

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 196/TT/2025

Coram:

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

Date of Order: 28.01.2026

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulations 15(1)(a) and 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, for truing up of the transmission tariff for the 2019-24 period and determination of the transmission tariff for the 2024-29 period for Asset-1: 50 MVAR Line Reactor at Jaipur (South) in 400 kV D/C Kota - Jaipur (South) line (Part of 400 kV D/C RAPP- Jaipur TL) utilized as Bus Reactor at Jaipur (South) Sub-station and Asset-2: 400 kV D/C Kota - Jaipur (South) line along with associated bays at Kota and Jaipur (South) (Part of RAPP-Jaipur (S) 400 kV D/C line with one Ckt LILLO at Kota) under the "Transmission System associated with RAPP 7 & 8, Part-B" in the Northern Region.

And in the matter of:

Power Grid Corporation of India Limited,
'SAUDAMINI', Plot No. 2,
Sector-29, Gurugram-122 001
(Haryana).

...Petitioner

Versus

1. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226 001.
(Uttar Pradesh)

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 – 342 003.
(Rajasthan)
- 5. Himachal Pradesh State Electricity Board Limited,**
Vidyut Bhawan,
Kumar House Complex Building II,
Shimla-171 004.
- 6. Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala - 147 001.
(Punjab)
- 7. Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula - 134 109.
(Haryana)
- 8. Jammu Kashmir Power Corporation Limited,**
220/66/33 kV Gladni SS SLDC Building ,
Narwal.
(Jammu)
- 9. BSES Yamuna Power Limited,**
B-Block, Shakti Kiran, Building,
(Near Karkadooma Court),
Karkadooma, 2nd Floor,
New Delhi-110092.
(New Delhi)
- 10. BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
(New Delhi)



11. Tata Power Delhi Distribution Limited,

33 kV Sub-station, Building,
Hudson Lane, Kingsway Camp,
North Delhi – 110 009.
(Delhi)

12. Chandigarh Electricity Department,

Chandigarh Administration,
Sector -9, Chandigarh.
(Chandigarh)

13. Uttarakhand Power Corporation Limited,

Urja Bhawan, Kanwali Road,
Dehradun.
(Uttarakhand)

14. North Central Railway

Allahabad.

15. New Delhi Municipal Council,

Palika Kendra, Sansad Marg,
New Delhi-110 002.
(New Delhi)

16. Nuclear Power Corporation of India Limited,

Corporate office, Nabhikiya Urja Bhavan,
Anushaktinagar, Mumbai – 400 094.
(Maharashtra)

...Respondent(s)

For Petitioner: Shri Zafrul Hassan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vijay G., PGCIL
Shri Anshul Garg, PGCIL
Shri Divyanshu Mishra, PGCIL
Shri Piyush Avasthi, PGCIL
Shri Arjun Malhotra, PGCIL

For Respondents: Shri Naman Sarawat, Advocate, NPCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as “the Petitioner”), a deemed transmission licensee,



for the true-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”), and for the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”), in respect of the following assets (hereinafter referred to as “the transmission assets”) under POWERGRID works associated with “Transmission System associated with RAPP 7 & 8, Part-B” in the Northern Region (hereinafter referred to as “the transmission project”).

Asset-1: 50 MVAR Line Reactor at Jaipur (South) in 400 kV D/C Kota-Jaipur (South) line (Part of 400 kV D/C Rapp-Jaipur TL) utilized as Bus Reactor at Jaipur (South) Sub-station.

Asset-2: 400 kV D/C Kota - Jaipur (South) line along with associated bays at Kota and Jaipur (South) (Part of RAPP-Jaipur (S) 400 kV D/C line with one Ckt LILO at Kota)

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

“(a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 16 and 17 above.

(b) Admit the capital cost claimed and additional capitalization incurred during 2019-24.

(c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 16 and 17 above for respective block.

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

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

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



- (g) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 23 above.
- (h) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 23 above.
- (i) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares as per actual as mentioned at Para 23 above.
- (j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 24 above.
- (k) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.
- and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice”.

Background

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

- a) The Investment Approval (IA) and expenditure sanction in respect of the transmission project were accorded by the Board of Directors of the Petitioner vide Memorandum dated 24.7.2015, at an estimated cost of ₹30718 lakh, including an Interest During Construction (IDC) of ₹1891 lakh, based on April 2015 price levels.
- b) The scope of work covered under the transmission project is as follows:

Transmission Lines:

- (i) Kota - Jaipur (South) 400 kV D/C line (part of RAPP-Jaipur (South) 400 kV D/C line with one Ckt LILOed at Kota.

Sub-stations:

- (ii) Extension of 400/220 kV Jaipur (South) Sub-station
- a. 2 numbers 400 kV line bays at Jaipur (South)
- (iii) Extension of 400/220 kV Kota Sub-station
- a. 1 number 400 kV line bays at Kota
- b. Realignment line works near Kota so as to achieve the approved system configuration which is RAPP-Jaipur (South) 400 kV D/C line with one Ckt LILOed at Kota.



Reactive Compensation:

Sl. No.	Component	Line Shunt Reactor- from bus (RAPP end) by NPCIL	Line Reactor- To bus (by POWERGRID)
1	RAPP 7&8- Jaipur (South) 400 kV line	50 MVAR	50 MVAR

Note: Bays and Reactors at the generation switchyard would be provided by NPCIL

- c) The entire scope of work under the transmission project has been completed and is covered in the instant Petition.
- d) The transmission tariff in respect of the transmission assets was approved by the Commission from their respective CODs to 31.3.2019 vide order dated 5.2.2020 in Petition No. 283/TT/2018.

The Commission, vide order dated 31.12.2021 in Petition No. 40/TT/2021, trued up the transmission tariff for the 2014-19 period and determined the transmission tariff for the 2019-24 period in respect of the transmission assets.

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

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

6. This order is issued considering the submissions made by the Petitioner in this Petition vide affidavits dated 27.9.2024, 21.4.2025, reply of NPCIL filed vide affidavit



dated 3.6.2025, and the Petitioner's rejoinder filed vide affidavit dated 24.6.2025, as well as NPCIL's written submissions dated 26.11.2025.

7. The hearings in this matter were held on 22.4.2025, 30.5.2025, 19.8.2025, 20.11.2025, and the order was reserved on 27.11.2025.

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

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

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

Asset-1

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	76.91	79.72	79.72	79.72	79.72
Interest on Loan	69.24	64.54	58.13	52.41	46.72
Return on Equity	79.32	82.17	82.17	82.17	82.17
Interest on Working Capital	4.79	4.54	4.19	4.16	4.73
O&M Expenses	32.15	33.28	34.45	35.66	36.91
Total	262.41	264.25	258.66	254.12	250.25

Asset-2

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1231.09	1265.37	1278.43	1280.62	1280.62
Interest on Loan	1215.04	1107.34	1013.88	945.52	873.26
Return on Equity	1308.48	1345.05	1359.07	1361.41	1361.41
Interest on Working Capital	66.17	61.67	56.94	56.42	63.74
O&M Expenses	222.79	230.63	238.73	247.08	255.70
Total	4043.57	4010.06	3947.05	3891.05	3834.73

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

Asset-1

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2.68	2.77	2.87	2.97	3.08
Maintenance Spares	4.82	4.99	5.17	5.35	5.54



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Receivables	32.26	32.58	31.89	31.33	30.07
Total Working Capital	39.76	40.34	39.93	39.65	39.39
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	4.79	4.54	4.19	4.16	4.73
Pro rata interest on working capital	4.79	4.54	4.19	4.16	4.73

Asset-2

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	18.57	19.22	19.89	20.59	21.31
Maintenance Spares	33.42	34.59	35.81	37.06	38.36
Receivables	497.16	494.39	486.62	479.72	471.48
Total Working Capital	549.15	548.20	542.32	537.37	531.15
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	66.17	61.67	56.94	56.42	63.74
Pro rata interest on working capital	66.17	61.67	56.94	56.42	63.74

Capital Cost

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

12. The Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, allowed capital cost as on 31.3.2019 for the transmission assets, and Additional Capital Expenditure (ACE) for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	Capital cost allowed as on 31.3.2019	Admitted ACE		Capital cost allowed as on 31.3.2024
		2019-20	2020-21	
Asset-1	1357.12*	100.00	0.00	1457.12
Asset-2	22780.64*	881.46	514.45	24176.55
Total	24137.76	981.46	514.45	25636.20

* The Petitioner has submitted that Initial Spares discharged up to COD are included in the capital cost as on COD, as claimed in the Auditor's Certificate, and has been considered accordingly.

13. The Petitioner, in the instant true-up Petition, has claimed the following capital cost in respect of the transmission assets for the 2019-24 tariff period :



(₹ in lakh)

Assets	Apportioned approved cost as per FR	Capital cost claimed as on 31.3.2019	ACE claimed					Capital cost claimed as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	1614.48	1357.20*	101.22	0.00	0.00	0.00	0.00	1458.42
Asset-2	29103.52	22780.64	883.31	414.52	83.20	0.00	0.00	24161.67

*Rs.0.08 lakh added to allow capital cost as on 31.3.2019 due to revision in allowable initial spares for the FY 2018-19

14. We have considered the submissions of the Petitioner. The Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, approved the capital cost of ₹1357.12 lakh, and ₹22780.64 lakh in respect of Asset-1 and Asset-2, respectively, as on 31.3.2019, and thus, the same have been considered as the opening capital cost for truing-up of the transmission tariff for the 2019-24 tariff period in respect of the transmission assets.

Initial Spares

15. Regulation 23(d) of the 2019 Tariff Regulations provides that Initial Spares shall be capitalized as a percentage of plant and machinery cost up to the cut-off date, subject to the following ceiling norms:

“23 (d) Transmission System

- (i) Transmission line - 1.00%
- (ii) Transmission Sub-station
 - Green Field - 4.00%
 - Brown Field - 6.00%
- (iii) Series Compensation devices and HVDC Station - 4%
- (iv) Gas Insulated Sub-station (GIS)
 - Green Field - 5.00%
 - Brown Field - 7.00%
- (v) Communication system - 3.50%
- (vi) Static Synchronous Compensator - 6%”

16. The Initial Spares claimed by the Petitioner in the present Petition concerning the transmission assets are as follows:



(₹ in lakh)

Asset	Cost for spare calculation (A)	Initial spares claimed by the Petitioner (B)	Ceiling limit (in %) (C)	Initial spares worked out by the Petitioner $D = [(A-B)*C/(100-C)]$	Excess Initial Spares [B-D]	Initial spares allowed in Petition No. 40/TT/2021	Initial Spares disallowed in Petition No. 40/TT/2021	Additional spares claimed in the instant Petition
Sub-station (Brownfield)								
Asset-1	1363.94	82.53	6.00	81.79	0.74	81.71	0.82 (in FY 2018-19)	0.08
Asset-2	1052.04	86.54	6.00	61.63	24.91	64.15	6.59 as on COD 15.90 (in FY 2019-20)	-2.52
Transmission Line (TL)								
Asset-2	20212.12	237.16	1.00	201.77	35.39	201.61	F.Y. 2020-21	0.16

17. With regard to the above, the Commission, in its Technical Validation (TV) letter dated 11.4.2025, directed the Petitioner to submit the discharge statement for Initial Spares, along with details of disallowances.

18. In response, the Petitioner, vide affidavit dated 21.4.2025, has submitted the discharge statement of Initial Spares. The Petitioner prayed to the Commission to allow the Initial Spares as claimed in the instant Petition. The discharge statement of Initial Spares for the transmission assets is as follows:

(₹ in lakh)

Asset 1	Sub-station
Total Spares Value as per CERC	82.53
Spares Value Discharged up to COD i.e. 5.3.2018	64.71
Spares Value Discharged from COD (5.3.2018) to March, 2018	1.25
Spares Value Discharged from 1.4.2018 to 31.3.2019	16.57

(₹ in lakh)

Asset 2	Transmission Line	Sub-station
Total Spares Value as per CERC	237.16	86.54
Spares Value Discharged up to COD i.e. (29.3.2019)	0.00	70.74
Spares Value Discharged from COD (29.3.2019) to March, 2019	0.00	0.00
Spares Value Discharged in FY 2019-20	68.47	15.80
Spares Value Discharged in FY 2020-21	168.68	0.00



19. We have considered the Petitioner's submissions. It is observed that the Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, approved the Initial Spares for the transmission assets for the 2014-19 tariff period, and the details are as follows:

(₹ in lakh)

Asset	Cost for spares calculation (A)	Initial spares claimed by the Petitioner (B)	Ceiling (in %) (C)	Initial Spares worked out by the Petitioner	Initial Spares worked out	Excess Initial Spares
Sub-station (Brownfield)						
Asset-1	1362.72	82.53	6.00	81.71	81.71	0.82*
Asset-2	1091.55	86.54	6.00	64.15	64.15	22.39**
Transmission Line (TL)						
Asset-2	20196.56	237.16	1.00	201.61	201.61	35.55***

*Deducted from ACE of 2018-19

**Deducted ₹6.59 lakh from capital cost as on COD and ₹15.80 lakh from ACE of 2019-20

***Deducted from ACE of 2020-21

20. The details of CODs and their respective cut-off dates in respect of the transmission assets are as follows:

Asset Name	COD	Cut-off date
Asset-1	5.3.2018	31.3.2021
Asset-2	29.3.2019	31.3.2022

21. Therefore, as per the Auditor's Certificate dated 9.7.2024, submitted by the Petitioner in respect of the transmission assets, the Initial Spares have been recalculated as per actual expenditure as on the cut-off date, in accordance with Regulation 23 of the 2019 Tariff Regulations. The details are as follows:

Assets	Particulars	Plant and Machinery cost (excluding IDC and IEDC, land cost and cost of civil works) up to cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per the 2019 Tariff Regulations (in %)	Initial Spares allowable (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Initial Spares already allowed in Petition No. 40/TT/2021	Additional Initial Spares
		A	B	C	D= (A/B) * C/(100-C)	E=B-D			



Asset-1	Sub-station (Brown Field)	1363.94	82.53	6.0	81.79	0.74	81.79	81.71	0.08
Asset-2	Transmission Line	20212.12	237.16	1.0	201.77	35.39	201.77	201.61	0.16
Asset-2	Sub-station (Brown Field)	1052.04	86.54	6.0	61.63	24.91	61.63	64.15	(2.52)

22. The Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, disallowed excess Initial Spares amounting to ₹0.82 lakh from ACE of 2018-19 in respect of Asset-1. In the instant trued-up Petition, the recalculated excess Initial Spares work out to ₹0.74 lakh. Accordingly, the differential amount of ₹0.08 lakh has been added back to the opening capital cost as on 1.4.2019 in respect of Asset-1.

23. Further, the additional Initial Spares in respect of Asset-2, i.e., (₹2.52 lakh) and ₹0.16 lakh, shall be adjusted from ACE in FY 2019-20 and 2020-21, respectively, and shall be dealt with in the relevant paragraph of this order. Accordingly, the capital cost as on 1.4.2019 in respect of the transmission assets is as follows:

(₹ in lakh)				
Assets	Apportioned approved cost as per FR	Capital cost as on 31.3.2019	Initial spares added back	Capital cost allowed as on 1.4.2019
Asset-1	1614.48	1357.12	0.08	1357.20
Asset-2	29103.52	22780.64	0.00	22780.64

Additional Capital Expenditure (ACE)

24. The Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, allowed ACE for the 2019-24 tariff period for the transmission assets under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations, on account of undischarged liabilities recognized to be payable at a future date. Accordingly, the approved ACE in respect of the transmission assets for the 2019-24 tariff period is as follows:



(₹ in lakh)

Asset	Approved ACE		
	2019-20	2020-21	2021-22
Asset-1	100.00	0.00	0.00
Asset-2	881.46	514.45	0.00
Total	981.46	514.45	0.00

25. Against this, the Petitioner has claimed the following ACE in respect of the transmission assets based on the actual expenditure, in accordance with Regulation 24(1)(a) of the 2019 Tariff Regulations:

Asset-1

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Undischarged liabilities recognized to be payable at a future date.	Regulation 24(1)(a) of the 2019 Tariff Regulations.	101.22	0.00	0.00	0.00	0.00
Total		101.22				

Asset-2

(₹ in lakh)

Particulars	Regulations	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Undischarged liabilities recognized to be payable at a future date.	Regulation 24(1)(a) of the 2019 Tariff Regulations.	883.31*	414.52	83.20	0.00	0.00
Total		1381.03				

*The Commission, vide order dated 31.12.2021 in Petition No. 40/TT/2021, disallowed IDC of ₹2.42 lakh as on COD and ₹57.94 lakh towards excess Initial Spares (i.e., ₹6.59 lakh from capital cost as on COD, ₹15.80 lakh in 2019-20, and ₹35.55 lakh in 2020-21) in Asset-2. The LD amount of ₹2.42 lakh (to the extent of disallowance of IDC/IEDC) and accrued IDC of ₹501.86 lakh were included in ACE for FY 2019-20.

26. The Liability Flow Statement containing head-wise and party-wise details of actual ACE incurred during the 2019-24 tariff period for the transmission assets, as submitted by the Petitioner, is as follows:



(₹ in lakh)

Asset	Party Name	Particulars	Outstanding Liability as on COD/31.3.2019	Discharge				
				2019-20	2020-21	2021-22	2022-23	Total (2019-24)
Asset-1	M/s. GE T&D India Limited	Sub-station	75.68	75.68	0.00	0.00	0.00	75.68
		IT Equipment including software	2.78	2.78	0.00	0.00	0.00	2.78
Total				78.46	0.00	0.00	0.00	78.46

(₹ in lakh)

Details of unexecuted work for which works has been completed before COD/cut-off date								
Asset	Party Name	Particulars	Year of Actual Capitalization	Unexecuted works				
				2019-20	2020-21	2021-22	2022-23	Total (2019-24 & 24-29)
Asset-1	M/s. GE T&D India Limited	Sub-station	5.3.2018	22.76	0.00	0.00	0.00	22.76
Total				22.76	0.00	0.00	0.00	22.76

(₹ in lakh)

Ass et	Party Name	Particulars	Year of Actual Capitalisati on	Outstandi ng Liability as on COD/31.3. 2019	Discharge				
					2019 -20	2020 -21	202 1-22	202 2-23	Total (201 9-24)
Asse t-2	M/s. KEC, M/s. Nanjing, M/s. Venkatesw ara Wires, M/s. Prem Cables, M/s. Tata	Tr. Line	29.3.2019	627.93	183. 14	440. 90	3.89	0.00	627. 93
	M/s. GE T&D India Limited	Sub-Station	29.3.2019	88.69	88.6 9	0.00	0.00	0.00	88.6 9
		Communicat ion System excl. OPGW	29.3.2019	24.92	24.9 2				24.9 2
		IT Equipment	29.3.2019	4.96	4.96				4.96
Total				746.5	301. 71	440. 90	3.89	0.00	746. 5



(₹ in lakh)

Details of unexecuted works for which work has been completed before the COD/cut-off date								
Asset	Party Name	Particulars	Year of Actual Capitalization	Unexecuted works				
				2019-20	2020-21	2021-22	2023-24	Total (2019-24 & 24-29)
Asset-2	M/s. Rajneesh Kumar	Building and Civil Works	29.3.2019	32.15	9.01	0.00	0.00	41.16
	M/s. KEC, M/s. Nanjing, M/s. Venkateswara Wires, M/s. Prem Cables, M/s. Tata	Tr. Line	29.3.2019	42.77	0.00	79.31	0.00	122.08
	M/s. GE T&D India Ltd.	Sub-Station	29.3.2019	20.72	0.00	0.00	0.00	20.72
	Total			95.64	9.01	79.31	0.00	183.96

27. Further, in compliance with the Commission's query regarding the details of Liquidated Damages (LD) recovered in respect of Asset-2, the Petitioner, vide affidavit dated 21.4.2025, has submitted that LD amounting to ₹22.72 lakh was recovered from the contractors and reduced from the capital cost in the respective financial year, as reflected in the Auditor's Certificate. However, while computing the tariff of Asset-2, the LD has been added back to the capital cost as on 31.3.2019, corresponding to the IDC, which was disallowed by the Commission in its order dated 31.12.2021 in Petition No. 40/TT/2021. The details of LD recovered in respect of Asset-2 for the 2019-24 tariff period, as submitted by the Petitioner, are as follows:

Asset-2:

Sr. No.	Name of Contractor	Date of Recovery	Amount
1	M/s. Rajasthan Cables and Conductors	20.9.2018	254946.08
2	M/s. Anamika Conductor	24.10.2018	978789.94
3	Total LD in 2018-19		1233736.02
4	M/s. Venkateshwara Wires	23.5.2019	34520.90
5	M/s. GE T&D India Limited	27.9.2019	953482.48



Sr. No.	Name of Contractor	Date of Recovery	Amount
6	Total LD in 2019-20		988003.38
7	M/s. Nanjing Electric (Group) Co. Limited	1.2.2021	50780.27
8	Total LD in 2020-21		50780.27
9	Total LD Recovered		2272519.67
			22.73 lakh

28. We have considered the Petitioner's submissions. It is observed that the Petitioner has claimed the ACE on account of undischarged liabilities towards final payment/withheld payment due to contractual exigencies and for works within the cut-off date, which is admissible under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations.

29. Further, the second proviso of Regulation 11(B)(2) of 2014 Tariff Regulations provides as follows:

11. Interest during construction (IDC), Incidental Expenditure during Construction (IEDC)

(B) Incidental Expenditure during Construction (IEDC):

"Provided further that where the delay is attributable to an agency or contractor or supplier engaged by the generating company or the transmission licensee, the liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost."

30. Further, the Regulations 21(4) and (5) of the 2019 Tariff Regulations provide as follows:

21. Interest During Construction (IDC) and Incidental Expenditure during Construction (IEDC)

(4) If the delay in achieving the COD is not attributable to the generating company or the transmission licensee, IDC and IEDC beyond SCOD may be allowed after prudence check and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be adjusted in the capital cost of the generating station or the transmission system, as the case may be.

(5) If the delay in achieving the COD is attributable either in entirety or in part to the generating company or the transmission licensee or its contractor or supplier or agency, in such cases, IDC and IEDC beyond SCOD may be disallowed after prudence check either



in entirety or on pro-rata basis corresponding to the period of delay not condoned and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be retained by the generating company or the transmission licensee, as the case may be.

31. As discussed above, when time overruns are attributable to the project developer or its contractors, the IDC and IEDC disallowed corresponding to the delay not condoned, and the LD, if any, recovered, shall be retained by the Petitioner.

32. The Commission, vide its order dated 5.2.2020 in Petition No. 283/TT/2018, condoned the overall time over-run of 490 days in respect of Asset-2 and allowed the complete IDC of ₹2279.72 lakh and IEDC of ₹636.93 lakh. However, during the truing-up of the transmission tariff for the 2014-19 tariff period, the Commission, vide its order dated 31.12.2021, allowed the IDC of ₹2277.30 lakh and IEDC of ₹636.93 lakh in respect of Asset-2 on account of a computational error, not on the basis of time over-run.

33. As per the Auditor's Certificate dated 9.7.2024, submitted by the Petitioner, the LD amounting to ₹12.34 lakh, ₹9.88 lakh and ₹0.51 lakh has already been adjusted by the Petitioner from the capital cost in FYs 2018-19, 2019-20, and 2020-21, respectively for Asset-2.

34. As the IDC of ₹2.42 lakh was disallowed on the basis of a computational error, and the complete time over-run in respect of Asset-2 was condoned by the Commission, LD amounting to ₹2.42 lakh added back to ACE for FY 2019-20 claimed by the Petitioner, on account of disallowance of IDC is not justified and thus, the said claim has been rejected.

35. Therefore, the details of actual ACE allowed in respect of the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)						
Asset		2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	ACE allowed under Regulation 24(1)(a) of the 2019 Tariff	78.46	-	-	-	-



Asset		2019-20	2020-21	2021-22	2022-23	2023-24
	Regulations against balance and retention payments.					
	ACE allowed under Regulation 24(1)(b) of the 2019 Tariff Regulations against unexecuted works.	22.76	-	-	-	-
	Total ACE allowed	101.22				

(₹ in lakh)

Asset		2019-20	2020-21	2021-22	2022-23	2023-24
Asset-2	ACE allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations against balance and retention payments.	301.71	440.90	3.89	0.00	0.00
	ACE allowed under Regulation 24(1)(b) of the 2019 Tariff Regulations against unexecuted works.	95.64	9.01	79.31	0.00	0.00
	Add: Accrued IDC Discharge	501.86	0.00	0.00	0.00	0.00
	Less: Disallowed Excess Initial Spares	15.80	35.55	0.00	0.00	0.00
	Add: Difference in allowable Initial Spares	(2.52)	0.16	0.00	0.00	0.00
	Adjustment for LD recovered, claimed and allowed (B)	0.00	0.00	0.00	0.00	0.00
	Net ACE allowed	880.89	414.52	83.20	0.00	0.00

36. Accordingly, the capital cost and trued-up ACE allowed in respect of the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	Apportioned approved cost	Capital cost allowed as on 1.4.2019	Allowed ACE					Total capital cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	1614.48	1357.20	101.22	0.00	0.00	0.00	0.00	1458.42
Asset-2	29103.52	22780.64	880.89	414.52	83.20	0.00	0.00	24159.25

Debt-Equity Ratio

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



Asset-1

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	950.04	70.00	70.85	70.00	1020.89	70.00
Equity	407.16	30.00	30.37	30.00	437.53	30.00
Total	1357.20	100.00	101.22	100.00	1458.42	100.00

Asset-2

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	15946.45	70.00	965.03	70.00	16911.48	70.00
Equity	6834.19	30.00	413.58	30.00	7247.78	30.00
Total	22780.64	100.00	1378.61	100.00	24159.25	100.00

Depreciation

38. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the transmission assets as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

39. The depreciation allowed for the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)						
Asset-1						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	1357.20	1458.42	1458.42	1458.42	1458.42
B	Addition during 2019-24 due to ACE	101.22	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	1458.42	1458.42	1458.42	1458.42	1458.42
D	Average Gross Block (A+C)/2	1407.81	1458.42	1458.42	1458.42	1458.42
E	Average Capital Cost (90% depreciable assets)	1381.28	1430.50	1430.50	1430.50	1430.50
F	Average Capital Cost (100% depreciable assets)	26.53	27.92	27.92	27.92	27.92
G	Depreciable Value (excluding IT equipment and software) (E*90%)	1243.15	1287.45	1287.45	1287.45	1287.45



Asset-1						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
H	Depreciable Value of IT equipment and software (F*100%)	26.53	27.92	27.92	27.92	27.92
I	Total Depreciable Value (G+H)	1269.68	1315.37	1315.37	1315.37	1315.37
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.4631	5.4661	5.4661	5.4661	5.4661
K	Balance useful life of the asset (Year)	24	23	22	21	20
L	Elapsed life at the beginning of the year (Year)	1	2	3	4	5
M	Combined Depreciation during the year (D*J)	76.91	79.72	79.72	79.72	79.72
N	Cumulative Depreciation at the end of the year	151.34	231.06	310.78	390.49	470.21
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	1118.34	1084.31	1004.60	924.88	845.16

(₹ in lakh)

Asset-2						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	22780.64	23661.53	24076.05	24159.25	24159.25
B	Addition during 2019-24 due to ACE	880.89	414.52	83.20	0.00	0.00
C	Closing Gross Block (A+B)	23661.53	24076.05	24159.25	24159.25	24159.25
D	Average Gross Block (A+C)/2	23221.09	23868.79	24117.65	24159.25	24159.25
E	Average Capital Cost (90% depreciable assets)	23185.42	23830.28	24079.14	24120.74	24120.74
F	Average Capital Cost (100% depreciable assets)	35.67	38.51	38.51	38.51	38.51
G	Depreciable Value (excluding IT equipment and software) (E*90%)	20866.88	21447.26	21671.23	21708.67	21708.67
H	Depreciable Value of IT equipment and software (F*100%)	35.67	38.51	38.51	38.51	38.51
I	Total Depreciable Value (G+H)	20902.54	21485.76	21709.74	21747.18	21747.18
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.3013%	5.3008%	5.3003%	5.3002%	5.3002%
K	Balance useful life of the asset (Year)	34	33	32	31	30
L	Elapsed life at the beginning of the year (Year)	0	1	2	3	4
M	Combined Depreciation during the year (D*J)	1231.02	1265.24	1278.30	1280.49	1280.49
N	Cumulative Depreciation at the end of the year	1240.95	2506.19	3784.48	5064.97	6345.45
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	19661.59	18979.58	17925.25	16682.21	15401.72



40. The details of depreciation approved vide order dated 31.12.2021 in Petition No. 40/TT/2021, the depreciation claimed by the Petitioner in the instant Petition and the trued-up depreciation allowed in the instant order with respect to the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	76.89	79.67	79.67	79.67	79.67
Claimed by the Petitioner in the instant Petition	76.91	79.72	79.72	79.72	79.72
Approved after true-up in this order.	76.91	79.72	79.72	79.72	79.72

(₹ in lakh)					
Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	1231.07	1268.08	1281.66	1281.66	1281.66
Claimed by the Petitioner in the instant Petition.	1231.09	1265.37	1278.43	1280.62	1280.62
Approved after true-up in this order.	1231.02	1265.24	1278.30	1280.49	1280.49

Interest on Loan (IoL)

41. The Petitioner has claimed the Weighted Average Rate of Interest on Loan (WAROI) based on its actual loan portfolio and applicable rate of interest.

42. We have considered the submissions of the Petitioner. The Interest on Loan (IoL) has been calculated based on the actual interest rate submitted by the Petitioner, in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the transmission assets is as follows:

(₹ in lakh)						
Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	950.04	1020.89	1020.89	1020.89	1020.89
B	Cumulative Repayments up to Previous Year	74.43	151.34	231.06	310.78	390.49
C	Net Loan-Opening (A-B)	875.61	869.55	789.84	710.12	630.40



Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
D	Additions	70.85	0.00	0.00	0.00	0.00
E	Repayment during the year	76.91	79.72	79.72	79.72	79.72
F	Net Loan-Closing (C+D-E)	869.55	789.84	710.12	630.40	550.68
G	Average Loan (C+F)/2	872.58	829.70	749.98	670.26	590.54
H	Weighted Average Rate of Interest on Loan (in %)	7.9350	7.7783	7.7510	7.8188	7.9104
I	Interest on Loan (G*H)	69.24	64.54	58.13	52.41	46.71

(₹ in lakh)

Particulars		Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	15946.45	16563.07	16853.24	16911.48	16911.48
B	Cumulative Repayments upto Previous Year	9.93	1240.95	2506.19	3784.48	5064.97
C	Net Loan-Opening (A-B)	15936.52	15322.12	14347.05	13126.99	11846.51
D	Additions	616.62	290.16	58.24	0.00	0.00
E	Repayment during the year	1231.02	1265.24	1278.30	1280.49	1280.49
F	Net Loan-Closing (C+D-E)	15322.12	14347.05	13126.99	11846.51	10566.02
G	Average Loan (C+F)/2	15629.32	14834.59	13737.02	12486.75	11206.26
H	Weighted Average Rate of Interest on Loan (in %)	7.7737	7.4638	7.3799	7.5714	7.7918
I	Interest on Loan (G*H)	1214.98	1107.22	1013.78	945.43	873.16

43. The details of IoL allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021, the IoL claimed by the Petitioner in the instant Petition and trued-up IoL allowed in this order for the transmission assets, are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	69.65	66.15	59.74	53.34	46.94
Claimed by the Petitioner in the instant Petition.	69.24	64.54	58.13	52.41	46.72
Approved after true-up in this order.	69.24	64.54	58.13	52.41	46.71



(₹ in lakh)					
Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	1226.51	1166.56	1083.35	985.34	882.80
Claimed by the Petitioner in the instant Petition.	1215.04	1107.34	1013.88	945.52	873.26
Approved after true-up in this order	1214.98	1107.22	1013.78	945.43	873.16

Return on Equity (RoE)

44. The Petitioner has submitted that its Income Tax Assessments have been completed, and assessment orders have been issued by the Income Tax Department for FY 2019-20 and FY 2020-21. The Income Tax Returns have been filed with the Income Tax Department for FY 2021-22 and 22-23. Further, the Income Tax Returns for the 2023-24 will be filed in due course. The Petitioner further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

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

45. We have considered the Petitioner's submissions and have also gone through the record. We note that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the Income Tax Act, 1961, (hereinafter referred to as 'the IT Act, 1961'), which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115JB(2) of the IT Act, 1961, defines book profit as net profit in the statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to



specified additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial year, the notified MAT rates for the respective financial year shall be considered as an effective tax rate for the purpose of grossing up the RoE for truing up the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty imposed for default on the part of the Assessee, if any, shall not be taken into account for the purpose of grossing up of the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:

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

46. Accordingly, the trued-up RoE allowed in respect of the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	407.16	437.53	437.53	437.53	437.53
B	Additions	30.37	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	437.53	437.53	437.53	437.53	437.53
D	Average Equity (A+C)/2	422.34	437.53	437.53	437.53	437.53
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500



	Particulars	Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	79.32	82.18	82.18	82.18	82.18

(₹ in lakh)

	Particulars	Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	6834.19	7098.46	7222.82	7247.78	7247.78
B	Additions	264.27	124.36	24.96	0.00	0.00
C	Closing Equity (A+B)	7098.46	7222.82	7247.78	7247.78	7247.78
D	Average Equity (A+C)/2	6966.33	7160.64	7235.30	7247.78	7247.78
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	1308.42	1344.91	1358.93	1361.28	1361.28

47. The RoE approved vide order dated 31.12.2021 in Petition No. 40/TT/2021, the RoE claimed by the Petitioner in the instant Petition and the trued-up RoE allowed in this order with respect to the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	79.28	82.10	82.10	82.10	82.10
Claimed by the Petitioner in the instant Petition.	79.32	82.17	82.17	82.17	82.17
Approved after true-up in this order.	79.32	82.18	82.18	82.18	82.18

(₹ in lakh)

Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	1308.43	1347.76	1362.25	1362.25	1362.25
Claimed by the Petitioner in the instant Petition.	1308.48	1345.05	1359.07	1361.41	1361.41
Approved after true-up in this order.	1308.42	1344.91	1358.93	1361.28	1361.28



Operation and Maintenance Expenses (O&M Expenses)

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

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	32.15	33.28	34.45	35.66	36.91
Asset-2	222.79	230.63	238.73	247.08	255.70

49. We have considered the submissions of the Petitioner. The O&M Expenses allowed for the transmission assets, as per norms specified in the 2019 Tariff Regulations, are as follows:

(₹ in lakh)					
Particulars	Asset-1				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV Bay Kota Substation • 1 No. 50 MVAR REACTOR BAY					
Norms as per Regulation (₹ lakh/km)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed	32.15	33.28	34.45	35.66	36.91
Total O&M Expenses allowed	32.15	33.28	34.45	35.66	36.91

(₹ in lakh)					
Particulars	Asset-2				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV Bays Kota Substation • 1 No 400 kV Line Bay for one Ckt of 400 kV D/C Kota – Jaipur (South) Line Jaipur (South) Substation • 1 No 400 kV Line Bay for one Ckt of 400 kV D/C Kota – Jaipur (South) Line					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed for Sub-stations.	64.30	66.56	68.90	71.32	73.82
D/C Twin Conductor • One ckt of 400 kV D/C Kota Jaipur (South) transmission line (Total Length of line: 179.90 km)					
Norms as per regulation (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
O&M Expenses allowed	158.49	164.07	169.83	175.76	181.88



Total O&M Expenses allowed (₹ in lakh)	222.79	230.63	238.73	247.08	255.70
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50. Accordingly, the details of O&M Expenses approved vide order dated 31.12.2021 in Petition No. 40/TT/2021, the O&M Expenses claimed by the Petitioner in the instant Petition, and trued-up O&M Expenses allowed in the instant order for the transmission assets are as follows:

	(₹ in lakh)				
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	32.15	33.28	34.45	35.66	36.91
Claimed by the Petitioner in the instant Petition.	32.15	33.28	34.45	35.66	36.91
Approved after true-up in this order.	32.15	33.28	34.45	35.66	36.91

	(₹ in lakh)				
Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	222.79	230.63	238.73	247.08	255.70
Claimed by the Petitioner in the instant Petition.	222.79	230.63	238.73	247.08	255.70
Approved after true-up in this order.	222.79	230.63	238.73	247.08	255.70

Interest on Working Capital (IWC)

51. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (ROI) considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for the FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FY 2021-22 and FY 2022-23, and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.



52. The components of the trued-up working capital and interest allowed thereon for the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month).	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).	32.26	32.58	31.89	31.33	30.77
D	Total Working Capital (A+B+C)	39.77	40.34	39.93	39.65	39.38
E	Rate of Interest for Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	4.79	4.54	4.19	4.16	4.73

(₹ in lakh)

Particulars		Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	18.57	19.22	19.89	20.59	21.31
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	33.42	34.59	35.81	37.06	38.35
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	497.14	494.34	486.58	479.67	471.44
D	Total Working Capital (A+B+C)	549.12	548.16	542.28	537.33	531.10
E	Rate of Interest for Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	66.17	61.67	56.94	56.42	63.73

53. The details of IWC allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021, the IWC claimed by the Petitioner in this Petition and trued-up IWC allowed in the instant order for the transmission assets are as follows:



(₹ in lakh)					
Asset-1	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	4.80	4.56	4.21	4.17	4.13
Claimed by the Petitioner in the instant Petition.	4.79	4.54	4.19	4.16	4.73
Approved after true-up in this order.	4.79	4.54	4.19	4.16	4.73

(₹ in lakh)					
Asset-2	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	66.34	62.58	57.94	56.97	55.82
Claimed by the Petitioner in the instant Petition.	66.17	61.67	56.94	56.42	63.74
Approved after true-up in this order.	66.17	61.67	56.94	56.42	63.73

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

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

(₹ in lakh)						
Particulars		Asset-1				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	76.91	79.72	79.72	79.72	79.72
B	Interest on Loan	69.24	64.54	58.13	52.41	46.71
C	Return on Equity	79.32	82.18	82.18	82.18	82.18
D	O&M Expenses	32.15	33.28	34.45	35.66	36.91
E	Interest on Working Capital	4.79	4.54	4.19	4.16	4.73
F	Total (A+B+C+D+E)	262.41	264.25	258.67	254.13	250.25

(₹ in lakh)						
Particulars		Asset-2				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	1231.02	1265.24	1278.30	1280.49	1280.49
B	Interest on Loan	1214.98	1107.22	1013.78	945.43	873.16
C	Return on Equity	1308.42	1344.91	1358.93	1361.28	1361.28
D	O&M Expenses	222.79	230.63	238.73	247.08	255.70
E	Interest on Working Capital	66.17	61.67	56.94	56.42	63.73
F	Total (A+B+C+D+E)	4043.38	4009.66	3946.67	3890.69	3834.36



55. The details of AFC allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021, the AFC claimed by the Petitioner in the instant Petition, and trued-up AFC allowed in the instant order for the transmission assets are as follows:

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	262.77	265.77	260.18	254.94	249.75
Claimed by the Petitioner in the instant Petition.	262.41	264.25	258.66	254.12	250.25
Approved after true-up in this order.	262.41	264.25	258.67	254.13	250.25

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 31.12.2021 in Petition No. 40/TT/2021.	4055.15	4075.61	4023.92	3933.31	3838.22
Claimed by the Petitioner in the instant Petition.	4043.57	4010.06	3947.05	3891.05	3834.73
Approved after true-up in this order.	4043.38	4009.66	3946.67	3890.69	3834.36

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

56. The Petitioner has claimed the following transmission charges in respect of the transmission assets for the 2024-29 tariff period:

(₹ in lakh)

Particulars	Asset-1				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	79.72	77.12	75.53	75.53	75.53
Interest on Loan	40.41	34.18	28.10	22.07	16.07
Return on Equity	82.17	82.17	82.17	82.17	82.17
Interest on Working Capital	4.85	4.81	4.80	4.81	4.84
O&M Expenses	42.63	44.88	47.21	49.68	52.33
Total	249.78	243.16	237.81	234.26	230.94



(₹ in lakh)

Particulars	Asset-2				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1296.61	1295.05	1290.83	1288.60	1263.16
Interest on Loan	772.15	669.88	567.03	469.88	376.82
Return on Equity	1361.41	1361.41	1361.41	1361.41	1361.41
Interest on Working Capital	60.85	59.82	58.76	57.71	56.69
O&M Expenses	227.05	238.95	251.36	264.55	278.53
Total	3718.07	3625.11	3529.39	3442.15	3336.61

57. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for the transmission assets are as under:

(₹ in lakh)

Particulars	Asset-1				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	3.55	3.74	3.93	4.14	4.36
Maintenance Spares	6.39	6.73	7.08	7.45	7.85
Receivables	30.79	29.98	29.32	28.80	28.47
Total Working Capital	40.73	40.45	40.33	40.39	40.68
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	4.85	4.81	4.80	4.81	4.84
Pro rata interest on Working Capital	4.85	4.81	4.80	4.81	4.84

(₹ in lakh)

Particulars	Asset-2				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	18.92	19.91	20.95	22.05	23.21
Maintenance Spares	34.06	35.84	37.70	39.68	41.78
Receivables	458.39	446.93	435.13	423.22	411.36
Total Working Capital	511.37	502.68	493.78	484.95	476.35
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	60.85	59.82	58.76	57.71	56.69
Pro rata interest on Working Capital	60.85	59.82	58.76	57.71	56.69

Capital Cost

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

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

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

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



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



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

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

(d).....

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

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

59. The Petitioner has claimed the following capital cost of the transmission assets during the 2024-29 tariff period is as follows:

Asset	Capital Cost claimed as on 31.3.2024	ACE Claimed	Estimated Completion Cost
		2024-29	
Asset-1	1458.42	0.00	1458.42
Asset-2	24161.67	0.00	24161.67

60. We have considered the submissions of the Petitioner. The trued-up capital cost of ₹1458.42 and ₹24159.25 lakh for the Asset-1, and Asset-2 respectively, as on 31.3.2024, has been approved in this order and thus, the same are being considered as the opening capital cost as on 1.4.2024 for determination of tariff for the 2024-29 period for the transmission assets, in accordance with Regulation 19(3) of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

61. The Petitioner has not claimed ACE in respect of the transmission assets for the 2024-29 tariff period.

62. We have considered the submissions of the Petitioner, as the Petitioner has not claimed/projected any ACE for the 2024-29 tariff period, the ACE allowed in respect of transmission assets for the 2024-29 tariff period is “NIL”.



63. Accordingly, the details of capital cost and ACE allowed in respect of the transmission assets for the 2024-29 tariff period are as follows:

(₹ in lakh)

Asset	Capital Cost allowed as on 1.4.2024	ACE Allowed	Capital Cost as on 31.3.2029
		2024-29	
Asset-1	1458.42	0.00	1458.42
Asset-2	24159.25	0.00	24159.25

Debt-Equity Ratio

64. Regulation 18 of the 2024 Tariff Regulations provides as follows:

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

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

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



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

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

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

65. The debt-equity ratio considered for the purpose of computation of tariff with respect to the transmission assets for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations which is as follows:

Asset-1						
Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 tariff period (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	1020.89	70.00	0.00	70.00	1020.89	70.00
Equity	437.53	30.00	0.00	30.00	437.53	30.00
Total	1458.42	100.00	0.00	100.00	1458.42	100.00

Asset-2						
Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 tariff period (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	16911.48	70.00	0.00	70.00	16911.48	70.00
Equity	7247.78	30.00	0.00	30.00	7247.78	30.00
Total	24159.25	100.00	0.00	100.00	24159.25	100.00

Depreciation

66. Regulation 33 of the 2024 Tariff Regulations provides as follows:

"33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In the case of the tariff of all the units of a generating station or all elements of a transmission system including the



communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

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

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

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

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

.....

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

(4)

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

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

.....

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

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

.....

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

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

(9) In case of de-capitalization of assets in respect of generating station or unit



thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalised asset during its useful service.

(10) Xxxxx

(11) Xxxx

(12) Xxxx”

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

68. The depreciation allowed for the transmission assets under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
Asset-1						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	1458.42	1458.42	1458.42	1458.42	1458.42
B	Addition during 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	1458.42	1458.42	1458.42	1458.42	1458.42
D	Average Gross Block (A+C)/2	1458.42	1458.42	1458.42	1458.42	1458.42
E	Average Capital Cost (90% depreciable assets)	1430.50	1430.50	1430.50	1430.50	1430.50
F	Average Capital Cost (100% depreciable assets)	27.92	27.92	27.92	27.92	27.92
G	Depreciable Value (excluding IT equipment and software) (E*90%)	1287.45	1287.45	1287.45	1287.45	1287.45
H	Depreciable Value of IT equipment and software (F*100%)	27.92	27.92	27.92	27.92	27.92
I	Total Depreciable Value (G+H)	1315.37	1315.37	1315.37	1315.37	1315.37
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.4661	5.2884	5.1789	5.1789	5.1789
K	Elapsed useful life of the asset	19	18	17	16	15
L	Balance life at the beginning of the year	6	7	8	9	10
M	Combined Depreciation during the year (D*J)	79.72	77.13	75.53	75.53	75.53
N	Cumulative Depreciation at the end of the year	549.93	627.06	702.59	778.12	853.65



Asset-1						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	765.44	688.31	612.78	537.25	461.72

(₹ in lakh)

Asset-2						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	24159.25	24159.25	24159.25	24159.25	24159.25
B	Addition during 2024-29 due to ACE	0.00	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	24159.25	24159.25	24159.25	24159.25	24159.25
D	Average Gross Block (A+C)/2	24159.25	24159.25	24159.25	24159.25	24159.25
E	Average Capital Cost (90% depreciable assets)	24120.74	24120.74	24120.74	24120.74	24120.74
F	Average Capital Cost (100% depreciable assets)	38.51	38.51	38.51	38.51	38.51
G	Depreciable Value (excluding IT equipment and software) (E*90%)	21708.67	21708.67	21708.67	21708.67	21708.67
H	Depreciable Value of IT equipment and software (F*100%)	38.51	38.51	38.51	38.51	38.51
I	Total Depreciable Value (G+H)	21747.18	21747.18	21747.18	21747.18	21747.18
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.3664%	5.3600%	5.3425%	5.3333%	5.2280%
K	Elapsed useful life of the asset	29	28	27	26	25
L	Balance life at the beginning of the year	5	6	7	8	9
M	Combined Depreciation during the year (D*J)	1296.48	1294.94	1290.71	1288.48	1263.04
N	Cumulative Depreciation at the end of the year	7641.97	8936.91	10227.61	11516.09	12779.13
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	14105.21	12810.27	11519.56	10231.08	8968.05

Interest on Loan (IoL)

69. Regulation 32 of the 2024 Tariff Regulations provides as follows:

“32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered gross normative loans for the calculation of interest on loans.

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

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case



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

(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

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

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

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

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

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

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

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

70. The WAROI has been considered on the basis of the rate prevailing as on 1.4.2024. The Petitioner has submitted that change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true-up. The IoL allowed for the transmission assets in accordance with Regulation 32 of the 2024 Tariff Regulations for the 2024-29 tariff period is as follows:

(₹ in lakh)						
Asset-1						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	1020.89	1020.89	1020.89	1020.89	1020.89
B	Cumulative Repayments up to Previous Year	470.21	549.93	627.06	702.59	778.12
C	Net Loan-Opening (A-B)	550.68	470.96	393.84	318.31	242.78



Asset-1						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	79.72	77.13	75.53	75.53	75.53
F	Net Loan-Closing (C+D-E)	470.96	393.84	318.31	242.78	167.25
G	Average Loan (C+F)/2	510.82	432.40	356.07	280.54	205.01
H	Weighted Average Rate of Interest on Loan (in %)	7.9111	7.9040	7.8912	7.8650	7.8380
I	Interest on Loan (G*H)	40.41	34.18	28.10	22.06	16.07

(₹ in lakh)

Asset-2						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	16911.48	16911.48	16911.48	16911.48	16911.48
B	Cumulative Repayments upto Previous Year	6345.45	7641.94	8936.88	10227.58	11516.06
C	Net Loan-Opening (A-B)	10566.02	9269.54	7974.60	6683.89	5395.41
D	Additions	0.00	0.00	0.00	0.00	0.00
E	Repayment during the year	1296.48	1294.94	1290.71	1288.48	1263.04
F	Net Loan-Closing (C+D-E)	9269.54	7974.60	6683.89	5395.41	4132.38
G	Average Loan (C+F)/2	9917.78	8622.07	7329.25	6039.65	4763.89
H	Weighted Average Rate of Interest on Loan (in %)	7.7847	7.7685	7.7357	7.7790	7.9089
I	Interest on Loan (G*H)	772.07	669.81	566.97	469.82	376.77

Return on Equity (RoE)

71. Regulations 30 and 31 of the 2024 Tariff Regulations provide as follows:

“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.
(2) Return on equity for existing project shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-river hydro generating station and at the base rate of 16.50% for storage type hydro generating stations, pumped storage hydro generating stations and run-of- river generating station with pondage;
(3) Return on equity for new project achieving COD on or after 01.04.2024 shall be computed at the base rate of 15.00% for the transmission system, including the communication system, at the base rate of 15.50% for Thermal generating station and run-of-river hydro generating station and at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;



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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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



72. The Petitioner has submitted that the MAT rate applicable to it. We have considered the Petitioner's submissions and have gone through the record.

73. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the transmission assets for the 2024-29 tariff period is as follows:

(₹ in lakh)

Asset-1						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	437.53	437.53	437.53	437.53	437.53
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	437.53	437.53	437.53	437.53	437.53
D	Average Equity (A+C)/2	437.53	437.53	437.53	437.53	437.53
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	82.18	82.18	82.18	82.18	82.18

(₹ in lakh)

Asset-2						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	7247.78	7247.78	7247.78	7247.78	7247.78
B	Additions	0.00	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	7247.78	7247.78	7247.78	7247.78	7247.78
D	Average Equity (A+C)/2	7247.78	7247.78	7247.78	7247.78	7247.78
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	1361.28	1361.28	1361.28	1361.28	1361.28

Operation and Maintenance Expenses (O&M Expenses)

74. The O&M Expenses claimed by the Petitioner for the transmission assets for the 2024-29 period are as follows:



(₹ in lakh)

Assets					
	2024-25	2025-26	2026-27	2027-28	2028-29
Asset-1	42.63	44.88	47.21	49.68	52.33
Asset-2	227.05	238.95	251.36	264.55	278.53

75. Regulation 36(3)(a) of the 2024 Tariff Regulations provides as follows:

“36. Operation and Maintenance Expenses:

...

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

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

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



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

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

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

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

.....”

76. We have considered the submissions of the Petitioner. The O&M Expenses have been worked out for the transmission assets in accordance with Regulation 36 of the 2024 Tariff Regulations and the same is as follows:

(₹ in lakh)					
Particulars	Asset-1				
	2024-25	2025-26	2026-27	2027-28	2028-29
400 kV Bay					
Jaipur (South) substation					
• 1 No. 50 MVAR Reactor Bay					
Norms (₹ lakh/bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed	29.53	31.08	32.71	34.43	36.23
Reactor					
Jaipur (South) Sub-station					
• 1 No. 50 MVAR Line reactor at Jaipur (south) in 400 kV D/C Kota – Jaipur (South) line (part of 400 kV D/C)					
Norms (₹ lakh/km)	0.262	0.276	0.290	0.305	0.322
O&M Expenses allowed	13.10	13.80	14.50	15.25	16.10
Total O&M Expenses allowed	42.63	44.88	47.21	49.68	52.33

(₹ in lakh)					
Particulars	Asset-2				
	2024-25	2025-26	2026-27	2027-28	2028-29
D/C (Twin Conductor)					
• One Ckt of 400 kV D/C Kota – Jaipur (South) Line (Total Length of line: 179.90 km)					



Norms (₹ lakh/km)	0.86	0.91	0.95	1.00	1.06
O&M Expenses allowed for Transmission Lines	154.89	162.99	171.44	180.44	189.97
400 kV Bays Kota Sub-station 1 No. 400 kV Line bay for one Ckt of 400 kV D/C Kota – Jaipur (South) Line Jaipur (South) Sub-station 1 No. 400 kV Line bay for one Ckt of 400 kV D/C Kota – Jaipur (South) Line					
Norms (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed for Sub-stations	59.06	62.16	65.42	68.86	72.46
Reactor Jaipur (South) Sub-station 1 No. 50 MVAR Line Reactor					
Norms (₹ lakh/per MVAR)	0.262	0.276	0.290	0.305	0.322
O&M Expenses allowed	13.10	13.80	14.50	15.25	16.10
Total O&M Expenses allowed	227.05	238.95	251.36	264.55	278.53

Interest on Working Capital (IWC)

77. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify as follows:

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

.....

(d) For Hydro generating station (including Pumped Storage Hydro generating station) and Transmission System:

- (i) Receivables equivalent to 45 days of annual fixed cost;
- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
- (iii) Operation and maintenance expenses, including security expenses for one month.

(2)

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

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

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



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

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

(₹ in lakh)

Asset-1						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	3.55	3.74	3.93	4.14	4.36
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	6.39	6.73	7.08	7.45	7.85
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	30.80	29.98	29.32	28.80	28.47
D	Total Working Capital (A+B+C)	40.74	40.45	40.34	40.39	40.68
E	Rate of Interest for Working Capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on Working Capital (D*E)	4.85	4.81	4.80	4.81	4.84

(₹ in lakh)

Asset-2						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	18.92	19.91	20.95	22.05	23.21
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	34.06	35.84	37.70	39.68	41.78
C	Working Capital for Receivables	458.35	446.89	435.09	423.18	411.33



Asset-2						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	(Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)					
D	Total Working Capital (A+B+C)	511.33	502.65	493.74	484.91	476.32
E	Rate of Interest for Working Capital (in %)	11.90	11.90	11.90	11.90	11.90
F	Interest on Working Capital (D*E)	60.85	59.81	58.76	57.70	56.68

Annual Fixed Charges of the 2024-29 Tariff Period

80. The Annual Fixed Charges allowed for the 2024-29 tariff period in respect of the transmission assets are summarized as follows:

(₹ in lakh)

Asset-1					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	79.72	77.13	75.53	75.53	75.53
Interest on Loan	40.41	34.18	28.10	22.06	16.07
Return on Equity	82.18	82.18	82.18	82.18	82.18
O&M Expenses	42.63	44.88	47.21	49.68	52.33
Interest on Working Capital	4.85	4.81	4.80	4.81	4.84
Total	249.79	243.18	237.82	234.26	230.95

(₹ in lakh)

Asset-2					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	1296.48	1294.94	1290.71	1288.48	1263.04
Interest on Loan	772.07	669.81	566.97	469.82	376.77
Return on Equity	1361.28	1361.28	1361.28	1361.28	1361.28
O&M Expenses	227.05	238.95	251.36	264.55	278.53
Interest on Working Capital	60.85	59.81	58.76	57.70	56.68
Total	3717.73	3624.79	3529.07	3441.84	3336.31

Filing Fee and Publication Expenses

81. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has further submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-



term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

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

84. Regulation 99 of the 2024 Tariff Regulations, which provides as under:

“99. Special Provisions relating to Central Transmission Utility of India Ltd. (CTUIL): The fees and charges of CTUIL shall be allowed separately by the Commission through a separate regulation:

Provided that until such regulation is issued by the Commission, the expenses of CTUIL shall be borne by Power Grid Corporation of India Ltd. (PGCIL) which shall be recovered by PGCIL as additional O&M expenses through a separate petition.”

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



License Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

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

Security Expenses, Insurance and Capital Spares

89. The Petitioner has submitted that a separate Petition shall be filed for truing up of Security Expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations, and for the recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the Security Expenses relating to the transmission assets have not been claimed in the instant Petition.



90. The Petitioner has further submitted that it has not claimed Insurance Expenses in the instant Petition and has submitted that it shall file a separate Petition for claiming the overall Insurance Expenses and consequential IWC on the same, considering the actual Insurance Expenses incurred by it for FY 2023-24 after escalating the same at 5.25% per annum to arrive at the estimated Insurance Expense for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29.

91. The Petitioner has not claimed Capital Spares for the transmission assets in the instant Petition for the 2024-29 tariff period. Accordingly, the Petitioner has submitted that it shall file a separate Petition for the capital spares consumed and consequential IWC thereon, on an actual basis, for the 2024-29 tariff period as per the 2024 Tariff Regulations. The Petitioner further submitted that it has filed Petition No. 45/MP/2024, wherein Capital Spares for the 2019-24 tariff period have been claimed as per the 2019 Tariff Regulations.

92. We have considered the submissions of the Petitioner, and have perused the record. Regulation 36(3)(d) of the 2024 Tariff Regulations which provides as follows:

“36(3)

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

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

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

93. On perusal of Regulation 36(3)(d) of the 2024 Tariff Regulations and considering the Petitioner's submissions, the Petitioner is allowed to file a single consolidated Petition comprising security expenses, capital spares individually costing more than ₹10



lakh and insurance expenses on the estimated basis for the 2024-29 tariff period as per the 2024 Tariff Regulations.

Sharing of Transmission Charges

94. The Petitioner has submitted that the Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, directed that the transmission charges in respect of Asset-1 shall be included in the Point of Connection (“PoC”) pool, and the transmission charges in respect of Asset-2, shall be borne by RAPP-7&8 (Rajasthan Atomic Power Plant) from the COD of Asset-2 (29.3.2019), until the COD of RAPP-7&8. The Petitioner has further submitted that the associated generation under the scope of RAPP-7&8 is yet to be commissioned.

95. Further, the Petitioner has submitted that the truing-up of transmission tariff for the 2019-24 period in respect of Asset-2, from 29.3.2019 until the COD of RAPP-7&8, shall be borne by NPCIL, as per the Commission's order dated 31.12.2021 in Petition No. 40/TT/2021. The Petitioner has also submitted that the tariff for Asset-1 shall be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations, and shall be shared by the beneficiaries and long-term transmission customers in terms of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (“the 2010 Sharing Regulations”), and the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, (“the 2020 Sharing Regulations”), as amended from time to time for the applicable periods.

96. In view of the above, according to the Petitioner, the Annual Fixed Cost for the 2024-29 period in respect of Asset-2 shall be borne by NPCIL until its COD, and the AFC for Asset-1 shall be recovered on a monthly basis in accordance with Regulation

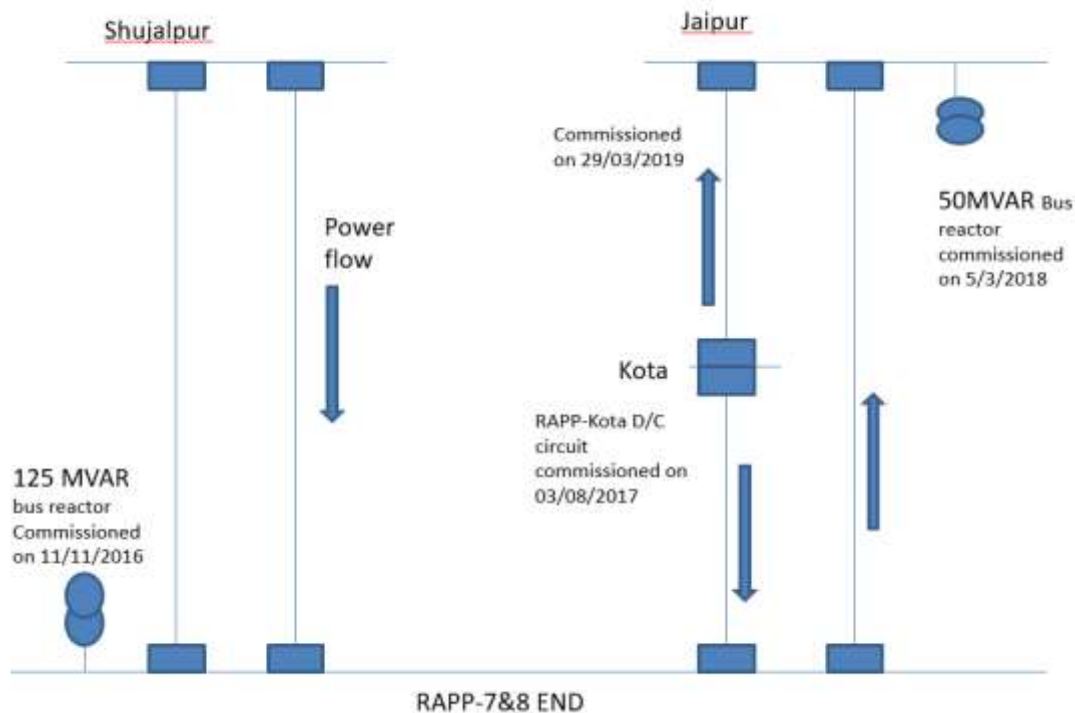


78 of the 2024 Tariff Regulations, and shall be shared by the beneficiaries, and long-term transmission customers in terms of the 2020 Sharing Regulations, as amended from time to time.

97. NPCIL, in its reply, has mainly submitted as follows:

- a) NPCIL applied for connectivity in July 2010, indicating COD for RAPP-7 as June 2016 and for RAPP-8 as December 2016. Subsequently, connectivity was granted on 4.5.2011 with the respective COD dates.
- b) NPCIL submitted an LTA application in December 2010, and accordingly, LTA was granted on 4.5.2011, with the starting date of LTA indicated as December 2015.
- c) At the 29th LTA meeting held on 29.12.2010, the RAPP-7 & 8 evacuation scheme was finalised, which included the following:
 - i. One 400 kV D/C line RAPP- Jaipur, with one circuit LILO at Kota, to be implemented by the PGCIL.
 - ii. One 400 kV D/C line RAPP- Shujalpur, to be implemented on TBCB basis, which was later implemented by M/s RTCL (RAPP Transmission Company Limited).





- d) In the 31st Standing Committee Meeting of the Northern Regional Power Committee (NRPC) held on 2.1.2013, Shujalpur lines were delinked with RAPP generation. It was decided that the said lines would be used for strengthening the North-West grid, and it was advised to commission the lines tentatively by February 2016.
- e) NPCIL was not ready till February 2016, as the PLCC and fire water systems were not commissioned till then. They were commissioned on 11.11.2016.
- f) The dispute regarding payment of transmission charges for the Shujalpur D/C Line for the period from 1st March to 11th Nov 2016 is pending adjudication before the Hon'ble Supreme Court as Civil Appeal No. 4400 of 2019.
- g) With regard to the 400 kV RAPP-Kota D/C Line (part of the RAPP-Jaipur D/C with one circuit LILO at Kota), it is stated that the ATS for this part was also advanced because the system requirements were not met, as discussed in the 25th NRPC meeting held on 23-24th February 2012.



- h) Further, the 31st NRPC meeting was held on 23rd-24th July 2014, and NPCIL was asked to sign the Indemnification Agreement to fix the zero date.
- i) NPCIL executed the Implementation Agreement with the Petitioner on 19.9.2014, whereby the COD of the RAPP-7 was indicated as 30.11.2017 and that of the RAPP-8 thereafter. NPCIL and the Petitioner both missed the COD, and later the Petitioner achieved the COD of the ATS on 29.03.2019.
- j) During the 40th NRPC meeting held on 27th-28th October 2017, it was noted that the voltage profile at Jaipur (South) exceeded 410 kV for about 55% of the time. Consequently, it was agreed to charge the line reactor as a bus reactor to control the overvoltage in the concerned area. Therefore, the tariff for the 50 MVAR bus reactor and bay at Jaipur is recovered under POC.
- k) It is pertinent to note that the only ATS left with RAPP- 7 & 8 are the 400 kV Kota-Jaipur D/C line and the bays at Kota and Jaipur. NPCIL is paying around Rs.3 crores/month against these assets.

Power Flow Details

- a) At Kota substation, power is in export mode on both the following lines:
 - i. Both Kota (PG) 1 & 2: The power flow is from Kota to the RAPP end.
 - ii. Kota-Jaipur line - The power flow from Kota to Jaipur clearly indicates that the power flow in the Kota-Jaipur line does not belong to NPCIL.
- b) RAPP-Jaipur line: In the RAPP-Jaipur line, the power is flowing towards Jaipur.
- c) Shujalpur D/C Line (NR-WR Interconnection) lines are carrying very little power, and most of the power is flowing towards the RAPS switchyards. Even after 5.1.2024 and 29.3.2024 grid events, when all the RR sites' units tripped and were in shutdown state for approximately 36 hours, at the RAPP end, Kota (PG) 1 & 2 were importing power, and power was flowing from the RAPP-Jaipur line,



whereas power was flowing towards Jaipur from the Kota-Jaipur line. Thus, since commissioning, both lines have been used for system strengthening, and therefore the tariff for the same should be recovered under the POC.

- d) As per the power-flow data, the 400 kV Kota–Jaipur line carries power from Kota to Jaipur, and power simultaneously flows from Kota towards RAPP (Rajasthan Atomic Power Station), clearly indicating that the Kota–Jaipur line does not evacuate power from RAPP. Accordingly, the Petitioner is liable to reimburse the tariff recovered from NPCIL for the period from 23.3.2019 until commissioning of RAPP-7 & 8, or, in the alternative, the said line should be treated as a system-strengthening asset, and the tariff recovered from RAPP-7 & 8 be refunded along with applicable interest.
- e) Both 400 kV RAPP–Kota (PG)–1 and 2 lines have been importing power at the RAPP end for the past five years, without any change in grid configuration, whereas the RAPP–Jaipur line has consistently exported power towards Jaipur and has supported the grid throughout this period. This power flow configuration clearly depicts Jaipur as the load centre for the last five years, as per the reply of NPCIL dated 27.6.2019 filed before the Commission in Petition No. 283/TT/2018.
- f) According to NPCIL, immediately after the commissioning of RAPP-5 and 6, the bulk power flow was towards Kota, which necessitated opening one Kankroli circuit for voltage control. The situation changed. Power began flowing into the RAPS switchyard from Kota, while the RAPP–Jaipur line continued to evacuate power towards Jaipur. This configuration has contributed to grid stability and benefited the beneficiaries. The Petitioner shall reimburse the tariff



corresponding to actual power-flow usage, or alternatively, treat these assets as system-strengthening elements and refund the tariff recovered from RAPP-7 & 8 along with interest.

- g) The two Shujalpur bays at the RAPP end and the 125 MVAR bus reactor were commissioned on 11.11.2016, well before the scheduled commissioning of RAPP-7 & 8, and were used for system strengthening. Accordingly, the Petitioner is liable to reimburse the tariff for these assets from their CODs until the zero date of RAPP-7 & 8, i.e., 30.11.2017. NPCIL further submitted that the two bays of the RAPP–Jaipur D/C line at the RAPP end were similarly commissioned ahead of schedule and used for system strengthening, and therefore their tariff must likewise be reimbursed up to the zero date of RAPP-7 & 8.

98. In response, the Petitioner, vide affidavit dated 24.6.2025, submitted as follows:

- a) The said appeal pertains to mismatch charges related to the RAPP–Shujalpur transmission line implemented by M/s. RAPP Transmission Company Limited (RTCL), a TBCB project, which is entirely separate from the transmission assets covered under the present Petition. Therefore, the pendency of the said appeal has no bearing on the present truing-up proceedings or on the bilateral charges payable by NPCIL to Petitioner.
- b) NPCIL’s submissions regarding the alleged mismatch of COD and liability for transmission charges are misconceived and contrary to the findings already rendered by the Commission. The issue stands conclusively adjudicated in the Commission’s order dated 5.2.2020 in Petition No. 283/TT/2018, wherein the Commission examined the scope of the RAPP-7 & 8 associated transmission system and determined the liability for transmission charges in



accordance with Regulation 43 of the 2014 Tariff Regulations and Regulation 8(5) of the 2010 Sharing Regulations. The Commission categorically held that the transmission charges for the asset (400 kV D/C Kota–Jaipur (South) line with associated bays) are payable by RAPP-7 & 8 from the COD of the asset until the COD of the generating units, and thereafter the charges shall be governed as per the Sharing Regulations. This order has attained finality, as NPCIL has neither sought review nor filed an appeal. The very arguments now reiterated by NPCIL were previously raised, considered, and expressly rejected by the Commission in the said proceedings.

- c) Subsequently, the Petitioner filed Petition No. 40/TT/2021 for truing-up of tariff up to 31.3.2019, and determination of tariff for the 2019–24 period, and the Commission, vide order dated 31.12.2021, duly trued up and approved the tariff.
- d) The present Petition is confined solely to the truing-up of transmission charges for the period from 1.4.2019 to 31.3.2024 and determination of tariff for the next tariff period (2024–29). The scope of these proceedings is limited to the reconciliation of actual capital expenditure vis-à-vis approved figures and the application of the Tariff Regulations.
- e) Accordingly, NPCIL's objections, which seek to reopen issues already settled, and beyond the permissible scope of truing-up, are untenable, irrelevant, and liable to be disregarded.
- f) The mismatch charges imposed on NPCIL have been correctly levied in strict accordance with Regulation 8(5) of the 2010 Sharing Regulations. It is an admitted position that the commissioning of RAPP-7 and RAPP-8 was



delayed by NPCIL, and the Commission has consistently held that, in such circumstances, the generator remains liable for the corresponding transmission charges until its generating units are commissioned. Consequently, NPCIL's objections to the applicability of mismatch charges is unsustainable both on facts and in law.

99. NPCIL, in its written submissions dated 26.11.2025, has mainly submitted as follows:

- a) The dispute related to payment of transmission charges of the Shujalpur D/C Line for the period from 1st March to 11th November, 2016 is pending adjudication before the Hon'ble Supreme Court as Civil Appeal No. 4400 of 2019.
- b) Neither the Petitioner nor the CTUIL can deny NPCIL's claims without submitting the power flow data for the RAPP–Kota, Kota–Jaipur, and RAPP–Jaipur transmission lines for the 2019–24 tariff period to all concerned parties. The Petitioner should submit its response based on complete and actual power flow data.
- c) The affidavit indicates that the power flow on the Shujalpur DIC lines is lower than on the RAPP–Jaipur lines. Most of the power is being evacuated through the RAPP–Jaipur and Kota–Jaipur transmission lines.
- d) The matters decided in Petition No. 283/TT/2018 concerned only the COD mismatch and have no bearing on the present issue, which pertains solely to power flow. Analysis of the power flow data shows that (a) in the RAPP–Kota transmission line, the power flow is towards the RAPP end, and (b) in the Kota–Jaipur transmission line, the power flow is towards Jaipur. This demonstrates that the power flowing in the Kota–Jaipur line is not attributable



to NPCIL. Further, the power entering the RAPP–Jaipur line from Kota is being evacuated through that line, thereby confirming that NPCIL’s power is not transmitted through these assets. Consequently, NPCIL cannot be held liable to make payment arising from the flow of others’ power. The tariff for these transmission lines should be recovered under the PoC mechanism from the concerned beneficiaries, or alternatively, CTUIL should bear the cost corresponding to such power flow.

- e) NPCIL has reviewed all the power flow data and identified discrepancies, which is why the issue is being raised. Accordingly, NPCIL should not be held liable for transmission charges where the lines are being used by other entities. Furthermore, neither the Petitioner nor the CTUIL should recover transmission charges for the same asset from more than one entity.
- f) Before the matter is decided, the actual power flow data from the Northern Region Load Dispatch Centre (NRLDC) shall be obtained and duly considered. Since power from other entities also flows through these transmission lines, the entire charges should not be imposed on NPCIL, and any revenue earned therefrom should be returned to NPCIL. As NPCIL’s submissions are based on factual data, either the Petitioner or the CTUIL should procure the relevant power flow information from NRLDC and share it with all concerned parties.

100. We have considered the submissions of the parties. It is observed that the Commission, vide its order dated 31.12.2021 in Petition No. 40/TT/2021, held that “the transmission charges in respect of Asset-I shall be included in PoC pool and the transmission charges in respect of Asset-II will be borne by RAPP-7&8 from COD of Asset-II till COD of RAPP-7&8”. The relevant extract of the order is as follows:



“82. We have considered the submissions of the Petitioner. The Commission vide order dated 5.2.2020 in Petition No. 283/TT/2018 observed as under:

“87. With regard to Asset-I, the line reactor as bus reactor has been approved in the 40th NRPC meeting held on 28.10.2017 and accordingly, the Asset-I was put into commercial operation and put into use from 5.3.218. Therefore, the Transmission Charges for Assets-I allowed in this order shall be recovered in accordance with Regulation 43 of the 2014 Tariff Regulations.

.....

“89. In the instant case, the Asset-II i.e. 400 kV D/C Kota - Jaipur (South) line along with associated bays at Kota and Jaipur (South) (part of RAPP-Jaipur (S) 400 kV D/C line with one ckt LILO at Kota) has been put into use w.e.f. 29.3.2019 but the associated generation under the scope of NPCIL is not yet ready. Thus, we note that the facts of the case in petition no. 118/TT/2017 and 206/TT/2017 are distinct from the instant petition and are not applicable. Therefore, the tariff allowed for the Asset-II will be borne by RAPP-7&8 from the COD of the Asset-II till the COD of the RAPP-7&8, as provided under Regulation 8(5) of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses Regulations), 2010 (hereinafter referred to as “2010 Sharing Regulations) as amended from time to time. Thereafter billing, collection and disbursement of the transmission charges shall be governed by the provisions of the 2010 Sharing Regulations. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.”

83. In view of the above, the transmission charges in respect of Asset-I shall be included in PoC pool and the transmission charges in respect of Asset-II will be borne by RAPP-7&8 from COD of Asset-II till COD of RAPP-7&8.”

101. According to the submissions of the Petitioner, we note that the associated generator under the scope of RAPP-7 & 8 is yet to be commissioned.

102. In view of the above, and in line with the findings of the Commission, vide order dated 31.12.2021 in Petition No. 40/TT/2021, the transmission charges in respect of Asset-1 shall be shared as per the provisions of the 2010 and 2020 Sharing Regulations. The transmission charges in respect of Asset-2 shall be borne by RAPP-7&8 from the COD of Asset-2 until the COD of RAPP-7&8.

103. With effect from 1.7.2011, sharing of transmission charges for Inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations.



With effect from 1.11.2020, sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of the applicable Tariff Regulations and Sharing Regulations, and shall be recovered from the concerned DICs through bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. The billing, collection, and disbursement of transmission charges for subsequent periods shall be recovered in terms of the provisions of the 2020 Sharing Regulations, as provided in Regulation 57 of the 2019 Tariff Regulations and Regulation 78 of the 2024 Tariff Regulations.

104. To summarise:

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

(₹ in lakh)

Asset-1					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	262.41	264.25	258.66	254.12	250.25
AFC Allowed	262.41	264.25	258.67	254.13	250.25

(₹ in lakh)

Asset-2					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	4043.57	4010.06	3947.05	3891.05	3834.73
AFC Allowed	4043.38	4009.66	3946.67	3890.69	3834.36

- (b) The Annual Transmission Charges approved in respect of the transmission assets for the 2024-29 tariff period in this order are as follows:

(₹ in lakh)

Asset-1					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	249.78	243.16	237.81	234.26	230.94
AFC Allowed	249.79	243.18	237.82	234.26	230.95



(₹ in lakh)

Asset-2					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	3718.07	3625.11	3529.39	3442.15	3336.61
AFC Allowed	3717.73	3624.79	3529.07	3441.84	3336.31

105. This order disposes of the Petition No. 196/TT/2025, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

