CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 876/TT/2025

Coram:

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

Date of Order: 15.10.2026

In the matter of:

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

And in the matter of:

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

…Petitioner

Versus

1. **Bihar State Power Holding Company Limited,**
   Vidyut Bhawan, Bailey Road,
   Patna – 800001, 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 Odisha 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. **National Thermal Power Corporation Limited,**
NTPC Bhawan, Core-7, Scope Complex,
7 Institutional Area, Lodhi Road,
New Delhi – 110003

…Respondents

Parties Present : Shri Zafrul Hasan, PGCIL
Shri. Angaru Naresh Kumar, PGCIL
Shri Raman Kumar, PGCIL
Shri. Vijay G., PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Amit Yadav, PGCIL
Shri. Divyanshu Mishra, PGCIL
Ms. Supriya Singh, PGCIL
Shri. Arjun Malhotra, PGCIL
Shri Ranjeet Pandey, PGCIL
Shri Ashish Alankar, PGCIL

ORDER

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

Asset No.	Asset as per the instant Petition	Asset Name
Asset-1	Combined Asset (1 to 21)	Replacement of existing 100 MVA, 220/132 ICT with 01 No. 1X160 MVA ICT at 220/132kV Birpara Sub-station alongwith associated bays at Birpara Sub-station
Asset-2		Replacement of existing 100 MVA, 220/132 ICT with 1x160 MVA, 220/132 kV ICT at 220/132 kV Siliguri Sub-station along with necessary bay eqpt/ protection system at Siliguri S/S

Asset-3		Replacement of 315 MVA 400/220Kv ICT I with 500 MVA 400/220 kV ICT at Patna Substation
Asset-4		Replacement of 315 MVA 400/220Kv ICT II with 500 MVA 400/220 kV ICT at Patna Substation
Asset-5		Replacement of 315 MVA 400/220Kv ICT I with 500 MVA 400/220 kV ICT at Pusauli Substation
Asset-6		Replacement of 315 MVA 400/220Kv ICT II with 500 MVA 400/220 kV ICT at Purnea
Asset-7		Replacement of 1x 100 MVA (3rd) ICT with 1x160 MVA220/132 kV ICT at Purnea Substation
Asset-8		1 No. of 1X125 MVAR Bus Reactor at Baripada Substation with GIS bay
Asset-9		01 Nos of 1X500 MVA, 400/220/132 kV ICT at 400/220/132 kV Baripada S/S alongwith GIS bays
Asset-10		Conversion of 50 MVAR Line Reactor (presently installed at Jeerat end of 400kV Baharampur – Jeerat TL) as Bus Raeactor in parallel with existing Bus Reactor at Jeerat
Asset-11		Installation of 01 no. 125 MVAR Bus Reactor at Maithon S/S with GIS bays
Asset-12		02 nos. 220kV GIS Line Bays at Kishanganj S/S
Asset-13		02 nos. 220kV GIS Line Bays at Kishanganj S/S
Asset-14		Modification of 132kV Bus arrangement at 220/132 kV Siliguri Sub-station with GIS bays
Asset-15		Shifting of 1x315 MVA, 400/220kV ICT from any suitable location (after replacement by 1x500 MVA ICT) and install it at Jamshedpur 400/220kV Substation as 3rd ICT along-with associated bays
Asset-16		Modification of 132kV Bus arrangement with GIS bays at 220/132kV Purnea S/S
Asset-17		Spare 1 no. unit of 765Kv,110 MVAR Single Phase Reactor to be stationed at Sasaram
Asset-18		3rd 500 MVA, 400/220kV ICT at Patna (POWERGRID) substation along-with associated bay
Asset-19		01 No. 500 MVA Single phase spare unit of 765/400 kV ICT at Angul S/S
Asset-20		01 No. 500 MVA Single phase spare unit of 765/400 kV ICT at Sundergrah S/S
Asset-21		Replacement of 315 MVA 400/220 kV ICT I with 500 MVA 400/220 kV ICT at Purnea Substation
Asset-22	Asset-22	Replacement of existing 315 MVA, 400/220 kV ICT II with 500 MVA, 400/220 kV ICT-II at the Pusauli Sub-station
Asset-23	Asset-23	Installation of 1 No. 315 MVA, 400/220 kV ICT at Farakka along with associated bays

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

"a) Approve the revised trued-up Transmission Tariff for 2014-19 block for the asset-14 covered under this petition, as per para 19 above.

b) 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 19 & 20 above.

c) Admit the capital cost claimed and additional capitalization incurred during 2019-24

and 2024-29 tariff block.

d) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 17 &18 above for respective block.*

Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long-term customers / DIC, as and when the same materialized as per regulation 67 of 2019 and regulation 89 of 2024 tariff regulation. The petitioner may be allowed to recover the deferred tax liability materialized directly without making any application before the commission as provided in the regulations.

e) *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.*

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

g) *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.*

h) *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 26 above.*

i) *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 26 above.*

j) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares as per actual as mentioned at Para 26 above.*

k) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 27 above.*

l) *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 Petitioner was entrusted with implementing the transmission project. The Investment Approval (IA) of the transmission project was accorded by the Board of Directors (BoD) in its 301st meeting held on 13.5.2014 and communicated vide Memorandum Ref. No. C/CP/ERSS-XII dated 19.5.2014, at an estimated cost of ₹52229.00 lakh, including an IDC of ₹3324.00 lakh based on the February 2014 price level.

b) As per the IA, the broad scope of work is as under:

(i) Reactive Compensation at 400 kV Sub-stations:
- Installation of 1X125 MVAr Bus Reactor at Baripada with GIS bay.
- Installation of 1X125 MVAr Bus Reactor at Maithon with GIS bay.
- Conversion of 50 MVAr Line Reactor presently installed at Jeerat end of Baharampur – Jeerat 400 kV line as Bus Reactor in parallel with existing Bus Reactor at Jeerat.

(ii) Augmentation of Transformation Capacity:
- Addition of 1x500 MVA, 400/220 kV ICT with GIS bays at Baripada 400/220/132 kV Sub-station of POWERGRID
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Purnea #
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Pusauli #
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Patna #
- Shifting of 1x315 MVA, 400/220 kV ICT from any suitable location (after replacement by 1x500 MVA ICT) and install it at Jamshedpur 400/220 kV Sub-station as 3rd ICT along with associated bays.

- Shifting of 1x315 MVA, 400/220 kV ICT from any suitable location (after replacement by 1x500 MVA ICT) and install it at Farakka 400/220 kV Sub-station as 2nd ICT along with associated bays.

 # out of the 6 Nos. 315 MVA ICTs released from Purnea, Patna and Pusauli Substations, one each would be kept as spare at Patna and Pusauli Sub-station, one each would be diverted to Jamshedpur and Farakka Sub-station for installation as and remaining 2x315 MVA, 400/220 kV ICTs would be utilized as Regional Spare.

- Replacement of 1X100 MVA (3rd ICT), 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Purnea 220/132 kV Sub-station

of POWERGRID, along with necessary bay equipment /protection system.

- Replacement of existing 100 MVA, 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Siliguri220/132 kV Sub-station of POWERGRID, along with necessary bay equipment /protection system.

- Replacement of existing 100 MVA, 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Birpara 220/132 kV Sub-station of POWERGRID, along with necessary bay equipment /protection system.

100 MVA ICTs thus released from Purnea, Siliguri and Birpara shall be kept in the regional pool of spare ICTs

(iii) 2 Nos. 500 MVA single phase spare unit of 765/400 kV ICT for Eastern Region.
- Procurement of two 500 MVA single phase spare unit of 765/400 kV ICT for Eastern Region to be stationed at Angul and Jharsuguda Substation.

(iv) Spare 1 No. unit of the 765 kV, 110 MVAr Single Phase Reactor to be stationed at Sasaram.
(v) Modification of 132 kV bus arrangement at 220/132 kV Siliguri and Purnea Sub-station with GIS bays.
(vi) Construction of 4 Nos. 220 kV GIS line bays at Kishanganj Sub-station of POWERGRID.

c) The Revised Cost Estimate-I (RCE-I) of the transmission project was accorded by the BoD of the Petitioner on 24.3.2017, vide Memorandum Ref. No. C/CP/PA1617-03-0AE-RCE019 dated 30.3.2017, for an estimated cost of ₹55018.00 lakh, including an IDC of ₹1700.00 lakh based on the December 2016 price level.

d) The system requirements for the Eastern Region (ER) were agreed upon in the 25th TCC, the Eastern Regional Power Committee (ERPC) Meeting, and the Standing Committee Meeting (SCM) on Power System Planning in ER held on 27.8.2013. Due to urgent system requirements, the modified scope of works was discussed and agreed upon in the 19th SCM of ER, and the 36th ERPC meeting held on 1.9.2017 and 14.9.2017, respectively.

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

(i) Reactive Compensation at 400 kV Sub-stations

- Installation of 1X125 MVAr Bus Reactor at Baripada with GIS bay.
- Installation of 1X125 MVAr Bus Reactor at Maithon with GIS bay.
- Conversion of 50 MVAr Line Reactor presently installed at Jeerat end of Baharampur – Jeerat 400 kV line as Bus Reactor in parallel with existing Bus Reactor at Jeerat.

(ii) Augmentation of Transformation Capacity

- Addition of 1x500 MVA, 400/220 kV ICT with GIS bays at Baripada 400/220/132 kV sub-station of POWERGRID
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Purnea #
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Pusauli #
- Replacement of 2X315 MVA, 400/220 kV ICTs with 2X500 MVA, 400/220 kV ICTs at Patna #

#As per the approved scope of works, it was envisaged that out of the 6 nos. 315 MVA ICTs released from Purnea, Patna, and Pusauli Substations, one each would be kept as spare at Patna and Pusauli Substation, one each would be diverted to Jamshedpur and Farakka Substation for installation as ICT-3 and ICT-2 respectively and remaining 2x315 MVA, 400/220 kV ICTs would be utilized as Regional Spare. However, in the 19th meeting of the Standing Committee on Power System Planning for ER and the 1st meeting of the Eastern Region Standing Committee on Transmission (erstwhile Standing Committee on Power System Planning for ER) held on 1.9.2017 and 16.7.2018, respectively, the following modification in regard to 315 MVA ICTs released after a replacement has been approved:

Original ICT Location	**New ICT Location**	**Scheme**	**Remarks**
Purnea (ICT-1)	-	ERSS-XII	ICT is very old. Stationed at Muzaffarpur as a regional spare.
Purnea (ICT-2)	Jamshedpur (ICT-3)	ERSS-XII	Originally planned to be diverted to Durgapur as ICT-3. Now being diverted to Jamshedpur as ICT-3.
Pusauli (ICT-1)	Durgapur (ICT-3)	ERSS-XVII (Part-B)	Originally, it was planned to be diverted to Farakka as ICT -2. It is now being diverted to Durgapur as ICT-3.
Pusauli (ICT-2)	Jeypore (ICT-4)	ERSS-XVII	-

		(Part-B)	
Patna (ICT-1)	Farakka (ICT-2)	ERSS-XII	Originally diverted to Jamshedpur. ICT got burnt. New ICT to be procured through an insurance claim and to be installed as Farakka ICT-2
Patna (ICT-2)	Jeypore (ICT-3)	ERSS-XVII (Part-B)	-

- Replacement of 1X100 MVA (3rd ICT), 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Purnea 220/132 kV Sub-station of POWERGRID, along with necessary bay equipment /protection system.
- Replacement of existing 100 MVA, 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Siliguri 220/132 kV Sub-station of POWERGRID, along with necessary bay equipment /protection system
- Replacement of existing 100 MVA, 220/132 kV ICTs with 1X160 MVA, 220/132 kV ICT at Birpara 220/132 kV Sub-station of POWERGRID, along with necessary bay equipment /protection system.
  - 100 MVA ICTs thus released from Purnea, Siliguri, and Birpara shall be kept in the regional pool of spare ICTs.

(iii) 1 No. 500 MVA single-phase spare unit of 765/400 kV ICT for Eastern Region stationed at Angul Sub-station.

(iv) 1 No. 500 MVA single-phase spare unit of 765/400 kV ICT for Eastern Region stationed at Sundargarh (Jharsuguda) Sub-station.

(v) Spare 1 No. unit of 765 kV, 110 MVAR Single Phase Reactor to be stationed at Sasaram.

(vi) Modification of 132 kV bus arrangement at 220/132 kV Siliguri and Purnea Sub-station with GIS bays.

(vii) Construction of 4 Nos. 220 kV GIS line bays at Kishanganj Sub-station of POWERGRID.

(viii) Installation of 3rd 500 MVA, 400/220 kV ICT at Patna along with associated bays**.

(ix) **Shifting of 420 kV, 125 MVAr bus reactor to Patna end of one of the circuits of Barh- Patna line as a switchable reactor to create space for installation of 3rd 500 MVA /CT at Patna**.**

*** Subsequent to RCE-I approval, due to urgent system requirement, it was decided in the 19th SCM of ER & 36th ERPC meeting held on 1.9.2017 and 14.9.2017, respectively, to include above mentioned*

scope of works at (viii) & (ix) under the ERSS-XII. The same was also approved by MoP vide its letter dated 10.1.2018.

f) The Revised Cost Estimate-II (RCE-II) of the transmission project was accorded by the BoD of the Petitioner on 8.3.2019, vide Memorandum Ref. No. C/CP/PA1819-12-0AT-RTE018 conveyed on 14.3.2019 for an estimated cost of ₹54636.00 lakh, including an IDC of ₹2403.00 lakh based on the October 2018 price level.

g) The Commission, vide its order dated 22.8.2016 in Petition No. 69/TT/2016, determined the transmission tariff with respect to Asset-1 to Asset-9 for the 2014-19 tariff period (from their COD to 31.3.2019). Further, the Commission, vide its order dated 19.9.2017 in Petition No. 233/TT/2016, determined the transmission tariff with respect to Asset-10 to Asset-14 for the 2014-19 tariff period (from their COD to 31.3.2019). The Commission, vide its order dated 30.12.2019 in Petition No. 277/TT/2018, determined the transmission tariff with respect to Asset-15 to Asset-20 for the 2014-19 tariff period (from their respective COD to 31.3.2019). The Commission, vide its order dated 23.3.2016 in Petition No. 232/TT/2015, determined the transmission tariff with respect to Asset-21 for the 2014-19 tariff period (from its COD to 31.3.2019). The Commission vide its order dated 6.6.2020 in Petition No. 666/TT/2020 determined the transmission tariff with respect to Asset-22 for the 2014-19 tariff period. Further, the Commission, vide its order dated 20.1.2025 in Petition No. 93/TT/2023, determined the transmission charges with respect to Asset-23 for the 2019-24 tariff period.

h) Subsequently, the Commission, vide its order dated 24.1.2023 in Petition No. 670/TT/2020, trued-up the transmission tariff for the 2014-19 tariff period with respect to the Combined Asset (Asset-1 to Asset-21) for the

2019-24 tariff period.

i) The Petitioner has filed the instant Petition for truing-up of the transmission tariff with respect to the transmission assets (Combined Asset, i.e., Asset-1 to 21, Asset-22 and Asset-23) for the and the determination of the transmission tariff with respect to the Combined Asset (Asset-1 to 23) for the 2024-29 tariff period. The details of the COD of the transmission assets are as under:

Asset No	Asset Name	COD	Remarks
Asset-1	Replacement of existing 100 MVA, 220/132 ICT with 01 No. 1X160 MVA ICT at 220/132kV Birpara Sub-station alongwith associated bays at Birpara Sub-station	1.1.2016	Earlier covered under Petition No. 670/TT/2020 with respect to the Combined Asset for the 2019-24 tariff period with an effective COD of 21.2.2017
Asset-2	Replacement of existing 100 MVA, 220/132 ICT with 1x160 MVA, 220/132 kV ICT at 220/132 kV Siliguri Sub-station along with necessary bay eqpt/ protection system at Siliguri S/S	2.2.2016	
Asset-3	Replacement of 315 MVA 400/220Kv ICT I with 500 MVA 400/220 kV ICT at Patna Substation	24.9.2016	
Asset-4	Replacement of 315 MVA 400/220Kv ICT II with 500 MVA 400/220 kV ICT at Patna Substation	17.2.2019	
Asset-5	Replacement of 315 MVA 400/220Kv ICT I with 500 MVA 400/220 kV ICT at Pusauli Substation	3.4.2016	
Asset-6	Replacement of 315 MVA 400/220Kv ICT II with 500 MVA 400/220 kV ICT at Purnea	30.9.2016	
Asset-7	Replacement of 1x 100 MVA (3rd) ICT with 1x160 MVA220/132 kV ICT at Purnea Substation	29.2.2016	
Asset-8	01 NO of 1X125 MVAR Bus Reactor at Baripada Substation with GIS bay	2.10.2016	
Asset-9	01 Nos of 1X500 MVA, 400/220/132 kV ICT at 400/220/132 kV Baripada S/S alongwith GIS bays	2.10.2016	
Asset-10	Conversion of 50 MVAR Line Reactor (presently installed at	29.8.2016	

	Jeerat end of 400kV Baharampur – Jeerat TL) as Bus Raeactor in parallel with existing Bus Reactor at Jeerat		
Asset-11	Installation of 01 no. 125 MVAR Bus Reactor at Maithon S/S with GIS bays	6.10.2016	
Asset-12	2 Nos. 220kV GIS Line Bays at Kishanganj S/S	20.10.2016	
Asset-13	2 Nos. 220kV GIS Line Bays at Kishanganj S/S	10.3.2017	
Asset-14	Modification of 132kV Bus arrangement at 220/132 kV Siliguri Sub-station with GIS bays	30.11.2016	
Asset-15	Shifting of 1x315 MVA, 400/220kV ICT from any suitable location (after replacement by 1x500 MVA ICT) and install it at Jamshedpur 400/220kV Substation as 3rd ICT along-with associated bays	16.12.2017	
Asset-16	Modification of 132kV Bus arrangement with GIS bays at 220/132kV Purnea S/S	12.3.2018	
Asset-17	Spare 1 no unit of 765Kv,110 MVAR Single Phase Reactor to be stationed at Sasaram	29.3.2018	
Asset-18	3rd 500 MVA, 400/220kV ICT at Patna (POWERGRID) substation along-with associated bay	14.2.2018	
Asset-19	01 Nos 500 MVA Single phase spare unit of 765/400 kV ICT at Angul S/S	25.9.2017	
Asset-20	01 Nos 500 MVA Single phase spare unit of 765/400 kV ICT at Sundergrah S/S	30.9.2018	
Asset-21	Replacement of 315 MVA 400/220 kV ICT I with 500 MVA 400/220 kV ICT at Purnea Substation	13.7.2015	
Asset-22	Replacement of existing 315 MVA, 400/220 kV ICT II with 500 MVA, 400/220 kV ICT-II at Pusauli Sub-station	18.1.2020	Earlier covered under Petition No. 666/TT/2020 for the 2019-24 tariff period
##Asset-23	Shifting of 400 kV,125 MVAR Bus Reactor to Patna end in 400 kV Barh-II Line at Patna S/s as switchable line reactor along-with associated bay	2.4.2020	Earlier covered under Petition No. 93/TT/2023 for the 2019-24 tariff period
Asset-24	Installation of 1 No 315 MVA, 400/220 kV ICT at Farakka along with associated bays	25.4.2022	

Pursuant to the Commission's order dated 7.7.2021 in Petition No. 487/TT/2019, in para 48, the O&M expenses for Asset-14, namely, "Modification of 132 kV Bus Arrangement at 220/132 kV Siliguri Substation with GIS Bays" (DOCO: 30.11.2016), have been claimed from 2016-17 onwards.

The Petitioner has further submitted that the truing-up for the 2019-24 tariff period and tariff determination for the 2024-29 tariff period with respect to Asset-23 have been undertaken under the ERSS-IV Project, pursuant to the Commission's order dated 20.1.2025 in Petition No. 93/TT/2023. The Petitioner has filed an appeal before the APTEL (DFR No. 113/2025) against the said order and has sought liberty to revise the claimed cost subject to the outcome of the appeal.

Accordingly, Asset-23 has been shifted to the ERSS-IV Project, and the total number of assets in the instant petition stands revised to 23. Consequently, Asset-24, namely, "Installation of 1 No. 315 MVA, 400/220 kV ICT at Farakka along with associated bays", shall henceforth be treated as Asset-23. The revised Table-1 covers the entire scope of the project.

4. The Respondents are the Distribution Licensees, Transmission Licensees and Power Departments, primarily beneficiaries of the Eastern Region, who are procuring transmission service from the Petitioner.

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

6. The hearing in this matter was held on 22.4.2026, and the order was reserved. This order is being passed considering submissions made by the Petitioner in the Petition vide affidavit dated 16.7.2025, 12.12.2025 and 7.5.2026. None of the respondents has filed reply in the matter despite notice.

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

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

8. The details of the trued-up transmission charges claimed by the Petitioner with respect to the transmission assets for the 2019-24 tariff period are as under:

Combined Asset (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2487.93	2530.34	2546.07	2545.25	2545.87
Interest on Loan	2101.95	1863.26	1664.88	1508.84	1357.14
Return on Equity	2636.35	2681.61	2698.39	2697.53	2698.18
O&M Expenses	2365.08	2449.68	2535.83	2627.17	2715.85
Interest on Working Capital	211.74	199.18	186.82	188.21	216.71
Total	**9803.05**	**9724.07**	**9631.99**	**9567.00**	**9533.75**

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	19.94	100.03	100.40	105.63	110.91
Interest on Loan	20.48	95.74	87.79	86.41	85.50
Return on Equity	21.28	106.75	107.14	112.73	118.36
O&M Expenses	36.19	185.50	192.00	199.00	205.50
Interest on Working Capital	2.51	11.80	11.16	11.55	13.63
Total	**100.40**	**499.82**	**498.49**	**515.32**	**533.90**

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Depreciation	63.09	68.73
Interest on Loan	60.95	62.73
Return on Equity	67.32	73.35
O&M Expenses	173.77	192.22
Interest on Working Capital	9.10	11.41
Total	**374.23**	**408.44**

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner with respect to the transmission assets for the 2019-24 tariff period are as under:

Combined Asset (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	197.09	204.14	211.32	218.93	226.32
Maintenance Spares	354.77	367.45	380.37	394.08	407.38
Receivables	1205.30	1198.86	1187.51	1179.49	1172.19
Total Working Capital	1757.16	1770.45	1779.20	1792.50	1805.89
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	211.74	199.18	186.82	188.21	216.71

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
O&M Expenses	14.92	15.46	16.00	16.58	17.13
Maintenance Spares	26.85	27.83	28.80	29.85	30.83
Receivables	61.05	61.62	61.46	63.53	65.64
Total Working Capital	102.82	104.91	106.26	109.96	113.60
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	2.51	11.80	11.16	11.55	13.63

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
O&M Expenses	15.50	16.02
Maintenance Spares	27.90	28.83
Receivables	49.38	50.22
Total Working Capital	92.78	95.07
Rate of Interest (in %)	10.50	12.00
Interest on Working Capital	9.10	11.41

Revision of the Transmission Tariff for the 2014-19 Tariff Period

10. The Petitioner in the instant Petition has sought revision of the transmission tariff for the 2014-19 tariff period with respect to Asset-14 on account of claiming the O&M expenses from 2016-17 onwards.

11. In response to the Commission's query regarding seeking revision of the transmission tariff for the 2014-19 period on account of claiming O&M Expenses from 2016-17 onwards, the Petitioner, vide affidavit dated 7.5.2026, has submitted that the order in Petition No. 670/TT/2020 was reserved for orders on 6.7.2021, i.e., prior to the issuance of the order dated 7.7.2021 in Petition No. 487/TT/2019. The Petitioner has further submitted that the Commission, vide its order dated 7.7.2021 in Petition No. 487/TT/2019, directed that the O&M Expenses of the bays of Asset-14 (Modification of 132kV Bus arrangement at 220/132 kV Siliguri Substation with GIS bays), be considered in the Petition wherein the Petitioner claims tariff for conversion

of AIS bays into GIS bays.

12. The Commission has considered the Petitioner's submissions. The relevant extract of the aforesaid order is reproduced as under:

> "*The Petitioner has decapitalized two 132 kV AIS bays in 2016-17 and due to the decapitalization, the O&M expenses for the decapitalized bays have been allowed only till the year of decapitalization i.e. 2016-17. The O&M expenses for these two bays from the date of decapitalization shall be dealt in the Petition where the Petitioner claims the tariff for the conversion of AIS into GIS bays."*

13. In view of the above, the Petitioner has claimed the O&M Expenses for the aforesaid asset in the instant Petition. Accordingly, the revised O&M Expenses, IoWC and the AFC for the aforesaid asset is as under:

Re: O&M Expenses

(₹ in lakh)

Particulars	**2016-17(Pro-rata 121 days)**	**2017-18**	**2018-19**
2 Nos. 132 kV GIS Bays			
Norms	32.18	33.25	34.36
O&M expenses allowed	**21.36**	**66.50**	**68.72**

Re: IoWC

(₹ in lakh)

Particulars	**2016-17(Pro-rata 121 days)**	**2017-18**	**2018-19**
O&M Expenses	5.36	5.54	5.73
Maintenance Spares	9.65	9.98	10.31
Receivables	88.48	94.8989	101.429
Total Working Capital	**103.50**	**110.42**	**117.46**
Rate of Interest (in %)	12.80	12.80	12.80
Interest on Working Capital	**4.39**	**14.13**	**15.04**

Re: AFC

(₹ in lakh)

Particulars	**2016-17(Pro-rata 121 days)**	**2022-23**	**2023-24**
Depreciation	47.63	158.22	173.88
Interest on Loan	49.28	153.39	155.75
Return on Equity	53.33	177.15	195.19
O&M Expenses	21.36	66.50	68.72
Interest on Working Capital	4.39	14.13	15.04
Total	**175.99**	**569.39**	**608.58**

Date of Commercial Operation:

14. The Commission, vide its order dated 20.1.2025 in the Petition No. 93/TT/2023, had allowed the COD of Asset-23 as 25.4.2022, taking into consideration the CEA Energization Certificate for the 315 MVA ICT and 220 kV bay at Farraka, the RLDC Certificate, Self-declaration Certificate and the CMD Certificate. The Commission further directed the Petitioner to submit the CEA Energization Certificate for the 400kV associated bay of the 1 No. 315 MVA 400/220 kV ICT installed at Farakka. The relevant extract of the aforesaid order is reproduced as under:

> ***"16.*** *On perusing the above CEA energization certificate dated 19.4.2022, it is observed that the Petitioner has not submitted the CEA energization certificate for the 400kV associated bay of 1 No. 315 MVA 400/220 kV ICT installed at Farakka. Therefore, the Petitioner is directed to submit the same at the time of truing-up."*

15. In view of the above direction, the Petitioner, in the instant Petition has submitted that Bay No. 413 was an existing charged bay to which the ICT was connected. No electrical element was retrofitted/upgraded during the installation of the ICT. The work was completed after availing the shutdown of Bay No. 413. Since, no new electrical element was added to Bay No. 413, CEA clearance was not required.

16. We have considered the Petitioner's submissions and perused the documents placed on record. We observed that the Bay No. 413 was an existing charged bay and that no new electrical element was added, retrofitted, or upgraded, during the installation of the ICT. Accordingly, CEA energization clearance for the said bay was not required. In view of the above, the direction contained in the order dated 20.1.2025 in Petition No. 93/TT/2023 stands complied with.

Capital Cost for the 2019-24 Tariff Period

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

18. The Commission, vide its orders dated 24.1.2023, 6.6.2022 and 20.1.2025 in Petition Nos. 670/TT/2020, 666/TT/2020 and 93/TT/2023, allowed the following capital

cost and ACE with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Assets	FR/REC-II apportioned approved Cost	Capital cost admitted as on 31.3.2019	ACE					Capital Cost allowed as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Asset (1 to 21)	50550.82	46338.85	1726.25	558.08	53.97	0.0	0.0	48577.15
Asset-22	2320.10	1847.79	39.66	134.52	38.43	19.22	0.0	2079.62
Asset-23	1354.04	1243.09	0.0	0.0	0.0	38.74	0.0	1281.83

19. The Petitioner in the instant Petition has claimed the following capital cost and actual ACE with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Assets	FR/REC-II apportioned approved Cost	Capital cost as on 31.3.2019	ACE claimed for 2019-24 period					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Asset (1 to 21)	50550.82	46343.08 *	974.35	631.97	-36.10	5.34	17.97	47936.61
Asset-22	*2320.10*	1847.79	39.66	14.00	0.00	198.34	1.71	2101.50
Asset-23	1354.04	1265.30^	0.00	0.00	0.00	27.18	18.58	1311.06

***** *The difference in the Capital cost as on 31.03.2019 is due to adding back of IDC/IEDC on the account of LD deducted in 2018-19 in Asset-15.*

^ *The difference in the Capital cost as on COD is due to considering of accrual IDC as submitted in Petition no 93/TT/2023.*

20. We have considered the Petitioner's submissions. The Commission vide its order dated 24.1.2023 in Petition No. 670/TT/2020, had allowed the capital cost of ₹46338.85 lakh as the trued-up capital cost as on 31.3.2019 for the Combined Asset (Asset-1 to Asset-21). The same has been considered as the admitted capital cost as on 31.3.2019 for the purpose of truing up of the tariff for the 2019-24 tariff period.

21. With regard to Asset 22 and Asset 23, it is observed that the estimated capital cost claimed by the Petitioner as on 31.3.2024 is within the respective approved FR cost. Accordingly, there is no cost overrun with respect to Asset-22 and Asset-23.

Time Overrun

22. The Commission, vide its orders dated 6.6.2022 and 20.1.2025 in Petition Nos. 666/TT/2020 and 93/TT/2020 respectively, had condoned the time over-run of 526 days and 496 days in the COD of Asset-22 and Asset-23 respectively, against the total delay of 1161 days and 664 days, respectively. The delay in commissioning of Asset-22 was primarily attributable to the delayed supply of the ICT by the contractor, GE T&D and the time taken to obtain shutdown clearance from BSPTCT. With respect to Asset-23, the delay was attributable to the availability of the ICT from Pusauli, delay in obtaining railway block approval, damage to the bridge near Durgapur and Shankerpur Bridge near Farakka, transportation related obstruction in shifting the 315 MVA ICT, procurement of a new ICT and finalization of the contract for its procurement and transportation for installation at Farakka as the 2nd ICT, delay in obtaining approval from the Farakka Barrage Projects for construction of a temporary jetty for transportation of the new ICT through the Farraka Feeder Canal, and the Covid-19 pandemic. The summary of the delay condoned by the Commission vide its orders dated 6.6.2022 and 20.1.2025 in Petition Nos. 666/TT/2020 and 93/TT/2023 respectively is as under:

Asset No.	SCOD	Actual COD	Time over-run	Time over- run condoned	Time over- run not condoned
Asset-22	13.11.2016	18.1.2020	1161 days	526 days	635 days
Asset-23	30.6.2020	25.4.2022	664 days	496 days	168 days

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

23. The Petitioner has claimed IDC and IEDC for Asset-22 in the instant Petition, as allowed by the Commission vide its order dated 6.6.2022 in Petition No 666/TT/2020. Since the issue of time overrun with respect to Asset-22 has already been considered and decided by the Commission in the aforesaid order, and the corresponding IDC and IEDC have accordingly been finalised therein, we do not find it necessary to re-

determine the same in the present Order. Accordingly, the IDC and IEDC as approved for Asset-22 vide the Commission's order dated 6.6.2022 in Petition No. 666/TT/2020 have been considered for the purpose of truing up of the tariff for Asset-22 for the 2019-24 tariff period. With regard to Asset-23, it is observed that the Petitioner has filed an Appeal (DFR No. 113/2025) before the Appellate Tribunal for Electricity (APTEL) against the Commission's decision regarding the non-condonation of the time overrun in the aforesaid order.

24. In response to the Commission's specific query regarding the status of the appeal filed before the APTEL seeking condonation of the time overrun in the commissioning of Asset-23, the Petitioner, vide affidavit dated 7.5.2026, submitted that the matter has been included in the list of final hearings and shall be taken up in due course.

25. Since the appeal is presently pending adjudication before the APTEL, the Commission is of the view that the Capital Cost as on COD of Asset-23 may be revisited upon issuance of the Order by the APTEL. Therefore, the IDC and IEDC as approved for Asset-23 vide the Commission's order dated 20.1.2025 in Petition No. 93/TT/2023 have been considered for the purpose of truing up of the tariff for the 2019-24 tariff period. The Petitioner is granted liberty to place on record the order of the APTEL at the time of truing up of the 2024-29 tariff period.

Initial Spares

26. The Petitioner has submitted that the Initial Spares have been claimed in accordance with the Initial Spares allowed by the Commission vide its orders dated 24.1.2023, 6.6.2022 and 20.1.2025 in Petition Nos. 670/TT/2020, 666/TT/2020 and 93/TT/2023, respectively.

27. We have considered the Petitioner's submissions. It is observed that the Combined Asset (1 to 21) was commissioned during the 2014-19 tariff period, and accordingly, the cut-off date of the instant transmission assets falls during the 2019-24

tariff period.

28. Further, while determining the Annual Fixed Charges (AFC) for the 2019-24 tariff period vide order dated 24.1.2023 in Petition No. 670/TT/2020, the Commission has determined the Initial Spares with respect to the Combined Asset based on the overall project cost, in accordance with the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017. Accordingly, the additional Initial Spares of ₹279.04 lakh were allowed with respect to the Combined Asset (Asset-1 to 21) as on 1.4.2019. Further, out of the said amount of ₹279.04 lakh, ₹272.73 lakh allowed as on 1.4.2019 and ₹6.30 lakh allowed as ACE during the 2019-20 tariff period.

29. Since, the Commission has already determined the additional Initial Spares for the Combined Asset (1 to 21) based on the Plant & Machinery Cost up to the cut-off date, we do not deem it necessary to re-calculate the same in the instant order.

30. With respect to Asset-22 and Asset-23, the Commission determined the Annual Fixed Charges for the 2019-24 tariff period vide order dated 6.6.2022 and 20.1.2025 in Petition Nos. 666/TT/2020 and 93/TT/2023, respectively.

31. As the cut-off date of Asset-22 and Asset-23 falls under the 2024-29 tariff period, the Plant and Machinery Cost of these assets have been considered for determining the Initial Spares. It is observed that the Petitioner vide Auditor's Certificate dated 31.7.2019 and 18.2.2025, has considered the Plant and Machinery Costs of ₹1623.80 lakh and ₹1024.28 lakh, respectively, for the purpose of determining the Initial Spares. However, as per Form-5 submitted by the Petitioner, the Plant and Machinery Cost excluding IDC, IEDC, Land Cost, and Cost of Civil Works, works out to ₹1530.32 lakh and ₹804.02 lakh, respectively. Therefore, the Plant and Machinery Cost of ₹1530.32 lakh and ₹804.02 lakh are considered for the determination of the Initial Spares with respect to Asset-22 and Asset-23, respectively.

32. Accordingly, the details of the trued-up capital cost considered for the purpose of

determining the value of Initial Spares as on 1.4.2019 with respect to the transmission assets are as follows:

(₹ in lakh)

Particulars	Plant and Machinery Cost (excluding IDC/IEDC, Land Cost and Cost of civil works) (A)	Initial Spares As claimed (B)	Ceiling % as per Regulation (C)	Ceiling amount as per Regulation (D=(A-B) *C/(100-C))	Excess Spares (E=B-D)	Initial Spares allowed
Asset 22	1530.32	59.50	7	110.71	0.00	59.50
Asset 23	804.02	58.26	6	47.60	10.66	47.60

Capital Cost allowed as on COD

33. Accordingly, the capital cost approved with respect to Asset-22 and Asset-23 as on COD is as follows:

(₹ in lakh)

Particulars	Capital Cost claimed in Auditor Certificate as on COD	Less: IDC disallowed	Less: IEDC disallowed	Less: undischarged IDC	Less: Excess Initial Spare claimed	Capital Cost as on COD
Asset 22	2086.90	166.91	72.20	0.00	0.00	1847.79
Asset 23	1294.27	28.40	1.40	21.38	10.66	1232.43

Treatment of LD Recovered

34. The Commission, vide its TV letter dated 28.11.2025 directed the Petitioner to furnish details of the LD recovered during the commissioning of the project. In response, the Petitioner vide letter dated 12.12.2025, submitted the following details:

(₹ in lakh)

Asset no.	ASSET	COD	LD Amount recovered	LD Adjusted in FY corresponding to IDC and IEDC deducted
1	Combined Asset-(1 to 21) (ECOD-21.02.2017)	1.1.2016	NIL	
2		2.2.2016	NIL	
3		24.9.2016	54.80 & 5.37	2021-22 & 2022-23
4		17.2.2019	NIL	
5		3.4.2016	142.82 & 13.44	2021-22 & 2022-23
6		30.9.2016	65.04 & 6.20	2021-22 & 2022-23

Asset no.	ASSET	COD	LD Amount recovered	LD Adjusted in FY corresponding to IDC and IEDC deducted
7		29.2.2016	NIL	
8		2.10.2016	NIL	
9		2.10.2016	63.00	2021-22
10		29.8.2016	NIL	
11		6.10.2016	NIL	
12		20.10.2016	NIL	
13		10.3.2017	NIL	
14		30.11.2016	NIL	
15		16.12.017	4.21	2018-19
16		12.3.2018	NIL	
17		29.3.2018	30.06	2020-21
18		14.2.2018	NIL	
19		25.9.2017	36.60	2021-22
20		30.9.2018	129.70	2021-22
21		13.7.2015	NIL	
22	Asset-22	18.1.2020	49.83 & 142.01	2021-22 & 2022-23
23	Asset-23	25.4.2022	0.83	2019-20

35. The Petitioner has submitted that the LD recovered has either been added back to the capital cost of the transmission assets on account of the disallowance of IDC/IEDC by the Commission vide its order dated 24.1.2023, 6.6.2022 and 20.1.2025 in Petition Nos. 670/TT/2020, 666/TT/2020 and 93/TT/2023 or adjusted against the Capital Cost from the year in which the LD was recovered.

36. We have considered the Petitioner's submissions. The time overrun in commissioning of the transmission asset was not condoned by the Commission to the extent specified in the aforesaid orders. Accordingly, IDC and IEDC, pertaining to the period of 'time over-run not-condoned', have been deducted from the capital cost. It is observed that the LD recovered has already been adjusted by the Petitioner against the Capital Cost, as certified by the Auditor's Certificate, from the year 2018-19. Accordingly, the treatment of LD recovered by the Petitioner is in accordance with the provisions of the 2014 Tariff Regulations and 2019 Tariff Regulations.

37. Accordingly, the admitted capital cost of the transmission assets as on 1.4.2019 is as follows:

(₹ in lakh)

Sr. No.	Assets	Capital Cost as on COD/1.4.2019	LD Added Back	Capital Cost as on COD/1.4.2019
1	Combined Asset-(1 to 21)	46338.85	4.21	46343.06
2	Asset-22	1847.79	0.00	1847.79
3	Asset-23	1232.43	0.83	1233.26

Additional Capital Expenditure (ACE)

38. The Commission, vide its orders dated 24.1.2023, 6.6.2022, and 20.1.2025 in Petition Nos. 670/TT/2020, 666/TT/2020, and 93/TT/2023, respectively, allowed the following ACE with respect to the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Particulars	Regulation	ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Combined Asset (1 to 21)	24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations	1726.25	558.08	53.97	-	-
Asset-21	24(1)(a) of the 2019 Tariff Regulations	39.66	134.52	38.43	19.22	-
Asset-22	24(1)(a) of the 2019 Tariff Regulations	-	-	-	38.74	-
Total		**1765.91**	**692.60**	**92.40**	**57.96**	**-**

39. The Petitioner in the instant Petition has claimed the following ACE with respect to the transmission assets based on the actual expenditure incurred for the transmission assets for the 2019-24 tariff period. The details of the same are as under:

(₹ in lakh)

Particulars	Regulation	ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Combined Asset (1 to 21)	24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations	974.35	631.97	-36.10	5.34	17.97
Asset-22	24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations	39.66	14.00	0.00	198.34	1.71
Asset-23	24(1)(a) of the 2019 Tariff Regulations	0.00	0.00	0.00	27.18	18.58
Total		**1765.91**	**692.60**	**92.40**	**57.96**	**-**

40. The Petitioner has submitted that the variation between the actual ACE and the ACE approved vide the Commission's orders dated 24.1.2023, 6.6.2022 and 21.1.2025 in Petition Nos. 670/TT/2020, 666/TT/2020 and 93/TT/2023 is primarily on account of the fact that, at the time of projecting the estimated ACE, the contracts had not been closed and accordingly, the liabilities could not be finalized. However, in the instant truing-up Petition, the ACE has been claimed based on the actual payments made to the contractor upon receipt of invoices and after taking into account the amendments made up to the end of the 2019-24 tariff period.

41. The Commission, vide its order dated 20.1.2025 in Petition No. 93/TT/2023, issued the following directions with respect to Asset-23. The relevant extract of the said order is reproduced as under:

> "*24…the Petitioner has submitted that the estimated completion cost of ₹1311.63 lakh for Asset-2 is within the apportioned approved cost of RCE-II, i.e., ₹1354.04 lakh. However, it is observed that the estimated completion cost of ₹1311.63 lakh of Asset-2 is more than the apportioned approved cost as per FR, i.e., ₹645.07 lakh. On perusal of Form- 5 for Asset-2 as submitted by the Petitioner, the following major variations of certain individual items(s) were noticed, and the same are as follow:*
>
> *(Rs. In lakhs)*

Particulars	***As per the original estimate***	***As per the actual expenditure***	***Variation***
Switchgear (CT, PT, CB, Isolators etc.)	*154.39*	*280.50*	*126*
Emergency DG set	*59.00*	*410.17*	*351*
Structure of switchyard	*72.00*	*85.75*	*13*
IDC	*41.05*	*303.20*	*262*

> *25. Further, it is observed that, as per Form-5, the cost of different components of the substation is considered in the original estimate and on the actual completion cost, which includes taxes and duties. However, the details of the rate/amount of taxes and duties considered in the original estimate vis-a-vis actual completion cost have not been submitted by the Petitioner.* ***Therefore, the Petitioner is directed to submit detailed justification along with the supporting documents with respect to the above-mentioned items as well as taxes and duties incurred, and the same shall be reviewed at the time of truing up****."*

42. In view of the above direction, the Petitioner in the instant Petition has submitted that, in Form-5, under the head of "Emergency DG Set", the items considered in the original estimates were Fire Fighting System, Power & Control Cables and Misc.

Testing & Maintenance Equipment. However, as per the actual expenditure, various auxiliary items have been considered under this head, including Fire Protection System, Relay test kit, Illumination system, Erection Hardware items, 1.1kV Grade Power &Control Cable, Dismantling of the HVW spray system and complete O/G piping and accessories, including deluge valve for the Reactor at Farakka (NTPC) and re-erection of the same at another location in Farakka (NTPC) Sub-station and Reactor Protection Panel.

43. Further, the Petitioner has submitted that the length of Power and Control Cable was considered on normative basis in the original estimate. However, the actual cable length increased substantially based on the site conditions as the control room is located at a considerable distance from the bays. Consequently, the cost of Power and Control Cable also increased substantially.

44. In Form-5, under the head of "Switchgear", the items considered in the original estimates, included Circuit Breaker, Current Transformer, Surge Arrester on the 400 kV Side and Circuit Breaker, Current Transformer, Surge Arrester, Isolators, and CVT on the 220 kV Side. However, as per the actual expenditure, the items considered under this head included Circuit Breaker, Current Transformer, Surge Arrester, Isolators and Bus post insulators on the 400 kV side and Circuit breaker, Current Transformer, surge Arrester, CVT, Isolators, Bus post insulators on the 220 kV side, along with various other minor items. The Petitioner has further submitted that the increase in the cost of the switchyard structure is comparatively less and is based on the actual requirement during execution of the project.

45. Further, the Commission vide its order dated 20.1.2025 in the Petition No. 93/TT/2023, had issued the following directions. The relevant extract of the same is reproduced as under:

> "*28……. In this regard, it is observed that the Petitioner has not submitted any supporting documents to substantiate whether the entire cost of shifting of the 1x315*

MVA, 400/220 kV ICT was considered in the instant Petition. Therefore, the Petitioner is directed to submit a detailed justification and supporting documents, which will be reviewed at the time of truing-up to ascertain whether the cost of shifting the respective 1x315 MVA, 400/220 kV ICT from Pusauli to Durgapur and from New Purnea to Jamshedpur has been included in the instant Petition or not, as the said ICTs were initially decided to be shifted from the respective location to Farakka Sub-station."

46. In view of the above, the Petitioner in the instant Petition has submitted that the ICT was initially proposed to be diverted from Pusauli for Farakka. However, due to hurdles faced during the transportation of the ICT, the same was diverted to and installed at Durgapur. The Petitioner has elaborated the same in the Petition at Pages 12 to17. Accordingly, the cost incurred towards shifting of 1x315 MVA, 400/220 kV ICT from Pusauli to Durgapur has been included in the Petition. The Petitioner has submitted that the cost incurred towards shifting of the transformer from Purnea to Jamshedpur has not been included in the instant Petition.

47. The Petitioner, vide TV letter dated 28.11.2025, was directed to submit the Liability Flow Statement with respect to the ACE claimed for the 2019-24 tariff period. In response, the Petitioner, vide affidavit dated 12.12.2025 has reiterated the submissions made earlier in the Petition and has submitted that the add-cap claimed is on account of liability/retention payments arising due to contractual exigencies with respect to works executed within the cut-off date and is covered under Regulation 24(1)(a) and Regulation 25(1)(d) of the 2019 Tariff Regulations.

48. The detailed liability statement submitted by the Petitioner with respect to the ACE claimed for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset No.	Head-wise /Party-wise	Particulars#	Year of Actual Capitalisation	Outstanding Liability as on COD/31st March 2019	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset - 1	M/s ALSTOM	SS	1.1.2016	109.27	76.44	32.83	-	-	-	109.27

(₹ in lakh)

Asset No.	Head-wise /Party-wise	Particulars#	Year of Actual Capitalisation	Outstanding Liability as on COD/31st March 2019*	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset-2	M/s ALSTOM	SS	2.2.2016	95.19	77.13	18.06	-	-	-	95.19

(₹ in lakh)

Asset No	Head-wise/Party-wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.03.2019	Discharge						*Reversal						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-3	GE T&D India Limited	S/s	2016-17	116.63	65.65	45.69	-	-	5.29	116.63	-	-	(54.80)	(5.37)	-	(60.17)	0.00

(₹ in lakh)

Asset No	Head-wise/Party-wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2019	Discharge						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-4	BHARAT HEAVY ELECTRICALS LIMITED BH & GE T&D India Limited	S/s	2018-19	301.94	54.06	128.37	0.28	-	-	182.71	119.23

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Reversal *						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-5	GE T&D India Limited	S/s	2016-17	-	-	-	-	-	-	-	-	-	(142.82)	(13.44)	-	(156.26)	-

(₹ in lakh)

Asset No	Head-wise/Party-wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Reversal						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-6	GE T&D India Limited	S/s	2016-17	79.60	7.50	-	-	-	-	7.50	-	-	(65.04)	(6.20)	-	(71.24)	72.10

(₹ in lakh)

Asset No	Head-wise/Party-wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on COD	Discharge						Outstanding Liability as on 31.3.2019
					2014-15	2015-16	2016-17	2017-18	2018-19	Total (14-19)	
Asset-7	GE T&D India Limited	S/s	2015-16	516.23	-	72.67	141.39	43.91	174.06	432.03	84.20

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2019	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset-7	GE T&D India Limited	S/s	2015-16	84.20	6.66	72.50	5.04	-	-	84.20

(₹ in lakh)

Asset No	Party	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-8	LARSEN & TOUBRO LTD.	**SS** GIS Substation Package-On shore	**2.10.2016**	0.26	0.26	-	-	-	-	**0.26**	-
	Hyosung Corporation	**SS** GIS Substation Package-off shore	**2.10.2016**	32.12	32.12					**32.12**	-

(₹ in lakh)

Asset No	Party	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Reversal						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22*	2022-23	2023-24	Total (19-24)	
Asset-9	GE T&D India Limited	**SS** Package	**02.10.2016**	0.00	-	-	-	-	-	**0.00**	-	-	**63.00**	-	-	63.00	-

(₹ in lakh)

Asset No.	Head-wise /Party-wise	Particulars	Year of Actual Capitalisation	Outstanding Liability as on COD/31st March 2019	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset - 10	M/s ALSTOM	SS	29.8.2016	48.90	40.14	8.76	-	-	-	48.90

(₹ in lakh)

Asset No.	Head-wise /Party-wise	Particulars#	Year of Actual Capitalisation	Outstanding Liability as on COD/31st March 2019*	Discharge						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset - 11	JV of M/s L&T and Hyosung Corporation	SS	06.10.2016	155.00	155.00	-	-	-	-	155.00	0.00

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.03.2019	Discharge						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-12	LARSEN & TOUBRO LTD. And Others	S/s	2016-17	32.39	10.52	14.42	4.60	0.27	2.58	32.39	0.00
	HYOSUNG CORPORATION	S/s		37.82	-	-	8.07	-	-	8.07	29.75

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.03.2019	Discharge						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-13	LARSEN & TOUBRO LTD.	S/s	2016-17	32.39	10.52	14.42	4.60	0.27	2.58	32.39	0.00
	HYOSUNG CORPORATION	S/s		37.82	-	-	8.07	-	-	8.07	29.75

(₹ in lakh)

Asset No.	Head-wise /Party-wise	Particulars#	Year of Actual Capitalisation	Outstanding Liability as on COD/31st March 2019	Discharge						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset - 14	JV of M/s L&T and Hyosung Corporation	SS	30.11.2016	91.69	-	-	61.87	29.82	-	91.69	0.00

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on COD	Discharge						Outstanding Liability as on 31.03.2019
					2014-15	2015-16	2016-17	2017-18	2018-19	Total (14-19)	
Asset-15	GE T&D India Limited	S/s	2017-18	603.47				132.48	348.99	481.47	122.00

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-15	GE T&D India Limited	S/s	2017-18	122.00	120.25	1.75	-	-	-	122.00	

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-16	LARSEN & TOUBRO LTD.& Others	S/s	2017-18	211.63	121.95	66.68	15.48		7.52	211.63	-
	HYOSUNG CORPORATION			120.73	-	-	10.46			10.46	110.27

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge						Outstanding Liability as on 31.03.2019
					2014-15	2015-16	2016-17	2017-18	2018-19	Total (14-19)	
Asset-17	GE T&D India Limited	S/s	2017-18	294.29	-	-	-	41.16	91.78	132.94	161.35

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.03.2019	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset-17	GE T&D India Limited	S/s	2017-18	161.35	60.97	92.35	8.03	-	-	161.35

(₹ in Lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge						Outstanding Liability as on 31.3.2019
					2014-15	2015-16	2016-17	2017-18	2018-19	Total (14-19)	
Asset-18	GE T&D India Limited	S/s	2017-18	482.57	-	-	-	230.07	113.54	343.61	138.96

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.3.2019	Discharge					
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)
Asset-18	GE T&D India Limited	S/s	2017-18	138.96	53.29	53.03	32.64	-	-	138.96

(₹ in lakh)

Asset No.	Party	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 31.03.2019	Discharge						Reversal						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22*	2022-23	2023-24	Total (19-24)	
Asset-19	GE T&D India Limited	SS Package	25.9.2017	0.00	-	-	-	-	-	0.00	-	-	36.60	-	-	36.60	-

(₹ in lakh)

Asset No	Party	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.03.2019	Discharge						Reversal						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22*	2022-23	2023-24	Total (19-24)	
Asset-20	GE T&D India Limited	SS Package	30.09.2018	464.55	75.59	53.05	206.21	-	-	334.85	-	-	129.70	-	-	129.70	-

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on COD	Discharge						Outstanding Liability as on 31.03.2019
					2014-15	2015-16	2016-17	2017-18	2018-19	Total (14-19)	
Asset-21	GE T&D India Limited	S/s	2015-16	492.30		161.38	125.34	179.68	25.90	492.30	(0.00)

(₹ in lakh)

Asset No	Head Wise/Party Wise	Particular's (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on COD	Discharge						Reversal						Outstanding Liability as on 31.03.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-22	GE T&D India Limited	S/s	FY 2019-20	111.70	39.66	14.00	-	56.33	1.71	111.70	-	-	(49.83)	-	-	(49.83)	-

(₹ in lakh)

Asset No	Party	Particular's (TL/SS)	Year of Actual Capitalization	Outstanding Liability as on 1.4.2014/DOCO	Discharge						Outstanding Liability as on 31.3.2024
					2019-20	2020-21	2021-22	2022-23	2023-24	Total (19-24)	
Asset-23	CG Power & etc	SS	25.04.22	57.49	-	-	-	27.18	18.58	45.76	11.73

49. We have considered the Petitioner's submission. It is observed that the Petitioner has claimed the ACE towards the actual expenditure incurred on account of discharge of liabilities towards final payment/Retention payment arising due to contractual exigencies and towards works executed prior to the cut-off date under Regulation 24(1)(a) and Regulation 25(1)(d) of the 2019 Tariff Regulations. The Petitioner has claimed the ACE of ₹1570.22 lakh (₹974.35 lakh + ₹631.97 lakh + ₹36.10 lakh) towards the discharge of liabilities against final/retention payments to the contractual agencies, ₹23.31 lakh against the works executed prior to the cut-off date for Combined Asset (1 to 21). With respect to Asset-22, the Petitioner has claimed ₹252.00 lakh (₹39.66 lakh + ₹14.00 lakh + ₹198.34 lakh) against the discharge of liabilities against final/retention payments to the contractual agencies, ₹1.71 lakh against the works executed prior to the cut-off date. With respect to Asset-23, the

Petitioner has claimed ₹45.76 lakh (₹27.18 lakh + ₹18.58 lakh) against discharge of liability against final/retention payments to the contractual agencies.

50. It is observed that the ACE claimed by the Petitioner towards discharge of liabilities against final / Retention payments to the contractual agencies and towards the works executed prior to the cut-off date is permissible under Regulation 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations. Accordingly, the ACE as claimed by the Petitioner is allowed with respect to the Combined Asset for the 2019-24 Tariff Period

51. In view of foregoing deliberations, the details of ACE allowed with respect to the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset Name	ACE	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Asset-(1 to 21)	Actual ACE as per Auditor Certificate	968.05	601.91	-126.61	5.34	17.97
	Initial Spares added back as per APTEL's Judgement	6.30	0.00	0.00	0.00	0.00
	LD added back	0.00	30.06	90.51	0.00	0.00
	Total	**974.35**	**631.97**	**-36.10**	**5.34**	**17.97**

(₹ in lakh)

Asset Name	ACE	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-22	Actual ACE as per Auditor Certificate	39.66	14.00	-49.83	56.33	1.71
	LD added back	0.00	0.00	49.83	142.01	0.00
	Total	**39.66**	**14.00**	**0.00**	**198.34**	**1.71**

(₹ in lakh)

Asset Name	ACE	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-23	Actual ACE as per Auditor Certificate	0.00	0.00	0.00	27.18	18.58
	LD added back	0.00	0.00	0.00	0.00	0.00
	Undischarged IDC	0.00	0.00	0.00	21.38	0.00
	Total	**0.00**	**0.00**	**0.00**	**48.56**	**18.58**

52. Accordingly, the details of the capital cost and ACE allowed with respect to the Combined Asset for the 2019-24 Tariff Period is as follows:

(₹ in lakh)

Assets	Apportioned Approved Cost as per RCE-II	Capital cost as on 1.4.2019	Admitted ACE					Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets (1 to 21)	50550.82	46343.06	974.35	631.97	-36.10	5.34	17.97	47936.59
Asset-22	2320.10	1847.79	39.66	14.00	0.00	198.34	1.71	2101.50
Asset-23	1354.04	1233.26	0.00	0.00	0.00	48.56	18.58	1300.40

Debt-Equity Ratio

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

Combined Asset (1 to 21)

Funding	Capital Cost as on 1.4.2019		ACE during the 2019-24 tariff period	Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(₹ in lakh)	(in %)
Debt	32452.65	70.02	1115.47	33568.13	70.03
Equity	13890.41	29.98	478.06	14368.46	29.97
Total	**46343.06**	**100.00**	**1593.53**	**47936.59**	**100.00**

Asset-22

Funding	Capital Cost as on 1.4.2019		ACE during the 2019-24 tariff period	Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(₹ in lakh)	(in %)
Debt	1293.45	70.00	177.60	1471.05	70.00
Equity	554.34	30.00	76.11	630.45	30.00
Total	**1847.79**	**100.00**	**253.71**	**2101.50**	**100.00**

Asset-23

Funding	Capital Cost as on 1.4.2019		ACE during the 2019-24 tariff period	Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(₹ in lakh)	(in %)
Debt	863.28	70.00	47.00	910.28	70.00
Equity	369.98	30.00	20.14	390.12	30.00
Total	**1233.26**	**100.00**	**67.14**	**1300.40**	**100.00**

Depreciation

54. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter up to 31.3.2024. The Weighted Average

Rate of Depreciation (WAROD) has been worked out for the transmission assets for the 2019-24 tariff period as per the rates of depreciation specified in the 2019 Tariff Regulations. Accordingly, the depreciation approved with respect to the transmission assets for the 2019-24 tariff period is as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Sl. No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	46343.06	47317.41	47949.38	47913.28	47918.62
B	Addition during the year 2019-24 due to projected ACE	974.35	631.97	-36.10	5.34	17.97
C	Closing Gross Block (A+B)	47317.41	47949.38	47913.28	47918.62	47936.59
D	Average Gross Block (A+C)/2	46830.24	47633.40	47931.33	47915.95	47927.61
E	Average Gross Block (90% depreciable assets)	46676.56	47479.72	47777.65	47762.27	47773.93
F	Average Gross Block (100% depreciable assets)	153.68	153.68	153.68	153.68	153.68
G	Depreciable value (excluding IT equipment and software) (E*90%)	42008.90	42731.74	42999.89	42986.04	42996.53
H	Depreciable value of IT equipment and software (F*100%)	153.68	153.68	153.68	153.68	153.68
I	Total Depreciable Value (G+H)	42162.58	42885.42	43153.57	43139.72	43150.21
J	Weighted average rate of Depreciation (WAROD) (in %)	5.3127	5.3121	5.3119	5.3119	5.3119
K	Lapsed useful life at the beginning of the year (Year)	2	3	4	5	6
L	Balance useful life at the beginning of the year (Year)	23	22	21	20	19
M	**Depreciation during the year (D*J)**	**2487.93**	**2530.34**	**2546.07**	**2545.26**	**2545.87**
N	Cumulative Depreciation at the end of the year	7545.08	10075.42	12621.49	15166.74	17712.62
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	34617.50	32810.00	30532.08	27972.98	25437.60

Asset-22

(₹ in lakh)

Sl. No	Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	1847.79	1887.45	1901.45	1901.45	2099.79
B	Addition during the year 2019-24 due to projected ACE	39.66	14.00	0.00	198.34	1.71
C	Closing Gross Block (A+B)	1887.45	1901.45	1901.45	2099.79	2101.50
D	Average Gross Block (A+C)/2	1867.62	1894.45	1901.45	2000.62	2100.64
E	Average Gross Block (90%	1867.62	1894.45	1901.45	2000.62	2100.64

Sl. No	Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
	depreciable assets)					
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1680.86	1705.00	1711.30	1800.56	1890.58
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)	1680.86	1705.00	1711.30	1800.56	1890.58
J	Weighted average rate of Depreciation (WAROD) (in %)	5.2800	5.2800	5.2800	5.2800	5.2800
K	Lapsed useful life at the beginning of the year (Year)	0	0	1	2	3
L	Balance useful life at the beginning of the year (Year)	25	25	24	23	22
M	**Depreciation during the year (D*J)**	**19.94**	**100.03**	**100.40**	**105.63**	**110.91**
N	Cumulative Depreciation at the end of the year	19.94	119.96	220.36	325.99	436.91
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	1660.92	1585.04	1490.94	1474.56	1453.67

Asset-23

(₹ in lakh)

Sl. No	Particulars	2022-23 (Pro-rata for 341 days)	2023-24
A	Opening Gross Block	1233.26	1281.82
B	Addition during the year 2019-24 due to projected ACE	48.56	18.58
C	Closing Gross Block (A+B)	1281.82	1300.40
D	Average Gross Block (A+C)/2	1257.54	1291.11
E	Average Gross Block (90% depreciable assets)	1257.54	1291.11
F	Average Gross Block (100% depreciable assets)	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1131.79	1162.00
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00
I	Total Depreciable Value (G+H)	1131.79	1162.00
J	Weighted average rate of Depreciation (WAROD) (in %)	5.2800	5.2800
K	Lapsed useful life at the beginning of the year (Year)	0	0
L	Balance useful life at the beginning of the year (Year)	25	25
M	**Depreciation during the year (D*J)**	**62.03**	**68.17**
N	Cumulative Depreciation at the end of the year	62.03	130.20
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	1069.76	1031.80

55. The details of depreciation allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, depreciation claimed in the instant Petition, and trued-up depreciation approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 24.1.2023 in Petition no. 670/TT/2020	2507.56	2567.87	2584.02	2585.45	2585.45
Claimed by the Petitioner in the instant Petition	2487.93	2530.34	2546.07	2545.25	2545.87
Approved after true-up in this order	2487.93	2530.34	2546.07	2545.26	2545.87

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition no. 666/TT/2020	19.94	103.21	107.77	109.30	109.80
Claimed by the Petitioner in the instant Petition	19.94	100.03	100.40	105.63	110.91
Approved after true-up in this order	19.94	100.03	100.40	105.63	110.91

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition no. 93/TT/2023	62.27	67.68
Claimed by the Petitioner in the instant Petition	63.09	68.73
Approved after true-up in this order	62.03	68.17

Interest on Loan (IoL)

56. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio as per the prevailing rate of interest. The IoL has been calculated based on the actual interest rate submitted by the Petitioner in

accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved with respect to the transmission assets is as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Sl. No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	32452.65	33134.70	33577.08	33551.81	33555.55
B	Cumulative Repayments up to the Previous Year	5036.76	7524.69	10055.03	12601.10	15146.35
C	Net Loan-Opening (A-B)	27415.89	25610.01	23522.05	20950.71	18409.19
D	Addition due to ACE	682.05	442.38	-25.27	3.74	12.58
E	Repayment during the year	2487.93	2530.34	2546.07	2545.26	2545.87
F	Net Loan-Closing (C+D-E)	25610.01	23522.05	20950.71	18409.19	15875.90
G	Average Loan (C+F)/2	26512.95	24566.03	22236.38	19679.95	17142.55
H	Weighted Average Rate of Interest on Loan (in %)	7.9280	7.5847	7.4871	7.6668	7.9168
I	Interest on Loan (G*H)	2101.94	1863.25	1664.87	1508.82	1357.14

Asset-22

(₹ in lakh)

Sl. No	Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	1293.45	1321.21	1331.01	1331.01	1469.85
B	Cumulative Repayments up to the Previous Year	0.00	19.94	119.96	220.36	325.99
C	Net Loan-Opening (A-B)	1293.45	1301.28	1211.05	1110.65	1143.86
D	Addition due to ACE	27.76	9.80	0.00	138.84	1.20
E	Repayment during the year	19.94	100.03	100.40	105.63	110.91
F	Net Loan-Closing (C+D-E)	1301.28	1211.05	1110.65	1143.86	1034.14
G	Average Loan (C+F)/2	1297.36	1256.16	1160.85	1127.26	1089.00
H	Weighted Average Rate of Interest on Loan (in %)	7.8065	7.6212	7.5623	7.6654	7.8515
I	Interest on Loan (G*H)	20.48	95.73	87.79	86.41	85.50

Asset-23

(₹ in lakh)

Sl. No	Particulars	2022-23 (Pro-rata for 341 days)	2023-24
A	Gross Normative Loan	863.28	897.28
B	Cumulative Repayments up to the Previous Year	0.00	62.03
C	Net Loan-Opening (A-B)	863.28	835.24
D	Addition due to ACE	33.99	13.01
E	Repayment during the year	62.03	68.17
F	Net Loan-Closing (C+D-E)	835.24	780.08
G	Average Loan (C+F)/2	849.26	807.66
H	Weighted Average Rate of Interest on Loan (in %)	7.5533	7.7087
I	**Interest on Loan (G*H)**	**59.93**	**62.26**

57. The details of IoL allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, IoL claimed in the instant Petition, and trued-up IoL approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 24.1.2023 in Petition no. 670/TT/2020	2143.90	2002.26	1810.99	1603.44	1394.23
Claimed by the Petitioner in the instant Petition	2101.95	1863.26	1664.88	1508.84	1357.17
Approved after true-up in this order	2101.94	1863.25	1664.87	1508.82	1357.14

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition no. 666/TT/2020	20.50	101.18	97.45	90.41	82.25
Claimed by the Petitioner in the instant Petition	20.48	95.74	87.79	86.41	85.50
Approved after true-up in this order	20.48	95.73	87.79	86.41	85.50

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition no. 93/TT/2023	58.55	58.74
Claimed by the Petitioner in the instant Petition	60.95	62.73
Approved after true-up in this order	59.93	62.26

Return on Equity (RoE)

58. The Petitioner has submitted that its Income Tax Assessment has been completed, and the assessment orders have been issued by the Income Tax Department for the FY 2019-20 and FY 2020-21 and the income has been assessed

under MAT [115JB of the Income Tax Act, 1961 (IT Act, 1961)]. The Petitioner has further submitted that the Income Tax Returns (ITRs) have been filed for the FYs 2021-22, 2022-23 and 2023-24.

59. 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 (in %) [(Base Rate)/(1-t)]
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

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

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

61. The Petitioner has requested the Commission to allow it to claim the differential tariff on account of the trued-up ROE, based on the effective tax rate calculated on completion of the Income Tax assessment / Re-assessment for the FYs 2021-22, 2022-23 and 2023- 24 upon receipt of the respective Assessment Orders, directly from the beneficiaries, on a year-to-year basis in accordance with the applicable Regulations.

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

the record. We note that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with Schedule-II of the Companies Act, 2013 subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up of the RoE for truing up of the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up, shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax 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 't'(in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in%)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

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

Combined Assets (1 to 21)

(₹ in lakh)

Sl. No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	13890.41	14182.71	14372.30	14361.47	14363.07
B	Addition due to ACE	292.31	189.59	-10.83	1.60	5.39
C	Closing Equity (A+B)	14182.71	14372.30	14361.47	14363.07	14368.46
D	Average Equity (A+C)/2	14036.56	14277.51	14366.89	14362.27	14365.77
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (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)**	**2636.35**	**2681.60**	**2698.39**	**2697.52**	**2698.18**

Asset-22

(₹ in lakh)

Sl. No	Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	554.34	566.23	570.43	570.43	629.94
B	Addition due to ACE	11.90	4.20	0.00	59.50	0.51
C	Closing Equity (A+B)	566.23	570.43	570.43	629.94	630.45
D	Average Equity (A+C)/2	560.29	568.33	570.43	600.19	630.19
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	Tax Rate applicable (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)**	**21.28**	**106.74**	**107.14**	**112.73**	**118.36**

Asset-23

(₹ in lakh)

Sl. No	Particulars	2022-23 (Pro-rata for 341 days)	2023-24
A	Opening Equity	369.98	384.55
B	Addition due to ACE	14.57	5.57
C	Closing Equity (A+B)	384.55	390.12
D	Average Equity (A+C)/2	377.26	387.33
E	Return on Equity (Base Rate) (in %)	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782
H	**Return on Equity (D*G)**	**66.20**	**72.75**

64. The details of RoE allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, RoE claimed in the instant Petition, and trued-up RoE approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020	2657.30	2721.65	2738.90	2740.42	2740.42
Claimed by the Petitioner in the instant Petition	2636.35	2681.61	2698.39	2697.53	2698.18
Approved after true-up in this order	**2636.35**	**2681.60**	**2698.39**	**2697.52**	**2698.18**

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 666/TT/2020	21.28	110.14	115.01	116.64	117.18
Claimed by the Petitioner in the instant Petition	21.28	106.75	107.14	112.73	118.36
Approved after true-up in this order	21.28	106.74	107.14	112.73	118.36

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition No. 93/TT/2023	66.46	72.22
Claimed by the Petitioner in the instant Petition	67.32	73.35
Approved after true-up in this order	66.20	72.75

Operation & Maintenance Expenses (O&M Expenses)

65. The Commission vide its order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023, had allowed the following O&M Expenses with respect to the transmission assets for the 2019-24 tariff period:

Combined Assets (1 to 21)

(₹ in lakh)

	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2342.55	2426.36	2511.72	2602.23	2690.00

Asset-22

(₹ in lakh)

O&M Expenses	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
	36.19	185.50	192.00	199.00	205.50

Asset-23

(₹ in lakh)

O&M Expenses	2022-23 (Pro-rata for 341 days)	2023-24
	117.13	129.47

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

Combined Assets (1 to 21)

(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	2365.10	2449.68	2535.83	2627.17	2715.86

Asset-22

(₹ in lakh)

O&M Expenses	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
	36.19	185.50	192.00	199.00	205.50

Asset-23

(₹ in lakh)

O&M Expenses	2022-23 (Pro-rata for 341 days)	2023-24
	173.76	192.22

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

(₹ in lakh)

Combined Asset (1 to 21)					
Particulars	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Sub-station Bays: **400 kV GIS Substation bays:** 1 no. 400 kV (GIS) Bus Reactor Bay at Baripada Sub-station 1 no. 400 kV (GIS) 400 kV ICT Bay at Baripada Sub-station 1 no. 400 kV (GIS) Bus Reactor Bay at Maithon Sub-station					
Norms	**22.505**	**23.296**	**24.115**	**24.962**	**25.837**
O&M expenses allowed	**67.52**	**69.89**	**72.35**	**74.89**	**77.51**

400 kV AIS Substation bays: 1 no. 400 kV (AIS) Bus Reactor Bay at Jeerat Sub-station 1 no. 400 kV (AIS) ICT Bay at Jamshedpur Sub-station					
Norms	**32.15**	**33.28**	**34.45**	**35.66**	**36.91**
O&M expenses allowed	**64.3**	**66.56**	**68.9**	**71.32**	**73.82**
220 kV (GIS) Substation bays : 1 no. 220 kV ICT Bay at Baripada Sub-station 4 Nos. of 220 kV GIS Bays at Kishanganj Sub-station					
Norms	**15.757**	**16.310**	**16.884**	**17.472**	**18.088**
O&M expenses allowed	**78.79**	**81.55**	**84.42**	**87.36**	**90.44**
220 kV AIS substation bays: 1 no. ICT Bay at Jamshedpur Substation 1 no. 220 kV ICT Bay at Patna Sub-station					
Norms	**22.51**	**23.30**	**24.12**	**24.96**	**25.84**
O&M expenses allowed	**45.02**	**46.6**	**48.24**	**49.92**	**51.68**
132 kV AIS Substation: 7 nos. 132 kV Bay at Purnea Sub-station					
Norms	**16.08**	**16.64**	**17.23**	**17.83**	**18.46**
O&M expenses allowed	**112.56**	**116.48**	**120.61**	**124.81**	**129.22**
132 kV GIS substation: 2 nos. of 132 kV GIS bays at Siliguri S/s					
Norms	**11.256**	**11.648**	**12.061**	**12.481**	**12.922**
O&M expenses allowed	**22.51**	**23.3**	**24.12**	**24.96**	**25.84**
Total Sub-station Bays O&M Expenses (A)	**390.69**	**404.37**	**418.64**	**433.26**	**448.52**
Transformer (MVA Capacity)					
765 kV Substation ICT: 1 no. of ICT(500 MVA) at Angul 1 no. of ICT(500 MVA) at Sundergarh Total capacity of 765kV Substation ICT: 1000 MVA **400 kV Substation ICT:** 1 no. of ICT(315 MVA) at Jamshedpur 1 no. 500 MVA ICT at Baripada Sub-station 1 no.500 MVA ICT at Patna 1 no. 500 MVA ICT at Purnea 2 nos. of ICT-I & II(Each of capacity 500 MVA) at Patna 1 no. of 500 MVA ICT- 2 at Purnea 1 no. of 500 MVA ICT at Pasauli Total capacity of 400 kV substation ICT=3815 MVA **220 kV Substation ICT:** 1 no. of 160 MVA ICT-I at Birpara 1 no. of 160 MVA ICT-I at Siliguri 1 no. of 160 MVA ICT at Purnea Total capacity of 220 kV Substation ICT=480 MVA					
Norms for 765 kV S/s ICT(**₹ lakh/MVA)**	0.491	0.508	0.526	0.545	0.564
O&M expenses allowed	491	508	526	545	564
Norms for 400 kV S/s ICT(**₹ lakh/MVA)**	0.358	0.371	0.384	0.398	0.411
O&M expenses allowed	1365.77	1415.36	1464.96	1518.37	1567.97
Norms for 220 kV S/s ICT(**₹ lakh/MVA)**	0.245	0.254	0.263	0.272	0.282
O&M expenses allowed	117.6	121.92	126.24	130.56	135.36
Total Transformer O&M Expenses (B)	**1974.37**	**2045.29**	**2117.20**	**2193.93**	**2267.33**
Total O&M Expenses (D)=(A)+(B)	**2365.06**	**2449.66**	**2535.84**	**2627.19**	**2715.85**

**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 the bays*

Asset-22					
Particulars	**2019-20 (Pro-rata for 74 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Transformers: 1 no. 500 MVA ICT II at Pusauli Sub-station					
Norms 400 kV ICT ((**₹ lakh/MVA)**	0.36	0.37	0.38	0.40	0.41
Total O&M Expenses	**36.19**	**185.50**	**192.00**	**199.00**	**205.50**

Asset-23		
Particulars	**2022-23 (pro-rata for 341 days)**	**2023-24**
400 kV S/s Bays: **1 no. ICT bay 400 kV side for Farakka (NTPC)**		
Norms	35.66	36.91
O&M Expenses allowed	33.32	36.91
220 kV S/s Bays: **1 no. ICT bay 220 kV side for Farakka (NTPC)**		
Norms	24.96	25.84
O&M Expenses allowed	23.32	25.84
400 kV S/s ICT: **1 no. of 315 MVA ICT for Farakka (NTPC)**		
Norms	*0.398*	*0.411*
O&M Expenses allowed	117.13	129.47
Total O&M Expenses	**173.76**	**192.22**

68. Accordingly, the details of O&M Expenses allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, O&M Expenses claimed in the instant Petition, and trued-up O&M Expenses approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020	2342.55	2426.36	2511.72	2602.23	2690.00
Claimed by the Petitioner in the instant Petition	2365.10	2449.68	2535.83	2627.17	2715.86
Approved after true-up in this order	2365.06	2449.66	2535.84	2627.19	2715.85

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 666/TT/2020	36.19	185.50	192.00	199.00	205.50
Claimed by the Petitioner in the instant Petition	36.19	185.50	192.00	199.00	205.50
Approved after true-up in this order	36.19	185.50	192.00	199.00	205.50

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition No. 93/TT/2023	117.13	129.47
Claimed by the Petitioner in the instant Petition	173.76	192.22
Approved after true-up in this order	173.76	192.22

Interest on Working Capital (IWC)

69. 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 FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for the FY 2023-24.

70. The components of the working capital and interest allowed thereon with respect to the Combined Asset for the 2019-24 tariff period are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	197.09	204.14	211.32	218.93	226.32
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	354.76	367.45	380.38	394.08	407.38

C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1205.29	1198.85	1187.50	1179.49	1172.18
D	Total Working Capital (A+B+C)	1757.14	1770.44	1779.20	1792.50	1805.88
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)**	**211.73**	**199.17**	**186.82**	**188.21**	**216.71**

Asset-22

(₹ in lakh)

Sl. No.	**Particulars**	**2019-20 (Pro-rata for 74 days)**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	14.92	15.46	16.00	16.58	17.13
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	26.85	27.83	28.80	29.85	30.83
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	61.05	61.62	61.46	63.53	65.64
D	Total Working Capital (A+B+C)	102.81	104.90	106.26	109.97	113.59
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)**	**2.50**	**11.80**	**11.16**	**11.55**	**13.63**

Asset-23

(₹ in lakh)

Sl. No.	**Particulars**	**2022-23 (Pro-rata for 341 days)**	**2023-24**
A	Working Capital for O&M Expenses (O&M Expenses for one month)	15.50	16.02
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	27.90	28.83
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	48.96	50.01
D	Total Working Capital (A+B+C)	92.35	94.87
E	Rate of Interest for working capital (in %)	10.50	12.00
F	**Interest on Working Capital (D*E)**	**9.06**	**11.38**

71. The details of IWC allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, IWC claimed in the instant Petition, and trued-up IWC approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020	212.00	201.27	188.85	189.60	189.84
Claimed by the Petitioner in the instant Petition	211.74	199.18	186.82	188.21	216.71
Approved after true-up in this order	211.73	199.17	186.82	188.21	216.71

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 666/TT/2020	2.51	11.97	11.48	11.81	11.95
Claimed by the Petitioner in the instant Petition	2.51	11.80	11.16	11.55	13.63
Approved after true-up in this order	2.50	11.80	11.16	11.55	13.63

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition No. 93/TT/2023	9.05	11.32
Claimed by the Petitioner in the instant Petition	9.10	11.41
Approved after true-up in this order	9.06	11.38

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

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

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	2487.93	2530.34	2546.07	2545.26	2545.87
Interest on Loan	2101.94	1863.25	1664.87	1508.82	1357.14
Return on Equity	2636.35	2681.60	2698.39	2697.52	2698.18
O&M Expenses	2365.06	2449.66	2535.84	2627.19	2715.85
Interest on Working Capital	211.73	199.17	186.82	188.21	216.71
Total	**9803.01**	**9724.02**	**9631.98**	**9567.00**	**9533.75**

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	19.94	100.03	100.40	105.63	110.91
Interest on Loan	20.48	95.73	87.79	86.41	85.50
Return on Equity	21.28	106.74	107.14	112.73	118.36
O&M Expenses	36.19	185.50	192.00	199.00	205.50
Interest on Working Capital	2.50	11.80	11.16	11.55	13.63
Total	**100.39**	**499.81**	**498.48**	**515.31**	**533.91**

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Depreciation	62.03	68.17
Interest on Loan	59.93	62.26
Return on Equity	66.20	72.75
O&M Expenses	173.76	192.22
Interest on Working Capital	9.06	11.38
Total	**370.98**	**406.78**

73. The details of AFC allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020, dated 6.6.2022 in Petition No. 666/TT/2020 and dated 21.1.2025 in Petition No. 93/TT/2023 for the transmission assets, AFC claimed in the instant Petition and trued-up AFC approved in the instant order are as follows:

Combined Assets (1 to 21)

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 24.1.2023 in Petition No. 670/TT/2020	9863.31	9919.41	9834.48	9721.14	9599.94
Claimed by the Petitioner in the instant Petition	9803.07	9724.07	9631.99	9567.00	9533.79
Approved after true-up in this order	9803.01	9724.02	9631.98	9567.00	9533.75

Asset-22

(₹ in lakh)

Particulars	2019-20 (Pro-rata for 74 days)	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 666/TT/2020	100.42	512.00	523.72	527.15	526.68

Claimed by the Petitioner in the instant Petition	100.40	499.82	498.49	515.32	533.90
Approved after true-up in this order	100.39	499.81	498.48	515.31	533.91

Asset-23

(₹ in lakh)

Particulars	2022-23 (Pro-rata for 341 days)	2023-24
Allowed vide order dated 21.1.2025 in Petition No. 93/TT/2023	370.09	402.18
Claimed by the Petitioner in the instant Petition	374.22	408.44
Approved after true-up in this order	370.98	406.78

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

74. The Petitioner has claimed the following transmission charges with respect to the Combined Asset for the 2024-29 tariff period:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	2727.07	2726.11	2723.33	2721.01	2721.01
Interest on Loan	1301.59	1093.62	877.40	664.26	449.59
Return on Equity	2901.48	2911.98	2911.98	2911.98	2911.98
O&M Expenses	2083.83	2194.78	2306.91	2426.62	2560.07
Interest on Working Capital	192.94	194.76	196.33	197.91	200.83
Total	**9206.91**	**9121.25**	**9015.95**	**8921.78**	**8843.48**

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

(₹ in lakh)

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	173.65	182.90	192.24	202.22	213.34
Maintenance Spares	312.57	329.22	346.04	363.99	384.01
Receivables	1135.10	1124.54	1111.56	1096.94	1090.30
Total Working Capital	1621.32	1636.66	1649.84	1663.15	1687.65
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	192.94	194.76	196.33	197.91	200.83

Effective Date of Commercial Operation (E-COD)

76. The Petitioner has claimed E-COD with respect to the Combined Asset as 6.5.2017. Based on the trued-up admitted capital cost as on 31.3.2024 and the actual COD of the transmission assets, E-COD of the Combined Asset has been worked out

as follows:

Computation of E-COD						
Assets	**COD**	**Admitted Cost as on 31.3.2024 (₹ in lakh)**	**Weight of the cost (%)**	**No. of days from last COD**	**Weighted Days**	**E-COD**
Combined Asset (1 to 21)	21.2.2017	47936.59	93.37	1889.00	1763.83	23.5.2017
Asset-22	18.1.2020	2101.50	4.09	828	33.89	
Asset-23	25.4.2022	1300.40	2.53	-	-	
Total		51338.49	100.00		1797.72	

77. E-COD is used to determine the lapsed life of the transmission project as a whole, which works out to six (6) years as on 1.4.2024, i.e., the number of completed years from the E-COD (23.5.2017).

Weighted Average Life (WAL)

78. Regulation 33 of the 2024 Tariff Regulations has been considered for determination of WAL. The Combined Asset may comprise multiple elements such as land, building, transmission line, substation and PLCC and each element may have a different useful life. Therefore, the concept of WAL has been adopted to determine the useful life of the transmission project as a whole.

79. WAL has been determined based on the admitted capital cost of the individual elements as on 31.3.2024. For this purpose, the element-wise useful life specified in the 2014 Tariff Regulations and 2019 Tariff Regulations, which were prevailing at the time of the actual COD of the individual assets, has not been considered. Instead, the useful life specified in the 2024 Tariff Regulations has been considered for determination of WAL. Accordingly, the WAL with respect to the Combined Asset has been worked out as 25 years, as follows:

Particulars	**Combined Asset Cost (₹ in lakh) (1)**	**Life in Years (2)**	**Weighted Cost (3) = (1)x(2)**	**Weighted Average Life of Asset (in years) (4) = (3)/(1)**
Sub Station	51150.83	25.00	1278770.74	
Batteries	0.00	25.00	0.00	

PLCC	33.98	15.00	509.70	24.94 (Rounded up to 25 years)
IT Equipment (Incl. Software)	153.68	7.00	1075.76	
Total	51338.49		1280356.20	

80. WAL as on 1.4.2024, as determined above, shall be applied prospectively, i.e., for the 2024-29 tariff period, and no retrospective adjustment of depreciation for the 2019-24 tariff period (previous tariff period) is required. As discussed above, E-COD of the combined assets is 23.5.2017, and the lapsed life of the project as a whole, works out as six (6) years as on 1.4.2024, i.e., the number of completed years from the E-COD as on 1.4.2024. Accordingly, WAL has been used to determine the remaining useful life of the Combined Asset as on 31.3.2024, which works out to 19 years.

Capital Cost

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

> *"**19. Capital Cost**: (1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence checks in accordance with these regulations shall form the basis for the determination of tariff for existing and new projects.*
>
> *(2) The Capital Cost of a new project shall include the following:*
> *(a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
> *(b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;*
> *(c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
> *(d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
> *(e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
> *(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
> *(g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;*
> *(h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
> *(i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
> *(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the*

railway;

(k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;

(l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;

(m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;

(n) Expenditure on account of change in law and force majeure events; and

(o) ……..

(p) ……..

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

(a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;

(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;

(c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;

(d) to (h) …….

(i) Expenditure on account of change in law and force majeure events;

(4) ……..

(5) ……..

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

(a) The assets forming part of the project but not in use, as declared in the tariff petition;

(b) De-capitalised Assets after the date of commercial operation on account of obsolescence;

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

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

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

(d) ……..

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

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

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

(₹ in lakh)

Assets	FR Apportioned Approved Cost	Expenditure up to 31.03.2024	ACE	Estimated completion cost as on 31.3.2029
			2024-29	
Combined Asset	54224.96	51349.17	372.83	51722.00

83. We have considered the Petitioner's submissions. The trued-up capital cost of ₹51338.49 lakh has been approved by the Commission with respect to the Combined Asset as on 31.3.2024 in the instant order, and thus, the same is being considered as the opening capital cost as on 1.4.2024 for the determination of the AFC with respect to the 2024-29 tariff period.

Initial Spares

84. As stated earlier in this order, Initial Spares for the 2019-24 tariff period have been approved on the basis of the cost of individual assets. During the 2024-29 tariff period, the transmission assets covered under the transmission project are combined and, accordingly, the Initial Spares have been allowed on the basis of the overall project cost, in terms of the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017.

85. Accordingly, the details of the capital cost and Initial Spares allowed as on 1.4.2019 is as follows:

Asset	Capital Cost as on 31.3.2024	Initial Spares allowed as per APTEL's judgement	Capital Cost as on 1.4.2024
Combined Asset	51338.49	10.66	51349.15

Additional Capital Expenditure

86. Regulation 25 of the 2024 Tariff Regulations provide as under:

> ***25. Additional Capitalization within the original scope and after the cut-off date:***
>
> *(1) The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:*
> *(a) Payment made against award of arbitration or for compliance with the directions or order of any statutory authority; or order or decree of any court of law;*
> *(b) Change in law or compliance 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"

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

(₹ in lakh)

Assets	**Regulation**	**Add cap detail**
		2024-25
Asset-1	Regulation 25(1)(d) of the 2024 Tariff Regulation	372.83

88. The Petitioner has submitted that the projected ACE in the 2024-25 period is on account of payment towards substation heads due to contractual exigencies and for the works executed prior to the cut-off date under Regulation 25(1)(d) of the 2024 Tariff Regulations.

89. The Petitioner has also submitted the Liability Flow Statement containing the Party-wise details of ACE incurred for the 2024-29 tariff period. The details of the same are as follows:

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
BHARAT HEAVY ELECTRICALS LIMITED BH & GE T&D India Limited	S/s	2018-19	119.23	119.23	119.23

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
GE T&D India Limited	Replacement of 315 MVA 400/220 KV ICT II with 500 MVA 400/220 KV ICT at Purnea S/s DOCO: 30.09.2016	2016-17	72.10	72.10	72.10

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
HYOSUNG CORPORATION	2 Nos. 220KV GIS Line Bays at Kishanganj S/s., DOCO: 20.10.2016	2016-17	29.75	29.75	29.75

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
HYOSUNG CORPORATION	2 Nos. 220KV GIS Line Bays at Kishanganj S/s., DOCO: 20.10.2016	2016-17	29.75	29.75	29.75

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
HYOSUNG CORPORATION	Modification of 132kv Bus arrangement at 220/132 kv Purnea Sub Station with GIS bay, DOCO: 12.03.2018	2017-18	110.27	110.27	110.27

(₹ in lakh)

Party name	Particulars (TL/SS)	Year of Actual Capitlization	Outstanding Liability as on 31.3.2024	2024-25	Total (24-29)
CG Power & etc.	Installation of 1 No 315 MVA, 400/220 kv ICT at Farakka SS	25.04.22	11.73	11.73	11.73

90. We have considered the Petitioner's submissions. The ACE claimed by the Petitioner with respect to the Combined Asset is on account of un-discharged liabilities towards final/retention payments against the works executed prior to cut of date is permissible under Regulation 25(1)(d) of the 2024 Tariff Regulations and thus, the same is allowed with respect to the Combined Asset for the 2024-29 tariff period, subject to truing up.

91. Accordingly, the details of the capital cost and the ACE allowed with respect to

the Combined Asset for the 2024-29 tariff period is as follows:

(₹ in lakh)

Asset	Capital Cost as on 1.4.2024	ACE Allowed	Capital Cost as on 31.3.2029
		2024-25	
Combined Asset	51349.15	372.83	51721.98

Debt Equity Ratio

92. 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 utilized for meeting the capital expenditure of the generating station or the transmission system.*
> *(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or the approval of the competent authority in other cases regarding the infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.*
>
> *(3) In the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:*
>
> *Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;*
>
> *Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 96 of these regulations.*
>
> *(4) In the case of the generating station and the transmission system, including*

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

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

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

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

Funding	Capital Cost as on 1.4.2024		ACE (2024-29)	Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(₹ in lakh)	(in %)
Debt	35956.92	70.02	260.98	36217.90	70.02%
Equity	15392.23	29.98	111.85	15504.08	29.98%
Total	**51349.15**	**100.00**	**372.83**	**51721.98**	**100.00**%

Depreciation

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

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

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

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

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

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

(4) …….
(5) Depreciation for Existing Projects shall be calculated annually based on the Straight-Line Method and at rates specified in Appendix-I to these regulations for the assets of the generating station and transmission system:

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

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

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

……..

(7) In the case of the existing projects, the balance depreciable value as on 1.4.2024 shall be worked out by deducting the cumulative depreciation as admitted to by the Commission up to 31.3.2024 from the gross depreciable value of the assets.
(8) The generating company or the transmission licensee, as the case may be, shall submit the details of capital expenditure proposed to be incurred during five years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen years, whichever is lower, and in case of the transmission system shall equally spread the depreciable value over the balance useful life of the Asset or 10 years whichever is higher.

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

95. We have considered the Petitioner's submissions. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter, up to 31.3.2029. The WAROD has been worked out for the Combined Asset as per the depreciation rates specified in the 2024 Tariff Regulations. Accordingly, the depreciation

allowed for the Combined Asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as follows:

(₹ in lakh)

	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	51349.15	51721.98	51721.98	51721.98	51721.98
B	Addition during the year 2019-24 due to projected ACE	372.83	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	51721.98	51721.98	51721.98	51721.98	51721.98
D	Average Gross Block (A+C)/2	51535.56	51721.98	51721.98	51721.98	51721.98
E	Average Gross Block (90% depreciable assets)	51381.88	51568.30	51568.30	51568.30	51568.30
F	Average Gross Block (100% depreciable assets)	153.68	153.68	153.68	153.68	153.68
G	Depreciable value (excluding IT equipment and software) (E*90%)	46243.69	46411.47	46411.47	46411.47	46411.47
H	Depreciable value of IT equipment and software (F*100%)	153.68	153.68	153.68	153.68	153.68
I	Total Depreciable Value (G+H)	46397.37	46565.15	46565.15	46565.15	46565.15
J	Weighted average rate of Depreciation (WAROD) (in %)	5.2916	5.2707	5.2653	5.2608	5.2608
K	Lapsed useful life at the beginning of the year (Year)	**6**	**7**	**8**	**9**	**10**
L	Balance useful life at the beginning of the year (Year)	**19**	**18**	**17**	**16**	**15**
M	**Depreciation during the year (D*J)**	**2727.05**	**2726.11**	**2723.34**	**2721.01**	**2721.01**
N	Cumulative Depreciation at the end of the year	20439.66	23165.77	25889.11	28610.12	31331.13
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	25957.71	23399.38	20676.04	17955.03	15234.02

Interest on Loan (IoL)

96. Regulation 32 of the 2024 Tariff Regulations provides as under:

> *"**32. Interest on loan capital**: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered gross normative loans for the calculation of interest on loans.*
>
> *(2) The normative loan outstanding as on 1.4.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2024 from the gross normative loan.*
>
> *(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.*
>
> *(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the loan shall be*

considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

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

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

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

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

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

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

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

97. The Petitioner has submitted that IoL has been considered on the basis of the rate prevailing as on 1.4.2024. Accordingly, the weighted average rate of Interest on Loan (IoL) has been considered as claimed by the Petitioner. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up.

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

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	35956.92	36217.90	36217.90	36217.90	36217.90
B	Cumulative Repayments up to Previous Year	18259.34	20986.38	23712.49	26435.83	29156.84
C	Net Loan-Opening (A-B)	17697.58	15231.51	12505.41	9782.07	7061.06

D	Addition due to ACE	260.98	0.00	0.00	0.00	0.00
E	Repayment during the year	2727.05	2726.11	2723.34	2721.01	2721.01
F	Net Loan-Closing (C+D-E)	15231.51	12505.41	9782.07	7061.06	4340.05
G	Average Loan (C+F)/2	16464.55	13868.46	11143.74	8421.56	5700.55
H	Weighted Average Rate of Interest on Loan (in %)	7.9062	7.8866	7.8746	7.8892	7.8890
I	**Interest on Loan (G*H)**	**1301.73**	**1093.75**	**877.52**	**664.39**	**449.72**

Return on Equity (RoE)

99. Regulations 30 and 31 of the 2024 Tariff Regulations provide as under:

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

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

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

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

Provided further that:

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

……."

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

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

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

(2) The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:
Rate of pre-tax return on equity = Base rate / (1-t)

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

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

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

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

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

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	15392.23	15504.08	15504.08	15504.08	15504.08
B	Addition due to ACE	111.85	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	15504.08	15504.08	15504.08	15504.08	15504.08
D	Average Equity (A+C)/2	15448.16	15504.08	15504.08	15504.08	15504.08
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500

F	Tax Rate applicable (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)**	**2901.47**	**2911.98**	**2911.98**	**2911.98**	**2911.98**

Operation and Maintenance Expenses (O&M Expenses)

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

(₹ in lakh)

Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
O&M Expenses	2083.83	2194.78	2306.91	2426.62	2560.07

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

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

……

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

Particulars	***2024-25***	***2025-26***	***2026-27***	***2027-28***	***2028-29***
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	*41.34*	*43.51*	*45.79*	*48.20*	*50.73*
400 kV	*29.53*	*31.08*	*32.71*	*34.43*	*36.23*
220 kV	*20.67*	*21.75*	*22.90*	*24.10*	*25.36*
132 kV and below	*15.78*	*16.61*	*17.48*	*18.40*	*19.35*
Norms for Transformers/Reactors (Rs Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAr (Rs Lakh per MVA or per MVAr)	*0.262*	*0.276*	*0.290*	*0.305*	*0.322*
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Single Circuit (Bundled conductor with four or more sub-conductors)	*0.738*	*0.776*	*0.817*	*0.860*	*0.905*
Single Circuit (Twin & Triple Conductor)	*0.492*	*0.518*	*0.545*	*0.573*	*0.603*
Single Circuit (Single Conductor)	*0.246*	*0.259*	*0.272*	*0.287*	*0.302*
Double Circuit (Bundled conductor with four or more sub-conductors)	*1.291*	*1.359*	*1.430*	*1.506*	*1.585*
Double Circuit (Twin & Triple Conductor)	*0.861*	*0.906*	*0.953*	*1.003*	*1.056*
Double Circuit (Single Conductor)	*0.369*	*0.388*	*0.409*	*0.430*	*0.453*
Multi Circuit (Bundled Conductor with four or more sub-conductor)	*2.266*	*2.385*	*2.510*	*2.642*	*2.781*
Multi Circuit (Twin & Triple Conductor)	*1.509*	*1.588*	*1.671*	*1.759*	*1.851*
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	*2.07*	*2.18*	*2.30*	*2.42*	*2.55*
Gazuwaka BTB (Rs Lakh/MW)	*1.83*	*1.92*	*2.03*	*2.13*	*2.24*
HVDC bipole scheme (Rs Lakh/MW)	*1.04*	*1.10*	*1.16*	*1.22*	*1.28*

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

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

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

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

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

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

(₹ in lakh)

Combined Asset (1 to 23)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Sub-station Bays : **400 kV GIS Substation bays:** 1 no. 400 kV (GIS) Bus Reactor Bay at Baripada Sub-station 1 no. 400 kV (GIS) 400 kV ICT Bay at Baripada Sub-station 1 no. 400 kV (GIS) Bus Reactor Bay at Maithon Sub-station					
Norms	**20.671**	**21.756**	**22.897**	**24.101**	**25.361**
O&M expenses allowed	**62.01**	**65.27**	**68.69**	**72.30**	**76.08**
400 kV AIS Substation bays: 1 no. 400 kV (AIS) Bus Reactor Bay at Jeerat Sub-station 1 no. 400 kV (AIS) ICT Bay at Jamshedpur Sub-station 1 no. ICT bay 400 kV side at Farakka (NTPC)					
Norms	**29.53**	**31.08**	**32.71**	**34.43**	**36.23**
O&M expenses allowed	**88.59**	**93.24**	**98.13**	**103.29**	**108.69**
220 kV (GIS) Substation bays : 1 no. 220 kV ICT Bay at Baripada Sub-station 4 Nos of 220 kV GIS Bays at Kishanganj Sub-station					
Norms	**14.469**	**15.225**	**16.03**	**16.87**	**17.752**
O&M expenses allowed	**72.35**	**76.13**	**80.15**	**84.35**	**88.76**
220 kV AIS substation bays: 1 no. ICT Bay at Jamshedpur Substation 1 no. ICT Bay at Patna Sub-station 1 no. ICT bay 220 kV side at Farakka (NTPC)					
Norms	**20.67**	**21.75**	**22.90**	**24.10**	**25.36**

O&M expenses allowed	**62.01**	**65.25**	**68.7**	**72.3**	**76.08**
132 kV AIS Substation: 7 nos. 132 kV Bay at Purnea Sub-station					
Norms	**15.78**	**16.61**	**17.48**	**18.40**	**19.35**
O&M expenses allowed	**110.46**	**116.27**	**122.36**	**128.8**	**135.45**
132 kV GIS substation: 2 nos. of 132 kV GIS bays at Siliguri S/s					
Norms	**11.046**	**11.627**	**12.236**	**12.88**	**13.545**
O&M expenses allowed	**22.51**	**23.3**	**24.12**	**24.96**	**25.84**
Total Sub-station Bays O&M Expenses (A)	**417.51**	**439.41**	**462.50**	**486.80**	**512.15**
Transformer (MVA Capacity)					
765 kV Substation ICT: 1 no. of ICT(500 MVA) at Angul 1 no. of ICT(500 MVA) at Sundergarh Total capacity of 765 Substation ICT: 1000 MVA **400 kV Substation ICT:** 1 no. of ICT(315 MVA) at Jamshedpur 1 no. 500 MVA ICT at Baripada Sub-station 2 nos. of ICT-I & II(Each of capacity 500 MVA) at Patna 1 no. of 500 MVA ICT- II at Purnea S/s 1 no. 500 MVA ICT at Pasauli S/s 1 no.500 MVA ICT at Patna 1 no. 500 MVA ICT at Purnea 1 no. of 500 MVA ICT-II at Pasauli 1 no. 315 MVA ICT at Farakka(NTPC) S/s Total capacity of 400 kV substation ICT=4630 MVA **220 kV Sub-station ICT:** 1 no. of 160 MVA ICT-I at Birpara 1 no. of 160 MVA ICT-I at Siliguri 1 no. of 160 MVA ICT at Purnea Total capacity of 220 kV Substation ICT=480 MVA **Total 765 kV/400kV/220kV S/s ICT=1000+4630+480=6110 MVA** **400kV Sub-station Reactor:** 1 no. 125 MVAR Bus Reactor at Maithon 1 no. 125 MVAR Bus Reactor-1 at Baripada **Total MVAR capacity=250 MVAR**					
Norms for 765kV/400 kV220 kV S/s ICT(**₹ lakh/MVA)**	.262	.276	.29	.305	.322
O&M expenses allowed	**1600.8**	**1686.36**	**1771.9**	**1863.6**	**1967.42**
Norms for 400 kV S/s Reactor (**₹ lakh/MVAR)**	.262	.276	.29	.305	.322
O&M expenses allowed	**65.5**	**69**	**72.5**	**76.25**	**80.5**
Total Transformer/Reactor O&M Expenses (B)	1666.32	1755.36	1844.4	1939.8	2047.92
Total O&M Expenses (D)=(A)+(B)	**2083.83**	**2194.77**	**2306.90**	**2426.60**	**2560.07**

***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 the bays.*

104. Accordingly, the details of the O&M Expenses allowed with respect to the Combined Asset for the 2024-29 tariff period are as follows:

(₹ in lakh)

Combined Asset					
Particulars	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
O&M Expenses Claimed by the petitioner	2083.83	2194.78	2306.91	2426.62	2560.07
O&M Expenses allowed in instant order	2083.83	2194.77	2306.90	2426.60	2560.07

Interest on Working Capital (IWC)

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

> *"**34. Interest on Working Capital**: (1) The working capital shall cover:*
> *……*
>
> *(d) For Hydro generating station (including Pumped Storage Hydro generating station) and Transmission System:*
> *(i) Receivables equivalent to 45 days of annual fixed cost;*
> *(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and*
> *(iii) Operation and maintenance expenses, including security expenses for one month.*
> *……*
>
> *(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024- 29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:*
>
> *Provided that in case of truing-up, the rate of interest on working capital shall be considered at Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.*
>
> *(4) Interest on working capital shall be payable on a normative basis, notwithstanding that the generating company or the transmission licensee has not taken a loan for working capital from any outside agency."*

106. The Petitioner has submitted that it has computed IWC for the 2024-29 period considering the SBI Base Rate plus 325 basis points as on 1.4.2024. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. 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, 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9% plus 325 basis points) for the FY 2025-26 and 11.95% (SBI 1-year MCLR applicable as on

1.4.2026 of 8.70% plus 325 basis points) for the FY 2026-27 to FY 2028-29.

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

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	173.65	182.90	192.24	202.22	213.34
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	312.57	329.22	346.04	363.99	384.01
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1135.11	1125.27	1111.67	1097.06	1090.41
D	Total Working Capital (A+B+C)	1621.34	1637.38	1649.95	1663.26	1687.76
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)**	**192.94**	**200.58**	**197.17**	**198.76**	**201.69**

Annual Fixed Charges for the 2024-29 Tariff Period

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

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	2727.05	2726.11	2723.34	2721.01	2721.01
Interest on Loan	1301.73	1093.75	877.52	664.39	449.72
Return on Equity	2901.47	2911.98	2911.98	2911.98	2911.98
O&M Expenses	2083.83	2194.77	2306.90	2426.60	2560.07
Interest on Working Capital	192.94	200.58	197.17	198.76	201.69
Total	**9207.02**	**9127.18**	**9016.91**	**8922.74**	**8844.46**

Filing Fee and Publication Expenses

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

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

be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

111. 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.

112. 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."*

113. 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 a regulation is notified and issued by the Commission.

License Fee and RLDC Fees and Charges

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

115. 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

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

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

Security Expenses, Insurance and Capital Spares

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

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

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

121. The Petitioner has not claimed 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.

122. 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 under:

> *"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."*

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

Sharing of Transmission Charges

124. The Petitioner has submitted that the transmission charges for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term

transmission customers. Further, the tariff for the 2024-29 tariff period will be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations, as amended from time to time.

125. We have considered the Petitioner's submissions. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the 2010 Sharing Regulations and with effect from 1.11.2020 (after repeal of the 2010 Sharing Regulations), 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 provisions of the respective Tariff Regulations and shall be recovered from the concerned DICs through the second bill as per Regulations 15(2)(b) of the 2020 Sharing Regulations. The billing, collection and disbursement of the transmission charges with respect to the Combined Asset shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

126. **To Summarize:**

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

Combined Assets (1 to 21)

(₹ in lakh)

AFC	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed	9803.07	9724.07	9631.99	9567.00	9533.75
Approved	9803.01	9724.02	9631.98	9567.00	9533.75

Asset-22

(₹ in lakh)

AFC	2019-20 (Pro-rata for 74 days	2020-21	2021-22	2022-23	2023-24
Claimed	100.40	499.81	498.49	515.32	533.90
Approved	100.39	499.81	498.48	515.31	533.91

Asset-23

(₹ in lakh)

AFC	2022-23 (Pro-rata for 341 days	2023-24
Claimed	374.23	408.44
Approved	372.70	406.85

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

(₹ in lakh)

AFC	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed	9206.91	9121.25	9015.95	8921.78	8843.48
Allowed	9207.02	9127.18	9016.91	8922.74	8844.46

127. This order disposes of the Petition No. 876/TT/2025 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member