

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 208/TT/2024

Coram:

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

Date of Order : 04.02.2026

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the determination of the Transmission Tariff from the proposed COD to 31.3.2024 for Asset-1: 1 no. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station under implementation of Kurnool (New) Sub-station in the Southern Region.

And in the matter of:

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

...Petitioner

Vs.

- 1. Tamil Nadu Generation and Distribution Corporation Limited,
NPKRR, Maaligai, 800, Anna Salai,
Chennai- 600002.**
- 2. Kerala State Electricity Board,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram-695004.**
- 3. Electricity Department,
Government of Goa,
Vidyuti Bhawan, Panaji, Goa-403001.**
- 4. Electricity Department,
Government of Pondicherry,
Pondicherry-605001.**



5. **Eastern Power Distribution Company of Andhra Pradesh Limited,**
P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.
 6. **Southern Power Distribution Company of Andhra Pradesh Limited,**
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana, Gunta, Chittoor District,
Tirupati- 517501 (Andhra Pradesh).
 7. **Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad- 500063 (Telangana).
 8. **Northern Power Distribution Company of Telangana Limited,**
H. No. 2-5-3 1/2, Vidyut Bhawan, Corporate Office,
Nakkal Gutta, Hanamkonda, Warangal- 506001 (Telangana).
 9. **Bangalore Electricity Supply Company Limited,**
Corporate Office, K.R. Circle, Bangalore- 560001 (Karnataka).
 10. **Gulbarga Electricity Supply Company Limited,**
Station Main Road, Gulbarga, Karnataka.
 11. **Hubli Electricity Supply Company Limited,**
Navanagar, PB Road, Hubli, Karnataka.
 12. **MESCOM Corporate Office,**
Paradigm Plaza, AB Shetty Circle,
Mangalore- 575001, Karnataka.
 13. **Chamundeswari Electricity Supply Corporation Limited,**
#927, LJ Avenue, Ground Floor, New Kantharaj Urs Road,
Saraswatipuram, Mysore- 570009 (Karnataka).
 14. **Greenko AP01 IREP Private Limited,**
Second Floor, Block D, Plot No.13, Hitech City Layout,
Madhapur, Hyderabad- 500081.
 15. **Central Transmission Utility of India Limited,**
Saudamini, Plot No. 02, Sector-29,
Gurugram-122001.
- ... Respondent(s)**

Parties Present : Shri S. Vallinayangam, Advocate, TANGEDCO
Shri Zafrul Hassan, PGCIL
Shri Angaru Naresh Kumar, PGCIL



Shri Vijay G., PGCIL
Shri Ranjeet Pandey, PGCIL
Ms. Ashish Alankar, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited (PGCIL), has filed the instant Petition for the determination of the transmission tariff from the proposed date of commercial operation (COD) to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of Asset-1: 1 no. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station under implementation of Kurnool (New) Sub-station (hereinafter referred to as “the transmission asset”) in the Southern Region.

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

- “1) Approve the proposed DOCO as 24.10.2023 for Asset-1 under clause 5(2) of Tariff Regulation, 2019 as explained at para 6.2.*
- 2) Condone the delay in completion of subject asset on merit of the same being out of the control of Petitioner in line with CERC Regulations’2019 22(2) “uncontrollable factors” and approve the tariff as claimed.*
- 3) Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred/projected to be incurred.*
- 4) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para –8.4 above.*
- 5) Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8 above for respective block.*
- 6) Approve the reimbursement of expenditure by the beneficiaries towards Petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of Petition.*



- 7) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 8) *Allow the petitioner to bill and adjust the impact on Interest on Loan due to a change in the Interest rate on account of the floating rate of interest applicable during the 2019-24 period, if any, from the beneficiaries.*
- 9) *Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.*
- 10) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 11) *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.*
- 12) *Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*
- 13) *Allow Final tariff in accordance with Regulation 10 (5) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*

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 under:

- (i) The Investment Approval (IA) for the transmission asset was accorded by the Competent Authority of the Petitioner's company on 3.1.2022 and circulated vide Memorandum Ref. No.: C/CP/PA2122-10-0AM-IA026 dated 4.1.2022 at an estimated cost of ₹437.00 lakh, including an Interest During Construction (IDC) of ₹11.00 lakh, based on the September 2021 price level with a completion schedule by October 2022 (i.e., 1.11.2022).
- (ii) The scope of work as per the IA is as under:



Sub-station:

- a) 765/400 kV Kurnool (New) Sub-station Extension:
- i. 1 No. line 400 kV Bay (AIS)
- (iii) The implementation of the transmission asset for the termination of Greenko AP01 IREP Private Limited-Kurnool (New) 400 kV S/C line was discussed in the 49th Southern Region constituents meeting of CTU held on 29.12.2020. Further, the subject scheme was discussed and agreed to be implemented under ISTS in the 3rd SRPC (TP) meeting held on 24.8.2021. Subsequently, vide OM ref. no. C/CTU/AI/00/1STCCTP dated 16.11.2021, CTUIL has allocated “1 No. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station” scheme to the Petitioner for implementation under the Regulated Tariff Mechanism (RTM).
- (iv) CTUIL, vide letter dated 19.4.2022, had informed the Petitioner that the schedule for 400 kV Bay completion works at Kurnool Sub-station shall stand revised from October 2022 to September 2023.
- (v) Further, the Revised Cost Estimate (RCE) was approved by the Committee on Investment on Projects (CoIP) in its 143rd meeting held on 26.7.2024 and communicated vide the Memorandum Ref. No.: C/CP/PA2425-05-0F-RCE005 dated 7.8.2024 at an estimated cost of ₹679.00 lakh, including an IDC of ₹0.30 lakh, with the commissioning schedule of October 2023.
- (vi) The details of the scheduled date of commercial operation (SCOD) as per IA, SCOD as per RCE and the date of commercial operation (COD) claimed by the Petitioner for the transmission asset are as under:



SCOD as per IA dated 4.1.2022	Revised SCOD as per CTUIL letter dated 19.4.2022	COD claimed under Regulation 5(2) of the 2019 Tariff Regulations
1.11.2022	1.10.2023	24.10.2023

(vii) The entire transmission asset has been put into commercial operation.

4. The Respondents, mainly beneficiaries of the Southern Region, are Distribution Licensees, Transmission Licensees and Power Departments, which 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. No comments or suggestions have been received from the general public in response to the aforesaid notice published in the newspapers by the Petitioner. Respondent No. 1, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), now known as Tamil Nadu Power Distribution Corporation Limited (TNPDC), has filed its written submissions dated 16.7.2025 and has raised the issues of cost variation and time overrun. Respondent No. 2, Kerala State Electricity Board Limited (KSEBL), has filed its written submissions dated 27.12.2024 and has raised the issues of the proposed COD, cost variation, Additional Capital Expenditure (ACE), time overrun and sharing of transmission charges. The Petitioner has filed its rejoinder to the written submissions of TNPDC and KSEBL vide affidavits dated 4.8.2025 and 9.1.2025, respectively. The other Respondents, including Greenko AP01 IREP Private Limited, did not file a reply in the matter despite the opportunity given from time to time. The issues raised by the Respondents and the clarifications given by the Petitioner have been considered in detail in the succeeding paragraphs of this order.



6. The hearing in the matter was held on 22.7.2025, and the order was reserved. This order is being issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 20.3.2024, the Petitioner's affidavits dated 12.9.2024, 6.12.2024, and 10.2.2025 and written submissions filed by TNPDC and KSEBL dated 16.7.2025 and 27.12.2024 and CTUIL's reply to the RoP dated 22.7.2025 vide affidavit dated 12.9.2025.

7. Having heard the Petitioner's representatives and the learned counsels for the Petitioner and Respondents and having perused the material on record, we proceed to dispose of the Petition.

DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

8. The Petitioner has claimed the following transmission charges for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 160 days)
Depreciation	11.53
Interest on Loan	8.31
Return on Equity	8.89
Interest on Working Capital	1.13
O&M Expenses	16.14
Total AFC	46.00

9. The Petitioner has claimed the following Interest on Working Capital (IWC) for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 160 days)
O&M Expenses	3.08
Maintenance Spares	5.54
Receivables	12.94
Total Working Capital	21.56
Rate of Interest (in %)	12.00
Interest on Working Capital	2.59
Pro rata Interest on Working Capital	1.13



Date of Commercial Operation (“COD”)

10. The Petitioner has claimed the COD of the transmission asset as 24.10.2023 under Regulation 5(2) of the 2019 Tariff Regulations as the power flow in said 400 kV Bay could not be achieved due to the non-readiness of the associated downstream transmission line i.e. 400 kV S/C Greenko AP01 IREP Private Limited - Kurnool (New) transmission line, being executed by M/s. Greenko AP01 IREP Private Limited (herein referred to as “Greenko”).

11. In support of the proposed COD, the Petitioner has submitted a copy of the CEA Energisation Certificate, RLDC Charging Certificate, and Notice served on M/s. Greenko AP01 IREP Private Limited, Self-declaration COD Certificate and CMD Certificate.

12. In compliance with the Commission’s query regarding the CEA Energisation Certificate, the Petitioner, vide affidavit dated 6.12.2024, has submitted a copy of the final CEA Energisation Certificate and Inspection Report of the CEA. The Petitioner has further submitted that the CEA vide Email/Letter dated 30.9.2023, has issued provisional clearance for charging the transmission asset after scrutinising all submitted documents, including Test Reports, Pre-commissioning checks, etc. The provisional clearance mentioned that the physical inspection of the above equipment shall be carried out during the next periodical inspection. The Petitioner had undertaken commissioning activities and charged the transmission asset on 22.10.2023 and completed the trial operation on 23.10.2023, on no-load due to the delay in the readiness of the interconnected transmission system of the generator. Meanwhile, the CEA, vide its inspection report dated 17.10.2023, had asked for compliance with certain general things, such as



identification boards, ensuring interlocks, etc. The Petitioner vide letter dated 24.1.2024 had submitted the compliance report for the same. The CEA has issued final approval for energisation vide letter dated 30.1.2024.

13. The Petitioner has further submitted that though the observations of the CEA in the inspection report had already been complied with before charging the transmission asset, the compliance report with respect to the CEA inspection report dated 17.10.2023 was submitted late, i.e., on 24.1.2024, due to inadvertent oversight, and this delay was totally unintentional. The Petitioner has requested that the COD be approved as 24.10.2023 for the transmission asset under Regulation 5(2) of the 2019 Tariff Regulations.

14. The Petitioner vide affidavit dated 10.2.2025 has also submitted a copy of the Certificate issued by CTUIL towards the completion of the transmission asset as per IEGC-2023.

15. KSEBL has submitted that the CEA clearance for energisation was received on 30.9.2023, and the transmission asset was charged on 24.10.2023. The reasons cited by the Petitioner for the delay are purely attributed to the Petitioner and, therefore, requested that the delay of 23 days beyond the revised SCOD (1.10.2023) may not be allowed to the Petitioner.

16. In response, the Petitioner has submitted that although the construction works were affected due to the aforesaid uncontrollable factors, the transmission asset was ready and the CEA clearance was received for the same on 30.9.2023. Upon receipt of



the CEA clearance, testing and commissioning activities were undertaken and the transmission asset was commissioned with the proposed COD w.e.f. 24.10.2023 with a marginal delay of 23 days.

17. We have considered the Petitioner's and KSEBL's submissions and perused the documents placed on record.

18. Regulation 5 of the 2019 Tariff Regulations provides as under:

"5. Date of Commercial Operation: (1) *The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.*

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

Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating company or the other transmission licensee and the long term customers of its transmission system, as the case may be, regarding the date of commercial operation:

Provided further that the transmission licensee seeking the approval of the date of commercial operation of the transmission system under this clause shall be required to submit the following documents along with the petition:

- (a) Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;*
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;*
- (c) Implementation Agreement, if any, executed by the parties;*
- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;*
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;*
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.*



19. Regulations 26(3)(a) and 27(1)(c)(i) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2023 (herein referred to as “the 2023 Grid Code Regulations”) provide as under:

26. DECLARATION BY GENERATING COMPANY AND TRANSMISSION LICENSEE

(3) Transmission system

- (a) *The transmission licensee shall submit a certificate signed by the authorized signatory not below the rank of CMD or CEO or MD of the company to the concerned RLDC and to the Member Secretary of the concerned RPC before declaration of COD that the transmission line, sub-station and communication system conform to the CEA Technical Standards for Construction, CEA Technical Standards for Connectivity, CEA Technical Standards for Communication, Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010 and these regulations and are capable of operation to their full capacity.*

27. DECLARATION OF COMMERCIAL OPERATION (DOCO) AND COMMERCIAL OPERATION DATE (COD)

- (1) *A generating station or unit thereof or a transmission system or an element thereof or ESS may declare commercial operation as follows and inform CEA, the concerned RLDC, the concerned RPC and its beneficiaries:*

(c) Transmission System

- (i) *The commercial operation date in the case of an Inter-State Transmission System or an element thereof shall be the date declared by the transmission licensee on which the Transmission System or an element thereof is in regular service at 0000 hours after successful trial operation for transmitting electricity and communication signals from the sending end to the receiving end as per Regulation 23 and submission of a declaration as per clause (3) of Regulation 26 of these regulations:*

*Provided also that in case a transmission system or an element thereof executed under regulated tariff mechanism is prevented from regular service on or after the scheduled COD for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system of other transmission licensee, the transmission licensee shall approach the Commission through an appropriate petition along with a **certificate from the CTU to the effect that the transmission system is complete as per the applicable CEA Standards, for approval of the commercial operation date of such transmission system or an element thereof:***



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20. As per fourth proviso to Regulation 27(1)(c)(i) of the 2023 Grid Code Regulations, in case a transmission system or any of its elements, developed under the RTM, is ready for operation but cannot be put into regular service on or after its SCOD due to the reasons beyond the control of the transmission licensee, the transmission licensee shall file an appropriate Petition before the Commission. The Petition shall be accompanied by a certificate from the Central Transmission Utility of India Limited (CTUIL) confirming that the transmission system or element is complete and complies with the applicable CEA standards. In the instant case, the Petitioner has submitted the CTUIL letter dated 23.1.2025 and the same is extracted as under:





सेंट्रल ट्रान्समिशन यटिलिटी ऑफ इंडिया लिमिटेड
(पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड के स्वामित्व में)
(भारत सरकार का उद्यम)

CENTRAL TRANSMISSION UTILITY OF INDIA LTD.
(A wholly owned subsidiary of Power Grid Corporation of India Limited)
(A Government of India Enterprise)

Certificate no.: CTU/CMG/RTM/Certificate/2024-25/06a

Date: 23-01-2025

CTU Certificate towards completion of Transmission System

(In compliance with requirement of IEGC-2023 to apply for approval of COD)

To,
Power Grid Corporation of India Ltd.
Southern Region Transmission System-I
6-6-8/32 & 395E, Kavadiguda Main Road,
Secunderabad- 500080 (Telangana)
Tel: 040-27546658

- Projects: 1. "1 no. 400 kV bay at 765/400kV Kurnool (New) Substation"
2. "Implementation of 1 no 400kV line bay at Kurnool New S/s for providing Connectivity to M/s Greenko AP01 IREP Pvt. Ltd. (2nd 400kV line bay for M/s Greenko)"

References:

- CTUIL OMs dated 16.11.2021 and dated 28.11.2022.
- Letter from "Power Grid Corporation of India Ltd." with reference no. PGCIL:SR-I/COMML/KRNL 409/2024-25 dated 13.09.2024 and reference no. PGCIL:SR-I/COMML/KRNL 412/2024-25 dated 25.10.2024 requesting CTU for issuance of the completion certificate.
- Provisional clearance from CEA given on dated 30.09.2023 along with CEA Approval of Energisation dated 30.01.2024 for Bay 409 at PGCIL Kurnool S/s.
- CEA Approval for Energisation with ref. no. 37/114/08/2024-RIO(S)/605 Dated 29.08.2024 for energisation of electrical installation of 01 no. of 400kV AIS line bay (412) at Kurnool, POWERGRID S/s.
- GRID-INDIA certificate for successful completion of Trial Operation for Bay 409 at 765/400kV Kurnool PG S/S with reference no.- GRID-INDIA/SRLDC/Trans/Certificate/23-24/09 dated 03.12.2024.
- GRID-INDIA certificate for successful completion of Trial Operation for Bay 412 at 765/400kV Kurnool New S/S with reference no.- SRLDC/Trans/Certificate/24-25/07 dated 08.10.2024.
- Undertakings dated 25.10.2024 signed by CGM (I/C), SRTS-I, Power Grid Corporation of India Ltd. (Transmission licensee) regarding completion of transmission system.

This is to certify that transmission elements as detailed in Table-A have been completed by M/s "Power Grid Corporation of India Ltd." meeting all the requirements of the transmission line, sub-station, communication system & inter-related systems conforming CEA Standards & Regulations including:

Page 1 of 2

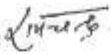


- (i) CEA (Technical Standards for Construction of Electrical Plants and Electric lines) Regulation, 2022.
- (ii) CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007.
- (iii) CEA (Technical Standards for Communication in Power System Operation) Regulations, 2020.
- (iv) CEA (Measures relating to Safety and Electricity Supply) Regulations, 2023.

Table-A

Project	Name of the Transmission Elements (as per scope of works under CTU's OM/NCT's letter/MoP's OM)	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element, if applicable	Date of completion
1.	1 no. 400 kV bay at 765/400kV Kurnool (New) Substation		
(i)	1 no. of 400 kV bay at 765/400kV Kurnool (New) (Bay No- 409)	Not Applicable	23.10.2023
2.	Implementation of 1 no 400kV line bay at Kurnool New S/s for providing Connectivity to M/s Greenko AP01 IREP Pvt. Ltd. (2nd 400kV line bay for M/s Greenko)		
(i)	Implementation of 1 no. 400kV line bay at Kurnool New S/s for providing Connectivity to M/s Greenko AP01 IREP Pvt. Ltd. (2nd 400kV line bay for M/s Greenko) (Bay No. 412)	Not Applicable	01.09.2024

This Certificate is issued based on the above referred documents/details & the undertaking submitted by "Power Grid Corporation of India Ltd." and in accordance with Fourth proviso to Regulation 27(1)(c)(i) of CERC (Indian Electricity Grid Code) Regulations, 2023, to certify that the subject transmission elements are complete as per applicable CEA Standards/Regulations and present certificate can be used to demonstrate Commercial Operation Date [COD] of aforesaid elements. Usage of this Certificate for any other purpose is prohibited.

हस्ताक्षर/Signature: 

नाम/Name: Ramchandra

पदनाम/Designation: Sr. GM

Date: 23-01-2025



21. Further, we have observed that the Petitioner has applied for the CEA Energisation Certificate through an online application dated 9.9.2023 and a subsequent email dated 29.9.2023. In response, the CEA, vide email dated 30.9.2023, accorded the Provisional Clearance for charging bay equipment subject to compliance with the relevant provision of the CEA (Measures relating to safety and electric supply) Regulation, 2023, to the Petitioner. Accordingly, an inspection report was issued by the CEA on 17.10.2023. Further, after submission of the compliance report on 24.1.2024 by the Petitioner, the final CEA Energisation Certificate was issued on 30.1.2024.

22. However, based on the Provisional CEA Energization Certificate dated 30.9.2023, the Petitioner has commenced their commissioning activities and accordingly, as per the SRLDC Certificate dated 24.11.2023, the trial-run of the transmission asset on a No-load basis was successfully completed on 23.10.2023 and, thus, the Petitioner has claimed the COD of the transmission asset as on 24.10.2023 under Regulation 5(2) of 2019 Tariff Regulation. The CTUIL vide letter dated 23.1.2025 has also certified that the transmission asset was completed as on 24.10.2023.

23. Further, it has been observed that the CMD Certificate submitted by the Petitioner in respect of the transmission asset is not marked/copied to the concerned RLDCs and Member Secretary of the Concerned RPC as required as per Regulation 26(3)(a) of the 2023 Grid Code Regulations. The Petitioner is directed to mark/send the said certificate to all the concerned authorities as required under Regulation 26(3)(a) of the 2023 Grid Code Regulations and submit the documentary proof of the same at the time of truing up.



24. Therefore, in view of the above and taking into consideration the completion certificate issued by the CTUIL vide letter dated 23.1.2025 as per the 2023 Grid Code Regulations, Provisional CEA Energisation Certificate dated 30.9.2023, SRLDC Trial-run Certificate dated 24.11.2023 certifying the completion of trial operations on No-load basis on 23.10.2023, Notice issued by the Petitioner vide letter dated 15.9.2023 and the CMD Certificate, the COD of the transmission asset is hereby approved as on 24.10.2023 under Regulation 5(2) of the 2019 Tariff Regulation. The treatment of the mismatch in the transmission system is dealt with under the sharing of transmission charges.

Capital Cost

25. Regulation 19 of the 2019 Tariff Regulations provides as under:

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

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;***
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;***
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;***
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;***
- (e) Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;***
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;***
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;***
- (h) Adjustment of revenue earned by the transmission licensee by using the Asset-before the date of commercial operation;***
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;***



- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway.
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

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

- (a) The Asset-forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Asset-after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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



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

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

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

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

26. The Petitioner has submitted the Auditor's Certificate dated 15.3.2024 and claimed the capital cost incurred as on the COD and has projected the ACE to be incurred in respect of the transmission assets as under:

(₹ in lakh)					
FR Approved Cost	RCE cost	Cost as on COD	Projected ACE		Estimated Completion Cost
			2023-24	2024-25	
437.00	679.00	185.50	351.54	104.91	641.95

Cost Overrun

27. The Petitioner has submitted that the total estimated completion cost is more than the FR approved cost. The Petitioner, subsequently vide affidavit dated 12.9.2024, has submitted the RCE dated 7.8.2024 with the revised cost of ₹679.00 lakh. The Petitioner has further submitted that the estimated completion cost is within the approved RCE cost and thus, there is no cost overrun for the transmission asset w.r.t the RCE cost.

28. However, the Petitioner has submitted the item-wise reasons for the cost variation between the FR approved cost and the estimated completion cost in the Petition, and the same is as under:



Sl. No	Description	(₹ in lakh)		
		FR Cost	Estimated Capital Cost	Variation (-decrease, +increase)
		a	b	c = b - a
B	Sub-stations			
1	Switchgear	147.16	188.57	41.42
2	Control, Relay & Protection Panel	86.93	215.94	129.01
3	Bus Bars/conductors/insulators/ H/w (Set/ Nos.)/Grounding System Spares / Structure for switchyard	87.55	109.73	22.18
4	Taxes and Duties	52.41	86.90	34.49
5	Incidental Expenditure during Construction (IEDC)	51.43	40.47	-10.96
6	Interest During Construction (IDC)	11.00	0.33	-10.67
	Grand Total	436.48	641.95	205.47

A. Variation in IDC cost:

29. The decrease in IDC is attributable to variation in the actual interest rates with respect to the interest rates considered in FR and due to the actual infusion of funds vis-à-vis those envisaged in the FR. Further, only the actual IDC accrued up to the COD has been considered in the claimed tariff.

B. Variation in IEDC cost:

30. In the IA, the IEDC and contingency have been considered @ 10.75% and 3% of the equipment cost and civil works, respectively, whereas in the Auditor's Certificate, the IEDC cost has been considered based on the actual expenditure.

C. Variation in Equipment Cost:

31. Being a Government enterprise, the Petitioner has the obligation for indigenous development of manufacturers and must adhere to the Government of India guidelines in



vogue. Accordingly, the Petitioner has been following a well-established procurement policy that ensures both transparency and competitiveness in the bidding process. The Petitioner further stated that the Domestic Competitive Bidding (DCB) route has been followed to award this transmission scheme. Through this process, the lowest possible market prices for the required products/services, as per the detailed designs, are obtained, and contracts are awarded to the lowest evaluated eligible bidder. The competitive bid prices against tenders may vary from the cost estimate depending on prevailing market conditions, design, and site requirements. However, the Petitioner prepares estimates using well-defined cost-estimation procedures. The FR cost estimate is a broad, indicative figure generally based on average unit rates from recently awarded contracts or general practice. The Petitioner submitted that the FR cost estimate for the project is based on the September 2021 price level.

32. KSEBL has submitted that the Commission, in various Petitions, has emphasised that all cost claims must be supported with evidence such as quotations, contracts and invoices. However, the Petitioner has not furnished these details in the Petition for claiming such an exorbitant increase in the capital cost.

33. TNPDCCL has submitted that CTUIL's letter dated 19.4.2022 indicates that the change of SCOD from 1.11.2022 to 1.10.2023 was agreed upon by both the Petitioner and Greenko, with no financial obligations imposed on any party. The SCOD was revised by CTUIL based on the request of Greenko to align the bay construction schedule with their revised generation schedule for September 2023. The Petitioner and CTUIL are safeguarding the generator by extending the SCOD. TNPDCCL has further submitted that



the cost of the equipment and C&R panels has been increased exorbitantly by 28% and 148%, respectively, to compensate for the time overrun of the Petitioner, resulting in the eventual cost burden being passed on to the beneficiaries, and has requested the Commission to decline the cost variation for the transmission asset.

34. In response to the KSEBL's and TNPDCCL contentions, the Petitioner has reiterated its justification for cost variations as submitted in the Petition. In addition, the Petitioner has submitted that the estimated cost as per the CTUIL OM is ₹900.00 lakh, the FR-approved cost is ₹437 lakh, and the estimated completion cost is ₹641.95 lakh. Hence, it may be appreciated that the estimated completion cost of ₹641.95 lakh is well within the approved CTUIL cost of ₹900.00 lakh.

35. We have considered the rival submissions of the Petitioner and the Respondents and perused the documents placed on record. It has been observed that the estimated completion cost of ₹641.95 lakh exceeds the FR approved cost of ₹437.00 lakh. However, the said estimated completion cost is within the approved RCE cost of ₹679.00 lakh, and hence, there is no cost overrun in respect of the instant transmission asset.

Time Overrun

36. The Petitioner has submitted that, as per the IA dated 3.1.2022, the transmission assets were scheduled to be commissioned by October 2022. However, CTUIL vide letter dated 19.4.2022 informed the Petitioner that the schedule for 400 kV Bay completion works at Kurnool Substation shall stand revised from October 2022 to September 2023. Accordingly, the revised SCOD is 1.10.2023, against which the asset is proposed to be commissioned on 24.10.2023 under Regulation 5(2) of the 2024 Tariff Regulations with



a time overrun of 23 days. The details of Revised SCOD, COD and time over-run as submitted by the Petitioner is as follows:

Asset Name	Revised SCOD as per CTUIL letter dated 19.4.2022	COD approved	Time Overrun w.r.t. revised SCOD
1 no. 400 kV Bay at 765/400kV Kurnool (New) Substation	1.10.2023	24.10.2023	23 days

37. The Petitioner has submitted that there is a delay of 23 days in the commissioning of the transmission asset. The delay is mainly due to the black cotton soil at Kurnool, which, combined with heavy rains, affected the equipment foundation works severely from 22.6.2023 to 27.7.2023. The Petitioner has further submitted that the black cotton soil is highly expansive in nature, and when it comes into contact with water or during the rainy season, it becomes very hard during the summer or in a hot climate, making it difficult for construction. Despite the construction works being affected due to the aforesaid uncontrollable factors, the transmission asset was ready, and the CEA clearance under Regulation 43 of the CEA (Measures relating to Safety and Electric Supply) Regulations 2010 was received for the same on 30.9.2023. Upon receipt of CEA clearance, testing and commissioning activities were undertaken and the asset got commissioned w.e.f. 24.10.2023 with a marginal delay of 23 days.

38. KSEBL has submitted that the delay in the execution of the associated generation project is solely attributable to Greenko. KSEBL has submitted that the MOM dated 24.8.2021 of the Southern Regional Power Committee (Transmission Planning) highlights the events that delayed the completion of the interconnected transmission system for the 400 kV Bay at the Kurnool Substation, necessitating a revised SCOD. Furthermore,



Greenko, through its letter dated 28.1.2022, addressed to the CTUIL, informed of the delay and the expected commissioning timeline for the interconnected transmission system. The timeline was revised to the end of September 2023 against the original scheduled date of October 2022, primarily attributing the delay to the COVID-19 pandemic. Additionally, the MOM dated 8.4.2022 between CTUIL, Petitioner, and Greenko clearly shows that the timeline for bay construction at the Kurnool Substation was extended with a clear understanding that M/s. Greenko AP01 IREP Private Limited would be liable for the delay. KSEBL has also submitted that the Petitioner has claimed that the delay is due to the black cotton soil conditions and heavy rains. However, these reasons do not qualify as "uncontrollable factors" under Regulation 22(2) of the 2019 Tariff Regulations. Consequently, the burden of delay and cost escalation arising from these controllable factors must be borne by the Petitioner.

39. In response, the Petitioner has reiterated the justification for time over-run in commissioning of the transmission asset and submitted that the time incurred beyond the SCOD in the instant case qualifies as an "uncontrollable factor" and accordingly requested the Commission to condone the time overrun.

40. TNPDCCL has submitted that CTUIL's letter dated 19.4.2022 indicates that the change of SCOD from 1.11.2022 to 1.10.2023 was agreed upon by both the Petitioner and Greenko, with no financial obligations imposed on any party. The SCOD was revised by CTUIL based on the request of Greenko to align the bay construction schedule with their revised generation schedule for September 2023. The Petitioner and CTUIL are safeguarding the Generator by extending the SCOD. The SCOD was revised by CTUIL



based on Greenko's revised generation schedule to safeguard the generator. Further, the Petitioner was aware of the hindrance caused by the rains during the monsoon season, and this was taken into account when drawing up the completion schedule. In addition, the construction time benchmarks include such seasonal turmoil, and any delay on the ground is only attributable to the Petitioner and not covered under the 'uncontrollable factors' as stated by the Petitioner and has hence requested the Commission not to condone the time overrun.

41. In response, the Petitioner has categorically denied the allegations that the Petitioner and CTUIL are allegedly safeguarding the generator through the extension of the SCOD. The Petitioner has further submitted that, to achieve optimal and competitive prices and reduce the burden on beneficiaries, the Petitioner strictly follows the packaging of contracts for project procurement, i.e., grouping equipment/goods/works/services into optimal quantities. Further, in the instant case, considering the need to procure a better competitive price, the subject scope of work, being small in bid size, was clubbed with different projects coming up at that time. While the tendering activities are to place a combined award for various Sub-station packages, which includes the subject asset, i.e., 1. No. 400 kV Bay at Kurnool Substation was under progress. Greenko (Generator) has communicated the revised commissioning schedule to CTUIL for September 2023. In response to Greenko's request, a coordination meeting was convened on 8.4.2022 between CTUIL, Greenko and the Petitioner. It was deliberated during the meeting that, since construction activities at the Petitioner's site are in the initial stages, the commissioning schedule for the subject asset, i.e., the 400-kV bay at Kurnool Sub-station, would be revised to September 2023. Accordingly, CTUIL vide letter dated 19.4.2022



informed that the schedule for 400 kV bay completion works at Kurnool Sub-station shall be revised from October 2022 to September 2023.

42. The Petitioner has further submitted that the subject asset was commissioned with proposed COD w.e.f. 24.10.2023, whereas the generating station of Greenko has not yet been commissioned. Importantly, the SCOD was revised only once during the initial stages of the project and remained unchanged thereafter.

43. The Commission's vide RoP for the hearing dated 22.7.2025, directed CTUIL to furnish the following information:

"whether CTUIL extended the SCOD of the transmission line? If yes, under which provision of the regulations has it extended the SCOD?"

44. In compliance, CTUIL vide affidavit dated 12.9.2025 has submitted that CTU vide OM dated 19.4.2022 has revised the SCOD of the 400 kV line at Kurnool Sub-station from October 2022 to September 2023. The 400 kV bay work at Kurnool Sub-station was finalised for connectivity granted to Greenko for its Solar (900 MW) and PSP (450 MW) Project, with a completion schedule of October 2022. However, Greenko vide letter dated 28.1.2022 informed the revised generation schedule as September 2023 and had requested to align the bay construction schedule with their revised generation schedule. Subsequently, the CTUIL organised a meeting on 8.4.2022 with participation from Greenko and the Petitioner to discuss the respective work progress and the anticipated commissioning schedule. Based on the discussions in the meeting, mutual consent and subsequent confirmations from the parties involved in the 400 kV bay work at Kurnool Sub-station, the schedule was revised to September 2023.



45. CTUIL has further submitted that the above realignment of the bay schedule was carried out to ensure coordination between the transmission asset and the generation to obviate any potential idling of the transmission asset. Although no specific regulation in the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulation, 2022 administers extension of transmission SCOD, Section 38 of the Electricity Act, 2003 mandates CTUIL to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres.

Analysis and Decision

46. We have considered the submissions of the Petitioner, KSEBL, TNPDC and the CTUIL and have gone through the documents placed on record. It has been observed that the instant transmission project was allocated to the Petitioner vide CTUIL OM dated 16.11.2021, with an implementation timeframe of October, 2022. Accordingly, the IA dated 3.1.2022 was accorded by the Petitioner with scheduled commissioning by October 2022. The CTUIL vide letter dated 19.4.2022 has revised the SCOD of the transmission asset from October 2022 to September 2023 on the request of Greenko, against which the Petitioner has proposed the COD as on 24.10.2023 under Regulation 5 (2) of the 2019 Tariff Regulation. The details of SCOD, Revised SCOD, COD, and time overrun claimed by the Petitioner are as under:

SCOD as per IA dated 3.1.2022	Revised SCOD as per CTUIL letter dated 19.4.2022	Proposed COD	Time Overrun w.r.t. revised SCOD
31.10.2022*	30.09.2023*	24.10.2023	24 days

**As only the month is mentioned, the last day of the month has been considered.*



47. Further after perusal of the documents, it has been observed that the Greenko, vide letter dated 28.1.2022, has informed the CTUIL that due to COVID-19 first and second wave, the construction activities of the project get slow down and accordingly the commissioning of the solar power project along with the storage is anticipated by the 30.9.2023 and requested to provide the status of implementation of the bays to align the construction of the project accordingly.

48. Accordingly, the meeting between the CTUIL, Petitioner and Greenko was held on 8.4.2022. As per the MOM of the meeting dated 8.4.2022, Greenko has updated the project status and intimated the revised completion date of 30.9.2023, vide email dated 13.4.2022. The Petitioner has also intimated that the project activities have commenced with a target of October 2022 and has confirmed the completion of the 400 kV Bay matching the revised generation schedule.

49. Accordingly, the CTUIL vide letter dated 19.4.2022 has informed the revised completion schedule for 400 kV Bay completion works at Kurnool Sub-station from October 2022 to September 2023 to the Petitioner. The CTUIL also intimated that the said revision of the schedule is based on the mutual consent of both parties, and there shall not be any financial implication to any of the parties for the change in the completion schedule of the 400 kV bay work at Kurnool Sub-station.

50. CTUIL vide affidavit dated 12.9.2025 has further submitted that the revision in SCOD was carried out to align the COD of the transmission asset with the generation to avoid any idling of the transmission system. CTUIL also submitted that it has carried out such a revision as Section 38 of the Electricity Act, 2003, mandates it to ensure the



development of a coordinated and economical transmission system for the smooth flow of electricity from generating stations to load centres.

51. Section 38 of the Electricity Act, 2003 provides as under:

Section 38. (Central Transmission Utility and functions): ---- (1) *The Central Government may notify any Government company as the Central Transmission Utility:*

(2) *The functions of the Central Transmission Utility shall be –*

(b) *to discharge all functions of planning and co-ordination relating to inter-State transmission system with -*

- (i) *State Transmission Utilities;*
- (ii) *Central Government;*
- (iii) *State Governments;*
- (iv) *generating companies;*
- (v) *Regional Power Committees;*
- (vi) *Authority;*
- (vii) *licensees;*
- (viii) *any other person notified by the Central Government in this behalf;*

(c) *to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres;*

52. Therefore, in view of the above, we are of the view that as per Section 38 of Indian Electricity Act 2003, the CTUIL is the coordinating agency related to inter-state transmission systems and empowered to perform the functions to ensure development of an efficient, coordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centers.

53. Therefore, as the instant transmission asset was finalised for connectivity to Greenko for its Solar and PSP Projects, with originally scheduled completion by October 2022 and based on the mutual consent of both parties, i.e., the Petitioner and Greenko, the CTUIL has revised the original SCOD from October 2022 to September 2023 without



any financial implication to the parties. We therefore consider the revised SCOD for the transmission asset as 30.9.2023.

54. The details of the SCOD, revised SCOD, COD (proposed) and time overrun in respect of the instant transmission asset is as follows:

SCOD as per IA dated 03.1.2022	Revised SCOD as per CTUIL letter dated 19.4.2022	COD under Regulation 5(2) of 2019 Tariff Regulations	Time Over-run
1.11.2022	30.9.2022	24.10.2023	24 days

55. Further, in respect of the time overrun of 24 days from the revised SCOD to COD, the Petitioner has contended that the project was delayed mainly due to the black cotton soil at Kurnool, which, combined with heavy rains, affected the equipment foundation works severely from 22.6.2023 to 27.7.2023. The Petitioner has submitted that black cotton soil is highly expansive in nature when it comes into contact with water, or in the rainy season and becomes very hard during summer or in a hot climate, thus making it tough for construction and, therefore, uncontrollable in nature. The Petitioner, in support of its claim, has submitted photographs of the affected work site as documentary evidence in the Petition.

56. Regulation 22 of the 2019 Tariff Regulations provides as under:

“22 Controllable and Uncontrollable Factors: The Following shall be considered as Controllable and Uncontrollable factor for deciding time overrun, cost escalation, IDC and IEDC of the project.

(1) The “Controllable Factors” shall include but shall not be limited to the following:

- a. Efficiency in the implementation of project not involving approved change in scope of such project, change in statutory levies or change in law or force majeure events; and*
- b. Delay in execution of the project on account of contractor or supplier or agency of the generating company or transmission licensee.*

(2) The “Uncontrollable Factors” shall include but shall not be limited to the following:

- a. Force Majeure Events;*



*b. Change in Law; and
c. Land Acquisition except where the delay is attributable to the generating company or the transmission licensee.”*

57. It has been observed that the Petitioner has failed to substantiate how the hardness of the black cotton soil affects the construction work of foundations and what efforts were made by the Petitioner to avoid the said situation. Further, as per Regulation 22(1)(a) of the 2019 Tariff Regulations, the above fall under the category of ‘controllable factor’.

58. Therefore, in view of above, we are of the view that any kind of time overrun in construction activities on account of the change in properties of the site material comes under the preview of controllable factor and thus, we are not inclined to condoned the time overrun of 24 days claimed by the Petitioner on account of difficulties faced in construction activities due to hard black cotton soil at site.

59. Therefore, the details of the SCOD, Revised SCOD, COD, time delay claimed, time delay condoned/not condoned are as follows:

SCOD as per IA dated 03.1.2022	Revised SCOD as per CTUIL letter dated 19.04.2022	COD (Proposed)	Time overrun Claimed w.r.t. revised SCOD	Time Overrun Condoned	Time Overrun not Condoned
1.11.2022	30.09.2023	24.10.2023	24 days	NIL	24 days

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

60. As per the Auditor’s Certificate dated 15.3.2024, the Petitioner has claimed the IDC of ₹0.33 lakh for the transmission asset, out of which no IDC was discharged up to the COD and discharge of ₹0.33 lakh has been projected in FY2024-25.



61. As we have not condoned the time overrun, we disallow the IDC for FY 2024-25. Accordingly, we have not considered the same in the capital cost as on the COD while determining the same.

62. Therefore, the total amount of IDC allowed for the transmission asset is as follows:

(₹ in lakh)		
IDC claimed	IDC disallowed due to the delay not condoned	IDC allowed
0.33	0.33	0.00

63. The Petitioner has claimed the IEDC of ₹40.47 lakh for the transmission asset as per the Auditor's Certificate, which has been discharged up to COD. Further, as the time overrun in case of the transmission asset has not been condoned, no IEDC beyond the original SCOD shall be allowed. Accordingly, the details of the IEDC allowed and disallowed are as follows:

(₹ in lakh)		
IEDC Claimed	IEDC Disallowed due to time over-run not condoned and restricted to the original SCOD	IEDC Allowed
40.47	1.47	39.00

Initial Spares

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

“(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:	4.00%
(iv) GIS Insulated Sub-station	
- (Green Field):	5.00%



- (Brown Field):	7.00%
(v) Communication System:	3.50%
(vi) Static Synchronous Compensator:	6.00%”

65. Initial Spares as claimed by the Petitioner are as follows:

(₹ in lakh)					
Particulars	Plant & Machinery cost (A)	Initial Spares Claimed (B)	Ceiling Limit (in %) (C)	Initial Spares Worked out	Excess Initial Spares
				$D = [(A-B)*C / (100-C)]$	
Sub-station (Brown field)	601.15	29.77	6	36.47	Nil

66. The Petitioner further submitted that the Initial Spares claimed for the transmission asset are within the ceiling limit as specified in the 2019 Tariff Regulations.

67. The Initial Spares discharge details are as under:

(₹ in lakh)				
Particulars	Total Initial Spares Claimed	Expenditure on initial Spares up to COD and included in the Auditor's Certificate up to COD	Expenditure on Initial Spares in 2023-24 (ACE)	Expenditure on Initial Spares in 2024-25 (ACE)
Sub-station (Brown Field)	29.77	0.00	0.00	29.77

68. We have considered the Petitioner's submissions. As per Regulation 23(d) of the 2019 Tariff Regulations, the Initial Spares are worked out and allowed as under, subject to truing up:

(₹ in lakh)					
Plant and Machinery cost for calculation of Initial Spares	Initial Spares claimed	Norm as per Regulations (in %)	Initial Spares allowable	Excess Initial Spares	Initial Spares allowed
(A)	(B)	(C)	$(D)=(A-B)/(100-C)*C$	(E)	$(F)=(B-E)$
601.15	29.77	6	36.47	Nil	29.77



Capital Cost Allowed as on COD

69. Accordingly, the capital cost allowed in respect of the transmission asset as on the COD, excluding the IDC and IEDC disallowed on account of non-condonation of time over-run is as follows:

(₹ in lakh)				
Capital cost claimed till the COD	Less: IDC disallowed due to time over-run	Less: IEDC disallowed due to time over-run	Less: Undischarged IDC as on COD	Capital cost as on COD
185.50	0.33	1.47	0.00	183.70

Additional Capital Expenditure (“ACE”)

70. Regulation 24 and Regulation 25 of the 2019 Tariff Regulations provide as under:

“24. Additional Capitalization

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

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

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

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

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

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

- a. Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*



- b. *Change in law or compliance of any existing law;*
- c. *Deferred works relating to ash pond or ash handling system in the original scope of work;*
- d. *Liability for works executed prior to the cut-off date;*
- e. *Force Majeure events;*
- f. *Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and g) Raising of ash dyke as a part of ash disposal system.*

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

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

71. The Petitioner has claimed the ACE in respect of the transmission asset as under:

(₹ in lakh)

Projected ACE	
2023-24	2024-25
351.54	105.24

72. The Petitioner has also submitted that the ACE incurred/projected to be incurred is mainly on account of Balance/Retention Payments. Further, the Liability Flow Statement submitted by the Petitioner is as under:

(₹ in lakh)

Party name	Particular's	Outstanding Liability as on COD	Discharge of Liability			Unexecuted works		
			2023-24	2024-25	Total	2023-24	2024-25	Total
Vikran Engineering and Exim Pvt Ltd	Sub-station	454.40	24.96	55.14	80.10	324.53	49.77	374.3



Misc Site Packages	Sub-station	2.05	0.00	0.00	0.00	2.05	0	2.05
Total		456.45	24.96	55.14	80.10	326.58	49.77	376.35

73. KSEBL has submitted that the Petitioner has claimed ₹351.54 lakh for FY 2023-24 and ₹104.91 lakh for FY 2024-25 as ACE. However, these claims lack adequate justification and require a detailed item-wise explanation supported by relevant documents. Further, the Petitioner has claimed accrual IDC in the Petition, and there is no provision in the 2019 Tariff Regulations to claim accrual IDC. KSEBL has further submitted that the Petitioner has claimed the interest due to the floating rate of interest on the loan. However, there are no such provisions in the regulation to claim such an expense. Therefore, such expenses may be disallowed.

74. In response, the Petitioner has submitted that the Liability Flow Statement specifying the details of works for which ACE has been projected has already been submitted in the Petition. The claim for accrual IDC has been made based on cash outflow; i.e., the accrued IDC as on COD was not considered in calculating the tariff as on COD, as it remained undischarged up to the COD. Further, the accrued IDC has been taken out of the COD expenditure and added to the ACE when it has been discharged.

75. We have considered the Petitioner's and KSEBL's submissions. It has been observed that the Petitioner has also submitted the details of ACE for the 2024-25 period, which shall be dealt with in accordance with the relevant Tariff Regulations in the future Petition.

76. Further, it has been observed that the Petitioner has projected the ACE against balance & retention payments and unexecuted works for the 2019-24 tariff period.



Therefore, as per Regulation 24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations, the ACE allowed in respect of instant transmission asset for the 2019-24 tariff period is as follows:

(₹ in lakh)		
Particulars	Regulations	ACE allowed (2023-24)
Balance and Retention Payments other than IDC	Regulation 24(1)(a) of the 2019 Tariff Regulations	24.96
Addition in Gross Block-Unexecuted works	Regulation 24(1)(b) of the 2019 Tariff Regulations	326.58
Total		351.54

77. Accordingly, the capital cost allowed as on 31.3.2024 is as follows:

(₹ in lakh)		
Capital Cost allowed as on the COD	ACE Allowed 2023-24	Capital Cost as on 31.3.2024
183.70	351.54	535.24

Debt-Equity Ratio

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

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

Provided that:

- where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;
 - the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;
 - any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.
- Explanation.-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.*

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the



utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

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

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

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

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

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

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

79. The debt-equity ratio considered for the purpose of computation of tariff for the 2019-24 tariff period for the transmission assets is as follows:

Particulars	Capital Cost as on COD (₹ in lakh)	(in %)	ACE during 2019-24 (₹ in lakh)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	128.59	70	246.08	374.67	70
Equity	55.11	30	105.46	160.57	30
Total	183.70	100	351.54	535.24	100

Depreciation

80. Regulation 33 of the 2019 Tariff Regulations provides as under:



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

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

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

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

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

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

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

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

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

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

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the asset

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

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

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

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

(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of

- a) twenty-five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or*
- b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or*
- c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”*

81. The depreciation has been worked out considering the admitted capital expenditure as on the COD and thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) (at Annexure-I) has been worked out for the transmission asset in accordance with the depreciation rates specified in the 2019 Tariff Regulations. The depreciation allowed in respect of the transmission asset for the 2019-24 tariff period is as follows:



		(₹ in lakh)
	Particulars	2023-24 (pro rata for 160 days)
A	Opening Gross Block	183.70
B	Addition during the year 2019-24, due to projected ACE	351.54
C	Closing Gross Block (A+B)	535.24
D	Average Gross Block (A+C)/2	359.47
E	Average Gross Block (90% depreciable assets)	284.80
F	Average Gross Block (100% depreciable assets)	74.67
G	Depreciable value (excluding IT equipment and software) (E*90%)	256.32
H	Depreciable value of IT equipment and software (F*100%)	74.67
I	Total Depreciable Value (G+H)	330.99
J	Weighted average rate of Depreciation (WAROD) (in %)	7.30%
K	Lapsed useful life at the beginning of the year (Year)	0.00
L	Balance useful life at the beginning of the year (Year)	18.00
M	Depreciation during the year (D*J) for 160 Days	11.47
N	Cumulative Depreciation at the end of the year	11.47
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	319.52

Interest on Loan ("IoL")

82. Regulation 32 of the 2019 Tariff Regulations provides as under:

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

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of decapitalization of asset, 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 upto the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of 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 after providing appropriate accounting adjustment for interest capitalized:

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



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

(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered.

(6) The interest on 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”.

83. The weighted average rate of Interest on Loan (WAROI) has been considered as claimed by the Petitioner. The Petitioner has prayed that the change in the interest rate due to any floating rate of interest, if any, applicable during the 2019-24 tariff period, may be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of truing-up for the 2029-24 tariff period.

84. The IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations as follows:

(₹ in lakh)		
	Particulars	2023-24 (pro rata for 160 days)
A	Gross Normative Loan	128.59
B	Cumulative Repayments up to the Previous Year	0.00
C	Net Loan-Opening (A-B)	128.59
D	Addition due to ACE	246.08
E	Repayment during the year	11.47
F	Net Loan-Closing (C+D-E)	363.20
G	Average Loan (C+F)/2	245.89
H	Weighted Average Rate of Interest on Loan (in %)	7.70
I	Interest on Loan (G*H)	8.28

Return on Equity (“RoE”)

85. Regulation 30 and Regulation 31 of the 2019 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 shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of Additional Capitalization after cutoff date beyond the original scope excluding Additional Capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.

Provided further that:

- i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;
- ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;
- iii. in case of a thermal generating station, with effect from 1.4.2020:
 - a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;
 - b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

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

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

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



businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

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

Rate of pre-tax return on equity = Base rate / (1-t)

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

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

Rate of return on equity = $15.50/(1-0.2155) = 19.758\%$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50/(1-0.24) = 20.395\%$.

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

86. The Petitioner has submitted that the MAT rate is applicable to it. The MAT rate applicable has been considered for the purpose of RoE, which will be trued-up with the actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE allowed in respect of the transmission assets is as follows:



(₹ in lakh)		
	Particulars	2023-24 (pro rata for 160 days)
A	Opening Equity	55.11
B	Addition due to ACE	105.46
C	Closing Equity (A+B)	160.57
D	Average Equity (A+C)/2	107.84
E	Return on Equity (Base Rate) (in %)	15.50
F	Tax Rate applicable (in %)	17.472
G	Rate of Return on Equity (Pre-tax) (in %)	18.782
H	Return on Equity (Pre-tax) (D*G)	8.85

Operation & Maintenance Expenses (“O&M Expenses”)

87. The Petitioner has claimed the following O&M Expenses for the transmission asset:

(₹ in lakh)	
Particulars	2023-24
O&M Expenses	16.14

88. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as under:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.26	0.27	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1666	1725	1785	1848	1913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2252	2331	2413	2498	2586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2468	2555	2645	2738	2834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1696	1756	1817	1881	1947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2563	2653	2746	2842	2942

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

Provided further that:

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



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

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

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification."

89. The O&M Expenses are allowed for the transmission asset in accordance with Regulation 35(3)(a) of the 2019 Tariff Regulations and are as follows:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 160 days)
Sub-station: Kurnool Substation	
1 no. 400 kV line Bay.	
Norms as per Regulations (₹ per Bay)	36.91
O&M Expenses allowed	16.14

Interest on Working Capital ("IWC")

90. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations specify as under:

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

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

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

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

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

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



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

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

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

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

91. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) is considered to be 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24. The components of the working capital and interest allowed thereon in respect of the transmission assets for the 2019-24 tariff period are as follows:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 160 days)
Working Capital for O&M Expenses (O&M Expenses for one month)	3.08
Working Capital for Maintenance Spares (15% of O&M Expenses)	5.54
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	12.90
Total Working Capital	21.51
Rate of Interest for working capital (in %)	12.00
Interest on working capital	1.13

Annual Fixed Charges for 2019-24 Tariff Period

92. The transmission charges allowed for the transmission asset for the 2019-24 tariff period are as follows:

(₹ in lakh)	
Particulars	2023-24 (pro rata for 160 days)
Depreciation	11.47
Interest on Loan	8.28
Return on Equity	8.85
O&M Expenses	16.14



Particulars	2023-24 (pro rata for 160 days)
Interest on Working Capital	1.13
Total	45.87

Filing Fee and Publication Expenses

93. The Petitioner has sought reimbursement of the fee paid by it for filing the Petition and the publication expenses. The Petitioner shall be entitled to reimbursement of the filing fees and the publication expenses in connection with the present Petition, directly from the beneficiaries on a pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

94. The Petitioner shall be entitled to reimbursement of the licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The Petitioner shall also be entitled to recover RLDC fees and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Goods and Services Tax

95. The Petitioner has submitted that if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same will be borne and additionally paid by the Respondent(s) to the Petitioner, and the same will be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demands from Government/Statutory Authorities; the same may be allowed to be recovered from the beneficiaries.



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

Security Expenses

97. The Petitioner has submitted that the security expenses for the transmission asset are not claimed in the instant Petition, and it will file a separate Petition to claim the overall security expenses and the consequential IWC.

98. We have considered the Petitioner's submissions. The Petitioner has claimed consolidated security expenses for all its transmission assets on a projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The said Petition has already been disposed of by the Commission vide order dated 3.8.2021. Therefore, the Petitioner's prayer in the present Petition to allow it to file a separate Petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares

99. The Petitioner has sought reimbursement of capital spares at the end of the tariff period. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

100. The Petitioner has submitted that the transmission charges for the 2019-24 period shall be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations, and as per the applicable Central Electricity Regulatory Commission



(Sharing of interstate transmission Charges and losses) Regulations, 2020 (herein referred to as “the 2020 Sharing Regulations”) or as amended from to time to time.

101. KSEBL has submitted that the delay in executing the associated generation project is solely attributable to Greenko. The MOM dated 24.8.2021 of the Southern Regional Power Committee (Transmission Planning) clearly highlights the events that delayed the completion of the interconnected transmission system for the 400 kV Bay at the Kurnool Sub-station, necessitating a revised SCOD. Additionally, the records of the MOM dated 8.4.2022 between CTU, the Petitioner, and Greenko clearly show that the timeline for bay construction at Kurnool Sub-station was extended with a clear understanding that Greenko would be liable for the delay. Thus, CTUIL revised the SCOD after proper intimation to Greenko. Hence, the financial implications caused by Greenko's delay cannot be passed on to the beneficiaries, as this would violate the principles of fairness and regulatory compliance, and Greenko will be liable to pay transmission charges from the revised date, as per the relevant Sharing Regulations.

102. TNPDCCL has submitted that Regulation 13(3) of the 2020 Sharing Regulations provides that the generator is liable to pay the transmission charges till the COD of the generating station. The relevant extract is reproduced hereunder:

“13. Treatment of transmission charges and losses in specific cases

.....

(3) Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD, which is not earlier than its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Long Term Access granted for the generating station or unit(s) thereof, which have not achieved COD:.....”



103. Further, the Petitioner vide affidavit dated 10.2.2025 has submitted that the CTUIL vide letter dated 30.8.2024 granted Interim Connectivity to AM green Energy Private Limited (AMGEPL) through Bay No. 409 (instant transmission asset) and subsequently, M/s AMGEPL began utilising the transmission asset for evacuation of its power w.e.f. 14:00 hrs. of 23.09.2024. The Petitioner has further submitted that Greenko's generation is expected to commence by March 2025.

104. We have considered the Petitioner's, KSEBL's and TNPDC's submissions. The COD of the transmission asset has been approved as 24.10.2023 under Regulation 5(2) of the 2019 Tariff Regulations due to the non-utilisation of the Petitioner's transmission line on account of the delay in the commencement of Generation by Greenko. However, based on the request of AMGEPL and with the consent of Greenko, CTUIL vide letter dated 30.8.2024 has granted interim connectivity to AMGEPL through the instant transmission asset, i.e., Bay No. 409 at the Kurnool Sub-station. The relevant extract of the letter dated 30.8.2024 is as under:





सेंट्रल ट्रान्समिशन यूलिटी ऑफ इंडिया लिमिटेड

(पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड के स्वामित्व में)

(भारत सरकार का उद्यम)

CENTRAL TRANSMISSION UTILITY OF INDIA LTD.

(A wholly owned subsidiary of Power Grid Corporation of India Limited)

(A Government of India Enterprise)

Ref No. CTU/S/5/Conn/2200000012

Date: 30.08.2024

Shri Krishnendu Roychowdhury
Section Head Transmission
AM Green Energy Private Limited
MY Home Twitza, 5th Floor, Plot No.30/A,
Survey No.83/1. APIIC Knowledge City of Raidurg,
Rangareddy District, Hyderabad

- Ref :**
1. M/s AM Green Energy Pvt. Ltd. letter dated 23.02.2024 regarding utilization of dedicated Connectivity infrastructure of M/s Greenko AP01 IREP Pvt. Ltd. at Kurnool New S/s as interim dedicated Connectivity transmission system.
 2. M/s Greenko AP01 IREP Pvt. Ltd. letter dated 04.03.2024 regarding its consent for utilization of its dedicated connectivity infrastructure by M/s AM Green Energy Pvt. Ltd. as interim arrangement.
 3. M/s AM Green Energy Pvt. Ltd. letter dated 27.08.2024 regarding commissioning schedule and proposal for evacuation of power through interim arrangement.

Sub: Interim Connectivity arrangement- Reg.

Dear Sir,

This is with reference to your letter dated 27.08.2024 regarding grant of interim connectivity arrangement through one circuit of 400kV D/c line of M/s Greenko AP01 IREP Pvt. Ltd., connected at Bay no. 409 at Kurnool New S/s.

In this regard, it is to mention that M/s AM Green has been granted Connectivity for 989 MW at Kurnool New PS through 400 kV S/c line, emanating from common generation pooling station of M/s Greenko AP01 IREP Pvt. Ltd. and M/s AM Green Energy Pvt. Ltd. at Kurnool, with start date of Connectivity as 27.09.2025.

Further, M/s Greenko AP01 IREP Pvt. Ltd. has also been granted Connectivity at Kurnool New for 900 MW through 400 kV S/c line on D/c tower [terminating at bay no. 409] and 825 MW [565 MW + 260 MW] through stringing of 2nd circuit of 400kV D/c tower line [terminating at bay no. 412] emanating from common generation pooling station of M/s Greenko AP01 IREP Pvt. Ltd. and M/s AM Green Energy Pvt. Ltd. at Kurnool.

Vide letter dated 23.02.2024 [Ref. no. #1], M/s AM Green Energy Pvt. Ltd. mentioned that it had planned for commissioning of generation project at earliest, however, power will be evacuated through interim connectivity arrangement by utilizing one circuit of 400 kV D/c line, connected at bay no 409 at Kurnool New S/s, of M/s Greenko AP01 IREP Pvt. Ltd.

"सादमिनी" प्रथम तल, प्लॉट सं. 2, सेक्टर-29, गुरुग्राम -122001 (हरियाणा), दूरभाष :0124-2822547, सीआईएन: U40100HR2020GOI091857
"Saudamini", 1st Floor, Plot No. 2, Sector-29, Gurugram-122001, (Haryana) Tel.: 0124-2822547, CIN: U40100HR2020GOI091857
Website: <https://www.ctuil.in>



M/s Greenko AP01 IREP Pvt. Ltd., vide letter dated 04.03.2024 [Ref. No. #2] submitted its consent for utilization of one circuit of 400 kV D/c line [terminating at bay no 409 at Kurnool New S/s] by M/s AM Green Energy Pvt. Ltd. as interim connectivity arrangement.

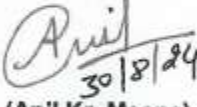
M/s AM Green Energy Pvt. Ltd. has also submitted the grid compliance study reports as part of application for issuance of FORMAT CONN TD4.

In view of above, CTU have no objection for utilization of one circuit of 400 kV dedicated connectivity infrastructure, terminating at bay no. 409 at Kurnool New S/s, of M/s Greenko AP01 IREP Pvt. Ltd by M/s AM Green Energy Pvt. Ltd. as interim Connectivity arrangement only. However, Connectivity granted to both M/s Greenko AP01 IREP Pvt. Ltd and M/s AM Green Energy Pvt. Ltd. shall be made operational as per start date of Connectivity and after commissioning of requisite Connectivity transmission system. Further, the commercial liability of both applicants shall remain intact as per original grant of Connectivity.

Interim arrangement for communication requirement are mentioned at **Annexure-I**

Thanking you

Yours faithfully,


30/8/24
(Anil Kr. Meena)
General Manager

Copy to :

Shri Manoj Kumar Tanwar
Sr. Vice President
Greenko AP01 IREP Pvt. Ltd.

105. Regulation 13(3) of the 2020 Sharing Regulations, as amended from time to time, provides as under:

“13. Treatment of transmission charges and losses in specific cases

...

(3) Where COD of a Connectivity grantee other than Renewable Power Park Developer has not been achieved on or before start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which has not achieved COD:



Provided that where a Connectivity grantee is Renewable Power Park Developer and the generation capacity within the Renewable Power Park has not declared COD on or before start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than start date of Connectivity, the Renewable Power Park Developer shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to generation capacity which has not achieved COD:

Provided that Yearly Transmission Charges in respect of Associated Transmission System corresponding to the Connectivity capacity which have achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations.”

106. CTUIL, vide letter dated 29.10.2020, has intimated the grant of Stage-II Connectivity, and the same is as under:



FORMAT-RCON-IIA**Intimation for Grant of Stage-II Connectivity**

1. Intimation No : C/CTU/St-II/S/1200002672
Date : 29.10.2020
2. Ref. Application No. : 1200002672
Date : 10.07.2020
3. Name of the Applicant : Greenko AP01 IREP Pvt Ltd
4. Address for Correspondence : 7th Floor, DLF Centre,
Sansad Marg, New Delhi
5. Location of the Generating Station : Brahman Palle / Kurnool
Andhra Pradesh
Latitude : 15°37'14.51"N
Longitude : 78°11'30.27"E
6. Nature of the Applicant : Generator (Solar with storage)
7. **Details for Stage-II Connectivity granted**
 - 7a Capacity (MW) for which connectivity is granted : 900
 - 7b ISTS sub-station and bay at which Connectivity is granted : Kurnool New 765/400 kV
Bay Type: AIS
Bay No : 414 & 415
SLD enclosed
 - 7c Connectivity Transmission System : 1. Greenko AP01 IREP Pvt. Ltd. – Kurnool New 400kV S/c line strung on D/c towers (with high capacity conductor enabling at least 900 MW power transfer at nominal voltage like Quad Moose conductor etc.) – Dedicated line including line bays at generation end and one bay at Kurnool New S/s shall be under the scope of applicant**
2. 1x125 MVar bus reactor at generation switchyard – under the scope of applicant
 - 7d Date from which Connectivity is granted : 04.02.2022



Shri Anish Pasrija
DGM
Greenko AP01 IREP Pvt Ltd
7th Floor, DLF Centre,
Sansad Marg, New Delhi

Sub: Grant of 900 MW Stage-II Connectivity to Greenko AP01 IREP Pvt Ltd for Solar based power project with storage in Kurnool, Andhra Pradesh - reg.

Dear Sir,

We write with reference to Stage-II connectivity of 900 MW (application no. 1200002672) granted to M/s Greenko AP01 IREP Pvt Ltd (GAIPPL) for Solar based power project with storage in Kurnool, Andhra Pradesh vide intimation dated 29.10.2020, your letter dated 25.11.2020 regarding change in scope of bay at ISTS end and minutes of 49th meeting of SR constituents regarding Connectivity and LTA applications held on 29/12/2020.

As per the discussions during the meeting, clause 7(c) of the stage-II Connectivity intimation no. C/CTU/S/St-II/1200002672 dated 29.10.2020 stands revised as follows:

7c	Connectivity Transmission System	:	1. Greenko AP01 IREP Pvt. Ltd. – Kurnool New 400kV S/c line strung on D/c towers (with high capacity conductor enabling at least 900 MW power transfer at nominal voltage like Quad Moose conductor etc.) – Dedicated line including 400kV line bay at generation end shall be under the scope of applicant and one 400kV bay at Kurnool New S/s shall be under the scope of ISTS licensee#. 2. 1x125 MVar bus reactor at generation switchyard – under the scope of applicant##
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the proposal for 400kV line bay implementation at Kurnool S/s under the scope of ISTS shall be taken up for deliberation in forthcoming SRPC(TP), NCT and work shall be taken up after finalization of implementation modalities by Ministry of Power(GoI).

##The bus reactor at generation switchyard should be available along with energization of the dedicated transmission line.

107. In the instant case, the Petitioner commissioned the transmission asset on 24.10.2023, and the start date of the connectivity is 4.2.2022, and the start date of the LTA is 16.7.2024. Further, the CTUIL vide letter dated 19.4.2022 has revised the SCOD of the transmission asset from October 2022 to September 2023.

108. It has been noted that the one 400 kV bay at Kurnool New Sub-station is part of the dedicated transmission system for connectivity, which is required for termination of the dedicated 400 kV S/C line of Greenko AP01 at Kurnool New Sub-station. In the instant

case, the dedicated line of Greenko is yet to be completed as of 24.10.2023, whereas the termination of the 400 kV bay at Kurnool New Sub-station has already achieved the COD, i.e., 24.10.2023; therefore, there is a mismatch in the commissioning of the instant transmission asset.

109. Accordingly, the recovery of transmission charges for the 400 kV bays needs to be determined on a bilateral basis in terms of Regulation 13(3) of the 2020 Sharing Regulations.

110. Regulation 13(3) of the 2020 Sharing Regulations permits inclusion of the YTC of the Associated Transmission System (ATS) for the determination of the transmission charges of DICs in accordance with Regulations 5 to 8, only corresponding to the capacity which has achieved the COD. In the instant case, connectivity has been granted for 900 MW to the Greenko PSP, which is yet to achieve COD, along with its dedicated 400 kV S/C line. Accordingly, the YTC of the 400 kV bay, which has been implemented by the Petitioner for termination of the 400 kV S/C dedicated line of Greenko under ISTS, shall be included for the determination of the transmission charges of DICs in accordance with Regulations 5 to 8, only corresponding to the capacity of the connectivity grantee (Greenko PSP), which has achieved the COD:-

111. Accordingly, the connectivity grantee (Greenko) is liable to pay the transmission charges from 24.10.2023 till the COD of its PSP. The YTC of the 400-kV bay shall be included for the determination of the transmission charges for the DICs in accordance with Regulations 5 to 8, only corresponding to the capacity of the connectivity grantee (Greenko), which has achieved the COD:-



112. The billing, collection, and disbursement of transmission charges shall be recovered in terms of the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

Interim Tariff

113. The Petitioner has prayed to allow an interim tariff, in accordance with Regulation 10(3) of the 2019 Tariff Regulations, to be included in the Point-of-Connection (PoC) charges.

114. We have considered the Petitioner's submissions. Since we have determined the transmission tariff in respect of the transmission asset in this order, the prayer for an interim tariff becomes redundant.

115. To summarise, the AFC allowed with respect to the transmission asset for the 2019-24 tariff period in this order are as follows:

(₹ in lakh)	
Particulars	2023-24
AFC Claimed	46.00
AFC Allowed	45.87

116. The Annexure-I to this order forms part of the order.

117. This order disposes of Petition No. 208/TT/2024 in terms of the above findings and discussions.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson



Annexure-I**(₹ in lakh)**

	Admitted Capital Cost as on COD	Projected ACE			Admitted Capital Cost as on 31- 03-2024	Depreciation Rate (in %)	Annual Depreciation		
		2021-22	2022-23	2023-24			2021-22	2022-23	2023-24
Capex									
Building	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00
Substation	109.03	0.00	0.00	351.54	460.57	5.28	0.00	0.00	15.04
PLCC	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00
IT Equipment	74.67	0.00	0.00	0.00	74.67	15.00	0.00	0.00	11.20
Total	183.70	0.00	0.00	351.54	535.24		0.00	0.00	26.24
Avg. Gross Block							0.00	0.00	359.47
WAROD (in %)									7.30

