

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 186/TT/2024

Coram:

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

Date of Order: 27.01.2026

In the matter of:

Approval under Sections 61, 62, 79(1)(c) and 79(1)(d) of the Electricity Act, 2003, Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for truing up of transmission tariff from COD to FY 2018-19 and determination of transmission tariff for the 2019-24 tariff period for 400 kV Substation Srinagar (Asset-I: 400/220 kV 02x03x105 ICT, 220/132 kV 02x160 MVA ICT along with bays and Asset-II: 1x80 MVA Reactor) (Deemed ISTS) under UITP Scheme.

And in the matter of:

Power Transmission Corporation of Uttarkhand Limited,
"Vidyut Bhawan" Near ISBT Crossing,
Saharanpur Road, Majra,
Dehradun – 248002, Uttarakhand.

...Petitioner

Versus

1. Power Grid Corporation of India Limited,

'Saudamini', Plot No.-2, Sector-29,
Gurgaon-122001, Haryana.

2. Ajmer Vidyut Vitran Nigam Limited,

Corporate Office, Vidyut Bhawan, Panchsheel Nagar, Makarwali Road,
Ajmer-305004, Rajasthan.

3. Jaipur Vidyut Vitran Nigam Limited,

132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017, Rajasthan.

4. Jodhpur Vidyut Vitran Nigam Limited,

New Power House, Industrial Area,



Jodhpur-342003, Rajasthan.

5. Himachal Pradesh State Electricity Board Limited,
Vidyut Bhawan, Kumar House Complex Building-II,
Shimla-171004.

6. Punjab State Power Corporation Limited,
The Mall, PSEB Head Office, Patiala-147001.

7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula-134109, Haryana.

8. Jammu Kashmir Power Corporation Limited,
220/66/33 kV Gladni SS SLDC Building,
Narwal, Jammu.

9. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001.

10. BSES Yamuna Power Limited,
B-Block, Shakti Kiran Building (Near Karkadooma Court),
Karkadooma 2nd floor, New Delhi-110092.

11. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.

12. Tata Power Delhi Distribution Limited,
33 kV Substation Building, Hudson Lane,
Kingsway Camp, North Delhi-110009.

13. Chandigarh Administration,
Sector-9, Chandigarh.

14. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun.

15. North Central Railway,
Allahabad.

16. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

...Respondent(s)



For Petitioner: Shri Abhishek Kumar, Advocate, PTCUL
Shri Karan Arora, Advocate, PTCUL.

For Respondents: None

ORDER

The instant Petition has been filed by the Petitioner, Power Transmission Corporation of Uttarakhand Limited (PTCUL), under Sections 61, 62, 79(1)(c) and 79(1)(d) of the Electricity Act, 2003 (hereinafter referred to as “the Act”), read with Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, seeking approval for trueing up of the transmission tariff from the date of commercial operation (COD) to 31.3.2019/FY 2018-19 for assets in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”), and determination of 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”), in respect of 400 kV Srinagar Substation which includes Asset-I: 400/220 kV 02x03x105 ICT, 220/132 kV 02x160 MVA ICT along with bays and Asset-II: 1x180 MVAR Reactor (hereinafter referred to as the ‘transmission assets’) (Deemed ISTS) under Uttarakhand Integrated Transmission Project (UITP) Scheme:

2. The Petitioner has made the following prayers:

“

- a) *capital cost as claimed in the Petition and approve the Additional Capitalization incurred/projected to be incurred.*
- b) *approve the trueed-up transmission tariff for FY 2014-19 period and Transmission Tariff for the 2019-24 period for the assets covered under this Petition.*
- c) *approve the reimbursement of expenditure by the beneficiaries towards Petition filling fees and expenditure on publishing of notices in newspaper and other*



- expenditure (if any) in terms of CERC (Terms and Conditions of Tariff) Regulation, 2014 and CERC (Terms and Conditions of Tariff) Regulation, 2019.*
- d) condone the time overrun in commissioning of Assets covered under instant Petition.*
 - e) condone any inadvertent omissions/errors/shortcomings and permit Petitioner to add/change/modify/alter this filing and make further submissions as may be required at future date; and*
 - f) pass Orders, as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case;*
 - g) approve the Date of Commercial Operation (DOCO) of the assets covered under the instant petition and allow the True up and Tariff as claimed in the Petition.”*

Background

3. The background facts of the project are as follows:

- a) The Petitioner filed Petition No. 133/MP/2012 under Section 79(1)(f) of the Act for open access to the Uttarakhand Integrated Transmission Project (UITP) for evacuation and transmission of power from the Tapovan Vishnugad and Lata Tapovan Hydro Power Projects to the Power Transmission Corporation of Uttarakhand Limited (PTCUL) substation at Kashipur, for onward supply to other States. In Petition No. 133/MP/2012, the Petitioner also sought declaration under Section 79(1)(c) of the Act read with Regulations 2(1)(k), 20 and 21 of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (hereinafter referred to as “the 2010 Sharing Regulations”) for declaring UITP, being developed by the Petitioner, as a deemed Inter-State Transmission System (ISTS). The Commission, vide its order dated 31.1.2013 in Petition No.133/MP/2012, granted the deemed ISTS status for the UITP Scheme, observing as follows:

“23. The Petitioner has approached the Commission for approval of deemed ISTS status to the UITP scheme being executed by it. We have already come to the conclusion that the transmission system developed by the petitioner is part of inter-State Transmission System and shall be used for wheeling power outside the State. Considering the fact that the petitioner is a deemed transmission licensee, we in exercise of power under section 12 of the Act authorise the petitioner to execute the



UITP Scheme and also accord deemed ISTS status to the UITP scheme being executed by the petitioner to the extent it is used for transmission of inter-State power.”

- b) The Petitioner filed Petition No. 80/TT/2016 seeking approval of Annual Fixed Charges (AFC) and the determination of transmission tariff for the licensed transmission business from COD to FY 2018-19 regarding the 400 kV Srinagar Substation, pursuant to the Commission’s order dated 31.1.2013 in Petition No. 133/MP/2012.
- c) The Commission, through its order dated 9.11.2021 in Petition No. 80/TT/2016, determined the Annual Fixed Charges (AFC) from the COD to FY 2018-19 for the following transmission assets:

(₹ in lakh)

Particulars	Asset-I: 400 kV Srinagar Substation			Asset-II: 80 MVAR Bus Reactor
	2016-17 (Pro-rata 244 days)	2017-18	2018-19	2018-19 (Pro-rata 163 days)
AFC	2192.70	3233.38	3176.79	152.43

- d) The present Petition covers the transmission assets under the deemed ISTS of the UITP scheme. The details of the elements included in transmission assets, namely Assets-I and II, are as follows:

Asset-I: 400 kV Srinagar Substation

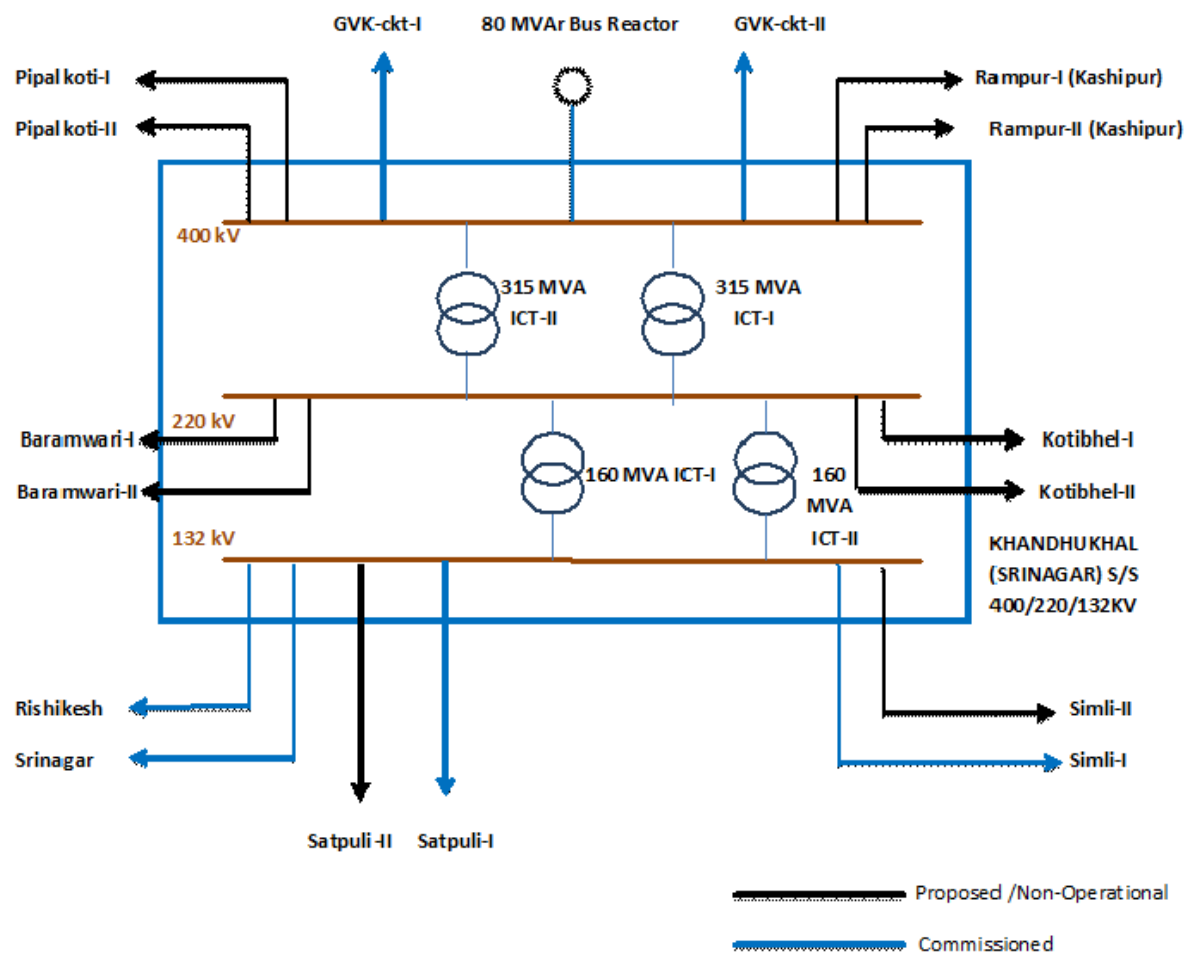
- 400/220 kV, 315 MVA ICT-I and ICT-2 along with associated bays.
- 220/132 kV, 160 MVA ICT-1 and ICT-2, along with bays (HV side)
- 2 Nos. 400 kV bays associated with the 400 kV D/C Khandukhal (Srinagar) -GVK HEP line.
- 2 Nos. 400 kV bays associated with the 400 kV D/C Khandukhal (Srinagar) -Kashipur line.



- 2 Nos. 400 kV bays associated with the 400 kV D/C Khandukhal (Srinagar) -Pipalkoti line.
- 400 kV bus coupler and bus transfer bays.
- 2 Nos. 220 kV bays associated with the 220 kV D/C Khandukhal (Srinagar) -Kotibhel line.
- 2 Nos. 220 kV bays associated with the 220 kV D/C Khandukhal (Srinagar) -Baramwari line.
- 220 kV bus coupler and bus transfer bays

Asset-II: 80 MVar Bus Reactor

4. The single-line diagram of the transmission project is as follows:



5. The Petitioner has served copies of the Petition on the Respondents and published notices regarding the filing of this Petition in the newspapers, in accordance with Section 64 of the Act. No comments or suggestions have been received from the general public in response to the said notices. None of the Respondents has filed their reply to the Petition.

6. The matter was heard on 26.12.2024 and 25.2.2025. The order in the matter was reserved on 25.2.2025.

7. This order is being issued after considering the Petitioner's submissions in the Petition supported by its affidavits dated 6.9.2023 and 21.2.2025.

8. Having heard the learned counsel for the Petitioner and perused the material available on record, we proceed to dispose of the Petition.

Truing up of Annual Fixed Charges (AFC) from COD to 31.3.2019

9. The Commission vide order dated 9.11.2021 in Petition No. 80/TT/2016 approved the following AFC for the transmission assets from the COD to 31.3.2019:

Asset-I: 400 kV Srinagar Substation

(₹ in lakh)

Particulars	2016-17 (Pro-rata 244 days)	2017-18	2018-19
Depreciation	545.14	815.47	815.47
Interest on Loan	662.65	930.03	856.64
Return on Equity	637.17	953.15	955.71
O&M expenses	292.24	452.24	467.24
Interest on Working Capital	55.51	82.49	81.73
Total	2192.70	3233.38	3176.79

Asset-II: 80 MVar Bus Reactor

(₹ in lakh)

Particulars	2018-19 (Pro-rata 163 days)
Depreciation	33.16
Interest on Loan	43.27



Return on Equity	41.34
O&M expenses	30.68
Interest on Working Capital	3.97
Total	152.43

10. In the instant Petition, the Petitioner has claimed the following AFC concerning the transmission assets from COD to 31.3.2019:

Asset-I: 400 kV Srinagar Substation

(₹ in lakh)

Particulars	2016-17	2017-18	2018-19
Depreciation	634.81	972.38	1000.40
Interest on Loan	-	-	-
Return on Equity	725.22	1115.19	1150.02
O&M Expenses	731.16	1130.60	1198.78
Interest on Working Capital	66.81	99.65	107.41
Total	2158.01	3317.82	3456.61

Asset-II: 80 MVar Bus Reactor

(₹ in lakh)

Particulars	2018-19
Depreciation	15.81
Interest on Loan	-
Return on Equity	17.70
O&M Expenses	-
Interest on Working Capital	0.72
Total	34.23

Date of Commercial Operation (COD):

11. The Commission vide its order dated 9.11.2021 in Petition No. 80/TT/2016 allowed/disallowed the COD for various elements of Assets-I and Asset-II, whose details are as follows:

Sr. No.	400/220 kV bays	Number of bays	COD
A.	Asset-I		
	400 kV		
1	400/220 kV 315 MVA ICT-1 and ICT-2 along with their bays (HV side)	2	31.7.2016
2	400 kV D/C Khandukhal (Srinagar) - GVK HEP line	2	31.7.2016



3	400 kV D/C Khandukhal (Srinagar) - Kashipur line	2	Not Allowed
4	400 kV D/C Khandukhal (Srinagar) - Pipalkoti line	2	Not Allowed
5	Bus Coupler	1	Not Allowed
6	Bus Transfer	1	Not Allowed
220 kV			
1	400/220 kV 315 MVA ICT-1 and ICT-2 - bays (LV side)	2	31.7.2016
2	220/132 kV 160 MVA ICT-1 along with its bay (HV side)	1	31.7.2016
3	220/132 kV 160 MVA ICT-2 along with its bay (HV side)	1	3.8.2016
4	220 kV D/C Khandukhal (Srinagar) – Kotlibhel line	2	Not Allowed
5	220 kV D/C Khandukhal (Srinagar) – Baramwari line	2	Not Allowed
6	Bus Coupler	1	Not Allowed
7	Bus Transfer	1	Not Allowed
B	Asset-II		
1	80 MVar Bus Reactor	1	20.10.2018

12. The Commission, in its order dated 9.11.2021 in Petition No. 80/TT/2016, further directed the Petitioner to submit supporting documents for the elements whose COD was not allowed, in accordance with Regulation 4(3) of the 2014 Tariff Regulations, and to seek COD approval at the time of true-up.

13. In the instant true-up Petition, the Petitioner seeks approval of COD for the following transmission elements of Asset-I, whose COD was not approved vide order dated 9.11.2021 in Petition No. 80/TT/2016:

S. No.	400/220 kV bays	No. of Bays	Claimed COD
Asset-I			
400 kV			
1	400 kV D/C Khandukhal (Srinagar) - Kashipur line	2	31.7.2016
2	400 kV D/C Khandukhal (Srinagar) - Pipalkoti line	2	31.7.2016
3	Bus Coupler	1	31.7.2016
4	Bus Transfer	1	31.7.2016
220 kV			



1	Bus Coupler	1	31.7.2016
2	Bus Transfer	1	31.7.2016
3	220 kV D/C Khandukhal (Srinagar) - Baramwari line	2	31.7.2016
4	220 kV D/C Khandukhal (Srinagar) - Kotlibhel line	2	31.7.2016

14. The Commission, in the course of hearing the present Petition through its Record of Proceedings (RoP) dated 26.12.2024, directed the Petitioner to submit the following information with respect to the COD of Assets-I and II:

- i. Copy of the NRLDC trial run certificate in respect of 220/132 kV 160 MVA ICT-1 and 2.
- ii. Copy of the revised COD certificate in accordance with the Trial Run Certificate in respect of 80 MVAR Bus Reactor.
- iii. Confirm whether the 2 Nos. 400 kV bays associated with 400 kV D/C Khandukhal (Srinagar)-Kashipur Line and 2 Nos. 400 kV bays associated with 400 kV D/C Khandukhal (Srinagar) - Pipalkoti Line are utilised or not. If utilised, submit the documents in respect of the COD as per the relevant Tariff Regulations.
- iv. NRLDC charging certificate in respect of 400 kV bus transfer bay and 400 kV bus coupler bay. Further, submit the details of the elements annexed with the CEA Energisation Certificate dated 18.7.2016.
- v. NRLDC Charging Certificate in respect of 220 kV bus transfer bay and 220 kV bus coupler bay.
- vi. CEA Energisation Certificate and COD certificate in respect of 220 kV bays associated with 220 kV D/C Srinagar - Bharamwari HEP Line and 220 kV D/C Khandukhal - Kotlibhel HEP Line.

15. In response, the Petitioner, vide affidavit dated 21.2.2025, has submitted the required information along with supporting documents. The information sought and submitted by the Petitioner has been discussed in the following paragraphs:

Analysis and Decision on COD :

16. Regulation 4(3) of the 2014 Tariff Regulations provides as follows:

“4. Date of Commercial Operation:

- (3) Date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:*



Provided that:

- (i) where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations:*
- (ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof."*

Asset-I

A. 220/132 kV 160 MVA ICT-1 and ICT-2 at Srinagar Sub-station (along with associated bays)

17. The Commission, vide order dated 9.11.2021 in Petition No. 80/TT/2016, approved the COD of 220/132 kV 160 MVA ICT-1 along with associated bays as 31.7.2016, and that of 220/132 kV 160 MVA ICT-2 along with associated bays as 3.8.2016. The Commission, through its aforesaid order dated 9.11.2021, further directed the Petitioner to submit all the documents as required under Regulation 4(3) of the 2014 Tariff Regulations at the time of truing up. The relevant extracts of the order are as follows:

"49. The Petitioner has not specifically made any submissions regarding declaration and approval of COD of 220/132 kV 160 MVA ICT-1 and ICT-2. However, in the tariff forms, the Petitioner has indicated COD of 220/132 kV 160 MVA ICT-1 and ICT-2 as 31.7.2016. Keeping in view SLDC certificate and power flow statement placed on record by the Petitioner, we approve COD of 220/132 kV 160 MVA ICT-1 along with associated bays as 31.7.2016 and for 220/132 kV 160 MVA ICT-2 as 3.8.2016 along with associated bays.

50. We direct the Petitioner to submit all the documents as required under Regulation 4(3) of the 2014 Tariff Regulations at the time of truing up."

18. In compliance with the above directions, the Petitioner in this Petition has furnished the Managing Director's (MD) Certificate dated 20.12.2019, the SLDC Charging Certificate dated 22.1.2020, and the NRLDC Trial Run Operation Certificate



dated 18.2.2025 in support of the COD of 220/132 kV 160 MVA ICT-1 and ICT-2 along with associated bays at Srinagar Sub-station.

19. We have considered Petitioner's submissions and perused the supporting documents placed on record. It is observed that the Trail Run Certificate dated 18.2.2025 certifies the successful completion of a 24-hour trial run. The trial run dates for ICT-1 and ICT-2 are recorded as 26.7.2016 and 3.8.2016, respectively. Further, the SLDC Charging Certificate issued by SLDC, Uttarakhand, confirms the charging of ICT-1 on 25.7.2016 and ICT-2 on 2.8.2016.

20. In view of the above, the Petitioner has submitted the necessary documents in accordance with Regulation 4(3) of the 2014 Tariff Regulations, thereby complying with the directions issued by the Commission, vide its order dated 9.11.2021 in Petition No. 80/TT/2016.

Other 400 kV and 220 kV Bays at Srinagar Sub-station

(i) 400 kV Line Bays

21. The Commission, vide its order dated 9.11.2021 in Petition No. 80/TT/2016, did not approve the COD of 2 Nos. 400 kV bays associated with 400 kV D/C Srinagar-Kashipur transmission line (Rampur), due to non-commissioning of the associated lines under the Petitioner's scope. The relevant extracts of the order are as follows:

"61. Clause 53 of Regulation 3 of the 2014 Tariff Regulations provides as follows:

(53) 'Regular Service' means putting into use a transmission system or element thereof after successful trial operation and a certificate to that effect has been issued by the concerned Regional Load Dispatch Centre;"

62. From the record placed before us, we find that 2 number of bays associated with 400 kV D/C Srinagar-Kashipur Transmission Line (Rampur) and 2 number of bays associated with 400 kV D/C Srinagar-Karanprayag-Pipalkoti Transmission Line are not in use due to non-commissioning of associated lines under the scope of the Petitioner itself. Therefore, we do not approve COD of these 4-line bays. Accordingly, their respective capital costs have been excluded from the capital cost for working out the annual fixed charges."



22. The Petitioner in this true-up Petition has submitted that 400 kV D/C Srinagar-Kashipur Transmission Line (Rampur) was handed over to the Central Sector by the Petitioner, and the line is now being constructed under the Tariff-Based Competitive Bidding (TBCB) by M/s Megha Engineering Company with the matching schedule/date of LTA granted to Tapovan-Vishnugad HEP of M/s. NTPC. Further, the 400 kV D/C Srinagar-Karanprayag-Pipalkoti line is being implemented by the Petitioner under the Implementation Agreement signed with M/s NTPC. Due to the natural disaster, the project has been delayed, and as advised by CEA/CTUIL, the Petitioner is implementing this line in the matching time frame of Tapovan-Vishnugad HEP. Accordingly, these events were beyond the Petitioner's control.

23. Furthermore, the Petitioner, in its affidavit dated 21.2.2025, regarding the Commission's concern about the utilisation of 400 kV bays associated with Khandukhal-Kashipur and Khandukhal-Pipalkoti lines, has stated that these bays have not yet been used. The delay mainly results from the non-commissioning of associated generation projects and other external factors beyond the Petitioner's control. Additionally, the delay in both lines and the subsequent non-utilization of the bays are due to various factors, including (i) June 2013 floods, (ii) contractual obligations, and (iii) revised commissioning schedules of the generating stations. The Petitioner has stated that the aforementioned lines are expected to be commissioned by 31.3.2025.

24. The Petitioner has requested the Commission to approve the deemed COD of the associated bays as per proviso (ii) to Regulation 4 (3) of the 2014 Tariff Regulations as on 31.7.2016, since the bays were prevented from regular service due to reasons not attributable to the transmission licensee but owing to delays in the



commissioning of the concerned generating stations or the upstream or downstream transmission system.

25. We have considered the submissions of the Petitioner and perused the documents furnished by the Petitioner. It is observed that, as per the discussion held on 19.2.2021 in the 3rd NRPC (TP) meeting, the Board of Directors of the Petitioner's Company, vide letter dated 12.1.2021, approved the handing over of the construction of the 400 kV D/C Khandukhal-Rampura line to the Central Sector. The Petitioner has not undertaken construction of the aforementioned line. Accordingly, during the meeting, it was discussed that since the transmission line would be required within the timeframe of Vishnugad Pipalkoti HEP generation of THDC (expected commissioning schedule: June 2023), it was agreed that the implementation of the 400 kV D/C Khandukhal (Srinagar)-Rampura (Kashipur) line to be taken up under the Central Sector as an ISTS scheme with the matching time frame of the commissioning schedule of Vishnugad Pipalkoti HEP of THDC, i.e., June 2023, or Tapovan Vishnugad HEP of NTPC, whichever is earlier. The relevant extracts of the meeting are as follows:

“4.0 Handing over of 400 kV D/c Khandukhal-Rampura line and 220 kV D/c Mori Dehradun line of PTCUL under UITP scheme (deemed ISTS) to Central Sector

4.1 Director (PSPA-I), CEA, stated that UITP (Uttarakhand Integrated Transmission Project) scheme is under implementation by PTCUL. CERC vide its order dated 31.01.2013 had declared the scheme as a deemed ISTS scheme. The scheme comprises of transmission system for evacuation of the power from proposed HEP's in various basins of Uttarakhand. There are certain deemed Inter-State Transmission System (deemed ISTS) elements of UITP, where PTCUL had not been able to achieve the targeted timeline (deadlines). Amongst these are the 400 kV D/C Srinagar (Khandukhal) – Kashipur (Rampura) Transmission line which was required to evacuate power from upcoming projects in the Alaknanda basin, and the 220 kV D/C Mori-Dehradun line which was proposed to evacuate power from proposed generators in Yamuna basin. Construction of these lines had not been taken up by M/s PTCUL so far and recently M/s PTCUL vide letter dated 12.1.2021 has conveyed that Board of Directors of PTCUL had accorded approval for handing over of construction of 400 kV Khandukhal Rampura Transmission Line to Central Sector.

4.2 CE (PSPA-I) stated that immediate requirement of 400 kV Khandukhal-Rampura D/C Transmission Line was for evacuation of power from NTPC Tapovan Vishnugad HEP in Alaknanda basin which was scheduled to be commissioned in December 2022.



However, due to an unfortunate event, this project is delayed. However, the transmission line would be required in the time frame of Vishnugad Pipalkoti HEP generation of THDC.

4.3 THDC intimated that the commissioning schedule of Vishnugad Pipalkoti HEP is June 2023.

4.6 After deliberations, following was agreed:

(i) Implementation of 400 kV D/c Khandukhal (Srinagar)-Rampura (Kashipur) line to be taken up under central sector as an ISTS scheme with the matching time frame of commissioning of Vishnugad Pipalkoti HEP of THDC i.e. June 2023 or Tapovan Vishnugad HEP of NTPC whichever is earlier.

26. Therefore, as mentioned above, it is observed that initially, the construction of the 400 kV D/C Khandukhal – Rampura transmission line was within the scope of work of the Petitioner. The Petitioner did not complete construction of the transmission line within the specified timeline or in accordance with requirements. Finally, due to the urgency of the power evacuation system for Vishnugad Pipalkoti HEP generation of THDC (expected commissioning schedule: June 2023), it was decided in the 3rd NRPC (NP) meeting held on 19.2.2021 that the execution of the said line would be handed over to the Central Sector as an ISTS scheme.

27. Therefore, the time delay up to 19.2.2021 in the non-utilisation of 400 kV line bays associated with the 400 kV D/C Khandukhal (Srinagar) – Kashipur (Rampura) transmission line is attributable to the Petitioner and as such the Petitioner's claim to allow their COD from 31.7.2016, as per proviso (ii) to Regulation 4 (3) of the 2014 Tariff Regulations, is hereby rejected.

28. Further, the Commission, in its orders dated 9.1.2023 and 27.1.2023 in Petition No. 323/TL/2022 regarding transmission license for Khandukhal Rampur Transmission Limited, observed that subsequent to the decision to handover the execution of 400 kV D/C Khandukhal (Srinagar) – Kashipur (Rampura) transmission line to the Central Sector as an ISTS Scheme in 3rd NRPC (TP) meeting held on 19.2.2021, the bid process for the aforementioned transmission line was initiated by



PFCCL in its capacity as the BPC, on 11.3.2021 and completed the same on 7.10.2022 in accordance with the Guidelines. In the bidding process, Megha Engineering and Infrastructures Limited (MEIL) was selected as the successful bidder in order to provide transmission services to the beneficiaries of the transmission system. Accordingly, the BPC issued a Letter of Intent (LoI) to Megha Engineering & Infrastructure Limited on 7.9.2022, which was accepted by Megha Engineering & Infrastructure Limited.

29. Further, as per the aforementioned orders, the SCOD for the transmission system of 400 kV Khandukhal (Srinagar)-Rampura (Kashipur) D/C line was in the matching time frame of commissioning of Vishnugad Pipalkoti HEP (29.10.2024) of THDC or Tapovan Vishnugad HEP (30.9.2024) of NTPC, whichever is earlier, i.e. 30.9.2024.

30. However, as per the Petitioner's submission vide affidavit dated 21.2.2025, the anticipated commissioning of the said line is on 31.3.2025.

31. Regulation 5(2) of the 2019 Tariff Regulations provides as follows:

"5. Date of Commercial Operation:

(2) In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof."

32. As mentioned above, the COD of the transmission licensee ready for commissioning can be allowed if the interconnected generating station or the transmission system of another transmission licensee is not ready, according to the agreed implementation schedule. However, in this case, the 400 kV D/C Khandukhal (Srinagar) - Kashipur (Rampura) Transmission Line was handed over to the Central



Sector due to delays caused by the Petitioner's failure to execute the line itself. Additionally, there is no agreed time schedule between the Petitioner and the execution agency for the 400 kV D/C Khandukhal - Rampura Transmission line regarding synchronization of the commissioning schedule of upstream and downstream transmission systems, as the 400 kV associated bays at Srinagar substation were already constructed by the Petitioner before handing over the transmission line to the Central Sector.

33. Therefore, in view of the above facts and in the absence of any agreed time schedule between the Petitioner and the execution agency of 400 kV D/C Khandukhal (Srinagar) - Kashipur (Rampura) Transmission Line under TBCB, we are of the view that the claim of the Petitioner for approval of COD under regulation 5(2) of the 2019 Tariff Regulations concerning 2 Nos. 400 kV line bays associated with the aforementioned transmission line at Srinagar Substation cannot be considered in the instant Petition.

34. Accordingly, the Petitioner is hereby directed to file a separate Petition for the determination of tariff in respect of the aforementioned 2 Nos. 400 kV bays at the Srinagar Substation matching the SCOD/COD of the 400 kV D/C Khandukhal – Rampura transmission line implemented by M/s Megha Engineering & Infrastructure Limited under TBCB. Accordingly, their respective capital costs have been excluded from the capital cost for the purpose of working out the annual fixed charges.

35. Further, regarding the COD of 2 Nos. 400 kV bays associated with the 400 kV D/C Srinagar-Karanprayag-Pipalkoti Transmission Line, it is observed that the associated downstream transmission line is within the scope of Petitioner, and the said



transmission line has not yet been commissioned, and thus the aforementioned associated bays are still unutilized.

36. In view of the above discussions, we are not inclined to approve the COD of the said 2 Nos. line bays as the associated downstream transmission line under the scope of the Petitioner are yet to be commissioned. The Petitioner is also directed to approach the Commission for approval of COD and subsequent tariff after the start of utilisation of said 2 Nos. line bays through a separate tariff Petition, as per the relevant Tariff Regulations in future. Accordingly, their respective capital costs have been excluded from the capital cost for the purpose of working out the annual fixed charges.

(ii) 400 kV Transfer and Bus Coupler Bays

37. The Commission, through its order dated 9.11.2021 in Petition No. 80/TT/2016, did not approve the COD of the 400 kV transfer bay and bus coupler bay as the Petitioner did not submit the NRLDC Trial Operation Certificate. The relevant extracts of the order are as follows:

“(ii) 400 kV Bus Transfer and Bus Coupler bays

63. The Petitioner has claimed COD of these elements as 31.7.2016. On perusal of record, we observe that the Petitioner has submitted CEA Energization Certificate dated 18.7.2016 for bus transfer bays and bus coupler bays at 400 kV level. However, the Petitioner has not submitted NRLDC trial operation certificate for any of them. In the absence of trial operation certificate in respect of these bays, we are not inclined to approve their commercial operation date. Accordingly, their respective capital costs shall be excluded from the capital cost to be considered to work out the annual fixed charges.

64. However, the Petitioner may submit all relevant documents including the trial operation certificate of the said elements at the time of truing-up and seek approval of the commercial operation date of these elements.”

38. The Petitioner in the instant true-up Petition has submitted that the 400 kV ‘transfer and bus coupler bays’ are an integral part of the substation and are being used as a standby element. These elements are being used for operational purposes in accordance with the requirements. These elements were successfully



commissioned and were test-charged on 31.7.2016 along with the 400 kV Substation Khandukhal (Srinagar).

39. Further, the Petitioner has submitted that the 400 kV bus transfer bay was charged on 13.10.2016 and the 400 kV bus coupler bay was charged on 14.10.2016, as per the requirements of operational use. The Petitioner has also submitted that it had applied to the NRLDC for a trial run certificate for the substation vide letter no. 282/SE(PI)/PTCUL dated 19.7.2016 in line with the provisions of the 2014 Tariff Regulations and NRLDC procedure of integration of new element into the grid dated 26.5.2014, and had submitted the details of all elements (including 400 kV bus coupler bay and 400 kV bus transfer bay) to NRLDC. However, the Trial Run Certificates of 400 kV bus transfer and bus coupler bays were not sought separately for the following reasons:

- These elements were not shown under the list of elements in the NRLDC procedure of integration of new elements into the grid dated 26.05.2014, for which a trial run operation certificate was required separately.
- These elements were an integral part of the substation and were commissioned and test-charged along with the substation on 31.7.2016.

40. In compliance with RoP for the hearing dated 26.12.2024, the Petitioner has submitted the NRLDC Charging Certificate dated 18.2.2025 in respect of 400 kV transfer and bus coupler bay and requested to consider the COD of the 400 kV transfer and bus coupler bay as on 31.7.2016.

41. We have considered the Petitioner's submissions. It is observed that there was some ambiguity in the CEA Energisation Certificate and NRLDC Charging Certificate submitted by the Petitioner in Petition No. 80/TT/2016. Accordingly, the Petitioner was directed to submit the charging certificates for the 400 kV and 220 kV bus couplers and bus transfer bays at Srinagar Substation. Now, the Petitioner, in the instant tried-



up Petition, has provided an NRLDC Charging Certificate dated 18.2.2025, certifying the successful charging of the 400 kV transfer and bus coupler bay on 13.10.2016 and 14.10.2016, respectively, which differs from the COD of 31.7.2016, approved in respect of ICTs and other elements at Srinagar Substation vide order dated 9.11.2021 in Petition No. 80/TT/2016.

42. Therefore, taking into consideration the NRLDC Charging Certificate dated 18.2.2025 submitted by the Petitioner in the instant true-up Petition, we are inclined to approve the COD of 400 kV bus transfer and bus coupler bay as 14.10.2016 under Regulation 4(3) of the 2014 Tariff Regulations and allow the capitalisation of said bays accordingly.

220 kV Line Bays

43. The Commission, vide its order dated 9.11.2021 in Petition No. 80/TT/2016, did not approve the COD of 2 Numbers 220 kV line bays associated with 220 kV D/C Khandukhal - Kotlibhel HEP Transmission Line and 2 Numbers 220 kV line bays associated with 220 kV D/c Srinagar - Bharamwari Transmission Line due to non-commissioning of the associated lines under the Petitioner's scope. The relevant extract of the order is as follows:

“(iv) 220 kV line bays

65. On scrutiny of record, it is noticed that 2 number of bays associated with 220 kV D/C Khandukhal - Kotibhel HEP line and 2 number of bays associated with 220 kV D/C Srinagar - Bharamwari line are not in use due to non-commissioning of associated lines by the Petitioner itself. Therefore, we do not approve COD of these 4 line bays. Accordingly, their respective capital costs shall be excluded from the capital cost to be considered to work out the annual fixed charges.”

44. The Petitioner in the instant true-up Petition has submitted that Circuit 1 and Circuit 2 of the 220 kV Srinagar - Bharamwari HEP D/C Transmission Line were successfully charged at no load basis (Srinagar end) on 2.6.2020 and 3.6.2020,

respectively. NRLDC vide letter no. NRLDC/SO-1/117/2020/02 dated 29.6.2020 issued the commissioning certificate for the line. The Hydro Electric Project of M/s L&T was not ready on 2.6.2020, and NRLDC informed that since no active power flow was occurring on these lines, the trial certificate cannot be issued. Hydro Electric Project of M/s L&T commenced its commercial operations on 13.11.2020 (Unit 1), 21.12.2020 (Unit II) and 25.12.2020 (Unit III). The line was energised for commencement of trial run on 12.11.2020, and the same was completed on 13.11.2020. The NRLDC has issued the Trial Run Certificate on 22.1.2021 certifying the same.

45. The Petitioner has further submitted that the 220 kV Srinagar - Bharamwari line was planned and to be implemented for the evacuation of the power from 99 MW Singoli Bhatwari HEP (M/s L&T Uttaranchal Power Ltd.), 76 MW Phatabyung HEP (M/s LANCO Ltd.) and 76 MW Rambhara HEP (M/s LANCO Mandakani Hydro Power Ltd.) in the expected timeframe with the generators. However, due to the unprecedented flood and disaster in June 2013, the site of Rambhara HEP was completely washed out, and the project was abandoned, causing severe damage to the site of Singoli Bhatwari HEP and 76 MW Phatabyung HEP, due to which the commissioning schedule of these HEPs was delayed. Since the Petitioner was under the contractual obligation for the construction of the Srinagar substation along with the bays, and till June 2013, most of the civil works, supply and erection works of the substation, including the bays, were already completed, so it was not possible to delay the construction of the above bays at that time. Hence, in view of the same, the associated bays were constructed and commissioned on 31.7.2016. Considering the above reasons, the COD of the bays is claimed to be 31.7.2016.



46. The Petitioner has also submitted that in the Implementation Agreement signed between the Petitioner and L&T, the 400 kV Srinagar Substation was part of Associated Transmission System (ATS) of 99 MW Singoli Bhatwari HEP and the substation was shown as “already commissioned” in the Implementation Agreement, which means the 220 kV bays were also commissioned along with the commissioning of the 400 kV Srinagar Substation. Thus, it is submitted that COD of the bays associated with 220 kV D/C Srinagar - Bharamwari HEP Line should be considered as 31.7.2016. In support of the COD, the Petitioner has furnished the COD Certificate, CEA Energisation Certificate, and NRLDC Trial Run Certificate.

47. In regard to the 2 Nos. 220 kV line bays associated with 220 kV D/C Khandukhal - Kotlibhel HEP Line, the Petitioner has submitted that it had constructed the associated bays for the evacuation of power from Kotlibhel HEP in the expected timeframe of Kotlibhel HEP. However, due to environmental reasons/considerations, the generating projects in that region were put on hold by the Hon’ble Supreme Court, and the associated matter regarding the same is still pending before the Hon’ble Supreme Court of India. The Petitioner has submitted that the construction of Kotlibhel HEP was not under the control of the Petitioner and requested to approve the COD of the bays associated with 220 kV D/C Khandukhal - Kotlibhel HEP Line as 31.7.2016.

48. Regarding the compliance with the RoP for the hearing dated 26.12.2024, the Petitioner, through an affidavit dated 22.2.2025, has reiterated the submissions made earlier in the main Petition. The Petitioner has stated that the construction of the 220 kV Khandukhal - Kotlibhel Transmission Line was not within the Petitioner’s scope. Furthermore, the Petitioner has submitted the CEA Energisation Certificate and COD



certificate for the 220 kV bays associated with the 220 kV D/C Khandukhal - Kotlibhel Transmission Line and has requested approval of the COD for the bays as on 31.7.2016.

49. We have considered the Petitioner's submissions and perused the documents placed on record. With regard to 2 Nos. line bays associated with 220 kV D/C Srinagar - Bharamwari Line, it is observed that as per NRLDC letter dated 29.6.2020, Ckt-1 and Ckt.-2 of 220 kV D/C Srinagar - Bharamwari transmission line were initially charged on 2.6.2020 and 3.6.2020, respectively, from the Srinagar end. However, because there was no active power flow on these lines, NRLDC did not issue the Trial Run Certificate. Further, on commissioning of Unit No. 1 of 99 MW Singoli Bhatwari HEP owned by M/s. L&T, the certificate of successful completion of the trial run of the 220 kV D/C Srinagar - Bharamwari line, was issued by the NRLDC on 22.1.2021.

50. Perusal of record shows that the Commission vide its order dated 20.1.2024 in Petition No. 478/TT/2020 observed that the Petitioner has implemented the interim arrangement, and final CEA Energisation Certificate in respect of 220 kV D/C Srinagar - Bharamwari transmission line was issued on 12.10.2020 and as such did not allow the COD of the associated transmission line under Regulation 5(2) of the 2019 Tariff Regulations. The Commission, in its aforementioned order, approved the COD of the associated transmission line as 13.11.2020. The relevant extracts of the order are as follows:

"41. As per the above direction of the CEA, the Petitioner has obtained NOC vide letter dated 3.7.2020 has obtained defense NOC for the instant transmission line and applied for CEA energization of the instant transmission line and CEA vide letter dated 12.10.2020 has granted approval for energization of the instant transmission line.



42. From the above, we conclude that for approval of COD, there is no provision for issue of provisional energization certificate under the 2019 Tariff Regulations, 2019. The Petitioner is required to submit energization certificate without any conditions for claiming the COD of the asset. In the instant case, the Petitioner has submitted the unconditional energization certificate dated 12.10.2020. Therefore, we consider the energization certificate dated 12.10.2020.

43. From the above, we are of the view that as the Petitioner has implemented the instant asset under interim arrangement and has submitted CEA energization certificate dated 12.10.2020. Therefore, the Petitioner's claim for COD of the transmission asset under the Regulation 5(2) of the 2019 Tariff Regulations is not allowed.

44. Taking into consideration the CEA energization certificate dated 12.10.2020 and the trial operation certificate dated 22.1.2021, certifying that the successful trial operation was completed on load on 13.11.2020, the COD of the transmission asset is approved as 13.11.2020."

51. As has been discussed above, the COD of the 220 kV D/C Khandukhal (Srinagar) – Baramwari Line, which was under the Petitioner's scope of work, was approved by the Commission as 13.11.2020. We are inclined to approve the COD of 2 Nos. 220 kV line bays associated with 220 kV D/C Srinagar - Bharamwari transmission line as 13.11.2020.

52. Further, with regard to 2 Nos. 220 kV line bays associated with 220 kV D/C Khandukhal - Kotlibhel HEP Line, it is observed that, as per submissions of the Petitioner, Kotlibhel HEP was put on hold by the Hon'ble Supreme Court due to some environmental reasons, and the matter is still pending. The construction of Kotlibhel HEP was not under PTCUL's control. It is noticed that the 2 Numbers 220 kV line bays associated with 220 kV D/C Khandukhal - Kotlibhel HEP line are not in use due to the non-commissioning of the associated 220 kV D/C Khandukhal - Kotlibhel HEP transmission line by the Petitioner. Therefore, we are not inclined to approve the COD for 2 (two) 220 kV line bays associated with the 220 kV D/C Khandukhal - Kotlibhel HEP line. The Petitioner is directed to approach the Commission for approval of COD and subsequent tariff after the start of utilisation of the said 2 Nos. line bays through a separate tariff Petition as per the relevant Tariff Regulations in



the future. Accordingly, their respective capital costs have been excluded from the capital cost used to work out the AFC.

220 kV Bus Transfer Bays and Bus Coupler Bays.

53. The Commission, in its order dated 9.11.2021 in Petition No. 80/TT/2016, did not approve the COD of the 220 kV bus transfer bays and bus coupler bays due to the reason that the Trial Run Certificate was not furnished. The relevant extract of the order is as follows:

“(iv) 220 kV Bus transfer bays and Bus Coupler Bays

66. The Petitioner has claimed COD of these elements as 31.7.2016. The Petitioner has submitted CEA Energization Certificate dated 18.7.2016 for bus transfer bays and bus coupler bays at 220 kV level. However, the Petitioner has not submitted NRLDC or SLDC (Uttarakhand) trial operation certificate or charging certificate. In the absence of trial operation certificate in respect of these elements, we are not inclined to approve their commercial operation date. Accordingly, their respective capital costs shall be excluded from the capital cost to be considered to work out the annual fixed charges.”

54. The Petitioner in the instant tried-up Petition has submitted that 220 kV transfer and bus coupler bays are an integral part of the substation and are being used as a standby element. These elements are being used for operational purposes in accordance with the requirements. These elements were successfully commissioned and test-charged on 31.7.2016 along with the 400 kV Substation Khandukhal (Srinagar). Further, the Petitioner has submitted the charging certificate for these elements issued by SLDC, Uttarakhand and has requested consideration of CODs of the transmission elements as on 31.7.2016.

55. Furthermore, in compliance with RoP in the hearing dated 26.12.2024, the Petitioner has also submitted the NRLDC Charging Certificate dated 18.2.2025 regarding the 220 kV transfer and bus coupler bays at Srinagar Substation.

56. We have considered the Petitioner's submissions. The NRLDC charging certificate dated 18.2.2025, furnished by the Petitioner, certifies that the 220 kV



transfer and bus coupler bay were successfully charged as of 14.10.2016. Therefore, as per the findings given above in this order, and taking into consideration the NRLDC Charging Certificate dated 18.2.2025, we are inclined to approve the COD of the 220 kV transfer and bus coupler bay as 14.10.2016 under Regulation 4(3) of the 2014 Tariff Regulations and allow the capitalisation of the said bays accordingly.

57. In view of the above discussions, the details of CODs for different transmission elements of Assets-I & Asset-II allowed/disallowed in this order are summarised as follows:

Sr. No.	400/220 kV bays	Number of bays	COD	Remarks
A.	Asset-I			
	400 kV Bays			
1	400/220 kV 315 MVA ICT-1 and ICT-2 along with their bays (HV side)	2	31.7.2016	Allowed vide order dated 9.11.2021 in Petition No. 80/TT/2016
2	400 kV D/C Khandukhal (Srinagar) - GVK HEP line	2	31.7.2016	
3	400 kV D/C Khandukhal (Srinagar) – Kashipur (Rampur) line	2	Not Allowed	
4	400 kV D/C Khandukhal (Srinagar) - Pipalkoti line	2	Not Allowed	
5	Bus Coupler Bay	1	14.10.2016	Allowed in the instant order
6	Bus Transfer Bay	1	14.10.2016	
	220 kV Bays			
1	400/220 kV 315 MVA ICT-1 & ICT-2 -bays (LV side)	2	31.7.2016	Allowed vide order dated 9.11.2021 in Petition No. 80/TT/2016
2	220/132 kV 160 MVA ICT-1 along with its bay (HV side)	1	31.7.2016	
3	220/132 kV 160 MVA ICT-2 along with its bay (HV side)	1	3.8.2016	
4	Bus Coupler Bay	1	14.10.2016	Allowed in instant order
5	Bus Transfer bay	1	14.10.2016	
6	220 kV D/C Khandukhal (Srinagar) - Kotlibhel Line	2	Not Allowed	
7	220 kV D/C Khandukhal (Srinagar) -	2	13.11.2020	Allowed in instant

	Baramwari Line			order
B	Asset-II			
1	80 MVar Bus Reactor	1	20.10.2018	Allowed vide order dated 9.11.2021 in Petition No. 80/TT/2016

58. In view of the above discussions, the COD of 2 Nos. 220 kV D/C Khandukhal (Srinagar) - Baramwari line bays are approved as of 13.11.2020, respectively, and thus, the AFC for said bays will be determined as per the 2019 Tariff Regulations in subsequent paragraphs of this order.

59. Since the COD of different elements of Asset-I are approved on different dates, we split Asset-I into separate groups based on their respective CODs to determine the capital costs for tariff purposes. These groups are: (i) Group-A with COD as on 31.7.2016, (ii) Group-B with COD as on 14.10.2016, (iii) Group-C with COD as on 3.8.2016, and (iv) Group D with COD as on 13.11.2020.

Time Overrun

Srinagar Substation 400/220/132 kV

60. The Commission, in its order dated 9.11.2021 in Petition No. 80/TT/2016, after detailed analysis on time overrun concerning Assets- I and II, condoned time overrun of 34 months and 23 days out of 50 months for Asset-I, and 30 months and 04 days out of 77 months for Asset-II claimed by the Petitioner. The relevant extracts of the order are as follows:

“94. The details of the time over-run condoned is as follows:

Asset-I

Sr. No.	Activity	From	To	Time taken
1	Delay due to road blockages, damaged roads, landslides, slippages etc.	31.7.2010	21.12.2010	4 months & 22 days



2	Delay in getting approval from BRO for movement on roads and bridge on Rishikesh to Khandukhal (Srinagar) route and delay due to natural disaster (Flash floods during June, 2013)	3.2.2013	12.12.2014	22 months & 9 days
3	Delay in transportation of heavy consignments i.e. 160 MVA ICTs and 50 MVAR Bus Reactor through Rishikesh-Chamba-Tehri Dam route	27.3.2015	15.6.2015	2 months & 20 days
4	Delay due to washing away of staging	14.7.2015	15.12.2015	5 months & 2 days
	Total time over-run condoned			34 months & 23 days

95. Hence, out of the total time over-run of 50 months, time over-run of 34 months and 23 days in case of 400/220/132 kV Srinagar Sub-station is condoned.

80 MVAR 400 kV Bus Reactor

96. We have, in earlier part of this order, come to the finding that the scheduled date of commercial operation of the Project (including the bus reactor) was 26.5.2012. There is delay of 77 months in commissioning of bus reactor. The Petitioner has submitted that it was required to erect, test and commission 50 MVAR reactor at Srinagar sub-station vide original Contract Agreement dated 30.5.2009 along with other elements like 315 MVA ICTs, 160 MVA ICTs, 400 kV and 220 kV bays. The Petitioner vide affidavit dated 23.12.2019 has submitted an inter-office letter dated 3.8.2015, in which it was informed that on 27.7.2015, the said reactor toppled while in transit to site at Srinagar Sub-station. Thereafter, the reactor was sent back to the factory for its checking.

97. The Petitioner has submitted that it completed the erection work of 80 MVAR reactor on 15.7.2018 but due to bad weather and heavy rainfall in the month of July 2018, the final testing of the equipment could be completed in the first week of August 2018 only. Later, the Petitioner approached CEA on 8.8.2018 for the 'Approval of Energization' of 80 MVAR reactor which the Petitioner received on 14.9.2018. The successful trial operation of 80 MVAR reactor was completed on 19.10.2018. Trial operation certificate was issued by NRLDC on 15.11.2018.

98. The Petitioner has considered the reference date for time taken to commission the reactor as the date of new contract i.e. 7.12.2017 with a schedule of 8 months. However, in our view, any delay in achieving COD has to be considered with respect to the original scheduled COD of the reactor (50 MVAR) which was 26.5.2012. The COD of the 80 MVAR bus reactor having been approved as 20.10.2018, there is delay of 77 months.

99. The Petitioner has referred to 38th and 39th NRPC meeting regarding installation of 80 MVAR reactor in place of 50 MVAR reactor as envisaged. We have perused the minutes of meeting of 38th and 39th NRPC meetings. Relevant extract from 38th NRPC minutes of meeting dated 10.1.2017 is as follows:

"B.13 Reactive compensation at 220 kV level TCC Deliberation



B.13.1 Member Secretary NRPC stated that the proposal for installation of bus reactors at 12 nos. 400 kV and 17 nos. 220 kV sub-stations was discussed in the 29th meeting of NRPC held on 13th September 2013. After deliberations, NRPC had approved installation of reactors at 400 kV sub-stations of POWERGRID and RVPNL. As regards 220 kV bus reactors, it was decided that the requirement would be firmed up in consultation with the States in separate meetings. Thereafter, the issue of validation of the data and submission of report of the study for determination of requirement of reactive compensation at 220 kV level had been under discussion at NRPC forum.

....

400 kV Level

24	Srinagar	Uttarakhand	125 MVAR
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....

B.13.6 TCC accepted the report with the observation that study for Delhi system would be reviewed and recommended for approval of NRPC. NRPC Deliberation NRPC approved the recommendation of the TCC.”

100. Relevant extract from 39th NRPC meeting dated 2.5.2017 and minutes of meeting dated 14.7.2017 are as follows:

“B.5 Reactive compensation at 220 kV level.

.....

B.5.2 He added that POWERGRID, in September, 2016 had submitted its report on Reactive compensation in Northern Region. The report was deliberated in 34thTCC/38th NRPC meeting held on 24th /25th October, 2016. Delhi had requested to review the system study for its system. NRPC approved the reactors as per the details given below in Table-2 and Table-3 , subject to review of requirement for Delhi.

Table-2: At 220 kV level:

.....

Table-3: At 400 kV level:

101. In the 39th Standing Committee on Power System Planning of Northern Region held on 28-29.5.2017 and minutes of meeting dated 28.7.2017, following was discussed:

“Reactive Power Compensation Requirement Studies in Northern Region and High voltage at Kurukshetra

27.1 CEA stated that after the Grid Disturbance in July 12, the need for proper reactive power management was emphasised for reliable and secure operation of the grid. The issue of reactive compensation was discussed in 29th meeting of NRPC held on 13/09/2013, wherein, it was deliberated that adequate reactive compensation need to be provided at 400 kV as well as at 220 kV level to contain the high voltages in the grid so as the opening of lines during light load conditions can be avoided. Accordingly, in the meeting, it was agreed that the studies may be carried out by CTU for installation of bus reactors at 400 kV and 220 kV level. 27.2 CTU stated that they had carried out system studies to identify the requirement of reactive compensation at 400 kV and 220 kV voltage level.

.....



27.3 CTU further stated that while carrying out the studies, requirement of additional shunt reactors at 400 kV was also observed. Accordingly, studies were also carried out for evolving the requirement of shunt reactors at 400 kV level for 2018-19 conditions along with above mentioned additional reactors at 220 kV level. Based on the studies, Reactors at following locations at 400 kV level are proposed:

Sr. No.	Bus Name	State	Reactor proposed (MVAR)
1	-----	-----	-----
23	Kashipur	Uttarakhand	125
24	Srinagar	Uttarakhand	125

27.8 PTCUL stated that they have already put up the proposal for 80 MVAR bus reactor at Srinagar and Kashipur 400 kV S/Ss instead of 125 MVAR due to transportation problems and they have proposed PSDF funding for installation of these reactors.

27.14 After further deliberation following was agreed:

Sr. No.	Bus Name	State	Reactor proposed (MVAR)
1	-----	-----	-----
17	Kashipur	Uttarakhand	125
18	Srinagar	Uttarakhand	125

102. We observe that there was requirement of 125 MVAR reactors at Srinagar and Kashipur as per studies conducted by CTU to find reactive compensation in Northern Region. The said requirements were of CTU in the year 2013 and again in the year 2016. The requirement of reactive compensation nowhere refers to replace 50 MVAR reactor under the scope of PTCUL, rather it is about an additional reactive requirement for 125 MVAR in place of which PTCUL proposed 80 MVAR. For these reasons, we do not find it appropriate to condone the delay occurred due to installation of 80 MVAR reactor in place of 50 MVAR reactor in view of discussions in RPC and Standing Committee meetings.

103. The Petitioner has submitted identical reasons for time over-run till 27.7.2015, as submitted for Srinagar sub-station. These reasons have been analysed in earlier paragraphs of this order and accordingly the treatment for time over-run on this count up to 27.7.2015 is as follows:

Asset-II

Sr. No.	Activity	From	To	Time taken
1	Delay due to road blockages, damaged roads, landslides, slippages etc.	31.7.2010	21.12.2010	4 months & 22 days
2	Delay in getting approval from BRO for movement on roads and bridge on Rishikesh to Khandukhal (Srinagar) route and delay due to natural disaster (Flash floods during June, 2013).	3.2.2013	12.12.2014	22 months & 9 days
3	Delay in transportation of heavy consignments i.e. 160 MVA ICTs and 50 MVAR Bus Reactor through Rishikesh-Chamba-Tehri Dam route	27.3.2015	15.6.2015	2 months & 20 days



4	Delay due to washing away of staging.	14.7.2015	26.7.2015*	13 days
	Total time over-run condoned			30 months & 4 days

*We are not inclined to allow time over-run beyond 27.7.2015 (when 50 MVAR reactor got toppled)

105. Therefore, time over-run beyond 27.7.2015 till 19.10.2018 (COD of the reactor 20.10.2018) is not condoned. Accordingly, out of total time over-run of 77 months, the time over-run of 30 months and 4 days is condoned as shown above.

(v) Computation of time over-run condoned and not condoned in respect of the transmission assets is as follows:

Particulars	Asset-I	Asset-II
SCOD considered	26.5.2012	26.5.2012
Time up to SCOD (months)	30	30
COD Approved	31.7.2016	20.10.2018
Time over-run (months approximately)	50	77
Total time consumed (months approximately)	80	107
Time over-run condoned (months approximately)	34.77	30.13
Time over-run not condoned (months approximately)	15.23	46.87

61. The Petitioner in the current tried-up Petition has again submitted supporting documents regarding the delay, narrating the following reasons, which were not condoned by the Commission in its order dated 9.11.2021 in Petition No. 80/TT/2016 and requested to condone the 15 months and 7 days delay concerning Asset-I:

- Delay in the construction of a bridge of adequate strength.
- Delay due to flash floods and delay due to landslides, slippages, damaged roads and road blockages.
- Delay in obtaining approval from BRO for movement on roads and bridges on the Rishikesh to Khandukhal (Srinagar) route, and delays caused by a natural disaster (flash floods in June 2013).
- Delay in transportation of heavy consignments, i.e. 160 MVA ICTs and 50 MVAR Bus Reactor through Rishikesh-Chamba-Tehri Dam route.
- Delay due to the washing away of staging.
- Delay due to non-availability of GVK HEP - Khandukhal (Srinagar) Substation transmission Line.



g. Delay in COD of 400/220 KV Srinagar Substation

62. We have considered the Petitioner's submissions. On perusal of the Commission's order dated 9.11.2021 in Petition No. 80/TT/2016, we find nothing in the time overrun analysis section of the order that indicates any liberty was granted to the Petitioner to submit delay justifications with supporting documents for the time delay not condoned. In the absence of such liberty being granted in the order dated 9.11.2021, we are not inclined to re-examine the various reasons for the time delay provided by the Petitioner in the current true-up.

63. Accordingly, the summary of delays condoned and not condoned in relation to elements of Asset-I and Asset-II from their respective COD is as follows:

Particulars	Asset-I			Asset-II
	Group-A elements	Group-B elements	Group-C elements	
SCOD considered	26.5.2012	26.5.2012	26.5.2012	26.5.2012
Time up to SCOD (months)	30	30	30	30
COD Approved	31.7.2016	14.10.2016	3.8.2016	20.10.2018
Time overrun (months approximately)	50	53	50	77
Total time consumed (months approximately)	80	83	80	107
Time overrun condoned (months approximately)	34.77	34.77	34.77	30.13
Time overrun not condoned (months approximately)	15.23	18.23	15.23	46.87

Capital Cost

64. The Petitioner, in its affidavit dated 21.2.2025, has submitted Auditor's Certificate dated 22.5.2023 for the capital cost concerning the transmission assets claimed as on COD and thereafter up to 31.3.2024. The details of the same are as follows:



Sl. No.	Particulars	Upto 31.03.2016	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Asset-I : 400/220/132 kV Substation at Srinagar and associated bays										
1	Land	433.56	-	-	-	-	-	-	-	433.56
2	Building	289.09	-	288.26	29.65	-	248.54	-	-	855.54
3	Hydraulic Works	153.48	-	-	-	-	-	-	-	153.48
4	Civil Works	411.16	157.65	-	-	-	-	(7.96)	-	560.85
5	Substation Equipment	14848.69	579.43	0.67	90.79	-	-	-	(68.44)	15451.15
6	PLCC	399.66	-	-	-	-	-	-	-	399.66
7	Interest During Construction (IDC)	2414.03	(2172.70)	-	-	(241.33)	-	-	-	0.00
8	Incidental Expenditure During Construction (IEDC)	12.18	-	-	-	-	-	-	-	12.18
9	Establishment Expense	1434.93	-	-	-	-	-	-	-	1434.93
10	ADB Project Management Office Expense	-	-	-	768.88	-	-	-	-	768.88
	Total	20396.78	(1435.61)	288.94	889.33	(241.33)	248.54	(7.96)	(68.44)	20070.23
Asset-II : 80 MVar Reactor										
	80 MVar Reactor				670.52					670.52

65. Based on the above and supported by Form-5, the following capital cost (excluding IDC and IEDC) up to the COD and thereafter up to 31.3.2019 has been claimed by the Petitioner concerning the transmission assets in this Petition:

Sr. No.	Asset's Name	Capital Cost as on COD	ACE				Capital Cost as on 31.3.2019
			2016-17	2017-18	2018-19	Total	
1	Asset-I	16535.64*	737.08	288.94	889.34	1915.35	18450.99
2	Asset-II	670.52	-	-	-	-	670.52

***Excluding IDC & IEDC**



66. Out of the capital cost claimed by the Petitioner as indicated above, the following capital cost has been claimed (excluding IDC and IEDC) as on COD for Asset-I (Group-A, Group-B, Group-C & Group-D) and Asset-II for tariff purposes:

(₹ in lakh)			
Sr. No	Particulars	COD	Capital Cost (Excluding IDC & IEDC) as on COD
A.	Asset-I: 400/220 kV, 315 MVA ICT-1 & ICT-2 and 160 MVA, 220/132 kV ICT-1 & 2 along with associated bays at Srinagar Substation		
1	Group -A elements	31.7.2016	11124.45
2	Group -B elements	14.10.2016	915.54
3	Group -C elements	03.08.2016	2229.34
4	Group-D elements	13.11.2020	484.38
	Total		14753.71
B.	Asset-II : 80 MVAr Bus Reactor	20.10.2018	670.52

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

Interest During Construction (IDC)

67. The Petitioner, vide Auditor's Certificate dated 22.5.2023 and Form-5, has claimed IDC as on COD amounting to ₹2414.03 lakh. Further, the entire amount of IDC has been reversed in the later years, i.e. ₹2172.70 lakh and ₹241.33 lakh in FY 2016-17 and FY 2019-20, respectively. The Petitioner submitted in a note in the text portion of the Petition that the IDC was booked initially but was later reversed in its books by way of accounting entry in line with the clarification from the Government of Uttarakhand with regard to the interest on loan, and hence the IDC has been excluded for the purpose of capital cost determination. Further, the Petitioner has submitted that the same is an interest-free loan. Based on the above, it is evident that the IDC amount stated in the Auditor's Certificate is insignificant when determining capital costs.

Incidental Expenditure During Construction (IEDC)



68. The Petitioner has claimed ₹1447.11 lakh (₹12.18 lakh as IEDC plus ₹1434.93 lakh as Establishment Expenses) on account of IEDC in respect of Asset-I. The same has been considered on a pro-rata basis of the hard cost allowed.

69. Accordingly, we adjust the corresponding soft cost (i.e. IEDC) on a pro-rata basis of the hard cost allowed to arrive at the total capital cost allowed as on COD. The total capital cost for Asset-I (Group-A, Group-B, Group-C and Group-D) as on COD allowable before adjustment due to time overrun analysis, is as follows:

(₹ in lakh)

Particulars	Hard Cost Claimed up to COD (as per Auditor's Certificate dated 4.1.2025 (A))	Total Hard Cost Allowed as on COD (B)	Hard Cost Disallowed (C=A-B)	IEDC Claimed (D)	IEDC Disallowed due to disallowance of Hard Cost (E)	IEDC Allowable (F=D-E)	Total capital cost allowable as on COD (before scrutiny of time overrun Analysis) (G)=(B+F)
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	433.56	386.84	46.72	37.94	4.09	33.85	420.69
Building & Other Civil Works	700.25	624.79	75.46	61.28	6.60	54.68	679.47
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station	15002.17	13385.49	1616.68	1312.91	141.48	1171.43	14556.92
PLCC	399.66	356.59	43.07	34.98	3.77	31.21	387.80
Total	16535.64	14753.71	1781.93	1447.11	155.94	1291.17	16044.88

70. Further, we have adjusted the allowable IEDC on a pro-rata basis of the hard cost allowed for Group-A, Group-B, Group-C and Group-D of Asset-I, to arrive at the total capital cost allowed as on COD. The details of the same are as follows:

(₹ in lakh)

Particulars Asset-I (Group-A)	Hard Cost Allowed as	Pro-rata apportioned	Pro-rata apportioned	Pro-rata apportioned	Total Capital
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	on COD (A)	Allowable IEDC (B)	Disallowed IEDC due to Time Overrun (C)	Allowed IEDC (D)	Cost Allowed as on COD (i.e 31.7.2016) (E)
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	291.68	25.53	4.86	20.67	312.35
Building & Other Civil Works	471.10	41.23	7.85	33.38	504.48
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	10092.80	883.27	168.15	715.12	10807.91
PLCC	268.87	23.53	4.48	19.05	287.92
Total	11124.45	973.55	185.34	788.21	11912.66

(₹ in lakh)

Particulars Asset-I (Group-B)	Hard Cost Allowed as on COD (A)	Pro-rata apportioned Allowable IEDC (B)	Pro-rata apportioned Disallowed IEDC due to Time Overrun (C)	Pro-rata apportioned Allowed IEDC (D)	Total Capital Cost Allowed as on COD (i.e., 14.10.2016) (E)
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	24.01	2.10	0.46	1.64	25.64
Building & Other Civil Works	38.77	3.39	0.75	2.65	41.42
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	830.64	72.69	15.97	56.73	887.36
PLCC	22.13	1.94	0.43	1.51	23.64
Total	915.54	80.12	17.60	62.52	978.06

(₹ in lakh)

Particulars Asset-I (Group-C)	Hard Cost Allowed as on COD (A)	Pro-rata apportioned Allowable IEDC (B)	Pro-rata apportioned Disallowed IEDC due to Time Overrun (C)	Pro-rata apportioned Allowed IEDC (D)	Total Capital Cost Allowed as on COD (i.e 03.08.2016) (E)
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	58.45	5.12	0.97	4.14	62.59
Building & Other Civil Works	94.41	8.26	1.57	6.69	101.10
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	2022.60	177.01	33.70	143.31	2165.91
PLCC	53.88	4.72	0.90	3.82	57.70
Total	2229.34	195.10	37.14	157.96	2387.30

(₹ in lakh)

Particulars Asset-I (Group-D)	Hard Cost Allowed as	Pro-rata apportioned	Pro-rata apportioned	Pro-rata apportioned	Total Capital
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	on COD (A)	Allowable IEDC (B)	Disallowed IEDC due to Time Overrun (C)	Allowed IEDC (D)	Cost Allowed as on COD (i.e 13.11.2020) (E)
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	12.70	1.11	0.57	0.55	13.25
Building & Other Civil Works	20.51	1.80	0.91	0.88	21.39
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	439.46	38.46	19.59	18.87	458.33
PLCC	11.71	1.02	0.52	0.50	12.21
Total	484.38	42.39	21.59	20.80	505.18

Note: Asset-I (Group D) shall be dealt with in the next tariff period

71. The Petitioner has not claimed any IEDC for Asset-II. It is, therefore, presumed that the IEDC claimed by the Petitioner has been fully discharged as on COD.

Initial Spares

72. The Commission vide order dated 19.2.2021 in Petition No. 80/TT/2016 held that the Initial Spares of ₹416.92 lakh claimed by the Petitioner in the capital cost for all the elements are within the norms of the 2014 Tariff Regulations. Hence, no adjustment is required as on COD. The relevant extracts of the order are as follows:

“127. The Petitioner has submitted Auditor’s certificate dated 11.9.2018 wherein Initial Spares of ₹416.92 lakh has been claimed in the capital cost for all the elements of the asset combined together as “400/220 kV Srinagar Sub-station”.

128. Initial Spares claimed by the Petitioner corresponding to sub-station are within the norms of the 2014 Tariff Regulations. Hence, no adjustment of Initial Spares is required as on COD.”

73. The Petitioner in the current trued-up Petition has submitted the Auditor’s Certificate dated 22.5.2023 and Form-5, in which the Initial Spares of ₹416.92 lakh are also claimed as part of the capital cost for all the elements of the transmission assets combined together as “400/220 kV Srinagar Sub-station”.

74. Therefore, as the Initial Spares claimed by the Petitioner in the instant trued-up Petition are within the norms of the 2014 Tariff Regulations, the Initial Spares of ₹416.92 lakh claimed by the Petitioner are allowed.



Capital Cost as on COD

75. Accordingly, the capital cost allowed for the transmission assets as on COD under Regulation 9(2) of 2014 Tariff Regulations is summarised as under:

(₹ in lakh)

Particulars	Asset-I (Group-A) (COD: 31.07.2016)	Asset-I (Group-B) (COD: 14.10.2016)	Asset-I (Group-C) (COD: 03.08.2016)	Asset-II (COD: 20.10.2018)
Freehold Land	0.00	0.00	0.00	0.00
Leasehold Land	312.35	25.64	62.59	0.00
Building & Other Civil Works	504.48	41.42	101.10	0.00
Transmission Line	0.00	0.00	0.00	0.00
Sub-Station Equipment	10807.91	887.36	2165.91	670.52
PLCC	287.92	23.64	57.70	0.00
Total	11912.66	978.06	2387.30	670.52

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

Additional Capital Expenditure (ACE):

76. The Petitioner in Petition No. 80/TT/2016 projected the ACE concerning the transmission assets, and the details are as follows:

(₹ in lakh)

Asset	ACE			
	2016-17	2017-18	2018-19	Total
Asset- I and Asset-II	589.49	288.88	898.55	1776.92

77. The Commission, through an order dated 9.11.2021 in Petition No. 80/TT/2016, held that the projected ACE of ₹1776.92 lakh claimed by the Petitioner up to 31.3.2019 has been considered as the capital cost of the 80 MVA reactor, i.e., Asset-II, as on COD. The relevant extracts of the order are as follows:

“Projected ACE



130. As discussed above, the Petitioner has claimed the following ACE incurred/ projected to be incurred during the period from claimed COD to 31.3.2019 for the combined asset:

(₹ in lakh)

Expenditure after COD during 2016-17	Expenditure during 2017-18	Expenditure/ Projected expenditure during 2018- 19	Total ACE
589.49	288.88	898.55	1776.92

131. ACE of ₹1776.92 lakh claimed during 2016-19 period has been considered as capital cost of 80 MVAR reactor (Asset-II) as on COD and has been dealt in previous paragraphs.”

78. The Petitioner in the current tried-up Petition has submitted the Auditor's Certificate dated 22.5.2023 and claimed the actual ACE of ₹257.34 lakh against Asset-I and “NIL” against Asset-II from COD to 31.3.2019, and the details are as follows:

(₹ in lakh)

Sr. No.	Particulars	ACE			Total ACE
		2016-17	2017-18	2018-19	
A	Asset-I				
1	Land	-	-	-	-
2	Building	-	288.26	29.65	317.91
3	Hydraulic Works	-	-	-	-
4	Civil Works	157.65	-	-	157.65
5	Substation Equipment	579.43	0.67	90.79	670.89
6	PLCC	-	-	-	-
7	Interest During Construction (IDC)	(2172.70)			(2172.70)
8	Incidental Expenditure During Construction (IEDC)	-	-	-	-
9	Establishment Expense	-	-	-	-
10	ADB Project Management Office Expense	-	-	768.88	768.88
	Total	(1435.61)	288.94	889.33	(257.34)

79. The Petitioner has submitted that the ACE up to the cut-off date is being dealt with in accordance with the provisions of Regulation 14(1) of the 2014 Tariff

Regulations, and that after the cut-off date, it is being dealt with in accordance with the provisions of Regulation 14(2) of the 2014 Tariff Regulations.

80. Furthermore, regarding the ADB PMO expenditure, the Petitioner has submitted that it previously claimed the same amount under the head of IEDC in Petition No. 80/TT/2016. However, the amount booked under IEDC for the ADB PMO expenses did not relate to IEDC expenses, as the ADB PMO was established through Government letter 897/1/2007-05-12/2004 dated 8.2.2007 to implement the project under the ADB-funded Uttarakhand Power Sector Investment Programme. Therefore, an expenditure of ₹768.88 lakh was booked against the 400 kV Srinagar Substation, and this has been shown separately in the Auditor's certificate for the Commission's consideration. The Petitioner has also stated that the amount relating to the ADB office expenditure pertains to undischarged liabilities and will be claimed in accordance with the final settlement.

81. We have considered the Petitioner's submissions and perused the documents on record. We approve the COD of various elements of Asset-1 in the 2nd and 3rd quarters of FY 2016-17. Therefore, as per Regulation 3(13) of the 2014 Tariff Regulations, the cut-off date of Asset-1 is 31.3.2019.

82. Furthermore, it is observed that, as per Form-7, the Petitioner has claimed the ACE from 1.8.2016 to 31.3.2019 for different types of work, and the details are as follows:

(₹ in Lakh)

Sr. No.	F.Y.	ACE	Nature of Work	Remarks
1	2016-17	147.65	Construction of the approach road to the colony, culverts, drains and other development.	Due to the delay in the tendering process and construction works.
		9.99	Other Civil Works	



		579.43	Substation and PLCC	Payment for supply and testing works against the bill raised after the total supply of material. Also, payment against the fire protection system, cabling works and earthing works of the substation.
2	2017-18	132.13	Construction of 06 Nos Type-III D/S residences, development of terrace, drains, service roads	Due to the delay in the tendering process and construction works.
		156.14	Construction of 04 Nos Type-IV residences at Srinagar S/station.	
		0.67	Substation Equipment	Payment to the Member Dispute Resolution Board in the matter of a dispute over a transformer.
3	2018-19	90.79	Substation & PLCC	Payment against the balance is available for fire protection, cabling, and earthing work.
		29.65	Construction of 06 Nos Type-III D/S residences, development of terrace, drains and service roads.	Due to the delay in the tendering process and construction works.
		768.88	ADB PMO	Payment of the ADB PMO office.

83. Therefore, based on the combined reading of the Auditor Certificate dated 22.5.2023 and Form-7, it is noted that the Petitioner has claimed the total ACE of ₹475.56 lakh, ₹670.22 lakh, ₹0.67 lakh, ₹768.88 lakh, and (₹2172.70 lakh) for construction of residential accommodations and other civil works, balance payment against supply of material and different E&M works, payment against Dispute Board, expenditure against ADB PMO Office, and interest during construction, respectively. The detailed analysis regarding the actual ACE claimed by the Petitioner is as follows:

A. Payment to Dispute Board Member against Dispute Board: ₹0.67 lakh

84. The Petitioner has claimed the actual ACE of ₹0.67 lakh against payment to a Member of the Dispute Board in the matter of the transformer dispute.



85. We have considered the Petitioner's submissions and observed that the Petitioner has submitted the Auditor's Certificate dated 22.5.2023 and claimed the aforementioned ACE in FY 2017-18 under Substation equipment.

86. As the payment of ₹0.67 lakh was made by the Petitioner to the Member of the Dispute Board, it appears to be of a revenue nature and should be treated as O&M Expenses. Furthermore, Regulation 14(1) of the 2014 Tariff Regulations does not provide for the inclusion of such expenditure as ACE.

87. Therefore, ACE ₹0.67 lakh claimed by the Petitioner for FY 2017-18 against payment to the Member of the Dispute Board for the dispute of the transformer is hereby disallowed.

B. Payment against Construction of Residential Accommodations, development of terrace, drains, service roads, approach roads to colony, culverts and other civil works: ₹475.56 lakh

88. The Petitioner has claimed an actual ACE of ₹475.56 lakh, including ₹147.65 lakh and ₹9.99 lakh for 2016-17, ₹132.13 lakh and ₹156.14 lakh for FY 2017-18, and ₹29.65 lakh for FY 2018-19, against the construction of Type-III and IV accommodations, as well as the development of terraces, drains, and service roads.

89. We have considered the Petitioner's submissions and are of the view that the Petitioner has submitted the Auditor's Certificate dated 22.5.2023 in support of its claim of actual ACE.

90. Regarding the above, we have perused the Detailed Project Report and found that the Petitioner has already included provisions for a Residential Colony, Community Centre, and other civil works in the detailed estimate of work for the 400 kV Srinagar Substation. The snapshot of the relevant excerpt of the DPR is as follows:



	Item Description	Unit	Supply	Unit Supply Rate including Freight @6% + GST @4% +Excise Duty @16.43% for Supply (₹)	Total Supply Cost	Erection including foundations	Unit erection including Service Tax @12.36% for Erection (₹)	Total
O	Civil works including control room/room building, offices, drinking water system, fencing transformer plinth etc.	LS	-	-	-	1	₹ 10,00,00,000	₹10,00,00,000
P	Civil works including Residential Colony, Community Center, Erection of Hostel & School.	LS	-	-	-	1	₹ 6,65,00,000	₹6,65,00,000

91. Furthermore, according to Form-7 submitted by the Petitioner, the work was approved in May 2014, but it was only initiated in May 2016 due to delays in the tendering process and other reasons.

92. Therefore, in view of the above, we are of the view that the aforementioned work falls under the original scope of work deferred for execution. Accordingly, as per Regulation 14(1)(ii) of the 2014 Tariff Regulations, the ACE ₹317.92 lakh (₹132.13 lakh and ₹156.14 lakh for FY 2017-18, and ₹29.65 lakh for FY 2018-19) claimed by the Petitioner for the construction of residential accommodations, development of terrace, drains, and service roads is hereby allowed.

C. Payment against balance works: ₹670.22 lakh



93. The Petitioner has claimed the actual ACE of ₹670.22 lakh (₹579.43 lakh for FY 2016-17 and ₹90.79 lakh for FY 2018-19) in respect of the balance payment against the supply of material, fire protection, cabling, earthing work, etc.

94. We have considered the Petitioner's submissions. Since the ACE claimed by the Petitioner relates to balance payments for the supply of materials and other works as per the contract for which the bill was raised after COD, the ACE of ₹670.22 lakh (including ₹579.43 lakh for FY 2016-17 and ₹90.79 lakh for FY 2018-19), as per Regulation 14(1)(i) of the 2014 Tariff Regulations, is hereby allowed.

D. Expenditure against ADB PO Office: ₹768.88 lakh

95. The Petitioner has submitted that the aforementioned expenditure was previously claimed under the head of IEDC in Petition No. 80/TT/2016. However, the ADB PMO expenses were not related to IEDC expenses, as the ADB PMO was created to implement the ADB-funded Uttarakhand Power Sector Investment Programme. Therefore, the expenditure of ₹768.88 lakh was booked against the 400 kV Srinagar substation and was claimed as actual ACE for FY 2018-

96. We have considered the Petitioner's submissions and perused the documents on record. After examining the documents, it is observed that to implement the projects proposed under the ADB-funded Uttarakhand Power Sector Investment Program, the Government of Uttarakhand established the Project Management Office (PMO) vide OM dated 8.2.2007. According to this OM, the PIU heads of the Petitioner and UJVNL will report to the authority of the Project Management Office (PMO) on the physical and financial progress of the ADB project, and the Petitioner shall be responsible for maintaining the PMO office building, communication, staff vehicle, computers, office equipment, and other daily requirements for the smooth functioning of the PMO.



Furthermore, it is observed that the Petitioner has booked ₹768.88 lakh towards the ADB-PMO office expenditure for the 400 kV Srinagar Substation up to 31.3.2019.

97. We are of the view that the Project Management Office had been established by the Government of Uttarakhand for monitoring of projects proposed under the ADB-funded Uttarakhand Power Sector Investment program and as per the Government of Uttarakhand OM dated 8.2.2007, the Petitioner had to bear the expenditure against said PMO office. Therefore, the said expenditure seems to be in the nature of office expenditure and should be met through contingency charges covered under IEDC.

98. Also, it is noted that Regulation 14 of 2014 Tariff Regulations does not specify any provision for the admission of such expenditure as Additional Capital Expenditure (ACE).

99. Regulation 54 of 2014 Tariff Regulations provides as follows:

***“54. Power to Relax.** The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.”*

100. Regulation 54 of the 2014 Tariff Regulations empowers the Commission to relax its provisions either on its own motion or upon an application made by an interested person. Therefore, considering the mandatory expenditure that the Petitioner is required to incur in accordance with government directives, and exercising the power under Regulation 54 of the 2014 Tariff Regulations, we relax Regulation 14(1) of the 2014 Tariff Regulations and approve the Petitioner's claim of actual ACE ₹768.88 lakh for the FY 2018-19, related to the ADB-PMO office expenditure allocated to the 400 kV Srinagar Substation up to 31.3.2019.

E. Expenditure against Interest During Construction: (₹2172.70 lakh)



101. The Petitioner has claimed the actual ACE (₹2172.70 lakh) for FY 2016-17 against IDC.

102. We have considered the Petitioner's submissions and are of the view that, as per the Auditor's Certificate dated 22.5.2023, the Petitioner has claimed ACE ₹2172.70 lakh for FY 2016-17 against IDC, and the same is hereby allowed.

103. Therefore, the details of the ACE claimed by the Petitioner allowed/not allowed in this order are summarised as follows:

(₹ in lakh)

Sr. No.	FY	Nature of Work	ACE claimed by the Petitioner	Allowed ACE	Not allowed ACE
1	2016-17	Construction of the approach road to the Colony, culverts, drains and other development	147.65	147.65	-
		Other Civil Works	9.99	9.99	-
		Substation and PLCC	579.43	579.43	-
		Interest During Construction	(2172.70)	(2172.70)	-
	Total		(1435.63)	(1435.63)	-
2	2017-18	Construction of 06 Nos Type-III D/S residences, development of terrace, drains and service roads.	132.13	132.13	-
		Construction of 04 Nos Type-IV residences at Srinagar substation.	156.14	156.14	-
		Substation Equipment	0.67	-	0.67
	Total		288.94	288.27	0.67
3	2018-19	Substation and PLCC	90.79	90.79	-
		Construction of 06 Nos Type-III D/S residences, development of terrace, drains and service roads.	29.65	29.65	-
		ADB PMO	768.88	768.88	-
	Total		889.32	889.32	-



104. In view of the above, ACE allowed for the transmission assets for the 2014-19 tariff period as follows:

(₹ in lakh)

Sl. No.	Particular	COD	Additional Capital Expenditure			
			2016-17	2017-18	2018-19	Total
1	Asset-I (Group -A)	31.7.2016	574.63	224.74	693.32	1492.69
2	Asset-I (Group -B)	14.10.2016	47.29	18.50	57.06	122.85
3	Asset-I (Group -C)	3.8.2016	115.16	45.04	138.94	299.13
	Total		737.08	288.27	889.32	1914.67
4	Asset-II	20.10.2018	-	-	-	-

105. Accordingly, the capital cost allowed in respect of transmission assets for the period 2014-19 tariff period is as follows:

(₹ In lakh)

Particulars Asset-I (Group-A)	Total Capital Cost Allowed as on COD	Additional Capital Expenditure			Total Capital Cost Allowed as on 31-3-2019
		2016-17	2017-18	2018-19	
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	312.35	0.00	0.00	0.00	312.35
Building & Other Civil Works	504.48	122.90	224.74	23.12	875.24
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	10807.91	451.73	0.00	670.20	11929.84
PLCC	287.92	0.00	0.00	0.00	287.92
Total	11912.66	574.63	224.74	693.32	13405.35

(₹ In Lakh)

Particulars Asset-I (Group-B)	Total Capital Cost Allowed as on COD	Additional Capital Expenditure			Total Capital Cost Allowed as on 31-03-2019
		2016-17	2017-18	2018-19	
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	25.64	0.00	0.00	0.00	25.64

Building & Other Civil Works	41.42	10.12	18.50	1.90	71.94
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	887.36	37.18	0.00	55.16	979.70
PLCC	23.64	0.00	0.00	0.00	23.64
Total	978.06	47.29	18.50	57.06	1100.92

(₹ in lakh)

Particulars Asset-I (Group-C)	Total Capital Cost Allowed as on COD	Additional Capital Expenditure			Total Capital Cost Allowed as on 31-03-2019
		2016-17	2017-18	2018-19	
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	62.59	0.00	0.00	0.00	62.59
Building & Other Civil Works	101.10	24.63	45.04	4.63	175.40
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	2165.91	90.53	0.00	134.31	2390.74
PLCC	57.70	0.00	0.00	0.00	57.70
Total	2387.30	115.16	45.04	138.94	2686.44

(₹ in lakh)

Particulars Asset-II	Total Capital Cost Allowed as on COD	Additional Capital Expenditure Allowed	Total Capital Cost Allowed as on 31-03-2019
		2018-19	
Freehold Land	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00
Building & Other Civil Works	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00
Sub-Station Equipment	670.52	0.00	670.52
PLCC	0.00	0.00	0.00
Total	670.52	0.00	670.52

Debt-Equity Ratio

106. The debt-equity ratio for the transmission assets has been set at 70:30 as per Regulation 19(3) of the 2014 Tariff Regulations. The following debt-equity ratio has been considered for transmission assets as on COD and 31.3.2019:



Asset-I (Group-A)				
Particulars	Amount as on COD	Debt: Equity Ratio (In %)	Amount as on 31.3.2019	Debt: Equity Ratio (In %)
Debt	8338.86	70.00	9383.75	70.00
Equity	3573.80	30.00	4021.61	30.00
Total	11912.66	100.00	13405.35	100.00
Asset-I (Group-B)				
Particulars	Amount as on COD	Debt: Equity Ratio (In %)	Amount as on 31.3.2019	Debt: Equity Ratio (In %)
Debt	684.65	70.00	770.64	70.00
Equity	293.42	30.00	330.28	30.00
Total	978.06	100.00	1100.92	100.00
Asset-I (Group-C)				
Particulars	Amount as on COD	Debt: Equity Ratio (In %)	Amount as on 31.3.2019	Debt: Equity Ratio (In %)
Debt	1671.11	70.00	1880.50	70.00
Equity	716.19	30.00	805.93	30.00
Total	2387.30	100.00	2686.44	100.00
Asset-II				
Particulars	Amount as on COD	Debt: Equity Ratio (In %)	Amount as on 31.3.2019	Debt: Equity Ratio (In %)
Debt	469.36	70.00	469.36	70.00
Equity	201.16	30.00	201.16	30.00
Total	670.52	100.00	670.52	100.00

Depreciation

107. Depreciation has been calculated in accordance with Regulation 27 of the 2014 Tariff Regulations. Depreciation has been worked out on the basis of capital expenditure as on COD and ACE incurred thereafter, if any, and depreciation for the first year has been calculated on a pro rata basis for the year/part of year. Asset-I (elements) and Asset-II were put into commercial operation on 31.7.2016, 14.10.2016,



3.8.2016, and 20.10.2018, and will therefore complete 12 years beyond 2018-19.

Thus, depreciation has been calculated annually based on the Straight-Line Method at the rates specified in Appendix II.

108. Depreciation allowed for the Asset-I and Asset-II for the 2014-19 tariff period is as follows:

(₹ in lakh)				
Sl. No.	Particulars Asset-I (Group-A)	2016-17 (Pro-rata for 244 days)	2017-18	2018-19
A	Opening Gross Block	11912.66	12487.29	12712.03
B	ACE	574.63	224.74	693.32
C	Closing Gross Block (A+B)	12487.29	12712.03	13405.35
D	Average Gross Block (A+C)/2	12199.98	12599.66	13058.69
E	Average Gross Block (90% depreciable assets)	12199.98	12599.66	13058.69
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	10979.98	11339.70	11752.82
H	Depreciable value of IT equipment and software	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	10979.98	11339.70	11752.82
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.1651	5.1420	5.1284
K	Lapsed useful life at the beginning of the year	0	0	1
L	Balance useful life at the beginning of the year	25	25	24
M	Depreciation during the year (D*J)	421.25	647.87	669.71
N	Cumulative Depreciation at the end of the year	421.25	1069.12	1738.83
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	10558.73	10270.58	10014.00

(₹ in lakh)				
Sl. No.	Particulars Asset-I (Group-B)	2016-17 (Pro-rata for 169 days)	2017-18	2018-19
A	Opening Gross Block	978.06	1025.36	1043.86
B	ACE	47.29	18.50	57.06
C	Closing Gross Block (A+B)	1025.36	1043.86	1100.92
D	Average Gross Block (A+C)/2	1001.71	1034.61	1072.39
E	Average Gross Block (90% depreciable assets)	1001.71	1034.61	1072.39
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00



Sl. No.	Particulars Asset-I (Group-B)	2016-17 (Pro-rata for 169 days)	2017-18	2018-19
G	Depreciable value (excluding IT equipment and software) (E*90%)	901.54	931.15	965.15
H	Depreciable value of IT equipment and software	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	901.54	931.15	965.15
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.1651	5.1419	5.1283
K	Lapsed useful life at the beginning of the year	0	0	1
L	Balance useful life at the beginning of the year	25	25	24
M	Depreciation during the year (D*J)	23.96	53.20	55.00
N	Cumulative Depreciation at the end of the year	23.96	77.15	132.15
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	877.58	853.99	833.00

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-C)	2016-17 (Pro-rata for 241 days)	2017-18	2018-19
A	Opening Gross Block	2387.30	2502.45	2547.49
B	ACE	115.16	45.04	138.94
C	Closing Gross Block (A+B)	2502.45	2547.49	2686.44
D	Average Gross Block (A+C)/2	2444.88	2524.97	2616.96
E	Average Gross Block (90% depreciable assets)	2444.88	2524.97	2616.96
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	2200.39	2272.48	2355.27
H	Depreciable value of IT equipment and software	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	2200.39	2272.48	2355.27
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.1651	5.1420	5.1284
K	Lapsed useful life at the beginning of the year	0	0	1
L	Balance useful life at the beginning of the year	25	25	24
M	Depreciation during the year (D*J)	83.38	129.83	134.21
N	Cumulative Depreciation at the end of the year	83.38	213.21	347.42
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	2117.01	2059.26	2007.84

(₹ in lakh)



Sl. No.	Particulars Asset-II	2018-19 (Pro-rata for 163 days)
A	Opening Gross Block	670.52
B	ACE	0.00
C	Closing Gross Block (A+B)	670.52
D	Average Gross Block (A+C)/2	670.52
E	Average Gross Block (90% depreciable assets)	670.52
F	Average Gross Block (100% depreciable assets)	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	603.47
H	Depreciable value of IT equipment and software	0.00
I	Total Depreciable Value (G+H)	603.47
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.2800
K	Lapsed useful life at the beginning of the year	0
L	Balance useful life at the beginning of the year	25
M	Depreciation during the year (D*J)	15.81
N	Cumulative Depreciation at the end of the year	15.81
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	587.66

109. Depreciation claimed by the Petitioner concerning the transmission assets and allowed in the instant order is as follows:

(₹ in lakh)			
Asset-I	2016-17 (Pro-rata)	2017-18	2018-19
Claimed by the Petitioner in the instant Petition	634.81	972.38	1000.40
Approved in this order			
Asset-I (Group-A)	421.25	647.87	669.71
Asset-I (Group-B)	23.96	53.20	55.00
Asset-I (Group-C)	83.38	129.83	134.21
Total Approved	528.59	830.90	858.92

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

(₹ in lakh)	
Asset-II	2018-19 (Pro-rata for 163 days)
Claimed by the Petitioner in the instant Petition	15.81
Approved in this order	15.81

Interest on Loan



110. The Petitioner did not claim any IOL during the 2014-19 tariff period, as stated in the Petition, in reference to the Government of Uttarakhand letter dated 21.11.2020 regarding the sanctioned loan funded by ADB. The GoU clarified that the loan is to be repaid as an interest-free loan. Therefore, no interest on the loan is considered as true up for the 2014-19 tariff period.

111. IOL claimed by the Petitioner in the instant Petition concerning transmission assets, and allowed in this order is as follows:

(₹ in lakh)			
Asset-I	2016-17 (Pro-rata)	2017-18	2018-19
Approved by the Commission vide order dated 9.11.2021 in Petition No. 80/TT/2016 (Asset -I as a whole).	662.65	930.03	856.64
Claimed by the Petitioner in the instant Petition (Asset-I as a whole).	0.00	0.00	0.00
Approved in this order.	0.00	0.00	0.00

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

(₹ in lakh)	
Asset-II	2018-19 (Pro-rata for 163 days)
Approved by the Commission vide order dated 9.11.2021 in Petition No. 80/TT/2016.	43.27
Claimed by the Petitioner in the instant Petition.	0.00
Approved in this order.	0.00

Return on Equity

112. The Petitioner has claimed RoE for the transmission system under Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable



to pay income tax at MAT rates and has claimed the following effective tax rates for the 2014-19 tariff period:

Year	Claimed effective tax rate (in %)	Grossed up RoE (Base Rate/1-t) (in %)
2016-17	21.338	19.705
2017-18	21.337	19.704
2018-19	21.549	19.758

113. The Commission, in its order dated 27.4.2020 in Petition No.274/TT/2019, arrived at the effective tax rate for Power Grid Corporation of India Limited based on the notified MAT rates, and the same is as follows:

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

114. MAT rates, as allowed vide order dated 27.4.2020 in Petition No. 274/TT/2019, for the purpose of grossing up the rate of RoE for truing up the tariff of the 2014-19 period, in accordance with the provisions of the 2014 Tariff Regulations, are considered in the present case, which are as follows:

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

115. The Petitioner has claimed RoE for the 2014-19 period after grossing up the RoE at 15.50% with effective tax rates (based on MAT rates) each year, as per the

above-mentioned Regulation. RoE has been trued-up on the basis of MAT rates applicable in the respective years and approved for the transmission assets for the 2014-19 tariff period, as follows:

(₹ in lakh)

Particulars Asset-I (Group-A)		2016-17 (Pro-rata for 244 days)	2017-18	2018-19
A	Opening Equity	3573.80	3746.19	3813.61
B	Additions	172.39	67.42	208.00
C	Closing Equity (A+B)	3746.19	3813.61	4021.61
D	Average Equity (A+C)/2	3659.99	3779.90	3917.61
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	21.342	21.342	21.549
G	Rate of Return on Equity (in %)	19.705	19.705	19.758
H	Return on Equity (D*G)	482.12	744.83	774.04

(₹ in lakh)

Particulars Asset-I (Group-B)		2016-17 (Pro-rata for 169 days)	2017-18	2018-19
A	Opening Equity	293.42	307.61	313.16
B	Additions	14.19	5.55	17.12
C	Closing Equity (A+B)	307.61	313.16	330.28
D	Average Equity (A+C)/2	300.51	310.38	321.72
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	21.342	21.342	21.549
G	Rate of Return on Equity (in %)	19.705	19.705	19.758
H	Return on Equity (D*G)	27.42	61.16	63.56

(₹ in lakh)

Particulars Asset-I (Group-C)		2016-17 (Pro-rata for 241 days)	2017-18	2018-19
A	Opening Equity	716.19	750.74	764.25
B	Additions	34.55	13.51	41.68
C	Closing Equity (A+B)	750.74	764.25	805.93
D	Average Equity (A+C)/2	733.46	757.49	785.09
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	21.342	21.342	21.549
G	Rate of Return on Equity (in %)	19.705	19.705	19.758
H	Return on Equity (D*G)	95.43	149.26	155.12

(₹ in lakh)



Particulars		2018-19 (Pro-rata for 163 days)
Asset-II		
A	Opening Equity	201.16
B	Additions	0.00
C	Closing Equity (A+B)	201.16
D	Average Equity (A+C)/2	201.16
E	Return on Equity (Base Rate) (in %)	15.50
F	MAT Rate for respective year (in %)	21.549
G	Rate of Return on Equity (in %)	19.758
H	Return on Equity (D*G)	17.75

116. RoE claimed by the Petitioner and allowed in this order in respect of transmission assets is as follows:

(₹ in lakh)			
Asset-I	2016-17 (Pro-rata)	2017-18	2018-19
Approved by the Commission vide order dated 9.11.2021 in petition no.80/TT/2016 (Asset 1 as a whole)	637.17	953.15	955.71
Claimed by the Petitioner in the instant Petition (Asset 1 as a whole)	725.22	1115.19	1150.02
Approved in this order			
Asset-I (Group-A)	482.12	744.83	774.04
Asset-I (Group-B)	27.42	61.16	63.56
Asset-I (Group-C)	95.43	149.26	155.12
Total Approved	604.97	955.25	992.71

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

Asset-II	2018-19 (Pro-rata for 163 days)
Approved by the Commission vide order dated 9.11.2021 in Petition No.80/TT/2016	41.34
Claimed by the Petitioner in the instant Petition	17.70
Approved in this order	17.75

Interest on Working Capital



117. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations, and the trued-up IWC allowed for Asset-I and Asset-II is as follows:

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-A)	2016-17 (Pro-rata for 244 days)	2017-18	2018-19
A	Working Capital for O&M Expenses (O&M Expenses for one month)	36.48	33.81	34.93
B	Working Capital for Maintenance Spares (15% of O&M expenses)	65.66	60.85	62.87
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	306.90	308.33	319.38
D	Total Working Capital (A+B+C)	409.04	402.99	417.18
E	Rate of Interest for working capital (in %)	12.80	12.80	12.80
F	Interest of working capital (D*E)	35.00	51.58	53.40

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-B)	2016-17 (Pro-rata for 169 days)	2017-18	2018-19
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00
B	Working Capital for Maintenance Spares (15% of O&M expenses)	0.00	0.00	0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	18.90	19.48	20.19
D	Total Working Capital (A+B+C)	18.90	19.48	20.19
E	Rate of Interest for working capital (in %)	12.80	12.80	12.80
F	Interest of working capital (D*E)	1.12	2.49	2.58

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-C)	2016-17 (Pro-rata for 241 days)	2017-18	2018-19
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.75	3.88	4.01
B	Working Capital for Maintenance Spares (15% of O&M expenses)	6.76	6.98	7.22



Sl. No.	Particulars Asset-I (Group-C)	2016-17 (Pro-rata for 241 days)	2017-18	2018-19
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	54.02	55.69	57.71
D	Total Working Capital (A+B+C)	64.53	66.56	68.93
E	Rate of Interest for working capital (in %)	12.80	12.80	12.80
F	Interest of working capital (D*E)	5.45	8.52	8.82

(₹ in lakh)

Sl. No.	Particulars Asset-II	2018-19 (Pro-rata for 163 days)
A	Working Capital for O&M Expenses (O&M Expenses for one month)	7.22
B	Working Capital for Maintenance Spares (15% of O&M expenses)	12.99
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost/ annual transmission charges)	27.94
D	Total Working Capital (A+B+C)	48.15
E	Rate of Interest for working capital (in %)	12.20
F	Interest of working capital (D*E)	2.62

118. IWC claimed by the Petitioner for transmission assets and allowed in this order is as follows:

(₹ in lakh)

Asset-I	2016-17 (Pro-rata)	2017-18	2018-19
Approved by the Commission vide order dated 9.11.2021 in petition no.80/TT/2016 (Asset-I as a whole).	55.51	82.49	81.73
Claimed by the Petitioner in the instant Petition (Asset-I as a whole).	66.81	99.65	107.41
Approved in this order			
Asset-I (Group-A)	35.00	51.58	53.40
Asset-I (Group-B)	1.12	2.49	2.58
Asset-I (Group-C)	5.45	8.52	8.82
Total Approved	41.57	62.59	64.80

Note: Asset-I (Group D) shall be dealt with in the next tariff period.



(₹ in lakh)	
Asset-II	2018-19 (Pro-rata for 163 days)
Approved by the Commission vide order dated 9.11.2021 in petition no.80/TT/2016	3.97
Claimed by the Petitioner in the instant Petition	0.72
Approved in this order	2.62

Operation and Maintenance Expenses:

119. The Commission, by order dated 9.11.2021 in Petition No. 80/TT/2016, allowed the following O&M Expenses for transmission assets:

(₹ in lakh)			
Particulars	2016-17	2017-18	2018-19
Asset-I			
400 kV Bays (4 Numbers)	172.12*	266.04	274.84
220 kV Bays (4 Numbers)	120.12*	186.20	192.40
Asset-II			
400 kV Bus reactor Bay (1 Number)	0.00	0.00	30.68 [#]
Total	292.24*	452.24	497.92

**Pro-rata O&M Expenses for 160 MVA 220/132 kV ICT-2 bays have been considered from 3.8.2016 and other elements from 31.7.2016.*

#COD of reactor has been considered as 20.10.2018.

120. The Petitioner in the instant trued-up Petition has claimed the following O&M Expenses:

(₹ in lakh)			
Particulars	2016-17	2017-18	2018-19
Asset-1 & Asset-2			
400 kV Bays	10	10	11*
O&M expenses	430.00 [#]	665.10	755.81
220 kV Bays (4 Numbers)	10	10	10
O&M Expenses	301.16 [#]	465.50	481.00
Total O&M Expense	731.16	1,130.60	1,198.78

**Included 1 No 400 kV , 80 MVAr Bus reactor bay w.e.f. 20.10.2018*

#on pro-rata Basis considering the COD as on 31.7.2016

121. We have considered the Petitioner's submissions. It is observed that the Petitioner has also claimed the O&M Expenses for bus coupler bays and bus transfer bays. Since these bays are an integral and common part of the substation, O&M



Expenses are not allowed to be separately charged for bus coupler and bus transfer bays.

122. Further, Asset-I has been segregated into different groups based on their Commercial Operation Date (COD) in instant order, and therefore, as per regulation 29 (4) of the 2014 Tariff Regulations, the O&M charges for different groups of Asset-I and Asset-II are worked out as follows:

(₹ in lakh)			
Particulars	2016-17*	2017-18	2018-19
Asset-I			
Group-A Elements: COD: 31.7.2016			
Srinagar Substation: 400 kV Bays			
2 Nos, 315 MVA, 400/220 kV ICT-I & II (HV Side) 2 Nos 400 kV D/C Khandukhal (Srinagar)-GVK Line Bays			
Norms as per Regulation (Rs. Per Bay)	64.37	66.51	68.71
O&M Expenses	172.12	266.04	274.84
Srinagar Substation: 220 kV Bays			
2 Nos, 315 MVA, 400/220 kV ICT-I & II (LV Side) 1 Nos, 160 MVA, 220/132 kV ICT-I (HV Side)			
Norms as per Regulation (Rs. Per Bay)	45.06	46.55	48.10
O&M expenses	120.49	139.65	144.30
Group-C Elements: COD: 3.8.2016			
Srinagar Substation: 220 kV bays			
1 No, 160 MVA, 220/132 kV ICT-II (HV Side)			
Norms as per Regulation (Rs. Per Bay)	45.06	46.55	48.10
O&M Expenses	29.75	46.55	48.10
Total O&M Expenses	322.36	452.24	467.24
Asset-II: COD: 20.10.2018			
Srinagar Substation: 400 kV bays			
1 No. 80 MVAr Bus Reactor			
Norms as per Regulation (Rs. Per Bay)	64.37	66.51	68.71
O&M Expenses	-	-	38.68

Annual Fixed Charges for the 2014-19 Tariff Period

123. Annual Fixed Charges (AFC) for transmission assets for the Period 2014-19 are as follows:

(₹ in lakh)			
Annual Fixed Charges Asset-I (Group-A)	2016-17 (Pro-rata for 244 days)	2017-18	2018-19



Depreciation	421.25	647.87	669.71
Interest on Loan	0.00	0.00	0.00
Return on Equity	482.12	744.83	774.04
Interest on Working Capital	35.00	51.58	53.40
O & M Expenses	292.61	405.69	419.14
Total	1230.98	1849.98	1916.29

(₹ in lakh)

Annual Fixed Charges Asset-I (Group-B)	2016-17 (Pro-rata for 169 days)	2017-18	2018-19
Depreciation	23.96	53.20	55.00
Interest on Loan	0.00	0.00	0.00
Return on Equity	27.42	61.16	63.56
Interest on Working Capital	1.12	2.49	2.58
O & M Expenses	0.00	0.00	0.00
Total	52.49	116.85	121.14

(₹ in lakh)

Annual Fixed Charges Asset-I (Group-C)	2016-17 (Pro-rata for 241 days)	2017-18	2018-19
Depreciation	83.38	129.83	134.21
Interest on Loan	0.00	0.00	0.00
Return on Equity	95.43	149.26	155.12
Interest on Working Capital	5.45	8.52	8.82
O & M Expenses	29.75	46.55	48.10
Total	214.01	334.17	346.25

(₹ in lakh)

Annual Fixed Charges Asset-II	2017-18 (Pro-rata for 163 days)
Depreciation	15.81
Interest on Loan	0.00
Return on Equity	17.75
Interest on Working Capital	2.62
O & M Expenses	38.68
Total	74.86



124. Annual Fixed Charges (AFC) approved by the Commission, claimed by the Petitioner in this Petition and allowed in this order are as follows:

(₹ in lakh)

Asset-I	2016-17 (Pro-rata)	2017-18	2018-19
Approved by the Commission vide order dated 9.11.2021 in Petition No. 80/TT/2016 (Asset I as a whole).	2192.70	3233.38	3176.79
Claimed by the Petitioner in the instant Petition (Asset-I as a whole).	2158.01	3317.82	3456.61
Approved in this order			
Asset-I (Group-A)	1230.98	1849.98	1916.29
Asset-I (Group-B)	52.49	116.85	121.14
Asset-I (Group-C)	214.01	334.17	346.25
Total Approved	1497.48	2301.00	2383.68

Note: Asset-I (Group D) shall be dealt with in the next tariff period.

(₹ in lakh)

Asset-II	2018-19 (Pro-rata for 163 days)
Approved by the Commission vide order dated 9.11.2021 in Petition No.80/TT/2016	152.43
Claimed by the Petitioner in the instant Petition	34.23
Approved in this order	74.86

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

125. The Petitioner in the instant petition has claimed the following AFC in respect of transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Particulars	Asset-I				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1023.59	1027.75	1031.76	1029.82	1028.02
Interest on Loan	-	-	-	-	-
Return on Equity	1176.30	1128.15	1134.93	1132.78	1130.85
Interest on Working Capital	82.84	77.60	73.41	74.30	86.12
O&M expenses	1138.59	1162.09	1186.03	1211.04	1236.18
Total	3421.33	3395.59	3426.13	3447.94	3481.16

(₹ in lakh)

Particulars	Asset-II
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	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	35.40	35.40	35.40	35.40	35.40
Interest on Loan	-	-	-	-	-
Return on Equity	39.64	37.78	37.78	37.78	37.78
Interest on Working Capital	1.13	1.03	0.96	0.96	1.10
O&M expenses	-	-	-	-	-
Total	76.17	74.21	74.14	74.14	74.28

Capital Cost

126. Regulation 19 of the 2019 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 check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.

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

(a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;

(b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;

(c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;

(d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;

(e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;

(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;

(g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;

(h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;

(i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;

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

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

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

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

(o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT)

scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

(a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;

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

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

(d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and

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

(4) The capital cost in case of existing or new hydro generating station shall also include:

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

(b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

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

(b) De-capitalised Asset after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

(c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;

(d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and

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

Capital Cost

127. As mentioned above, Asset-I has been segregated into different groups based on their respective COD during the 2014-19 tariff period. The capital cost as on



31.3.2019, approved in this order for various elements of Asset-I (Groups A, B, and C) and Asset-II, shall be considered the opening capital cost as on 1.4.2019 for the purpose of determining AFC for the 2019-24 tariff period, in accordance with Regulation 19(3) of the 2019 Tariff Regulations. The details of the same are as follows:

(₹ in lakh)					
Sr. No	Particulars	COD	Capital Cost as on COD	ACE upto 31.3.2019	Capital Cost as on 31.3.2019
A	Asset-I : 400/220 kV, 315 MVA ICT-1 & ICT-2 and 160 MVA, 220/132 kV ICT-1 & 2 along with associated bays at Srinagar Substation.				
1	Group -A elements	31.7.2016	11912.66	1492.69	13405.35
2	Group -B elements	14.10.2016	978.06	122.85	1100.92
3	Group -C elements	3.8.2016	2387.30	299.14	2686.44
	Total				
B.	Asset-II: 80 MVar Bus Reactor				
	80 MVar Bus Reactor	20.10.2018	670.52	NIL	670.52

128. The COD of Asset-I (Group-D), i.e., 2 Nos. 220 kV D/C Khandukhal (Srinagar) - Baramwari line bays, is approved as of 13.11.2020, and as such, the capital cost for these bays will be determined according to the 2019 Tariff Regulations for determining AFC for the 2019-24 tariff period.

129. We have determined the capital cost of Asset-I (Group-D), i.e., 2 Nos 220 kV D/C Khandukhal (Srinagar) - Baramwari line bays," after adjusting for IEDC on a pro-rata basis as on COD, i.e., 13.11.2020, in line with the same methodology used for Asset-I (Groups A, B, and C), as mentioned above in this order, as follows:

(₹ in lakh)



Particulars Asset-I (Group-D)	Hard Cost Allowed as on COD (A)	Pro-rata apportioned Allowable IEDC (B)	Pro-rata apportioned Disallowed IEDC due to Time Overrun (C)	Pro-rata apportioned Allowed IEDC (D)	Total Capital Cost Allowed as on COD (i.e 13.11.2020) (E)
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	12.70	1.11	0.57	0.55	13.25
Building & Other Civil Works	20.51	1.80	0.91	0.88	21.39
Transmission Line	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	439.46	38.46	19.59	18.87	458.33
PLCC	11.71	1.02	0.52	0.50	12.21
Total	484.38	42.39	21.59	20.80	505.18

130. Accordingly, the capital cost as on COD (i.e. 13.11.2020) for Asset-I (Group-D) i.e., “ 2 Nos 220 kV D/C Khandukhal (Srinagar) -Baramwari line bays,” is considered as ₹505.18 lakh.

Time Overrun

131. As mentioned above, in this order, the Commission vide order dated 9.11.2021 in Petition No. 80/TT/2016 did not grant any liberty to the Petitioner to submit justifications with the supporting documents in respect of the delay not condoned, at the time of truing up. For this reason, we are not inclined to entertain the reasons for the delay with respect to the Group-D element of Asset-I. Thus, the summary of time delay condoned and not condoned in respect of the Ground-D element of Asset-I is as follows:

Particulars	Group -D elements
SCOD considered	26.5.2012
Time up to SCOD (months)	30
COD Approved	13.11.2020
Time over-run (months approximately)	102
Total time consumed (months approximately)	132
Time over-run condoned (months approximately)	34.77
Time over-run not condoned (months approximately)	67.23



Additional Capital Expenditure (ACE):

132. Regulations 24 and 25 of the 2019 Tariff Regulations provide as follows:

“24. Additional Capitalization

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

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

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

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

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

(1) The ACE 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. Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*
- b. Change in law or compliance of any existing law;*
- c. Deferred works relating to ash pond or ash handling system in the original scope of work;*
- d. Liability for works executed prior to the cut-off date;*
- e. Force Majeure events;*
- f. Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and*
- g. Raising of ash dyke as a part of ash disposal system.*

(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.”*

133. The Petitioner has claimed the following ACE for the 2019-24 tariff period in respect of transmission assets:

(₹ in Lakh)

Sr. No.	Particulars	ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Asset-I: Srinagar Substation					
1	Land	-	-	-	-	-
2	Building	-	248.54	-	-	-
3	Hydraulic Works	-	-	-	-	-
4	Civil Works	-	-	(7.96)	-	-
5	Substation Equipment	-	-	-	(68.44)	-
6	PLCC	-	-	-	-	-
7	Interest During Construction (IDC)	-	-	-	-	-
8	Incidental Expenditure During Construction (IEDC)	-	-	-	-	-
9	Establishment Expense	-	-	-	-	-
10	ADB Project Management Office Expense	-	-	-	-	-
	Total	-	248.54	(7.96)	(68.44)	-
B	Asset-II					
	80 MVar Bus reactor	-	-	-	-	-

134. As per Form-7 submitted by the Petitioner, the reasons or justifications for the ACE claimed or projected for transmission assets are as follows:

Sr. No.	Particulars	ACE			Reasons
		2020-21	2021-22	2022-23	
1	Asset-I : Srinagar Substation				
2	Building	248.54	-	-	Construction of 12 Nos of Type-II residences.
4	Civil Works	-	(7.96)	-	Adjustment of Civil Cost
5	Substation Equipment	-	-	(68.44)	Adjustment of retention money against the control room building. Excess

					retained money has been adjusted.
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135. We have considered the Petitioner's submission. It is observed that the Petitioner has claimed the ACE of ₹248.50 lakh for the 2019-24 tariff period against the construction of residential accommodation. However, the Petitioner has not submitted the Regulation under which the ACE has been projected for the 2019-24 tariff period. Therefore, as per Form-7 submitted by the Petitioner, ACE claim for the 2019-24 tariff period is hereby allowed, subject to the submission of detailed justifications and the Regulation under which the same has been projected, to be reviewed at the time of true-up.

136. Further, the ACE of (₹76.40) lakh {(₹7.96) lakh for FY 2021-22 and (₹68.44) lakh for FY 2022-23} claimed by the Petitioner against the adjustment of civil cost and retention money is hereby allowed.

137. Therefore, the net ACE of ₹172.14 lakh claimed by the Petitioner for the 2019-24 tariff period against Asset-I is hereby approved and further segregated into different elements of Asset-I, namely Groups A, B, C, and D, on a pro-rata basis, and the details are as follows:

Sl. No	Particulars	COD	(₹ in lakh)					
			Additional Capitalisation					Total
			2019-20	2020-21	2021-22	2022-23	2023-24	
1	Asset-I (Group -A)	31.7.2016	-	191.64	(6.03)	(51.82)	-	133.80
2	Asset-I (Group -B)	14.10.2016	-	15.77	(0.50)	(4.26)	-	11.0
3	Asset-I (Group -C)	3.8.2016	-	38.40	(1.21)	(10.38)	-	26.81
4	Asset-I (Group -D)	13.11.2020	-	2.73	(0.23)	(1.97)	-	0.53
	Total			248.54	(7.96)	(68.44)	-	172.14

138. Accordingly, the capital cost allowed in respect of transmission assets for the 2019-24 tariff period is summarised as under:



(₹ in lakh)

Particulars Asset-I (Group-A)	Total Capital Cost Allowed as on 31-03-2019	Additional Capital Expenditure Allowed					Total Capital Cost Allowed as on 31-03-2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	312.35	0.00	0.00	0.00	0.00	0.00	312.35
Building & Other Civil Works	875.24	0.00	191.64	-6.03	-51.82	0.00	1009.03
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	11929.84	0.00	0.00	0.00	0.00	0.00	11929.84
PLCC	287.92	0.00	0.00	0.00	0.00	0.00	287.92
Total	13405.35	0.00	191.64	-6.03	-51.82	0.00	13539.14

(₹ in Lakh)

Particulars Asset-I (Group-B)	Total Capital Cost Allowed as on 31-03-2019	Additional Capital Expenditure					Total Capital Cost Allowed as on 31-03-2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	25.64	0.00	0.00	0.00	0.00	0.00	25.64
Building & Other Civil Works	71.94	0.00	15.77	-0.50	-4.26	0.00	82.95
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	979.70	0.00	0.00	0.00	0.00	0.00	979.70
PLCC	23.64	0.00	0.00	0.00	0.00	0.00	23.64
Total	1100.92	0.00	15.77	-0.50	-4.26	0.00	1111.93

(₹ in lakh)

Particulars Asset-I (Group-C)	Total Capital Cost Allowed as on 31-03-2019	Additional Capital Expenditure					Total Capital Cost Allowed as on 31-03-2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	62.59	0.00	0.00	0.00	0.00	0.00	62.59
Building & Other Civil Works	175.40	0.00	38.40	-1.21	-10.38	0.00	202.21
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	2390.74	0.00	0.00	0.00	0.00	0.00	2390.74
PLCC	57.70	0.00	0.00	0.00	0.00	0.00	57.70
Total	2686.44	0.00	38.40	-1.21	-10.38	0.00	2713.25

(₹ in Lakh)



Particulars Asset-I (Group-D)	Total Capital Cost Allowed as on COD (13.11.2020)	Additional Capital Expenditure				Total Capital Cost Allowed as on 31-03-2024
		2020-21	2021-22	2022-23	2023-24	
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	13.25	0.00	0.00	0.00	0.00	13.25
Building & Other Civil Works	21.39	2.73	-0.23	-1.97	0.00	21.92
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	458.33	0.00	0.00	0.00	0.00	458.33
PLCC	12.21	0.00	0.00	0.00	0.00	12.21
Total	505.18	2.73	-0.23	-1.97	0.00	505.71

(₹ in lakh)

Particulars Asset-II	Total Capital Cost Allowed as on 31-03-2019	Additional Capital Expenditure					Total Capital Cost Allowed as on 31-03-2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipment	670.52	0.00	0.00	0.00	0.00	0.00	670.52
PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	670.52	0.00	0.00	0.00	0.00	0.00	670.52

Debt Equity Ratio:

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

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

Provided that:

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



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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

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

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

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

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

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

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

(₹ in lakh)

Asset-I (Group-A)				
Particulars	Amount as on 01.04.2019	Debt Equity Ratio (In %)	Amount as on 31.3.2024	Debt Equity Ratio (In %)
Debt	9383.75	70.00	9477.40	70.00
Equity	4021.61	30.00	4061.74	30.00



Total	13405.35	100.00	13539.14	100.00
Asset-I (Group-B)				
Particulars	Amount as on 01.04.2019	Debt Equity Ratio (In %)	Amount as on 31.3.2024	Debt Equity Ratio (In %)
Debt	770.64	70.00	778.35	70.00
Equity	330.28	30.00	333.58	30.00
Total	1100.92	100.00	1111.93	100.00
Asset-I (Group-C)				
Particulars	Amount as on 01.04.2019	Debt Equity Ratio (In %)	Amount as on 31.3.2024	Debt Equity Ratio (In %)
Debt	1880.50	70.00	1899.27	70.00
Equity	805.93	30.00	813.97	30.00
Total	2686.44	100.00	2713.25	100.00
Asset-I (Group-D)				
Particulars	Amount as on COD	Debt Equity Ratio (In %)	Amount as on 31.3.2024	Debt Equity Ratio (In %)
Debt	353.63	70.00	354.00	70.00
Equity	151.55	30.00	151.71	30.00
Total	505.18	100.00	505.71	100.00
Asset-II				
Particulars	Amount as on 01.04.2019	Debt Equity Ratio (In %)	Amount as on 31.3.2024	Debt Equity Ratio (In %)
Debt	469.36	70.00	469.36	70.00
Equity	201.16	30.00	201.16	30.00
Total	670.52	100.00	670.52	100.00

Depreciation

141. Regulation 33 of the 2019 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 case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission project taking into consideration the depreciation of individual units:



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

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

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

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

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

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

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

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

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the 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 station shall be spread over the balance useful life of the assets.

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

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

(8) In case of de-capitalization of 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 services.

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

(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof,

shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of –

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

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

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

142. The depreciation has been worked out based on the ACE as on 1.4.2019/COD and subsequently up to 31.03.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for transmission assets according to the depreciation rates specified in the 2019 Tariff Regulations. The depreciation allowed for transmission assets in accordance with the 2019 Tariff Regulations is as follows:

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-A)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	13405.35	13405.35	13596.99	13590.96	13539.14
B	Addition during the year 2019-24 due to ACE	0.00	191.64	-6.03	-51.82	0.00
C	Closing Capital Cost (A+B)	13405.35	13596.99	13590.96	13539.14	13539.14
D	Average Capital Cost (A+C)/2	13405.35	13501.17	13593.98	13565.05	13539.14
E	Average Capital Cost (90% depreciable assets)	13405.35	13501.17	13593.98	13565.05	13539.14
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	12064.82	12151.06	12234.58	12208.55	12185.23
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)	12064.82	12151.06	12234.58	12208.55	12185.23



Sl. No.	Particulars Asset-I (Group-A)	2019-20	2020-21	2021-22	2022-23	2023-24
J	Weighted average rate of Depreciation (WAROD) (in %)	5.1307	5.1180	5.1058	5.1096	5.1130
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)	687.79	690.99	694.09	693.12	692.26
N	Cumulative Depreciation at the end of the year	2426.62	3117.60	3811.69	4504.81	5197.07
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	9638.20	9033.45	8422.89	7703.74	6988.16

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	1100.92	1100.92	1116.69	1116.19	1111.93
B	Addition during the year 2019-24 due to ACE	0.00	15.77	-0.50	-4.26	0.00
C	Closing Capital Cost (A+B)	1100.92	1116.69	1116.19	1111.93	1111.93
D	Average Capital Cost (A+C)/2	1100.92	1108.80	1116.44	1114.06	1111.93
E	Average Capital Cost (90% depreciable assets)	1100.92	1108.80	1116.44	1114.06	1111.93
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	990.83	997.92	1004.79	1002.65	1000.73
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00



Sl. No.	Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23	2023-24
I	Total Depreciable Value (G+H)	990.83	997.92	1004.79	1002.65	1000.73
J	Weighted average rate of Depreciation (WAROD) (in %)	5.1306	5.1179	5.1057	5.1095	5.1129
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)	56.48	56.75	57.00	56.92	56.85
N	Cumulative Depreciation at the end of the year	188.63	245.38	302.38	359.31	416.16
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	802.19	752.54	702.41	643.35	584.58

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-C)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	2686.44	2686.44	2724.84	2723.63	2713.25
B	Addition during the year 2019-24 due to ACE	0.00	38.40	-1.21	-10.38	0.00
C	Closing Capital Cost (A+B)	2686.44	2724.84	2723.63	2713.25	2713.25
D	Average Capital Cost (A+C)/2	2686.44	2705.64	2724.23	2718.44	2713.25
E	Average Capital Cost (90% depreciable assets)	2686.44	2705.64	2724.23	2718.44	2713.25
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	2417.79	2435.07	2451.81	2446.59	2441.92



Sl. No.	Particulars Asset-I (Group-C)	2019-20	2020-21	2021-22	2022-23	2023-24
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)	2417.79	2435.07	2451.81	2446.59	2441.92
J	Weighted average rate of Depreciation (WAROD) (in %)	5.1307	5.1180	5.1058	5.1096	5.1130
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)	137.83	138.47	139.09	138.90	138.73
N	Cumulative Depreciation at the end of the year	485.26	623.73	762.82	901.73	1040.45
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	1932.54	1811.34	1688.98	1544.87	1401.47

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
A	Opening Capital Cost	505.18	507.91	507.68	505.71
B	Addition during the year 2019-24 due to ACE	2.73	-0.23	-1.97	0.00
C	Closing Capital Cost (A+B)	507.91	507.68	505.71	505.71
D	Average Capital Cost (A+C)/2	506.55	507.80	506.70	505.71
E	Average Capital Cost (90% depreciable assets)	506.55	507.80	506.70	505.71
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00



Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
G	Depreciable value (excluding IT equipment and software) (E*90%)	455.89	457.02	456.03	455.14
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	455.89	457.02	456.03	455.14
J	Weighted average rate of Depreciation (WAROD) (in %)	5.1674	5.1629	5.1669	5.1704
K	Lapsed useful life at the beginning of the year (Year)	0	0	1	2
L	Balance useful life at the beginning of the year (Year)	25	25	24	23
M	Depreciation during the year (D*J)	9.97	26.22	26.18	26.15
N	Cumulative Depreciation at the end of the year	9.97	36.19	62.37	88.51
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	445.92	420.83	393.66	366.63

(₹ in lakh)

Sl. No.	Particulars Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Capital Cost	670.52	670.52	670.52	670.52	670.52
B	Addition during the year 2019-24 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Capital Cost (A+B)	670.52	670.52	670.52	670.52	670.52
D	Average Capital Cost (A+C)/2	670.52	670.52	670.52	670.52	670.52
E	Average Capital Cost (90% depreciable assets)	670.52	670.52	670.52	670.52	670.52
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	603.47	603.47	603.47	603.47	603.47



Sl. No.	Particulars Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
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)	603.47	603.47	603.47	603.47	603.47
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)	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)	35.40	35.40	35.40	35.40	35.40
N	Cumulative Depreciation at the end of the year	51.21	86.62	122.02	157.42	192.83
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	552.25	516.85	481.45	446.04	410.64

143. Depreciation claimed by the Petitioner and allowed in this order in respect of Asset-I and Asset-II is as follows:

(₹ in lakh)					
Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition (Asset-I as a whole)	1023.59	1027.75	1031.76	1029.82	1028.02
Approved in this order:					
Asset-I (Group-A)	687.79	690.99	694.09	693.12	692.26
Asset-I (Group-B)	56.48	56.75	57.00	56.92	56.85
Asset-I (Group-C)	137.83	138.47	139.09	138.90	138.73
Asset-I (Group-D)	-	9.97	26.22	26.18	26.15
Total Approved	882.10	896.18	916.40	915.12	913.99
Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	35.40	35.40	35.40	35.40	35.40
Approved in this order	35.40	35.40	35.40	35.40	35.40



Interest on Loan (IoL)

144. The Petitioner has not claimed any IOL during the 2019-24 tariff period, as it was stated in the Petition that, in reference to the Government of Uttarakhand (GoU) letter dated 21.11.2020, regarding the sanctioned loan funded by ADB, the GoU clarified that the loan is to be repaid as an interest-free loan. Consequently, no interest on the loan is considered for the period of 2019-24.

Return on Equity (RoE)

145. Regulations 30 and 31 of the 2019 Tariff Regulations specify as under:

“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations. (2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope, excluding additional capitalization on account of emission control system, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.

Provided further that:

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

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

iii.

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.



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

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

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

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

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

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

146. The Petitioner has submitted that the MAT rate applies to it. Accordingly, the MAT rate for the 2019-24 tariff period has been used for calculating the RoE, which will be trued up with the actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE allowed for transmission assets is as follows:

(₹ in lakh)



Sl. No.	Particulars Asset-I (Group-A)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	4021.61	4021.61	4079.10	4077.29	4061.74
B	Addition due to ACE	0.00	57.49	-1.81	-15.55	0.00
C	Closing Equity (A+B)	4021.61	4079.10	4077.29	4061.74	4061.74
D	Average Equity (A+C)/2	4021.61	4050.35	4078.19	4069.52	4061.74
E	Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	755.34	760.74	765.97	764.34	762.88

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	330.28	330.28	335.01	334.86	333.58
B	Addition due to ACE	0.00	4.73	-0.15	-1.28	0.00
C	Closing Equity (A+B)	330.28	335.01	334.86	333.58	333.58
D	Average Equity (A+C)/2	330.28	332.64	334.93	334.22	333.58
E	Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	62.03	62.48	62.91	62.77	62.65

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-C)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	805.93	805.93	817.45	817.09	813.97
B	Addition due to ACE	0.00	11.52	-0.36	-3.11	0.00
C	Closing Equity (A+B)	805.93	817.45	817.09	813.97	813.97
D	Average Equity (A+C)/2	805.93	811.69	817.27	815.53	813.97
E	Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	151.37	152.45	153.50	153.17	152.88

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
A	Opening Equity	151.55	152.37	152.30	151.71
B	Addition due to ACE	0.82	-0.07	-0.59	0.00



Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
C	Closing Equity (A+B)	152.37	152.30	151.71	151.71
D	Average Equity (A+C)/2	151.96	152.34	152.01	151.71
E	Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	10.87	28.61	28.55	28.49

(₹ in lakh)

Sl. No.	Particulars Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	201.16	201.16	201.16	201.16	201.16
B	Addition due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	201.16	201.16	201.16	201.16	201.16
D	Average Equity (A+C)/2	201.16	201.16	201.16	201.16	201.16
E	Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	37.78	37.78	37.78	37.78	37.78

147. ROE claimed by the Petitioner and allowed concerning the transmission assets in this order is as follows:

(₹ in lakh)

Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	1176.30	1128.15	1134.93	1132.78	1130.85
Approved in this order:					
Asset-I (Group-A)	755.34	760.74	765.97	764.34	762.88
Asset-I (Group-B)	62.03	62.48	62.91	62.77	62.65
Asset-I (Group-C)	151.37	152.45	153.50	153.17	152.88
Asset-I (Group-D)		10.87	28.61	28.55	28.49
Total Approved	968.74	986.54	1010.99	1008.83	1006.90
Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	39.64	37.78	37.78	37.78	37.78
Approved in this order	37.78	37.78	37.78	37.78	37.78



148. ROE claimed by the Petitioner and allowed in the instant order concerning the transmission assets is as follows:

(₹ in lakh)					
Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition (Asset 1 as a whole)	1176.30	1128.15	1134.93	1132.78	1130.85
Approved in this order:					
Asset-I (Group-A)	755.34	760.74	765.97	764.34	762.88
Asset-I (Group-B)	62.03	62.48	62.91	62.77	62.65
Asset-I (Group-C)	151.37	152.45	153.50	153.17	152.88
Asset-I (Group-D)		10.87	28.61	28.55	28.49
Total Approved	968.74	986.54	1010.99	1008.83	1006.90
Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition	39.64	37.78	37.78	37.78	37.78
Approved in this order	37.78	37.78	37.78	37.78	37.78

Interest on Working Capital (IWC)

149. Regulation 34(1)(c), 34(3), 34(4) and 3(7) of the 2019 Tariff Regulations provide as follows:

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

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

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

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

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

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

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

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

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



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

(₹ in lakh)						
Sl. No.	Particulars Asset-I (Group-A)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	38.41	39.78	41.18	42.65	44.10
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	69.13	71.61	74.12	76.77	79.38
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	239.24	242.75	245.60	247.53	249.48
D	Total Working Capital (A+B+C)	346.77	354.14	360.91	366.95	372.96
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	41.79	39.84	37.90	38.53	44.76

(₹ in lakh)							
Sl. No.	Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23		2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	0.00	0.00	0.00	0.00		0.00



Sl. No.	Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23		2023-24
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	0.00	0.00	0.00	0.00		0.00
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	14.79	14.91	14.98	14.95		14.91
D	Total Working Capital (A+B+C)	14.79	14.91	14.98	14.95		14.91
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50		12.00
F	Interest on working capital (D*E)	1.78	1.68	1.57	1.57		1.79

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-C)	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.14	5.33	5.52	5.71	5.91
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.26	9.59	9.93	10.27	10.64
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	44.01	44.58	45.02	45.24	45.49
D	Total Working Capital (A+B+C)	58.41	59.50	60.46	61.22	62.05
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	7.04	6.69	6.35	6.43	7.45

(₹ in lakh)

Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.88	4.02	4.16	4.31



Sl. No.	Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.99	7.24	7.49	7.75
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	12.82	13.02	13.22	13.45
D	Total Working Capital (A+B+C)	23.70	24.28	24.87	25.51
E	Rate of Interest for working capital (%)	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	1.02	2.55	2.61	3.06

(₹ in lakh)

Sl. No.	Particulars Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.68	2.77	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	4.82	4.99	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	13.26	13.42	13.55	13.70	13.87
D	Total Working Capital (A+B+C)	20.76	21.18	21.59	22.02	22.48
E	Rate of Interest for working capital (%)	12.05	11.25	10.50	10.50	12.00
F	Interest on working capital (D*E)	2.50	2.38	2.27	2.31	2.70

151. IWC claimed by the Petitioner and allowed in this order concerning transmission assets is as follows:

(₹ in lakh)

Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition.	82.84	77.60	73.41	74.30	86.12
Approved in this order:					
Asset-I (Group-A)	41.79	39.84	37.90	38.53	44.76
Asset-I (Group-B)	1.78	1.68	1.57	1.57	1.79



Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I (Group-C)	7.04	6.69	6.35	6.43	7.45
Asset-I (Group-D)		1.02	2.55	2.61	3.06
Total Approved	50.61	49.23	48.37	49.14	57.06
Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition.	1.13	1.03	0.96	0.96	1.10
Approved in this order	2.50	2.38	2.27	2.31	2.70

Operation and Maintenance Expenses

152. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as follows:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1666	1725	1785	1848	1913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2252	2331	2413	2498	2586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2468	2555	2645	2738	2834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1696	1756	1817	1881	1947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2563	2653	2746	2842	2942

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

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;*
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;*
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2500 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);*
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;*
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and*
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years*

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

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

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise

actual capital spares consumed at the time of truing up with appropriate justification.”

153. The petitioner in this Petition has claimed the O&M Expenses for the 2019-24 tariff period for the transmission assets, and the same are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I : Srinagar substation					
400 kV bays (in Nos)	11	11	11	11	11
220 kV bays (in Nos)	10	10	10	10	10
400 kV ICTs (in Nos)	2	2	2	2	2
220 kV ICTs (in Nos)	2	2	2	2	2
O&M Expenses for bays	834.65	847.08	859.95	873.26	887.01
O&M Expenses for ICTS	303.94	315.01	326.08	337.78	349.17
Total O&M Expenses	1138.59	1162.09	1186.03	1211.04	1236.18

154. We have considered the Petitioner’s submissions. It is observed that the Petitioner has also claimed the O&M Expenses for bus coupler bays and bus transfer bays. Since these bays are integral and common parts of the substation, O&M Expenses are not allowed to be separately charged for bus coupler and bus transfer bays.

155. Furthermore, it is observed that the Petitioner has considered the 400 kV bay for the 80 MVar bus reactor under Asset-I and has claimed the O&M Expenses, which shall be calculated separately because the 400 kV, 80 MVar bus reactor, along with the associated bay, is being treated as Asset-II separately in this order. Therefore, as per Regulation 35(3)(a) of the 2019 Tariff Regulation, the O&M Expenses for the transmission assets are worked out as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1					
Group-A Elements: COD: 31.7.2016					
Srinagar Substation: 400 kV Bays					
2 Nos, 315 MVA, 400/220 kV ICT-I & II (HV Side) 2 Nos 400 kV D/C Khandukhal (Srinagar) - GVK Line Bays					



Norms as per Regulation (Rs. Per Bay)	32.15	33.28	34.45	35.66	36.91
O&M expenses	128.60	133.12	137.80	142.64	147.64
Srinagar Substation: 220 kV Bays					
2 Nos, 315 MVA, 400/220 kV ICT-I & II (LV Side) 1 No, 160 MVA, 220/132 kV ICT-I (HV Side)					
Norms as per Regulation (Rs. Per Bay)	22.51	23.30	24.12	24.96	25.84
O&M expenses	67.53	69.90	72.36	74.88	77.52
Srinagar Substation: 400/220 kV ICTs					
2 Nos, 315 MVA, 400/220 kV ICT-I & II					
Norms as per Regulation (Rs. Per MVA)	0.358	0.371	0.384	0.398	0.411
O&M Expenses	225.54	233.73	241.92	250.74	258.93
Srinagar Substation: 220/132 kV ICTs					
1 No, 160 MVA, 220/132 kV ICT-I					
Norms as per Regulation (Rs. Per MVA)	0.245	0.254	0.263	0.272	0.282
O&M Expenses	39.20	40.64	42.08	43.52	45.12
Group-C Elements: COD: 3.8.2016					
Srinagar Substation: 220 kV bays					
1 No, 160 MVA, 220/132 kV ICT-II (HV Side)					
Norms as per Regulation (Rs. Per Bay)	22.51	23.30	24.12	24.96	25.84
O&M expenses	22.51	23.30	24.12	24.96	25.84
Srinagar Substation: 220/132 kV ICTs					
1 No, 160 MVA, 220/132 kV ICT-II					
Norms as per Regulation (Rs. Per MVA)	0.245	0.254	0.263	0.272	0.282
O&M expenses	39.20	40.64	42.08	43.52	45.12
Group-D Elements: COD: 13.11.2020					
Srinagar Substation: 220 kV Bays					
2 Nos 220 kV D/C Khandukhal (Srinagar) - Baramwari Line Bays					
Norms as per Regulation (Rs. Per Bay)	22.51	23.30	24.12	24.96	25.84
O&M expenses	-	17.75*	48.24	49.92	51.68
Total O&M expenses	522.58	559.08	608.60	630.18	651.85
Asset-II: COD: 20.10.2018					
Srinagar Substation: 400 kV Bays					
1 No, 80 MVAr Bus Reactor					
Norms as per Regulation (Rs. Per Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses	32.15	33.28	34.45	35.66	36.91

**On a pro-rata basis as per the respective COD*

156. The summary of the O&M Expenses allowed relating to the transmission assets is as follows:

(₹ in lakh)

Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I (Group-A)	460.87	477.39	494.16	511.78	529.21
Asset-I (Group-B)	0.00	0.00	0.00	0.00	0.00
Asset-I (Group-C)	61.71	63.94	66.20	68.48	70.96
Asset-I (Group-D)		17.75 (Pro-rata for 139 days)	48.24	49.92	51.68
Asset-II	32.15	33.28	34.45	35.66	36.91

Annual Fixed Charges for 2019-24 Tariff Period

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

(₹ in lakh)

Particulars Asset-I (Group-A)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	687.79	690.99	694.09	693.12	692.26
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	755.34	760.74	765.97	764.34	762.88
Operation & Maintenance Expenses	460.87	477.39	494.16	511.78	529.21
Interest on Working Capital	41.79	39.84	37.90	38.53	44.76
Total	1945.78	1968.95	1992.11	2007.77	2029.10

(₹ in lakh)

Particulars Asset-I (Group-B)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	56.48	56.75	57.00	56.92	56.85
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	62.03	62.48	62.91	62.77	62.65
Operation & Maintenance Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.78	1.68	1.57	1.57	1.79
Total	120.30	120.90	121.48	121.26	121.29

(₹ in lakh)

Particulars Asset-I (Group-C)	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	137.83	138.47	139.09	138.90	138.73



Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	151.37	152.45	153.50	153.17	152.88
Operation & Maintenance Expenses	61.71	63.94	66.20	68.48	70.96
Interest on Working Capital	7.04	6.69	6.35	6.43	7.45
Total	357.95	361.56	365.14	366.98	370.01

(₹ in lakh)

Particulars Asset-I (Group-D)	2020-21 (Pro-rata for 139 days)	2021-22	2022-23	2023-24
Depreciation	9.97	26.22	26.18	26.15
Interest on Loan	0.00	0.00	0.00	0.00
Return on Equity	10.87	28.61	28.55	28.49
Operation & Maintenance Expenses	17.75	48.24	49.92	51.68
Interest on Working Capital	1.02	2.55	2.61	3.06
Total	39.60	105.62	107.26	109.38

(₹ in lakh)

Particulars Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	35.40	35.40	35.40	35.40	35.40
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	37.78	37.78	37.78	37.78	37.78
Operation & Maintenance Expenses	32.15	33.28	34.45	35.66	36.91
Interest on Working Capital	2.50	2.38	2.27	2.31	2.70
Total	107.84	108.85	109.90	111.16	112.79

158. AFC claimed by the Petitioner and allowed in the current order concerning the transmission assets is as follows:

(₹ in lakh)

Asset-I	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition.	3421.33	3395.59	3426.13	3447.94	3481.16
Approved in this order:					
Asset-I (Group-A)	1945.78	1968.95	1992.11	2007.77	2029.10
Asset-I (Group-B)	120.30	120.90	121.48	121.26	121.29
Asset-I (Group-C)	357.95	361.56	365.14	366.98	370.01
Asset-I (Group-D)	-	39.60	105.62	107.26	109.38
Total Approved	2424.03	2491.01	2584.35	2603.27	2629.78
Asset-II	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner in the instant Petition.	76.17	74.21	74.14	74.14	74.28
Approved in this order	107.84	108.85	109.90	111.16	112.79



Sharing of Transmission Charges:

159. As regards sharing of transmission charges, the Commission, vide order dated 19.2.2021 in Petition No. 80/TT/2016 observed that the subject transmission assets are connected to the grid through Vishnuprayag - Muzaffarnagar Transmission Line and has been declared as deemed ISTS and held that the CTU shall raise the bill in accordance with the provisions of the Regulation 15(2)(b) (second bill to the DICs) and Regulation 15(2)(a) (first bill to the DICs) of the Central Electricity Regulatory Commission (Sharing of inter- State transmission Charges and Losses) Regulations, 2020 (2020 Sharing Regulations). The relevant extracts of the order are as follows:

“168. We have considered the submissions of the parties. It is observed that UITP was granted deemed ISTS status in order dated 31.1.2013 in Petition No. 133/MP/2012. The assets covered in the instant petition have been in regular service after successful trial operation. The Petitioner has furnished details of power flow through the transmission assets. The Commission in order dated 20.4.2018 while granting provisional tariff for the transmission assets held that the entire tariff approved for the transmission assets has to be borne by UPCL. However, considering the fact that the subject transmission asset has been in regular service with effect from 31.7.2016, is connected to the grid through Vishnuprayag - Muzaffarnagar Transmission Line and has been declared as deemed ISTS, the transmission charges of the said transmission assets shall be recovered from the ISTS charges pool.

169. Accordingly, the arrears of the transmission charges from the date of commercial operation till the billing period commensurate with the date of issue of this order shall be raised by the CTU in accordance with the provisions of the Regulation 15(2)(b) (second bill to the DICs) and bills for the subsequent billing periods shall be raised in accordance with the provisions of Regulation 15(2)(a) (first bill to the DICs) of the Central Electricity Regulatory Commission (Sharing of inter- State transmission Charges and Losses) Regulations, 2020”

160. In view of the above, the transmission charges from the date of commercial operation till the billing period commensurate with the date of issue of this order shall be raised by the CTUIL in accordance with the provisions of the Regulation 15(2)(b) (second bill to the DICs) and bills for the subsequent billing periods shall be raised in accordance with the provisions of Regulation 15(2)(a) (first bill to the DICs) of the 2020 Sharing Regulations.



Filing Fee and the Publication Expenses

161. The Petitioner has sought reimbursement of the fee it paid for filing the Petition and publication expenses.

162. The Petitioner shall be entitled to reimbursement of the filing fees and publication expenses in connection with the present Petition, directly from the beneficiaries on a pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations. Licence Fee & RLDC Fees and Charges

163. The Petitioner has sought reimbursement of the licensee fee under Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall be entitled to reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled to recovery of the RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019 -24 tariff period.

164. Annexure-I and Annexure-II attached hereinafter shall form part of this order.

165. This order disposes of Petition No. 186/TT/2024 in terms of the above discussions and findings.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Duadani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



Annexure-I:

Particulars Asset-I (Group-A)	Admitted Capital Cost as on COD /31.3.201 4	Admitted ACE				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciati on as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)		
		2016-17	2017-18	2018-19	Total			2016-17	2017-18	2018-19
Capital Expenditur e										
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Leasehold Land	312.35	0.00	0.00	0.00	0.00	312.35	3.34%	10.43	10.43	10.43
Building & Other Civil Works	504.48	122.90	224.74	23.12	370.76	875.24	3.34%	18.90	24.71	28.85
Transmissi on Line	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00
Sub-Station Equipment	10807.91	451.73	0.00	670.20	1121.93	11929.84	5.28%	582.58	594.51	612.20
PLCC	287.92	0.00	0.00	0.00	0.00	287.92	6.33%	18.23	18.23	18.23
Total	11912.66	574.63	224.74	693.32	1492.69	13405.35		630.14	647.87	669.71
							Average Gross Block (₹ in lakh)	12199.98	12599.66	13058.7
							Weighted Average Rate of Depreciati on %	5.165	5.142	5.128

Particulars Asset-I (Group-B)	Admitted Capital Cost as on COD /31.3.2014	Admitted ACE				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)		
Capital Expenditure		2016-17	2017-18	2018-19	Total			2016-17	2017-18	2018-19
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Leasehold Land	25.64	0.00	0.00	0.00	0.00	25.64	3.34%	0.86	0.86	0.86
Building & Other Civil Works	41.42	10.12	18.50	1.90	30.52	71.94	3.34%	1.55	2.03	2.37
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00
Sub-Station Equipment	887.36	37.18	0.00	55.16	92.33	979.70	5.28%	47.83	48.82	50.27
PLCC	23.64	0.00	0.00	0.00	0.00	23.64	6.33%	1.50	1.50	1.50
Total	978.06	47.29	18.50	57.06	122.85	1100.92		51.74	53.20	55.00
							Average Gross Block (₹ in lakh)	1001.711	1034.607	1072.39
							Weighted Average Rate of Depreciation %	5.165	5.142	5.128

Particulars Asset-I (Group-C)	Admitted Capital Cost as on COD /31.3.2014	Admitted ACE				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)		
Capital Expenditure		2016-17	2017-18	2018-19	Total			2016-17	2017-18	2018-19
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Leasehold Land	62.59	0.00	0.00	0.00	0.00	62.59	3.34%	2.09	2.09	2.09
Building & Other Civil Works	101.10	24.63	45.04	4.63	74.30	175.40	3.34%	3.79	4.95	5.78
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00
Sub-Station Equipment	2165.91	90.53	0.00	134.31	224.83	2390.74	5.28%	116.75	119.14	122.69
PLCC	57.70	0.00	0.00	0.00	0.00	57.70	6.33%	3.65	3.65	3.65
Total	2387.30	115.16	45.04	138.94	299.14	2686.44		126.28	129.83	134.21
							Average Gross Block (₹ in lakh)	2444.88	2524.97	2616.96
							Weighted Average Rate of Depreciation %	5.165	5.142	5.128

Particulars Asset-II	Admitted Capital Cost as on COD /31.3.2014	Admitted ACE		Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulation (%)	Annual Depreciation as per Regulations (₹ in lakh)
Capital Expenditure		2018-19	Total			2018-19
Freehold Land	0.00	0.00	0.00	0.00	0.00%	0.00
Leasehold Land	0.00	0.00	0.00	0.00	3.34%	0.00
Building & Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28%	0.00
Sub-Station Equipment	670.52	0.00	0.00	670.52	5.28%	35.40
PLCC	0.00	0.00	0.00	0.00	6.33%	0.00
IT Equipment	0.00	0.00	0.00	0.00	5.28%	0.00
Total	670.52	0.00	0.00	670.52		35.40
					Average Gross Block (₹ in lakh)	670.52
					Weighted Average Rate of Depreciation %	5.280

Annexure-II:

Particulars Asset-I (Group-A)	Admitted Capital Cost as on 31.3.2019	Admitted ACE						Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciati on as per Regulatio n (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure														
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Leasehold Land	312.35	0.00	0.00	0.00	0.00	0.00	0.00	312.35	3.34%	10.43	10.43	10.43	10.43	10.43
Building & Other Civil Works	875.24	0.00	191.64	-6.03	-51.82	0.00	133.79	1009.03	3.34%	29.23	32.43	35.53	34.57	33.70
Transmissio n Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipments	11929.84	0.00	0.00	0.00	0.00	0.00	0.00	11929.84	5.28%	629.90	629.90	629.90	629.90	629.90
PLCC	287.92	0.00	0.00	0.00	0.00	0.00	0.00	287.92	6.33%	18.23	18.23	18.23	18.23	18.23
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	13405.35	0.00	191.64	-6.03	-51.82	0.00	133.79	13539.14		687.79	690.99	694.09	693.12	692.26
									Average Gross Block (₹ in lakh)	13405.35	13501.17	13593.98	13565.05	13539.14
									Weighted Average Rate of Depreciati on %	5.131	5.118	5.106	5.110	5.113

Particulars Asset-I (Group-B)	Admitted Capital Cost as on 31.3.2019	Admitted ACE						Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciati on as per Regulatio n (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure														
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Leasehold Land	25.64	0.00	0.00	0.00	0.00	0.00	0.00	25.64	3.34%	0.86	0.86	0.86	0.86	0.86
Building & Other Civil Works	71.94	0.00	15.77	-0.50	-4.26	0.00	11.01	82.95	3.34%	2.40	2.67	2.92	2.84	2.77
Transmissio n Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipments	979.70	0.00	0.00	0.00	0.00	0.00	0.00	979.70	5.28%	51.73	51.73	51.73	51.73	51.73
PLCC	23.64	0.00	0.00	0.00	0.00	0.00	0.00	23.64	6.33%	1.50	1.50	1.50	1.50	1.50
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	1100.92	0.00	15.77	-0.50	-4.26	0.00	11.01	1111.93		56.48	56.75	57.00	56.92	56.85
									Average Gross Block (₹ in lakh)	1100.92	1108.8	1116.44	1114.06	1111.93
									Weighted Average Rate of Depreciati on %	5.131	5.118	5.106	5.109	5.113

Particulars Asset-I (Group-C)	Admitted Capital Cost as on 31.3.2019	Admitted ACE						Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciati on as per Regulatio n (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure														
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Leasehold Land	62.59	0.00	0.00	0.00	0.00	0.00	0.00	62.59	3.34%	2.09	2.09	2.09	2.09	2.09
Building & Other Civil Works	175.40	0.00	38.40	-1.21	-10.38	0.00	26.81	202.21	3.34%	5.86	6.50	7.12	6.93	6.75
Transmissio n Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipments	2390.74	0.00	0.00	0.00	0.00	0.00	0.00	2390.74	5.28%	126.23	126.23	126.23	126.23	126.23
PLCC	57.70	0.00	0.00	0.00	0.00	0.00	0.00	57.70	6.33%	3.65	3.65	3.65	3.65	3.65
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	2686.44	0.00	38.40	-1.21	-10.38	0.00	26.81	2713.25		137.83	138.47	139.09	138.90	138.73
									Average Gross Block (₹ in lakh)	2686.44	2705.64	2724.23	2718.44	2713.25
									Weighted Average Rate of Depreciati on %	5.131	5.118	5.106	5.110	5.113

Particulars Asset-I (Group-D)	Admitted Capital Cost as on COD /31.3.2019	Admitted ACE					Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciat ion as per Regulatio n (%)	Annual Depreciation as per Regulations (₹ in lakh)			
		2020-21	2021-22	2022-23	2023-24	Total			2020-21	2021-22	2022-23	2023-24
Capital Expenditure												
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00
Leasehold Land	13.25	0.00	0.00	0.00	0.00	0.00	13.25	3.34%	0.44	0.44	0.44	0.44
Building & Other Civil Works	21.39	2.73	-0.23	-1.97	0.00	0.53	21.92	3.34%	0.76	0.80	0.77	0.73
Transmissio n Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00
Sub-Station Equipments	458.33	0.00	0.00	0.00	0.00	0.00	458.33	5.28%	24.20	24.20	24.20	24.20
PLCC	12.21	0.00	0.00	0.00	0.00	0.00	12.21	6.33%	0.77	0.77	0.77	0.77
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00
Total	505.18	2.73	-0.23	-1.97	0.00	0.53	505.71		26.18	26.22	26.18	26.15
								Average Gross Block (₹ in lakh)	506.55	507.80	506.70	505.71
								Weighted Average Rate of Depreciati on %	5.167	5.163	5.167	5.170

Particulars Asset-II	Admitted Capital Cost as on 31.3.2019	Admitted ACE						Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciati on as per Regulatio n (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-20	2020-21	2021-22	2022-23	2023-24	Total			2019-20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure														
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmissio n Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
Sub-Station Equipments	670.52	0.00	0.00	0.00	0.00	0.00	0.00	670.52	5.28%	35.40	35.40	35.40	35.40	35.40
PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33%	0.00	0.00	0.00	0.00	0.00
IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00	0.00	0.00	0.00	0.00
Total	670.52	0.00	0.00	0.00	0.00	0.00	0.00	670.52		35.40	35.40	35.40	35.40	35.40
									Average Gross Block (₹ in lakh)	670.52	670.52	670.52	670.52	670.52
									Weighted Average Rate of Depreciati on %	5.280	5.280	5.280	5.280	5.280