

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 474/TT/2024

Coram:

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

Date of Order: 02.02.2026

In the matter of:

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

And in the matter of:

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

...Petitioner

Versus

- 1. Bihar State Power (Holding) Company Limited,
Vidyut Bhawan, Bailey Road,
Patna- 781001 (Bihar).**
- 2. West Bengal State Electricity Distribution Company Limited,
Bidyut Bhawan, Bidhan Nagar, Block DJ, Sector-II,
Salt Lake City, Kolkata- 700091 (Kolkata).**
- 3. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar- 751007 (Odisha).**
- 4. Damodar Valley Corporation,
DVC Tower, Maniktala, Civic Centre,
VIP Road, Kolkata- 700054 (West Bengal).**
- 5. Power Department, Government of Sikkim,
Gangtok- 737101 (Sikkim).**



6. Jharkhand Bijli Vitran Nigam Limited,
Engineering Building, H.E.C., Dhurwa,
Ranchi – 834004 (Jharkhand).

7. Purulia and Kharagpur Transmission Company Limited,
(PKTCL: IndiGrid), Unit No. 101, First Floor,
Windsor, Village Kole Kalyan, Off CST Road,
Vidyanagari Marg, Kalina, Santacruz East,
Mumbai- 400098 (Maharashtra).

...Respondents

For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Divyanshu Mishra, PGCIL

For Respondents: None

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as “the Petitioner”) for the truing-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”), and for the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”), in respect of the following assets (hereinafter referred to as “the Combined Assets”) under “Eastern Region Strengthening Scheme–VII (ERSS-VII)” in the Eastern Region (hereinafter referred to as “the transmission project”):

Asset-I: 2 Nos. of 400 kV bays along with 1 X 63 MVar (fixed) line reactor at Chaibasa Substation (POWERGRID)*;

Asset II: 1 X 63 MVar (fixed) line reactor at Chaibasa Substation (POWERGRID)*;

Asset III: 2 Nos. of 400 kV line bays along with 2 X 50 MVar (fixed) line reactor at Ranchi 765/400 kV Substation (POWERGRID)*;

Asset IV: 2 Nos. of 400 kV line bays at Kharagpur Substation (WBSETCL)**; and

Asset V: 2 Nos. of 400 kV line bays at Purulia Substation (WBSETCL)**.



**Assets-I, II and IV associated with TBCB line 400 kV D/C Kharagpur-Chaibasa executed by M/s Purulia and Kharagpur Transmission Company Limited (IndiGrid, earlier Sterlite) (PKTCL).*

***Assets-III and IV associated with TBCB line 400 kV D/C Puruliya (WBSETCL) executed by M/s Purulia and Kharagpur Transmission Company Limited (IndiGrid, earlier Sterlite) (PKTCL).*

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

- a) *Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 19 & 20 above.*
- b) *Approve the Additional capitalization claimed for 2019-24 block and for 2024-29 block for the assets covered under this petition.*
- c) *Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 19 & 20 above for respective block.*
- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees & charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- f) *Allow the Petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.*
- g) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 26 above.*
- h) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 26 above.*
- i) *Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at para 26 above.*



- j) *Allow the Petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 27 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

Background

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

(a) The Investment Approval (the IA) and expenditure sanction for the transmission project were accorded by the Board of Directors of the Petitioner vide Memorandum dated 24.3.2015, at an estimated capital cost of ₹7135 lakh, including an Interest During Construction (IDC) of ₹396 lakh, based on December 2014 price levels. The Revised Cost Estimate (RCE) for the transmission project was approved by the Board of Directors of the Petitioner vide Memorandum dated 7.5.2017, at an estimated capital cost of ₹11964 lakh, including the IDC of ₹225 lakh.

(b) The scope of work covered under the transmission project is as under:

- i. 2 Nos. 400 kV bays along with 1 X 63 MVA_r (fixed) line reactor at Chaibasa Substation.
- ii. 1 X 63 MVA_r (fixed) line reactor at Chaibasa Substation.
- iii. 2 Nos. of 400 kV line bays along with 2 X 50 MVA_r (fixed) line reactor at Ranchi 765/400 kV Substation.
- iv. 2 Nos. of 400 kV line bays at Kharagpur Substation.
- v. 2 Nos. of 400 kV line bays at Purulia Substation.

(c) The entire scope of work as per the IA is complete and covered under the instant Petition. The details of the assets comprising the Combined Assets and their dates of Commercial Operation (COD) are as under:

Name of Asset	COD
Asset-I: 2 Nos. 400 kV bays along with 1 X 63 MVAR (fixed) line reactor at Chaibasa Substation.	19.6.2016
Asset II: 1 X 63 MVAR (fixed) line reactor at Chaibasa Substation.	27.10.2016
Asset III: 2 Nos. 400 kV line bays along with 2 X 50 MVAR (fixed) line reactor at Ranchi 765/400 kV Substation.	7.1.2017
Asset IV: 2 Nos. 400 kV line bays at Kharagpur Substation.	14.11.2016
Asset V: 2 Nos. 400 kV line bays at Purulia Substation.	26.7.2017

(d) The Commission, vide order dated 3.12.2018 in Petition No. 63/TT/2018, determined the transmission tariff for Assets-I, II, III, IV and V from the COD till 31.3.2019. Further, the Commission, vide order dated 3.6.2020 in Petition No. 35/TT/2020, trued-up the transmission tariff for the 2014-19 period for Assets-I, II, III, IV and V, determined the transmission tariff for the Combined Assets for the 2019-24 tariff period, and approved the capital cost of ₹10913.24 lakh as on 31.3.2019 for the transmission project.

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

5. The Petitioner has served a copy of the Petition on the Respondents and notices regarding the filing of this Petition have been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as “the Act”). However, no comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. None of the Respondents has filed their reply to the instant Petition.

6. The hearing in the matter was held on 30.10.2025, and the order was reserved.



7. This order is issued considering the Petitioner's submissions vide affidavits dated 20.9.2024, 16.5.2025 and 11.9.2025.

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

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

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	585.23	586.36	586.36	586.36	586.36
Interest on Loan	487.48	421.83	374.60	342.07	310.01
Return on Equity	616.08	617.28	617.28	617.28	617.28
O&M Expenses	237.91	246.27	254.93	263.88	273.13
Interest on Working Capital	35.77	32.88	30.37	30.28	34.52
Total	1962.47	1904.62	1863.54	1839.87	1821.30

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	19.83	20.52	21.24	21.99	22.76
Maintenance Spares	35.69	36.94	38.24	39.58	40.97
Receivables	241.29	234.82	229.75	226.83	223.93
Total Working Capital	296.81	292.28	289.23	288.40	287.66
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	35.77	32.88	30.37	30.28	34.52

Capital Cost for the 2019-24 Tariff Period

11. The capital cost of ₹10913.24 lakh as on 31.3.2019 for the Combined Assets has been approved by the Commission vide order dated 3.6.2020 in Petition No. 35/TT/2020. The Petitioner in the instant true-up Petition has also claimed the capital cost of ₹10913.24 lakh as on 31.3.2019 for the Combined Assets.

12. Therefore, the capital cost of ₹10913.24 lakh as on 31.3.2019 has been considered as the opening capital cost as on 1.4.2019 for the purpose of truing-up the



transmission tariff for the 2019-24 period in accordance with Regulation 19 of the 2019 Tariff Regulations.

Initial Spares

13. The Petitioner has submitted that the Initial Spares claimed under the transmission project have already been evaluated at the project level and admitted vide order dated 3.6.2020 in Petition No. 35/TT/2020. It is submitted that the same have been considered for the purpose of true-up of tariff for the 2019-24 tariff period.

14. We have considered the Petitioner's submissions. The Commission, vide order dated 3.6.2020 in Petition No. 35/TT/2020, allowed the Initial Spares, and the same are considered in the instant true-up Petition.

Additional Capital Expenditure (ACE)

15. The Petitioner has claimed an Additional Capital Expenditure (ACE) of ₹42.32 lakh for the 2019-24 tariff period in the present true-up Petition, as against the approved ACE of ₹52.28 lakh for the Combined Assets, vide order dated 3.6.2020 in Petition No. 35/TT/2020.

16. The Petitioner has submitted that the additional capitalisation of ₹271.28 lakh was claimed for the FY 2019-20 in Petition No. 35/TT/2020 which included an amount of ₹219 lakh against the transmission charges to be paid by the Petitioner to the TBCB line entity, namely, M/s Purulia and Kharagpur Transmission Company Limited (PKTCL) for its transmission line, i.e., 400 kV D/C Kharagpur–Chaibasa. However, the said amount of ₹219 lakh was disallowed by the Commission vide order dated 3.6.2020 in Petition No. 35/TT/2020, while observing that the transmission charges payable to the TBCB entity cannot be allowed to be capitalized and the balance additional capitalisation of ₹52.28 lakh was allowed. The Petitioner has submitted that



it has filed an Appeal No. 8 of 2021 before the Appellate Tribunal for Electricity (APTEL) against the Commission's order dated 3.4.2018 in Petition No. 110/MP/2016. The Petitioner has submitted that amount of ₹219 lakh has not been claimed in the instant true-up Petition, and same will be subject to the outcome of the judgment in Appeal No. 8 of 2021.

17. The Petitioner has claimed the ACE for the 2019-24 tariff period under Regulations 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations. It is submitted that the additional capitalisation claimed falls within the original scope of work. It is further submitted that the ACE approved by the Commission, vide order dated 3.6.2020 was based on projections, as the contracts were not closed and liabilities were not finalised. However, the ACE claimed in the instant true-up Petition is based on actual payment made to the contractor after receipt of the final invoices. The Petitioner has submitted the Liability Flow Statement as under:

(₹ in lakh)

Asset	Party	Particulars	Outstanding Liability as on 31.3.2019	Discharge		Outstanding Liability as on 31.3.2024
				2019-20	Total (2019-24)	
Asset-II	M/s EMPOWERTRANS PVT. LTD.	SS	42.32	42.32	42.32	-

(₹ in lakh)

Asset	Head wise /Party wise	Particulars	Outstanding Liability as on COD/31.3.2019	Discharge		Outstanding Liability as on 31.3.2024
				2019-20	Total (2019-24)	
Asset -V	WBSETCL ETC.	SS	26.44	0.25	0.25	26.19

18. We have considered the Petitioner's submissions. We observe that ACE of ₹42.57 lakh is claimed on account of the undischarged liability towards the final payment/withheld payment, arising from contractual exigencies, for works executed

prior to the cut-off date. Therefore, the ACE claimed by the Petitioner under Regulations 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations for the 2019-24 tariff period is hereby allowed.

19. The capital cost allowed for the Combined Assets as on 31.3.2019 and 31.3.2024 is as under:

(₹ in lakh)					
Particulars	FR Apportioned Approved Cost	RCE Cost	Capital Expenditure allowed as on 31.3.2019	Allowed ACE for the 2019-24 tariff period	Capital Expenditure allowed as on 31.3.2024
Combined Assets	7135.00	11964.00	10913.24	42.57	10955.81

Debt-Equity Ratio

20. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for the computation of the tariff in respect of the Combined Assets for the 2019-24 tariff period are as under:

Funding	Capital Cost as on COD		ACE allowed during the 2019-24 Tariff Period		Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	7639.46	70.00	29.799	70.00	7669.26	70.00
Equity	3273.78	30.00	12.771	30.00	3286.55	30.00
Total	10913.24	100.00	42.57	100.00	10955.81	100.00

Depreciation

21. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Combined Assets as per the rates of depreciation specified in the 2019 Tariff Regulations. Accordingly, the depreciation allowed for the Combined Assets is as under:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	10913.24	10955.81	10955.81	10955.81	10955.81
B	Addition during the year 2019-24 due to ACE	42.57	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	10955.81	10955.81	10955.81	10955.81	10955.81



D	Average Gross Block (A+C)/2	10934.53	10955.81	10955.81	10955.81	10955.81
E	Average Gross Block (90% depreciable assets)	10873.47	10894.75	10894.75	10894.75	10894.75
F	Average Gross Block (100% depreciable assets)	61.06	61.06	61.06	61.06	61.06
G	Depreciable Value (excluding IT equipment and software) (E*90%)	9786.12	9805.28	9805.28	9805.28	9805.28
H	Depreciable value of IT equipment and software (F*100%)	61.06	61.06	61.06	61.06	61.06
I	Total Depreciable Value (G+H)	9847.18	9866.34	9866.34	9866.34	9866.34
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.35	5.35	5.35	5.35	5.35
K	Elapsed useful life at the beginning of the year (Year)	2.00	3.00	4.00	5.00	6.00
L	Balance useful life at the beginning of the year (Year)	23.00	22.00	21.00	20.00	19.00
M	Depreciation during the year (D*J)	585.23	586.36	586.36	586.36	586.36
N	Cumulative Depreciation at the end of the year	1730.60	2316.96	2903.32	3489.68	4076.04
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	8116.57	7549.37	6963.01	6376.66	5790.30

22. The details of the depreciation allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, depreciation claimed in the instant true-up Petition, and the trued-up depreciation approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	585.49	586.87	586.87	586.87	586.87
Claimed by the Petitioner in the instant true-up Petition.	585.23	586.36	586.36	586.36	586.36
Approved after true-up in this order	585.23	586.36	586.36	586.36	586.36

Interest on Loan (IoL)

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

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	7639.46	7669.26	7669.26	7669.26	7669.26
B	Cumulative Repayments up to Previous Year	1145.37	1730.60	2316.96	2903.32	3489.68
C	Net Loan-Opening (A-B)	6494.09	5938.65	5352.30	4765.94	4179.58
D	Addition due to ACE	29.80	0.00	0.00	0.00	0.00
E	Repayment during the year	585.23	586.36	586.36	586.36	586.36
F	Net Loan-Closing (C+D-E)	5938.65	5352.30	4765.94	4179.58	3593.22
G	Average Loan (C+F)/2	6216.37	5645.48	5059.12	4472.76	3886.40
H	Weighted Average Rate of Interest on Loan (in %)	7.8419	7.4720	7.4045	7.6479	7.9768
I	Interest on Loan (G*H)	487.48	421.83	374.60	342.07	310.01

24. The details of the IoL allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, the IoL claimed in the instant true-up Petition, and the trued-up IoL approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	493.50	447.75	403.63	359.99	312.27
Claimed by the Petitioner in the instant true-up Petition.	487.48	421.83	374.60	342.07	310.01
Approved after true-up in this order.	487.48	421.83	374.60	342.07	310.01

Return on Equity (RoE)

25. The Petitioner has submitted that its Income Tax Assessment is complete, and the Assessment Orders have been issued by the Income Tax Department for the FYs 2019-20 and 2020-21. It is further submitted that the Income Tax Returns (ITRs) have been filed with the Income Tax Department for the FYs 2021-22 and 2022-23, and the ITR for the FY 2023-24 will be filed in due course. The income has been assessed under the MAT regime as per Section 115JB of the Income Tax Act, 1961 (hereinafter referred to as "the IT Act, 1961").

26. The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472, i.e., 15% Income Tax + 12% Surcharge on Income Tax + 4%



Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

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

27. We have considered the Petitioner's submissions and have gone through the record. We observe that the entities covered under the MAT regime are paying the income tax as per the MAT rates notified for the respective financial years under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) of the IT Act, 1961, defines book profit as the net profit in the Statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates of the respective financial years, the notified MAT rates for the respective financial years shall be considered as an effective tax rate for the purpose of grossing up the Return on Equity (RoE) for the truing-up of the tariff for the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. The interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates of the RoE after truing up shall be recovered from or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rates based on the notified MAT rates are considered for the purpose of grossing up the rate of RoE:



Year	Notified MAT rates (in %) (inclusive of surcharge and cess)	Effective tax (in %) (t)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in%)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

28. Accordingly, the trued-up RoE allowed in respect of the Combined Assets for the 2019-24 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	3273.78	3286.55	3286.55	3286.55	3286.55
B	Addition due to ACE	12.77	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	3286.55	3286.55	3286.55	3286.55	3286.55
D	Average Equity (A+C)/2	3280.17	3286.55	3286.55	3286.55	3286.55
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	616.08	617.28	617.28	617.28	617.28

29. The details of the RoE allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, the RoE claimed in the instant true-up Petition, and the trued-up RoE approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	616.34	617.81	617.81	617.81	617.81
Claimed by the Petitioner in the instant true-up Petition,	616.08	617.28	617.28	617.28	617.28
Approved after true-up in this order	616.08	617.28	617.28	617.28	617.28

Operation and Maintenance Expenses (O&M Expenses)

30. The Commission, vide order dated 3.6.2020 in Petition No. 35/TT/2020, allowed the following Operation and Maintenance Expenses (O&M Expenses) in respect of the Combined Assets:

(₹ in lakh)					
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	241.64	250.00	258.86	267.61	276.86



31. The O&M Expenses claimed by the Petitioner in respect of the Combined Assets for the 2019-24 tariff period are as under:

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	237.91	246.27	254.93	263.88	273.13

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

	(₹ in lakh)				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
Substation					
400 kV Substation-Total No. of bays	6	6	6	6	6
Chaibasa Substation:					
1 No. 400 kV Kharagpur Bay-I_Chaibasa. 1 No. 400 kV Kharagpur Bay-II_Chaibasa.					
Kharagpur (WBSETCL) Substation:					
2 Nos. 400 kV line bays at Kharagpur Substation.					
New Ranchi Substation:					
1 No. Purulia Bay-I_New Ranchi_Ranchi. 1 No. Purulia Bay-II_New Ranchi.					
Norms	32.15	33.28	34.45	35.66	36.91
O&M Expenses	192.90	199.68	206.70	213.96	221.46
400 kV GIS Substation-No. of bays	2	2	2	2	2
2 Nos. 400 kV Ranchi Bay (GIS)_					
Norms	22.51	23.30	24.12	24.96	25.84
O&M Expenses allowed	45.01	46.59	48.23	49.92	51.67
Total O&M Expenses allowed	237.91	246.27	254.93	263.88	273.13

33. The details of the O&M Expenses allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, the O&M Expenses claimed in the instant true-up Petition, and the trued-up O&M Expenses approved in the instant order in respect of the Combined Assets are as under:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	241.64	250.00	258.86	267.61	276.86

Claimed by the Petitioner in the instant true-up Petition.	237.91	246.27	254.93	263.88	273.13
Approved after true-up in this order	237.91	246.27	254.93	263.88	273.13

Interest on Working Capital (IWC)

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

35. The components of the working capital and the interest allowed thereon for the Combined Assets for the 2019-24 tariff period are as under:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	19.83	20.52	21.24	21.99	22.76
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	35.69	36.94	38.24	39.58	40.97
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	241.29	234.82	229.75	226.83	223.93
D	Total Working Capital (A+B+C)	296.80	292.28	289.24	288.41	287.66
E	Rate of Interest for Working Capital (in %)	12.05%	11.25%	10.50%	10.50%	12.00%
F	Interest on Working Capital (D*E)	35.76	32.88	30.37	30.28	34.52

36. The details of the IWC allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, IWC claimed in the instant true-up Petition, and the trued-up IWC approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	36.02	35.82	35.54	35.27	34.88
Claimed by the Petitioner in the instant true-up Petition.	35.77	32.88	30.37	30.28	34.52
Approved after true-up in this order	35.76	32.88	30.37	30.28	34.52



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

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	585.23	586.36	586.36	586.36	586.36
Interest on Loan	487.48	421.83	374.60	342.07	310.01
Return on Equity	616.08	617.28	617.28	617.28	617.28
O&M Expenses	237.91	246.27	254.93	263.88	273.13
Interest on Working Capital	35.77	32.88	30.37	30.28	34.52
Total	1962.47	1904.62	1863.54	1839.87	1821.30

38. The details of the AFC allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020, AFC claimed in the instant true-up Petition, and the trued-up AFC approved for the Combined Assets in the instant order are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.6.2020 in Petition No. 35/TT/2020.	1972.99	1938.25	1902.51	1867.55	1828.69
Claimed by the Petitioner in the instant true-up Petition.	1962.47	1904.62	1863.54	1839.87	1821.30
Approved after true-up in this order	1962.47	1904.62	1863.54	1839.87	1821.30

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

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

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	602.90	594.74	594.74	572.12	566.79
Interest on Loan	263.55	215.96	168.16	122.36	77.51
Return on Equity	618.02	618.76	618.76	618.76	618.76
O&M Expenses	277.73	292.37	307.59	323.71	340.87
Interest on Working Capital	34.06	33.88	33.82	33.43	33.49
Total	1796.26	1755.71	1723.07	1670.38	1637.42

40. The details of the IWC claimed by the Petitioner for the 2024-29 tariff period for the Combined Assets are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	23.14	24.36	25.63	26.98	28.41
Maintenance Spares	41.66	43.86	46.14	48.56	51.13



Receivables	221.46	216.46	212.43	205.37	201.87
Total Working Capital	286.26	284.68	284.20	280.91	281.41
Rate of Interest on Working Capital (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	34.06	33.88	33.82	33.43	33.49

Capital Cost

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

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

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

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

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

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

- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
- (d) to (h)
- (i) Expenditure on account of change in law and force majeure events;
- (4)
- (5)
- (6) The following shall be excluded from the capital cost of the existing and new projects:
 - (a) The assets forming part of the project but not in use, as declared in the tariff petition;
 - (b) De-capitalised Assets after the date of commercial operation on account of obsolescence;
 - (c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

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

Provided further that unless shifting of an asset from one project to another is of a permanent nature, there shall be no de-capitalization of the concerned assets.
 - (d)
 - (e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and
 - (f) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project that does not carry any liability of repayment.”

42. The capital cost of ₹10955.81 lakh as on 31.3.2024 for the Combined Assets has been approved in this order. Therefore, the said capital cost of ₹10955.81 lakh as on 31.3.2024 has been considered as the opening capital cost as on 1.4.2024 for the Combined Assets for the determination of the transmission tariff for the 2024-29 period in accordance with Regulation 19 of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

43. Regulations 24 and 25 of the 2024 Tariff Regulations provide as follows:

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

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

- (a) Payment made towards admitted liabilities for works executed up to the cut-off date;*
- (b) Works deferred for execution;*



- (c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;
 - (d) Payment against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;
 - (e) Change in law or compliance with any existing law which is not provided for in the original scope of work;
-

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

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

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

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

- (a) Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;
- (b) The replacement of the asset or equipment is necessary on account of a 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.
- (e) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

Provided that any claim of additional capitalization with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses.”

44. The Petitioner has claimed the ACE of ₹26.19 lakh in respect of the Combined Assets for the 2024-29 tariff period.

45. The Petitioner has submitted that the ACE projected during the 2024-29 tariff period is on account of the undischarged liability towards the final payment/withheld

payment due to the contractual exigencies and for works executed prior to the cut-off date and claimed under Regulation 25(1)(d) of the 2024 Tariff Regulations. The Petitioner has submitted the Liability Flow Statement for the Combined Assets for the 2024-29 tariff period and the same is as under:

(₹ in lakh)						
Asset	Party wise	Particulars	Outstanding Liability as on COD/31.3.2024	Discharge		Outstanding Liability as on 31.3.2029
				2024-25 (projected)	Total (2024-29)	
Asset-V	WBSETCL ETC.	Sub-station	26.19	26.19	26.19	(0.00)
			26.19	26.19	26.19	(0.00)

46. We have considered the Petitioner's submissions and perused the documents placed on record. We observe that the Petitioner has claimed the ACE on account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies and for works executed prior to the cut-off date. Therefore, the ACE claimed by the Petitioner under Regulation 25(1)(d) of the 2024 Tariff Regulations for the 2024-29 tariff period is hereby allowed.

47. Accordingly, the details of the ACE and the capital cost as on 31.3.2029 allowed for the Combined Assets for the 2024-29 tariff period are as under:

(₹ in lakh)				
FR Apportioned Approved Cost	RCE Cost	Expenditure as on 31.3.2024 (A)	Admitted ACE in 2024-29 (B)	Actual Capital Cost as on 31.3.2029 (C=A+B)
7135.00	11964.00	10955.81	26.19	10982.00

Debt Equity Ratio

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

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

Provided that:

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

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

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

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

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

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

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

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

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for

determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation.”

49. The debt-equity ratio considered for the computation of the tariff for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the determination of the tariff in respect of the Combined Assets for the 2024-29 tariff period is as under:

Funding	Capital Cost as on 1.4.2024		ACE allowed in 2024-29		Capital Cost as on 31.3.2029	
	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)	(₹ in lakh)	(in %)
Debt	7669.26	70.00	18.333	70.00	7687.59	70.00
Equity	3286.55	30.00	7.857	30.00	3294.41	30.00
Total	10955.81	100.00	26.19	100.00	10982.00	100.00

Depreciation

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

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

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

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

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

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

.....

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

(4)



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

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

.....

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

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

.....

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

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

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

(10) ”

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

52. The depreciation allowed for the Combined Assets in terms of Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:



(₹ in lakh)

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	10955.81	10982.00	10982.00	10982.00	10982.00
B	Addition during the year 2024-29 due to projected ACE	26.19	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	10982.00	10982.00	10982.00	10982.00	10982.00
D	Average Gross Block (A+C)/2	10968.91	10982.00	10982.00	10982.00	10982.00
E	Average Gross Block (90% depreciable assets)	10907.85	10920.94	10920.94	10920.94	10920.94
F	Average Gross Block (100% depreciable assets)	61.06	61.06	61.06	61.06	61.06
G	Depreciable Value (excluding IT equipment and software) (E*90%)	9817.06	9828.85	9828.85	9828.85	9828.85
H	Depreciable Value of IT equipment and software (F*100%)	61.06	61.06	61.06	61.06	61.06
I	Total Depreciable Value (G+H)	9878.12	9889.91	9889.91	9889.91	9889.91
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.48%	5.42%	5.40%	5.16%	5.16%
K	Elapsed useful life at the beginning of the year (Year)	7.00	8.00	9.00	10.00	11.00
L	Balance useful life at the beginning of the year (Year)	18.00	17.00	16.00	15.00	14.00
M	Depreciation during the year (D*J)	601.21	594.73	593.04	566.79	566.79
N	Cumulative Depreciation at the end of the year	4677.24	5271.98	5865.02	6431.81	6998.60
O	Remaining Aggregate Depreciable Value at the end of the year	5200.88	4617.93	4024.88	3458.09	2891.31

53. The details of the depreciation claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)

Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the Instant Petition	602.90	594.74	594.74	572.12	566.79
	Approved in the Instant Order	601.21	594.73	593.04	566.79	566.79

Interest on Loan (IoL)

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

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

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

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account



cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

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

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

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

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

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

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

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

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

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

56. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted at the time of true-up. Accordingly, the floating rate of interest, if any, will be considered while trueing-up the tariff for the 2024-29 tariff period. The IoL has been allowed in

accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed in respect of the Combined Assets for the 2024-29 tariff period is as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	7669.26	7687.59	7687.59	7687.59	7687.59
B	Cumulative Repayments up to Previous Year	4076.04	4677.24	5271.98	5865.02	6431.81
C	Net Loan-Opening (A-B)	3593.22	3010.35	2415.61	1822.57	1255.78
D	Addition due to ACE	18.33	0.00	0.00	0.00	0.00
E	Repayment during the year	601.21	594.73	593.04	566.79	566.79
F	Net Loan-Closing (C+D-E)	3010.35	2415.61	1822.57	1255.78	688.99
G	Average Loan (C+F)/2	3301.78	2712.98	2119.09	1539.17	972.39
H	Weighted Average Rate of Interest on Loan (in %)	7.9842	7.9653	7.9452	7.9810	8.0434
I	Interest on Loan (G*H)	263.62	216.10	168.37	122.84	78.21

57. The details of the IoL claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)						
Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the instant Petition	263.55	215.96	168.16	122.36	77.51
	Approved in the instant order	263.62	216.10	168.37	122.84	78.21

Return on Equity (RoE)

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

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

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

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

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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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



59. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner's submissions and the documents on record. The Petitioner has claimed the RoE, based on a base rate of 15.50% and an effective tax rate of 17.47% for the 2024-29 tariff period. The same has been considered, subject to truing-up.

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

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	3286.55	3294.41	3294.41	3294.41	3294.41
B	Addition due to ACE	7.86	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	3294.41	3294.41	3294.41	3294.41	3294.41
D	Average Equity (A+C)/2	3290.48	3294.41	3294.41	3294.41	3294.41
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	618.02	618.76	618.76	618.76	618.76

61. The details of the RoE claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)						
Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the instant Petition	618.02	618.76	618.76	618.76	618.76
	Approved in the instant order	618.02	618.76	618.76	618.76	618.76

Operation and Maintenance Expenses (O&M Expenses)

62. The Petitioner has claimed the following O&M Expenses in respect of the Combined Assets for the 2024-29 tariff period:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	277.73	292.37	307.59	323.71	340.87

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

“36. Operation and Maintenance Expenses:

.....



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

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

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

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

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

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

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of substation bays, transformer capacity of the transformer/reactor/Static Var Compensator/Static Synchronous



Compensator (in MVA/MVAr) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA/MVAr and per km respectively.”

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

(₹ in lakh)

O&M Expenses	2024-25	2025-26	2026-27	2027-28	2028-29
Substation					
400 kV Substation-No. of bays	6	6	6	6	6
Chaibasa Substation:					
1 No. 400 kV Kharagpur Bay-I_ Chaibasa. 1 No. 400 kV Kharagpur Bay-II_ Chaibasa.					
Kharagpur (WBSETCL) Substation:					
2 Nos. 400 kV line bays at Kharagpur Substation.					
New Ranchi Substation:					
1 No. Purulia Bay-I_ New Ranchi_ Ranchi. 1 No. Purulia Bay-II_ New Ranchi.					
Norms	29.53	31.08	32.71	34.43	36.23
O&M Expenses	177.18	186.48	196.26	206.58	217.38
400 kV GIS Substation-No. of bays	2	2	2	2	2
2 Nos. 400 kV Ranchi Bay (GIS)_					
Norms	20.67	21.75	22.90	24.10	25.36
O&M Expenses allowed	41.34	43.51	45.79	48.20	50.72
400 kV Substation Reactor- MVA/MVAr Capacity (2X123 MVAr)	226	226	226	226	226
Norms	0.262	0.276	0.29	0.305	0.322
O&M Expenses	59.21	62.38	65.54	68.93	72.77
Total O&M Expenses allowed	277.73	292.37	307.59	323.71	340.87

65. The details of the O&M Expenses claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

(₹ in lakh)

Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the instant Petition	277.73	292.37	307.59	323.71	340.87
	Approved in the instant order	277.73	292.37	307.59	323.71	340.87



Interest on Working Capital (IWC)

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

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

.....

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

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

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

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

.....

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

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

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

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

68. The components of the working capital and the interest allowed thereon as per Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of the Combined Assets are as under:

(₹ in lakh)						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	23.14	24.36	25.63	26.98	28.41



B	Working Capital for Maintenance Spares (15% of O&M Expenses)	41.66	43.86	46.14	48.56	51.13
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	221.25	216.47	212.25	204.77	201.96
D	Total Working Capital (A+B+C)	286.06	284.69	284.02	280.30	281.50
E	Rate of Interest for Working Capital (in %)	11.90%	11.90%	11.90%	11.90%	11.90%
F	Interest on Working Capital (D*E)	34.04	33.88	33.80	33.36	33.50

69. The details of the IWC claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

		(₹ in lakh)				
Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the instant Petition.	34.06	33.88	33.82	33.43	33.49
	Approved in the instant order.	34.04	33.88	33.80	33.36	33.50

Annual Fixed Charges for the 2024-29 Tariff Period

70. The AFC allowed in respect of the Combined Assets for the 2024-29 tariff period is as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	601.21	594.73	593.04	566.79	566.79
Interest on Loan	263.62	216.10	168.37	122.84	78.21
Return on Equity	618.02	618.76	618.76	618.76	618.76
O&M Expenses	277.73	292.37	307.59	323.71	340.87
Interest on Working Capital	34.04	33.88	33.80	33.36	33.50
Total	1794.62	1755.83	1721.56	1665.45	1638.13

71. The details of the AFC claimed in the instant Petition, and approved in the instant order in respect of the Combined Assets are as under:

		(₹ in lakh)				
Asset	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Claimed in the instant Petition.	1796.26	1755.71	1723.07	1670.38	1637.42
	Approved in the instant order.	1794.62	1755.83	1721.56	1665.45	1638.13

Filing Fee and Publication Expenses

72. The Petitioner has claimed the reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in



the application for approval of tariff directly from the beneficiaries or the long-term customers, as applicable, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

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

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

74. The Petitioner has submitted that, as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of the Central Transmission Utility of India Limited (CTUIL) may be allowed separately through a separate regulation. It is submitted that in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner, which will be recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

75. It is apt here to refer to Regulation 99 of the 2024 Tariff Regulations which provides as under:

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

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

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

Licence Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

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

Security Expenses, Insurance and Capital Spares

80. The Petitioner has submitted that as per Regulation 36(3)(d) of the 2024 Tariff Regulations, the security expenses, insurance and capital spares of more than ₹10 lakh for the transmission system shall be allowed separately after a prudence check. It is submitted that these expenses are not claimed in the instant Petition.

81. The Petitioner has submitted that it will file a separate Petition for the true-up of security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019



Tariff Regulations and for the recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations.

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

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

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

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

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

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

Provided that the self-insurance premium shall be transferred to a separate fund for utilization to meet the claims, and the expenditure incurred or amount utilized from the self-insurance fund shall be made available to the Commission as and when directed."



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

Sharing of Transmission Charges

86. The Petitioner has submitted that the trued-up transmission charges for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers. Further, the tariff for the 2024-29 tariff period will be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and will be shared by the beneficiaries and long-term transmission customers as per the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as "the 2020 Sharing Regulations").

87. We have considered the Petitioner's submissions. The billing, collection and disbursement of the transmission charges in respect of the Combined Assets shall be recovered by the Petitioner in terms of the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

88. To summarize:

- a) The trued-up AFC approved in respect of the Combined Assets for the 2019-24 tariff period are as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	1962.47	1904.62	1863.54	1839.87	1821.30
AFC Allowed	1962.47	1904.62	1863.54	1839.88	1821.30



b) The AFC allowed in respect of the Combined Assets for the 2024-29 tariff period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	1796.26	1755.71	1723.07	1670.38	1637.42
AFC Allowed	1794.62	1755.83	1721.56	1665.45	1638.13

89. This order disposes of Petition No. 474/TT/2024 in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member