

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 16/TT/2025

Coram:

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

Date of Order: 02.02.2026

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 read with Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Transmission Assets under **“Transmission System for Phase-I Generation Projects in Jharkhand and West Bengal Part A1”** in the Eastern Region.

And in the matter of:

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

...Petitioner

Versus

- 1. Bihar State Power (Holding) Company Limited,
Vidyut Bhawan, Bailey Road,
Patna-800001, Bihar.**
- 2. West Bengal State Electricity Distribution Company Limited,
Bidyut Bhawan, Bidhan Nagar, Block DJ, Sector-II,
Salt Lake City, , Kolkata-700091.**
- 3. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar-751007, Odisha.**
- 4. Damodar Valley Corporation,
DVC Tower, Maniktala, Civic Centre, VIP Road,
Kolkata-700054, West Bengal.**
- 5. Power Department, Government of Sikkim,
Gangtok-737101, Sikkim.**



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

...Respondent(s)

Parties Present: Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Divyanshu Mishra, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, for the true-up of the transmission tariff for the 2019-24 period, under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”), and for determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of “400 kV D/C Ranchi–Chandwa–Gaya line along with associated bays at Ranchi, Chandwa (GIS) and Gaya Sub-station and 2X125 MVAR 400 kV Bus Reactor along with associated bays at Chandwa (GIS)” (hereinafter referred to as “the transmission asset”) under “**Transmission System for Phase-I Generation Projects in Jharkhand and West Bengal Part A1**” (hereinafter referred to as “the transmission project”) in the Eastern Region.

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

- a) *Approve the true-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.*
- b) *Approve the Additional capitalization claimed for 2019-24 block and for 2024-29 block for the assets covered under this petition.*
- c) *Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 19 & 20 above for respective block.*



- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees & charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- f) *Allow the Petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.*
- g) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 26 above.*
- h) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 26 above.*
- i) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at para 26 above.*
- j) *Allow the Petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 27 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

Background

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

- (a) The Investment Approval (the IA) for the transmission project was accorded by the Board of Directors of the Petitioner Company vide Memorandum No. C/CP/Jharkhand and West Bengal Projects (Ph-I) Part-A1 dated 25.10.2011 at an estimated cost of ₹55826 lakh including an Interest During Construction (IDC) of ₹2630 lakh, based on second quarter 2011 price level. The Petitioner, vide affidavit dated 22.7.2016,



has submitted the Revised Cost Estimate (RCE) for the transmission project at an estimated cost of ₹72777 lakh including an IDC of ₹9679 lakh at February 2016 price level.

- (b) The transmission project was discussed with the regional constituents in the Standing Committee Meetings of the Eastern Region (ER), the Western Region (WR) and the Northern Region (NR) held on 20.9.2010, 10.9.2009 and 29.9.2010, respectively, as a part of the common system strengthening scheme for transfer of power to the ER, WR and NR from various IPPs in Jharkhand and West Bengal. Further, the transmission project has also been discussed in the Regional Power Committee (RPC) meetings of ER, WR and NR held on 18.12.2010, 25.9.2009 and 4.1.2011, respectively.
- (c) The scope of the work covered under the transmission project is as under:

Transmission line:

Ranchi New (765/400 kV Sub-station) – Gaya 400 kV D/C (Quad) line via Pooling Station proposed near Essar/Corporate generation projects.

Sub-stations:

Establishment of 400 kV GIS Pooling Station (Jharkhand Pool) near Essar and Corporate generation projects.

- (d) The complete scope of the work as per the IA is completed and is covered in the instant Petition. The Commission, vide order dated 29.7.2016 in Petition No. 90/TT/2016, had determined the transmission tariff for the 2014-19 period and vide order dated 30.6.2021 in Petition No.5/TT/2020 had trued-up the transmission tariff for the 2014-19 period and determined the transmission tariff for 2019-24 period and approved the



capital cost of the transmission project as ₹67507.83 lakh as on 31.3.2019.

4. The Petitioner has filed the present Petition for truing-up of the transmission tariff for the transmission asset for the 2019-24 period and determination of the transmission tariff for the 2024-29 period.

5. The Respondents are Distribution Licensees and Power Departments, that receive transmission services from the Petitioner, mainly the beneficiaries of the Eastern Region.

6. The Petitioner has served a copy of the Petition on the Respondents and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. 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. None of the Respondents has filed their reply despite providing sufficient opportunities.

7. The hearing in this matter was held on 30.10.2025, and the order was reserved. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 20.9.2024 and subsequent affidavits dated 16.5.2025 and 11.9.2025.

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

TRUING-UP OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

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



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3579.91	3590.88	3601.96	3633.99	3692.42
Interest on Loan	3019.69	2635.60	2346.53	2136.08	1948.95
Return on Equity	3808.57	3821.05	3832.87	3867.06	3929.41
O&M Expenses	512.35	530.27	548.90	568.22	588.06
Interest on Working Capital	178.85	162.89	149.11	147.95	168.84
Total	11099.37	10740.69	10479.37	10353.30	10327.68

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

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	42.70	44.19	45.74	47.35	49.01
Maintenance Spares	76.85	79.54	82.34	85.23	88.21
Receivables	1364.68	1324.19	1291.98	1276.43	1269.80
Total Working Capital	1484.23	1447.92	1420.06	1409.01	1407.02
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	178.85	162.89	149.11	147.95	168.84

Capital Cost for the 2019-24 Tariff Period

11. The capital cost of ₹67507.83 lakh as on 31.3.2019 has been approved by the Commission for the transmission project in Petition No. 5/TT/2020. The same capital cost of ₹67507.83 lakh as on 31.3.2019 has been considered as the opening capital cost as on 1.4.2019 for the purpose of truing-up of the transmission tariff for the 2019-24 period in accordance with Regulation 19 of the 2019 Tariff Regulations in the instant Petition. The details of the capital cost allowed by the Commission vide order dated 30.6.2021 in Petition No. 5/TT/2020 for the transmission asset is as follows:

(₹ in lakh)

FR/RCE Apportioned Approved Capital Cost	Capital Cost allowed as on 31.3.2019	ACE (2019-24)					Capital Cost allowed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
55826.00/72777.00	67507.83	1947.45	0.00	0.00	0.00	0.00	69455.28

Initial Spares

12. The Petitioner in the instant Petition has submitted that the Initial Spares claimed under the transmission project are within the prescribed ceiling limit as per the



2019 Tariff Regulations and same has already been allowed by the Commission vide order dated 29.7.2016 in Petition No. 90/TT/2016.

13. We have considered the Petitioner's submissions. The Commission, vide order dated 29.7.2016 in Petition No. 90/TT/2016, had allowed Initial Spares in respect of the transmission asset for the 2019-24 tariff period is as under:

(₹ in lakh)					
Particulars	Plant and machinery cost upto the cut-off date (excluding IDC and IEDC) based on the Auditor's Certificate	Initial spare claimed	Ceiling limit (in %)	Allowable Initial Spares	Initial Spares allowed
Transmission Line	48198.48	430.43	1.00	482.51	430.43
Sub-station (GIS and Brownfield)	8679.82	347.20	5.00	438.56	347.20

Additional Capital Expenditure (ACE)

14. The Commission, vide order dated 30.6.2021 in Petition No. 5/TT/2020, had allowed the ACE with respect to the transmission asset under Regulation 25(1)(d) of the 2019 Tariff Regulations for the 2019-24 tariff period and the same is as under:

(₹ in lakh)	
ACE (2019-20)	Allowed under regulation
1947.45	25(1)(d) of the 2019 Tariff Regulations

15. Against the above, the Petitioner in the instant Petition has claimed the ACE with respect to the transmission asset based on the actual expenditure in accordance with Regulations 25(1)(d) 2019 Tariff Regulations and the details of the same are as under:

(₹ in lakh)								
Particulars	COD	Cut-off date	ACE (2019-24)					Total ACE 2019-24
			2019-20	2020-21	2021-22	2022-23	2023-24	
Transmission Asset	12.7.2016	31.3.2019	169.43	273.58	145.99	1067.55	1145.58	2802.13



Claimed under Regulation			25(1)(d)	25(1)(d)	25(1)(d)	25(1)(d)	25(1)(d)	
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16. The Petitioner, in the instant Petition has submitted the primary reason for variation in the allowed ACE and the actual ACE and stated that while projecting an estimated ACE, contracts were not closed and liabilities were not finalized and the ACE claimed in the instant Petition is based on the actual payments made to the vendors after the receipt of final invoices, necessary amendments, and reconciliation in accordance with the contractual provisions.

17. In response to the Commission's query, the Petitioner, vide affidavit dated.16.5.2025 has submitted the same reason as submitted in the Petition for the variation in the ACE allowed vide order dated 30.6.2021 in Petition No. 05/TT/2020 and the actual ACE and also submitted the liability flow statement for claiming the discharge of liabilities under Regulation 25(1)(d) of the 2019 Tariff Regulations for the 2019-24 tariff period. The details of the same are as follows:

(₹ in lakh)													
Party	Parti cula rs	Outsta nding Liabilit y as on 31.3.20 19	Discharge						Reversal		Additional Liability Recognized		Outstan ding Liability as on 31.3.20 24
			2019- 20	2020- 21	2021- 22	2022- 23	2023- 24	Total (19- 24)	2019- 20	Tot al (19- 24)	2023- 24	Total (19- 24)	
Hyosun g Corpora tion	Sub- station	208.41	-	180.85	27.55			208.41	-	-	-	-	
M/S SIEME NS Ltd.	Sub- station	13.67	5.16	-	8.51			13.67	-	-	-	-	
Bharat Heavy Electric als Limited & Others	Sub- station	44.01	41.47	-	2.54			44.01	-	-	-	-	
Hind Alumini um Industri es Ltd.,	Trans missio n Line	-	-	-				-		-		-	



IAC Electric als Private Limited, Tree Crop Compensation etc.	Trans mission Line	-	-										
Deepak Cable, CAMPA A/C & Others	Trans mission Line	1606.97	48.41	92.73	107.38	1067.55	1145.58	2461.65	181.58	181.58	1145.58	1145.58	109.32
Adhunik Power Transmi ssion Ltd.	Trans mission Line	-	-										
Kumar Piyush Constru ction Pvt..Ltd . & M.S Enterprises and others	Buildin g & Civil Work	74.39	74.39					74.39					
Total		1947.45	169.43	273.58	145.99	1067.55	1145.58	2802.13	181.58	181.58	1145.58	1145.58	109.32

18. The Petitioner has further submitted that the ACE claimed beyond the cut-off date is on the account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies for the works executed within the cut-off date and the same has been claimed under Regulation 25(1)(d) of the 2019 Tariff Regulations.

19. We have considered the Petitioner's submission. We observe that the ACE claimed by the Petitioner in respect of the transmission asset is after the cut-off date and the same is allowed under Regulation 25(1)(d) of the 2019 Tariff Regulations towards the liability of the payments towards the works executed prior to the cut-off date. The details of the ACE allowed is as follows:

Particulars	(₹ in lakh)				
	ACE allowed for 2019-24				
	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Asset	169.43	273.58	145.99	1067.55	1145.58
Allowed under 2019 Regulation	25(1)(d)	25(1)(d)	25(1)(d)	25(1)(d)	25(1)(d)



20. Accordingly, the capital cost and the ACE allowed in respect of the transmission assets for the 2019-24 period is as follows:

(₹ in lakh)

FR/RCE Apportioned Approved Cost	Capital cost allowed as on COD	ACE allowed for the 2019-24 tariff period					Capital cost as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
55826.00/ 72777.00	67507.83	169.43	273.58	145.99	1067.55	1145.58	70309.96

Debt-Equity Ratio

21. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of the tariff in respect of the transmission asset for the 2019-24 tariff period is as under:

Funding	Capital Cost as on COD		ACE allowed during the 2019-24 Tariff Period		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	47255.48	70.00	1961.49	70.00	49216.97	70.00
Equity	20252.35	30.00	840.639	30.00	21092.99	30.00
Total	67507.83	100.00	2802.13	100.00	70309.96	100.00

Depreciation

22. The depreciation has been worked out considering the admitted capital expenditure as on the COD and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the transmission project as per the rates of depreciation specified in the 2019 Tariff Regulations. Accordingly, the depreciation allowed in respect of the transmission asset is as under:

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	67507.83	67677.26	67950.84	68096.83	69164.38
B	Addition during the year 2019-24 due to ACE	169.43	273.58	145.99	1067.55	1145.58
C	Closing Gross Block (A+B)	67677.26	67950.84	68096.83	69164.38	70309.96
D	Average Gross Block (A+C)/2	67592.55	67814.05	68023.84	68630.61	69737.17
E	Average Gross Block (90% depreciable assets)	67363.45	67584.95	67794.74	68401.51	69508.07



F	Average Gross Block (100% depreciable assets)	206.00	206.00	206.00	206.00	206.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	60627.10	60826.46	61015.26	61561.35	62557.26
H	Depreciable value of IT equipment and software (F*100%)	206.00	206.00	206.00	206.00	206.00
I	Total Depreciable Value (G+H)	60833.10	61032.46	61221.26	61767.35	62763.26
J	Weighted average rate of Depreciation (WAROD) (in %)	5.30	5.30	5.30	5.30	5.29
K	Lapsed useful life at the beginning of the year (Year)	2.00	3.00	4.00	5.00	6.00
L	Balance useful life at the beginning of the year (Year)	31.00	30.00	29.00	28.00	27.00
M	Depreciation during the year (D*J)	3579.91	3590.88	3601.96	3633.99	3692.42
N	Cumulative Depreciation at the end of the year	12997.39	16588.27	20190.22	23824.22	27516.64
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	47835.71	44444.19	41031.04	37943.14	35246.62

23. The details of the depreciation allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, depreciation claimed in the instant Petition, and trued-up depreciation approved in the instant order in respect of the transmission asset is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	3626.85	3677.54	3677.54	3677.54	3677.54
Claimed by the Petitioner in the instant Petition	3579.91	3590.88	3601.96	3633.99	3692.42
Approved after true-up in this order	3579.91	3590.88	3601.96	3633.99	3692.42

Interest on Loan (IoL)

24. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and prevailing interest rate. We have considered the Petitioner's submission and perused the documents available on record. The IoL has been calculated based on the Petitioner's actual interest rate as submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved with respect to the transmission asset is as follows:



(₹ in lakh)

	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	47255.48	47374.08	47565.59	47667.78	48415.07
B	Cumulative Repayments up to Previous Year	9417.48	12997.39	16588.27	20190.22	23824.22
C	Net Loan-Opening (A-B)	37838.00	34376.70	30977.32	27477.56	24590.85
D	Addition due to ACE	118.60	191.51	102.19	747.29	801.91
E	Repayment during the year	3579.91	3590.88	3601.96	3633.99	3692.42
F	Net Loan-Closing (C+D-E)	34376.70	30977.32	27477.56	24590.85	21700.33
G	Average Loan (C+F)/2	36107.35	32677.01	29227.44	26034.20	23145.59
H	Weighted Average Rate of Interest on Loan (in %)	8.36	8.07	8.03	8.20	8.360
I	Interest on Loan (G*H)	3019.70	2635.58	2346.53	2136.09	1934.87

25. The details of the IoL allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, depreciation claimed in the instant Petition, and trued-up IoL approved in the instant order in respect of the transmission asset is as under:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	3095.85	2843.93	2538.72	2233.26	1923.16
Claimed by the Petitioner in the instant Petition	3019.69	2635.60	2346.53	2136.08	1948.95
Approved after true-up in this order	3019.70	2635.58	2346.53	2136.09	1934.87

Return on Equity (RoE)

26. 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 FY 2019-20 and FY 2020-21 and that the Income Tax Returns have been filed with the Income Tax Department for FY 2021-22 & 2022-23 and the Income Tax Return for FY 2023-24 will be filed in due course. The income has been assessed under MAT [115JB of the Income Tax Act, 1961 (IT Act, 1961)].

27. The Petitioner has further submitted that it is liable to pay the income tax at 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

28. We have considered the Petitioner's submissions and have also gone through the record. We have observed 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 Income Tax ('IT') Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for the 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 is considered for the purpose of grossing up the rate of RoE:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax (in %) (t)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in%)
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782



2022-23	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

29. Accordingly, the trued-up RoE allowed in respect of the transmission asset for the 2019-24 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	20252.35	20303.18	20385.25	20429.05	20749.31
B	Addition due to ACE	50.83	82.07	43.80	320.27	343.67
C	Closing Equity (A+B)	20303.18	20385.25	20429.05	20749.31	21092.99
D	Average Equity (A+C)/2	20277.76	20344.22	20407.15	20589.18	20921.15
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	3808.57	3821.05	3832.87	3867.06	3929.41

30. The details of the RoE allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, RoE claimed in the instant Petition, and trued-up RoE approved in the instant order in respect of the transmission asset is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	3858.56	3913.42	3913.42	3913.42	3913.42
Claimed by the Petitioner in the instant Petition	3808.57	3821.05	3832.87	3867.06	3929.41
Approved after true-up in this order	3808.57	3821.05	3832.87	3867.06	3929.41

Operation & Maintenance Expenses (O&M Expenses)

31. The O&M Expenses claimed by the Petitioner in the instant Petition in respect of the transmission asset for the 2019-24 tariff period is as under:

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	512.35	530.27	548.90	568.22	588.06

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



(₹ in lakh)

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Lines					
Double Circuit (Bundle Conductor with 4 Sub-Conductors- Length in km	183.58	183.58	183.58	183.58	183.58
Norms	1.322	1.368	1.416	1.466	1.517
O&M Expenses allowable	242.69	251.14	259.95	269.13	278.49
Multi Circuit with 4 or more Conductors- Length in km	2.60	2.60	2.60	2.60	2.60
Norms	2.319	2.401	2.485	2.572	2.662
O&M Expenses Allowable	6.03	6.24	6.46	6.69	6.92
400 kV GIS Sub-station:					
- Chandwa: 02 nos. line bays at Ranchi Sub-station - Chandwa: 02 nos. line bays at Gaya Sub-station - Chandwa: 125 MVAR BR-I and II at Chandwa Sub-station					
Norms	22.51	23.30	24.12	24.96	25.84
O&M Expenses allowable	135.03	139.78	144.69	149.76	155.01
400 kV Conventional Sub-station					
- Gaya: 2 nos. Line bays at Gaya - Ranchi: 2 nos. Line bays at Ranchi					
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	128.60	133.12	137.80	142.64	147.64
Total O&M Expenses allowed	512.35	530.28	548.90	568.23	588.07

33. The details of the O&M Expenses allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, O&M Expenses claimed in the instant Petition and the trued-up O&M Expenses approved in the instant order in respect of the transmission asset are as under:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	512.35	530.28	548.90	568.23	588.07
Claimed by the Petitioner in the instant Petition	512.35	530.27	548.90	568.22	588.06
Approved after true-up in this order	512.35	530.28	548.90	568.23	588.07

Interest on Working Capital (IWC)

34. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for the FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350



basis points) for the FY 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

35. The components of the working capital and interest allowed thereon for the transmission asset for the 2019-24 tariff period is as under:

(₹ 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)	42.70	44.19	45.74	47.35	49.01
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	76.85	79.54	82.34	85.23	88.21
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	1364.68	1324.19	1291.98	1276.44	1268.04
D	Total Working Capital (A+B+C)	1484.23	1447.92	1420.05	1409.02	1405.26
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)	178.85	162.89	149.11	147.95	168.63

36. The details of the IWC allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, the IWC claimed in the instant Petition and the trued-up IWC approved in the instant order in respect of the Transmission Project is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	181.45	168.34	164.80	161.29	157.35
Claimed by the Petitioner in the instant Petition	178.85	162.89	149.11	147.95	168.84
Approved after true-up in this order	178.85	162.89	149.11	147.95	168.63

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

37. Accordingly, the Annual Fixed Charges (AFC) allowed after truing-up for the 2019-24 tariff period in respect of the transmission asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	3579.91	3590.88	3601.96	3633.99	3692.42
Interest on Loan	3019.70	2635.58	2346.53	2136.09	1934.87
Return on Equity	3808.57	3821.05	3832.87	3867.06	3929.41
O&M Expenses	512.35	530.28	548.90	568.23	588.07
Interest on Working Capital	178.85	162.89	149.11	147.95	168.63
Total	11099.38	10740.68	10479.37	10353.32	10313.40



38. The details of the AFC allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020, AFC claimed in the instant Petition, and trued-up AFC approved for the transmission asset in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 30.6.2021 in Petition No. 5/TT/2020	11275.06	11133.51	10843.39	10553.74	10259.55
Claimed by the Petitioner in the instant Petition	11099.37	10740.69	10479.37	10353.30	10327.68
Approved after true-up in this order	11099.38	10740.68	10479.37	10353.32	10313.40

DETERMINATION OF THE ANNUAL FIXED CHARGES FOR THE 2024-29 TARIFF PERIOD

39. The Petitioner has claimed the following transmission charges for the transmission asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3740.11	3720.98	3716.39	3680.43	3680.43
Interest on Loan	1671.84	1361.15	1042.30	730.15	426.36
Return on Equity	3964.76	3967.84	3967.84	3967.84	3967.84
O&M Expenses	550.53	579.54	609.76	641.92	675.78
Interest on Working Capital	163.33	159.71	156.20	152.03	149.34
Total	10090.57	9789.22	9492.49	9172.37	8899.75

40. The details of the IWC claimed by the Petitioner for the 2024-29 tariff period for the transmission asset is as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	45.88	48.30	50.81	53.49	56.32
Maintenance Spares	82.58	86.93	91.46	96.29	101.37
Receivables	1244.04	1206.89	1170.31	1127.25	1097.23
Total Working Capital	1372.50	1342.12	1312.58	1277.53	1254.92
Rate of Interest on working capital (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	163.33	159.71	156.20	152.03	149.34

Capital Cost

41. Regulation 19 of the 2024 Tariff Regulations provides as under:

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



- (2) The Capital Cost of a new project shall include the following:
- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
 - (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;
 - (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
 - (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
 - (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
 - (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
 - (g) Adjustment of revenue due to the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 of these regulations;
 - (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
 - (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
 - (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
 - (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
 - (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
 - (m) Expenditure on account of the fulfilment of any conditions for obtaining environment clearance for the project;
 - (n) Expenditure on account of change in law and force majeure events; and
 - (o)
 - (p)
- (3) The Capital cost of an existing project shall include the following:
- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
 - (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
 - (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
 - (d) to (h)
 - (i) Expenditure on account of change in law and force majeure events;
- (4)
- (5)
- (6) The following shall be excluded from the capital cost of the existing and new projects:
- (a) The assets forming part of the project but not in use, as declared in the tariff petition;
 - (b) De-capitalised Assets after the date of commercial operation on account of obsolescence;



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

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

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

(d)

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

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

42. The Petitioner has claimed the following capital cost for the transmission asset during the 2024-29 tariff period:

(₹ in lakh)			
Apportioned Approved Cost as per FR/RCE	Capital cost allowed as on COD	Projected ACE for the 2024-29 tariff period	Estimated Capital cost as on 31.3.2029
55826.00/ 72777.00	70309.96	109.32	70419.28

43. We have considered the Petitioner’s submissions. The trued-up capital cost of ₹70309.36 lakh for the transmission asset as on 31.3.2024 has been approved in the instant order, and the same capital cost has been considered as the opening capital cost as on 1.4.2024 with respect to the transmission asset for the 2024-29 tariff period in accordance with Regulation 19 of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

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

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

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

(a) Payment made towards admitted liabilities for works executed up to the cut-off date;

(b) Works deferred for execution;

(c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;



- (d) Payment against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;
 - (e) Change in law or compliance with any existing law which is not provided for in the original scope of work;
-

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

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

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

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

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

- (a) Assets whose useful life 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”

45. The Petitioner has claimed the ACE of ₹109.32 lakh for the transmission asset in the 2024-29 tariff period as follows:



Particulars	ACE claimed for 2024-29				
	2024-25	2025-26	2026-27	2027-28	2028-29
Transmission Asset	109.32	0.00	0.00	0.00	0.00
Claimed under Regulation	25(1)(d) of the 2024 Tariff Regulations	-	-	-	-

46. The Petitioner has submitted that the ACE projected during the 2024-29 period is on account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies and for the works executed prior to the cut-off date and claimed under Regulation 25(1)(d) of the 2024 Tariff Regulations. The Petitioner vide affidavit dated 11.9.2025 has submitted liability flow statement for the transmission asset for the 2024-29 tariff period and the details of the same is as under:

(₹ in lakh)

Asset No.	Party	Particulars	Outstanding Liability as on 31.3.2024	Discharge		Outstanding Liability as on 31.3.2029
				2024-25	Total (24-29)	
Asset-I	Hyosung Corporation	Sub-station	-	-	-	-
	M/S SIEMENS Ltd	Sub-station	-	-	-	-
	Bharat Heavy Electricals Limited & Others	Sub-station	-	-	-	-
	Hind Aluminium Industries Ltd.	Transmission Line	-	-	-	-
	IAC Electricals Private Limited, Tree Crop Compensation etc.	Transmission Line	-	-	-	-
	Deepak Cable & Others	Transmission Line	109.32	109.32	109.32	-
	Adhunik Power Transmission Ltd.	Transmission Line				
	Kumar Piyush Construction Pvt. Ltd. & M/S Enterprises and others	Building & Civil Work				
	Total		109.32	109.32	109.32	-

47. We have considered the submissions made by the Petitioner and perused documents placed on record. The Petitioner has projected the ACE under Regulation 25(1)(d) of the 2024 Tariff Regulations for the transmission asset for the 2024-29 period.



The COD of the transmission asset is approved as 12.7.2016 and the cut-off date works out to be 31.3.2019 for the transmission asset. The ACE claimed by the Petitioner in case of the transmission asset after the cut-off date is allowed under Regulation 25(1)(d) of the 2019 Tariff Regulations on the payments made for the liability towards the works executed prior to the cut-off date. The ACE allowed is as under:

(₹ in lakh)

Particulars	ACE Allowed 2024-29					Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
Transmission Asset	109.32	-	-	-	-	109.32
Allowed under Regulation	25(1)(d) of the 2014 Tariff Regulations					

48. Accordingly, the ACE and the capital cost allowed as on 31.3.2029 for the transmission asset for the 2024-29 tariff period is as under:

(₹ in lakh)

FR Apportioned Approved Cost	RCE Cost	Expenditure as on 31.3.2024 (A)	Admitted ACE in 2024-29 (B)	Actual Capital Cost as on 31.3.2029 (C=A+B)
55826.00	72777.00	70309.96	109.32	70419.28

Debt Equity Ratio

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

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

Provided that:

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

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

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

Funding	Capital Cost as on 1.4.2024		ACE allowed in 2024-29		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	49216.97	70.00	76.524	70.00	49293.50	70.00
Equity	21092.99	30.00	32.796	30.00	21125.78	30.00
Total	70309.96	100.00	109.32	100.00	70419.28	100.00



Depreciation

51. 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.

(10) Xxxxxx

(11) Xxxxxx

(12) Xxxxxx”

52. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and, thereafter up to 31.3.2029. The WAROD has been worked out for the transmission asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

53. The depreciation allowed for the transmission asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period are as under:

(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	70309.96	70419.28	70419.28	70419.28	70419.28
B	Addition during the year 2024-29 due to projected ACE	109.32	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	70419.28	70419.28	70419.28	70419.28	70419.28
D	Average Gross Block (A+C)/2	70364.62	70419.28	70419.28	70419.28	70419.28
E	Average Gross Block (90% depreciable assets)	70135.52	70190.18	70190.18	70190.18	70190.18
F	Average Gross Block (100% depreciable assets)	206.00	206.00	206.00	206.00	206.00



G	Depreciable value (excluding IT equipment and software) (E*90%)	63121.97	63171.16	63171.16	63171.16	63171.16
H	Depreciable value of IT equipment and software (F*100%)	206.00	206.00	206.00	206.00	206.00
I	Total Depreciable Value (G+H)	63327.97	63377.16	63377.16	63377.16	63377.16
J	Weighted average rate of Depreciation (WAROD) (in %)	5.3153	5.28	5.28	5.23	5.23
K	Lapsed useful life at the beginning of the year (Year)	7.00	8.00	9.00	10.00	11.00
L	Balance useful life at the beginning of the year (Year)	26.00	25.00	24.00	23.00	22.00
M	Depreciation during the year (D*J)	3740.11	3720.97	3716.36	3680.42	3680.42
N	Cumulative Depreciation at the end of the year	31256.75	34977.72	38694.08	42374.51	46054.93
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	32071.22	28399.44	24683.08	21002.65	17322.23

Interest on Loan (IoL)

54. 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.”

55. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and the rate of interest prevailing as on 1.4.2024. The IoL has been calculated based on the actual interest rates of the various loans deployed each year in accordance with the 2024 Tariff Regulations.

56. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true-up. The IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed in respect of the transmission 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	49216.97	49293.50	49293.50	49293.50	49293.50
B	Cumulative Repayments up to Previous Year	27516.64	31256.75	34977.72	38694.08	42374.51
C	Net Loan-Opening (A-B)	21700.33	18036.75	14315.77	10599.41	6918.99
D	Addition due to ACE	76.52	0.00	0.00	0.00	0.00
E	Repayment during the year	3740.11	3720.97	3716.36	3680.42	3680.42
F	Net Loan-Closing (C+D-E)	18036.75	14315.77	10599.41	6918.99	3238.56
G	Average Loan (C+F)/2	19868.54	16176.26	12457.59	8759.20	5078.78
H	Weighted Average Rate of Interest on Loan (in %)	8.34	8.33	8.26	8.18	8.18
I	Interest on Loan (G*H)	1657.53	1347.16	1028.70	716.86	415.56



Return on Equity (RoE)

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

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

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:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

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

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

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

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

58. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner’s submission and have gone through the documents on record.

59. The Petitioner has claimed the RoE, considering the base rate of 15.50% and effective tax rate of 17.47%, for the 2024-29 tariff period and the same has been considered for the computing of the RoE in the instant order, subject to truing-up.

60. Accordingly, the RoE allowed in respect of the transmission asset for the 2024-29 tariff period, in accordance with Regulation 31 of the 2024 Tariff Regulations, is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	21092.99	21125.78	21125.78	21125.78	21125.78
B	Addition due to ACE	32.80	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	21125.78	21125.78	21125.78	21125.78	21125.78



D	Average Equity (A+C)/2	21109.39	21125.78	21125.78	21125.78	21125.78
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	3964.76	3967.84	3967.84	3967.84	3967.84

Operation and Maintenance Expenses (O&M Expenses)

61. The Petitioner has claimed the following O&M Expenses in respect of the transmission asset for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	550.53	579.54	609.76	641.92	675.78

62. 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
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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.

.....”

63. We have considered the Petitioner’s submissions. The O&M Expenses for the 2024-29 tariff period have been calculated in accordance with the norms specified in the 2024 Tariff Regulations. The O&M Expenses allowed in respect of the transmission asset for the 2024-29 tariff period, as per Regulation 36 of the 2024 Tariff Regulations, are as under:

(₹ in lakh)

O&M Expenses	2024-25	2025-26	2026-27	2027-28	2028-29
Transmission Lines					
Double Circuit (Bundle Conductor with 4 Sub-Conductors- Length in km	183.58	183.58	183.58	183.58	183.58
Norms	1.291	1.359	1.43	1.506	1.585
O&M Expenses	237.00	249.49	262.52	276.47	290.97
Multi Circuit with 4 or more Conductors- Length in km	2.60	2.60	2.60	2.60	2.60
Norms	2.266	2.385	2.51	2.642	2.781
O&M Expenses	5.89	6.20	6.53	6.87	7.23
400 kV GIS Sub-station:					
- Chandwa: 02 nos. line bays for Ranchi Chandwat - Chandwa: 02 nos. line bays for Gaya Chandwa line - Chandwa: 125 MVAR BR-I and II at Chandwa Sub-station					
Norms	20.671	21.756	22.897	24.101	25.361
O&M Expenses	124.03	130.54	137.38	144.61	152.17



400 kV Conventional Sub-station					
- Gaya: 2 nos. Line bays at Gaya for Chandwa Gaya line - Ranchi: 2 nos. Line bays at Ranchi for Ranchi Chandwa line					
Norms	29.53	31.08	32.71	34.43	36.23
O&M Expenses	118.12	124.32	130.84	137.72	144.92
400 kV Substation Reactor (250 MVA/MVAR capacity)					
Norms	0.262	0.276	0.29	0.305	0.322
O&M Expenses	65.50	69.00	72.50	76.25	80.50
Total O&M Expenses allowed	550.54	579.55	609.77	641.92	675.79

Interest on Working Capital (IWC)

64. 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.”

65. The Petitioner has considered the IWC rate as 11.90% as on 1.4.2024. IWC has been worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The Rate of Interest (RoI) considered is 11.90%, which is derived from the State Bank of India's (SBI) 1-year Marginal Cost of Funds based Lending Rate (MCLR) of 8.65% as on 1.4.2024, plus an additional 325 basis points for FY 2024-25 to FY 2028-29.



66. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of the transmission asset is as under:

(₹ 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)	45.88	48.30	50.81	53.49	56.32
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	82.58	86.93	91.47	96.29	101.37
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	1242.25	1205.14	1168.60	1126.09	1095.88
D	Total Working Capital (A+B+C)	1370.71	1340.37	1310.88	1275.87	1253.56
E	Rate of Interest for working capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on Working Capital (D*E)	163.11	159.50	156.00	151.83	149.17

Annual Fixed Charges for the 2024-29 Tariff Period

67. The AFC allowed in respect of the transmission asset for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	3740.11	3720.97	3716.36	3680.42	3680.42
Interest on Loan	1657.53	1347.16	1028.70	716.86	415.56
Return on Equity	3964.76	3967.84	3967.84	3967.84	3967.84
O&M Expenses	550.54	579.54	609.77	641.92	675.79
Interest on Working Capital	163.11	159.50	156.00	151.83	149.17
Total	10076.05	9775.02	9478.67	9158.87	8888.78

Filing Fee and Publication Expenses

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

69. 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 account directly from the beneficiaries or long-term customers, as the case may be in terms of Regulation 94(1) of the 2024 Tariff Regulations.



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

70. 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.

71. 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.”

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

License Fee and RLDC Fees and Charges

73. The Petitioner has claimed reimbursement of the licence fee, RLDC Fees and Charges. The Petitioner is allowed the reimbursement of the licence 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

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

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

Security Expenses, Insurance and Capital Spares

76. 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.

77. As regards the security expenses of the transmission assets, the Petitioner has submitted that it will file a separate Petition for the truing up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the security expenses regarding the transmission asset is not claimed in the instant Petition.

78. The Petitioner has also submitted that it 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 FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

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

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

"36(3) (d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakh and Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:

Provided that in case of self insurance, the premium shall not exceed 0.12% of the GFA of the assets insured;

Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization."

81. 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

82. The Petitioner has submitted that the truing-up of the tariff for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of 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.

83. We have considered the Petitioner's submissions. The billing, collection and disbursement of the transmission charges in respect of the transmission asset shall be recovered in terms of the 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.

84. To summarize:

- a) The trued-up AFC claimed and approved in respect of the transmission asset for the 2019-24 tariff period are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	11099.37	10740.69	10479.37	10353.30	10327.68
AFC Approved	11099.38	10740.68	10479.37	10353.32	10313.40

- b) The AFC claimed and allowed in respect of the transmission asset for the 2024-29 tariff period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	10090.57	9789.22	9492.49	9172.37	8899.75
AFC Allowed	10076.05	9775.02	9478.67	9158.87	8888.78



85. This order disposes of Petition No. 16/TT/2025 in terms of the above discussions and findings.

**sd/-
(Harish Dudani)
Member**

**sd/-
(Ramesh Babu V.)
Member**

