23**	**440.23**	**440.23**	**440.23**	**440.23**

Operation & Maintenance Expenses (O&M Expenses)

130. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2024-29 period are as under:

(₹ in lakh)

O&M Expenses	2024-25	2025-26	2026-27	2027-28	2028-29
	242.72	255.52	268.84	282.92	297.88

131. The norms specified under Regulation 36(3)(a) of the 2024 Tariff Regulations provide 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	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	*41.34*	*43.51*	*45.79*	*48.20*	*50.73*
400 kV	*29.53*	*31.08*	*32.71*	*34.43*	*36.23*
220 kV	*20.67*	*21.75*	*22.90*	*24.10*	*25.36*
132 kV and below	*15.78*	*16.61*	*17.48*	*18.40*	*19.35*
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAr ((₹ Lakh per MVA or MVAR)	*0.262*	*0.276*	*0.290*	*0.305*	*0.322*
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Single Circuit (Bundled conductor with four sub-conductors)	*0.738*	*0.776*	*0.817*	*0.860*	*0.905*
Single Circuit (Twin & Triple Conductor)	*0.492*	*0.518*	*0.545*	*0.573*	*0.603*
Single Circuit (Single Conductor)	*0.346*	*0.259*	*0.272*	*0.287*	*0.302*
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*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
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 (₹ Lakh per MW) (Except Gazuwaka BTB)	*2.07*	*2.18*	*2.30*	*2.42*	*2.55*
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	*1.83*	*1.92*	*2.03*	*2.13*	*2.24*
HVDC bipole scheme (₹ Lakh per 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.

……."

132. We have considered the Petitioner's submission. The O&M Expenses have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations and the same are as follows:

(₹ in lakh)

Particulars	Combined Asset				
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
400 kV GIS Sub-station Kishenganj: Dharbhanga-I Bay (1 no.) Kishenganj: Dharbhanga-II Bay (1 no.) Kishenganj: Dharbhanga-I 80 MVAR SLR-I (1 no.) Kishenganj: 1 x 80 MVAR SLR for Ckt-II of TBCB Kishenganj-Dharbhanga Line (1 no.)					
Norms (₹ lakh/Bay)	20.671	21.756	22.897	24.101	25.361
Total	**82.68**	**87.02**	**91.59**	**96.40**	**101.44**
400 kV Sub-station Siliguri: 02 nos. 400 kV line bays Alipurduar: 02 nos. 400 kV line bays					
Norms (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
Total	**118.12**	**124.32**	**130.84**	**137.72**	**144.92**
400 kV Sub-station Reactor Kishenganj: 80 MVAR SLR-I for Dharbhanga-I Kishenganj: 80 MVAR SLR-II for Dharbhanga-II					
Number of Units	2	2	2	2	2
MVA Capacity	80	80	80	80	80
Norms (₹ lakh/MVA)	0.262	0.276	0.290	0.305	0.322
Total	**41.92**	**44.16**	**46.40**	**48.80**	**51.52**
Total O&M Expenses (₹ in lakh)	**242.72**	**255.50**	**268.83**	**282.92**	**297.88**

Interest on Working Capital (IWC)

133. Regulation 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify 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.*
>
> *(2) ……*
>
> *(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024- 29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:*

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

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

134. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. The IWC has been worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The ROI considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for the FY 2024-25 and 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9.00% plus 325 basis points) for FY 2025-26 to 2028-29.

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

(₹ in lakh)

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	20.23	21.29	22.40	23.58	24.82
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	36.41	38.33	40.32	42.44	44.68
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	174.07	172.76	167.46	162.78	156.76
D	**Total Working Capital (A+B+C)**	**230.70**	**232.38**	**230.18**	**228.80**	**226.26**
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)**	**27.45**	**28.47**	**27.51**	**27.34**	**27.04**

Annual Fixed Charges of the 2024-29 Tariff Period

136. The AFC allowed for the 2024-29 tariff period in respect of the Combined Asset are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	453.90	455.87	436.02	421.98	387.12
Interest on Loan	252.57	221.24	185.68	151.46	119.20
Return on Equity	435.23	440.23	440.23	440.23	440.23
O&M Expenses	242.72	255.50	268.83	282.92	297.88
Interest on Working Capital	27.45	28.47	27.51	27.34	27.04
Total	**1411.88**	**1401.31**	**1358.26**	**1323.94**	**1271.47**

Filing Fee and Publication Expenses

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

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

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

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

140. 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."

141. 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 by the Commission.

Licence Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

144. BSPHCL has submitted that the tariff approval is based on the actual prudently incurred costs and not on the speculative future contingencies. Any automatic billing and recovery of speculative tax/levy ought not to be permitted. Therefore, the Petitioner's prayer ought to be rejected as it is pre-mature.

145. We have considered the Petitioner's and BSPHCL'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

146. 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. According to the Petitioner, the Security Expenses regarding the Combined Assets are not claimed in the instant Petition.

147. The Petitioner has also submitted that it has not claimed Insurance Expenses in the instant Petition and has submitted that it will file a separate Petition for claiming the overall insurance expenses and consequential 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 FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

148. 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 Capital Spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

149. 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."*

150. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering the Petitioner's submissions, the Petitioner is allowed to file a single consolidated Petition comprising Security Expenses, Capital Spares individually costing more than ₹10 lakh and Insurance Expenses on the estimated basis as per the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

151. The Petitioner has submitted that the transmission charges for the 2019-24 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 for Asset-1 and Asset-2 in terms of the 2020 Sharing Regulations as amended from time to time. In regard to Asset-3 and Asset-4, the Petitioner has submitted that the transmission charges of these two assets will be borne by ATL from the COD of the transmission assets, i.e., from 1.8.2019 up to 20.1.2020 (i.e., COD of the TBCB line). The Petitioner has further submitted that thereafter, the

sharing of transmission charges will be governed by the applicable Sharing Regulations. Further, the tariff for the 2024-29 tariff period for the Combined Asset 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.

152. We have considered the Petitioner's submissions. The Petitioner has sought recovery of tariff for the 2019-24 tariff period in accordance with Regulation 57 of the 2019 Tariff Regulations and for the 2024-29 tariff period in accordance with Regulation 78 of the 2024 Tariff Regulations.

153. In regard to Asset-1 & Asset-2, the Commission, vide its Order dated 5.5.2022 in Petition No. 677/TT/2020 had passed the following directions:

> *"With effect from 1.11.2020, sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and Sharing Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations….."*

154. Further, in regard to Asset-3 & Asset-4, the Commission vide Order dated 29.8.2023 in Petition No. 113/TT/2021 had passed the following directions:

> *"91. Further, the entity responsible for execution of the downstream or upstream transmission licensee or a generating station, irrespective of the fact that it is affected by force majeure events, has to bear the transmission charges for the period of mismatch from the transmission asset to the COD of transmission asset/ scheme under its scope. In the instant case, the associated transmission line was ready on 20.1.2020. Therefore, we are of the view that the transmission charges of the Asset-II and Asset-III should be borne by ATL from COD of the transmission asset, i.e. from 1.8.2019 upto 20.1.2020 and thereafter the transmission charges of the Asset-II and Asset-III shall be recovered as per the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations."*

155. In view of the above, the transmission charges for Asset-3 & Asset-4, for the period from 1.8.2019 to 20.1.2020 shall be borne by ATL, and thereafter the transmission charges shall be shared in accordance with the applicable Sharing Regulations. The transmission charges for the 2019-24 tariff period shall be recovered

on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers as per the applicable Sharing Regulations.

156. Further, the tariff for the 2024-29 tariff period for the Combined Asset 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 consumers in terms of the 2020 Sharing Regulations.

157. To summarise:

a. The trued-up Annual Transmission Charges claimed and approved for the 2019-24 tariff period in respect of the transmission assets are as follows:

(₹ in lakh)

Asset-1					
Particulars	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
AFC Claimed	654.12	710.88	707.80	695.76	694.80
AFC Approved	653.66	710.58	707.73	695.77	694.79

(₹ in lakh)

Asset-2					
Particulars	**2019-20 (pro-rata 284 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
AFC Claimed	143.95	188.98	182.66	175.54	174.03
AFC Approved	143.96	188.97	182.65	175.55	174.03

(₹ in lakh)

Asset-3					
Particulars	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
AFC Claimed	145.52	232.65	238.49	239.84	242.16
AFC Appoved	141.48	226.91	232.93	234.32	236.66

(₹ in lakh)

Asset-4					
Particulars	**2019-20 (pro-rata 244 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
AFC Claimed	218.34	315.18	308.91	310.71	313.36
AFC Approved	211.14	304.67	298.75	300.60	303.28

b. The Annual Transmission Charges claimed and allowed in respect of the Combined Asset for the 2024-29 tariff period in this order are as follows:

(₹ in lakh)

Combined Asset					
Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
AFC Claimed	1427.84	1416.36	1373.11	1351.34	1282.36
AFC Allowed	1411.88	1401.31	1358.26	1323.94	1271.47

158. This order disposes of Petition No. 566/TT/2025, in terms of the above discussions and findings.

sd/-
(Ramesh Babu V.)
Member

sd/-
(Harish Dudani)
Member