

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 480/TT/2025

Coram:

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

Date of Order: 03.02.2026

In the matter of:

Approval under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003, and under Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for truing up of the transmission tariff for the 2019-24 tariff period and determination of the transmission tariff for the 2024-29 tariff period for the Combined Asset under "System strengthening XXV" in Southern Region.

And in the matter of:

Power Grid Corporation of India Limited,
'SAUDAMINI', Plot No. 2,
Sector-29, Gurgaon-122001 (Haryana).

...Petitioner

Versus

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



5. **Eastern Power Distribution Company of Andhra Pradesh Limited,**
APEPDCL, P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.
6. **Southern Power Distribution Company of Andhra Pradesh Limited,**
19-13-65/A, Srinivasapuram, Tiruchanoor Road,
Tirupati-517503, Andhra Pradesh.
7. **Andhra Pradesh Central Power Distribution Company Limited,**
Corporate office, Beside Polytechnic College, ITI Road,
Vijjaywada-52008, Krishna District, Andhra Pradesh.
8. **Southern Power Distribution Company of Telangana Limited,**
6-1-50, Corporate Office, Mint Compound,
Hyderabad-500063, Telangana.
9. **Northern Power Distribution Company of Telangana Limited,**
H.No. 2-5-3 ½, Vidyut Bhawan, Corporate Office, Nakkal Gutta,
Hanamkonda, Warangal-506001, Telangana.
10. **Bangalore Electricity Supply Company Limited,**
Corporate Office, K.R.Circle,
Bangalore-560001, Karnataka.
11. **Gulbarga Electricity Supply Company Limited,**
Corporate Office, Station Main Road, Opposite Parivar Hotel,
Gulbarga (Kalburgi), Karnataka -585102.
12. **Hubli Electricity Supply Company Limited,**
Navanagar, PB Road, Hubli,
Karnataka-580025.
13. **Mangalore Electricity Supply Corporation Limited,**
Corporate Office, 1st Floor, MESCOM Bhavan, Kavour,
Cross Road, Bejai, Mangalore-575004, Karnataka.
14. **Chamundeswai Electricity Supply Corporation Limited,**
Corporate Office, 29, Vijayanagara, 2nd Stage, Hinkal,
Mysuru – 570017, Karnataka.
15. **Transmission Corporation of Andhra Pradesh Limited,**
Vidyut Soudha, APTRANSCO, Near Axis Bank ATM,
Eluru Road, Gunadala,
Vijayawada – 520004.

...Respondent(s)



Parties Present: Shri Zafrul Hasan, PGCIL
Shri Mukesh Bhakar, PGCIL
Ms. Kirti, PGCIL
Ms. Supriya Singh, PGCIL
Shri Ashish Alankar, PGCIL
Shri Yatin Kalra, PGCIL

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 tariff 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 tariff 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 Combined asset (hereinafter referred to as “the transmission assets / Combined asset”) under “**Southern Region System Strengthening Scheme-XXV**” (hereinafter referred to as “the transmission project”) in the Southern Region:

Assets	Asset Name	COD
Asset-I	500 MVA, 400/220 kV ICT along with associated bays at Gazuwaka Sub-station	3.7.2021
Asset-II	1X125 MVAR, 420 kV Bus Reactor along with associated bays at Madhugiri (Tumkur) 400 kV Sub-station	1.9.2021
Asset-III	1X125 MVAR, 420 kV Bus Reactor along with associated bays at Dharampuri 400 kV Sub-station	30.9.2021
Asset-IV	1X125 MVAR, 420 kV Bus Reactor along with associated bays at Hosur 400 kV Sub-station	1.10.2021
Asset-V	1X125 MVAR, 420 kV Bus Reactor along with associated bays at Hiriyur 400 kV Sub-station	30.10.2021
Asset-VI	1X125 MVAR, 420 kV Bus Reactor along with associated bays at Pugalur 400 kV Sub-station	22.12.2021
Asset-VII	2X125 MVAR, 420 kV Bus Reactor along with associated bays at Pugalur HVDC (GIS) 400 kV Sub-station	21.2.2022

2. The Petitioner for the purpose of truing-up of transmission tariff for the 2019–24



tariff period has claimed the tariff on an individual basis and they have been jointly referred to in this Order as “the transmission assets. For the determination for transmission tariff for the 2024–29 tariff period, the Petitioner has combined all the assets and the same shall hereinafter be referred to as “the Combined asset” for the said period.

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

- a) *“Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 17 and 18 above.*
- b) *Admit the capital cost claimed, and additional capitalization incurred during 2019-24 and projected during 2024-29.*
- c) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations 2019 and Tariff Regulations, 2024 as per para 17 and 18 above for respective block.*
- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- f) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.*
- g) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 24 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 24 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 24 above.*



- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 25 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

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

- a. The Investment Approval (IA) in respect of the transmission project was accorded by the Board of Directors (BoD) of the Petitioner Company vide Memorandum No. C/CP/PA1920-03-0D-IA001 dated 22.7.2019, at an estimated cost of ₹ 15472.00 lakh, including an IDC of ₹ 926.00 lakh (based on December 2018 price level).
- b. The project was discussed in the 41st Meeting of the Standing Committee of Power System Planning in Southern Region held on 22.9.2017, 33rd SRPC meeting held on 17.2.2018, 42nd Standing Committee on Power System Planning in Southern Region (SCPSPSR) held on 27.4.2018 and 34th SRPC meeting held on 11.8.2018. The transmission project was recommended for implementation through RTM at the 2nd ECT (empowered committee meeting on transmission) held on 6.8.2018.
- c. The scope of work covered under the transmission project is as under:

Augmentation of Transformation Capacity at 400/220 kV Gajuwaka Sub-Station:

400 kV

- i. Provision of 400/220 kV, 1x500 MVA transformer
- ii. Transformer bay: 1 Number 400 kV Transformer Bay for 1x500 MVA transformer;



220 kV

- i. Transformer bay: 1 Number 220 kV Transformer Bay for 1x500 MVA transformer;

Reactive Compensation

- i. 1x125 MVAR, 420 kV bus Reactor along with associated bays at Hosur 400 kV Sub-station.
 - ii. 1x125 MVAR, 420 kV bus Reactor along with associated bays at Madhugiri 400 kV Sub-station.
 - iii. 1x125 MVAR, 420 kV bus Reactor along with associated bays at Dharampuri 400 kV Sub-station.
 - iv. 1x125 MVAR, 420 kV bus Reactor along with associated bays at Hiriyur 400 kV Sub-station.
 - v. 1x125 MVAR, 420 kV bus Reactor along with associated bays at Pugalur 400kV Sub-station.
 - vi. 2x125 MVAR, 420 kV bus Reactor along with associated bays at Pugalur HVDC (GIS) 400 kV Sub-station.
- d. The dates of commercial operation (COD) for the transmission assets, already approved, are as under:

Asset	SCOD	COD
Asset-I	3.7.2021	3.7.2021
Asset-II		1.9.2021
Asset-III		30.9.2021
Asset-IV		1.10.2021
Asset-V		30.10.2021
Asset-VI		22.12.2021
Asset-VII		21.2.2022

- e. As regards, time over-run in respect of the transmission assets, the Commission vide Order dated 18.5.2023 in Petition No. 334/TT/2022 held that there is no time over-run in declaring the commercial operation of the transmission assets in terms of the revised SCOD as per the Ministry of Power's letters dated 27.7.2020 and 12.6.2021. Relevant portion of the



Order dated 18.5.2023 are as follows:

“34. As per I.A., the scheduled COD of the project was 3.7.2021. In terms of the above letters dated 27.7.2020 and 12.6.2021, the COD has to be extended by 5 months and further by 3 months. The revised SCOD of the transmission assets is 3.3.2022 as per the said letters. Hence, there is no time over-run in declaring the commercial operation of the transmission assets in terms of the revised SCOD.”

5. The Respondents are distribution licensees, transmission licensees and power departments, which are procuring transmission services from the Petitioner, mainly the beneficiaries of the Southern Region.

6. The Petitioner has served a copy of the Petition on the Respondents, and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. 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 a reply in the matter despite notice.

7. This Order is being passed considering the Petition filed vide affidavit dated 26.11.2024 and submissions made by the Petitioner vide affidavit dated 18.8.2025.

8. The hearing in this matter was held on 30.9.2025, and on the said date, the Order was reserved.

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

Truing up of Annual Fixed Charges for 2019-24 tariff period

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

Asset-1

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
Depreciation	112.30	166.83	173.19



Interest on Loan	86.96	146.91	154.24
Return on Equity	119.84	178.04	184.82
Interest on Working Capital	11.27	16.30	19.31
O&M Expenses	186.72	259.62	268.25
Total	517.09	767.70	799.81

Asset-2

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Depreciation	27.36	53.84	56.17
Interest on Loan	20.32	46.60	49.46
Return on Equity	28.07	55.51	57.99
Interest on Working Capital	1.75	3.40	4.05
O&M Expenses	20.01	35.66	36.91
Total	97.51	195.01	204.58

Asset-3

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Depreciation	23.60	53.85	57.63
Interest on Loan	17.74	46.21	50.14
Return on Equity	24.08	55.27	59.29
Interest on Working Capital	1.51	3.39	4.10
O&M Expenses	17.27	35.66	36.91
Total	84.20	194.38	208.07

Asset-4

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Depreciation	25.60	58.01	60.66
Interest on Loan	20.98	52.02	54.34
Return on Equity	27.32	61.91	64.74
Interest on Working Capital	1.62	3.61	4.29
O&M Expenses	17.18	35.66	36.91
Total	92.70	211.21	220.94

Asset-5

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
Depreciation	21.59	58.20	62.55
Interest on Loan	16.96	53.04	58.48
Return on Equity	23.04	62.35	67.21
Interest on Working Capital	1.35	3.63	4.42
O&M Expenses	14.44	35.66	36.91
Total	77.38	212.88	229.57



Asset-6

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
Depreciation	14.09	58.65	62.53
Interest on Loan	11.47	52.69	56.25
Return on Equity	14.62	61.09	65.23
Interest on Working Capital	0.88	3.61	4.36
O&M Expenses	9.44	35.66	36.91
Total	50.50	211.70	225.28

Asset-7

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Depreciation	17.52	170.96	177.96
Interest on Loan	13.94	151.63	158.96
Return on Equity	18.83	184.46	192.73
Interest on Working Capital	0.85	8.54	10.17
O&M Expenses	5.15	49.92	51.67
Total	56.29	565.51	591.49

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

Asset-1

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
O&M Expenses	20.88	21.64	22.35
Maintenance Spares	37.59	38.94	40.24
Receivables	85.55	94.65	98.34
Total Working Capital	144.02	155.23	160.93
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	11.27	16.30	19.31

Asset-2

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	20.70	24.04	25.15
Total Working Capital	28.74	32.36	33.77
Rate of Interest (in %)	10.50	10.50	12.00



Interest on Working Capital	1.75	3.40	4.05
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Asset-3

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	20.70	23.96	25.58
Total Working Capital	28.74	32.28	34.20
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	1.51	3.39	4.10

Asset-4

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	22.92	26.04	27.16
Total Working Capital	30.96	34.36	35.78
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	1.62	3.61	4.29

Asset-5

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	22.76	26.25	28.23
Total Working Capital	30.80	34.57	36.85
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	1.35	3.63	4.42

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	22.73	26.10	27.70
Total Working Capital	30.77	34.42	36.32
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	0.88	3.61	4.36

Asset-7



(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
O&M Expenses	4.02	4.16	4.31
Maintenance Spares	7.23	7.49	7.75
Receivables	64.96	69.72	72.73
Total Working Capital	76.21	81.37	84.79
Rate of Interest (in %)	10.50	10.50	12.00
Interest on Working Capital	0.85	8.54	10.17

Capital Cost for the 2019-24 Tariff Period

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

13. The summary of capital cost and Additional Capital Expenditure (ACE) for the 2019-24 tariff period, allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 are as under:

(₹ in lakh)					
Assets	Capital cost allowed as on COD	ACE			Capital cost allowed as on 31.3.2024
		2021-22	2022-23	2023-24	
Asset-1	2579.85	1020.00	23.78	0.00	3623.63
Asset-2	776.94	253.67	155.20	8.17	1193.98
Asset-3	797.14	241.07	109.40	0.00	1147.61
Asset-4	895.48	278.49	117.32	7.14	1298.43
Asset-5	922.99	277.62	116.95	6.52	1324.08
Asset-6	882.93	253.10	197.53	4.89	1338.45
Asset-7	3105.08	70.60	496.63	0.00	3672.31

14. The Petitioner, in the instant true-up Petition, has claimed the following capital cost and the actual ACE incurred for the transmission assets for the 2019-24 tariff period:

(₹ in lakh)						
Assets	FR Apportioned Approved cost	Capital cost claimed as on COD	ACE Claimed			Capital cost claimed as on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	3976.55	2605.72	496.57	114.87	125.85	3343.01
Asset-2	1454.27	767.98	179.50	75.29	12.81	1035.58
Asset-3	1425.02	792.73	119.32	137.56	5.27	1054.88



Asset-4	1476.92	890.99	162.86	89.60	10.91	1154.36
Asset-5	1477.32	918.27	114.73	146.99	25.61	1205.60
Asset-6	1477.80	876.44	141.90	131.85	15.16	1165.35
Asset-7	4184.46	3092.28	70.61	221.78	71.56	3456.23

15. The Petitioner has submitted that the reason for variation in the capital cost allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 and the capital cost now claimed in respect of transmission assets is due to re-computation of Initial Spares.

16. We have considered the submissions of the Petitioner and noted that the Petitioner has claimed same amount of IDC and IEDC as allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022. Accordingly, the IDC and IEDC allowed as on COD is considered as approved by the Commission vide Order dated 18.5.2023 in Petition No. 334/TT/2022. However, due to the claim of revised Initial Spares in the instant Petition, there is a variation in the capital cost approved and capital cost claimed in the instant Petition in respect of the transmission assets. Accordingly, we proceed with the computation of Initial Spares.

Initial Spares

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

*“(d) Transmission System
Transmission line: 1.00%
Transmission Sub-station (Green Field): 4.00%
Transmission Sub-station (Brown Field): 6.00%
Series Compensation devices and HVDC Station: 4.00%
Gas Insulated Sub-station: 5.00%
Communication System: 3.5%”*

18. The Commission, vide Order dated 18.5.2023 in Petition No. 334/TT/2022, allowed the Initial Spares as under:



Assets	Particulars	Plant and Machinery cost up-to cut-off date (excluding IDC and IEDC)	Initial Spares claimed	As per norms (in %)	Initial Spares allowable as per norms	Initial Spares allowed in Order 334/TT/2022	Excess Initial Spares
Asset-1	Sub-station	3181.75	273.24	6.0	185.65	185.65	87.59
Asset-2	Sub-station	1057.28	62.90	6.0	63.47	62.90	0.00
Asset-3	Sub-station	1066.26	62.84	6.0	64.05	62.84	0.00
Asset-4	Sub-station	1191.55	68.66	6.0	71.67	68.66	0.00
Asset-5	Sub-station	1144.96	66.31	6.0	68.85	66.31	0.00
Asset-6	Sub-station	1126.87	65.38	6.0	67.75	65.38	0.00
Asset-7	Sub-station (GIS)	3132.16	330.18	7.0	210.90	210.90	119.28

19. The Initial Spares claimed by the Petitioner in the instant Petition are as under:

(₹ in lakh)						
Assets	Particulars	Plant and Machinery cost for Initial Spares calculation (A)	Initial Spares claimed (B)	Ceiling Limit (%) (C)	Initial Spares allowable $D = \frac{[(A-B) * C]}{(100-C)}$	Excess Initial Spares [B-D]
Asset-1	Sub-station	3065.96	241.98	6.0	180.25	61.73
Asset-2	Sub-station	907.84	62.90	6.0	53.93	8.97
Asset-3	Sub-station	978.24	62.84	6.0	58.43	4.41
Asset-4	Sub-station	1073.70	68.66	6.0	64.15	4.51
Asset-5	Sub-station	1031.21	66.31	6.0	61.59	4.72
Asset-6	Sub-station	988.00	65.38	6.0	58.89	6.49
Asset-7	Sub-station (GIS)	2931.21	330.18	7.0	195.78	134.40

20. We have considered the Petitioner's submissions. The Commission has considered the ceiling limit of 6% for the Sub-stations and 7% for the Sub-stations GIS, based on the ceiling limit allowed by the Commission vide Order dated 18.5.2023



in Petition No. 334/TT/2022. Accordingly, the Initial Spares approved in respect of the transmission assets as per the norms under the 2019 Tariff Regulations are as follows:

(₹ in lakh)

Asset	Particulars	Plant and Machinery cost (excluding IDC and IEDC, land cost & cost of civil works) upto cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Norms as per the 2014 Tariff Regulations (in %)	Initial Spares allowable (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)
		A	B	C	$D = (A - B) * C / (100 - C)$	E=D-B	
Asset-1	Sub-station (Brown Field)	3065.96	241.98	6.0	180.25	61.73	180.25
Asset-2	Sub-station (Brown Field)	907.84	62.90	6.0	53.93	8.97	53.93
Asset-3	Sub-station (Brown Field)	978.24	62.84	6.0	58.43	4.41	58.43
Asset-4	Sub-station (Brown Field)	1073.70	68.66	6.0	64.15	4.51	64.15
Asset-5	Sub-station (Brown Field)	1031.21	66.31	6.0	61.59	4.72	61.59
Asset-6	Sub-station (Brown Field)	988.00	65.38	6.0	58.89	6.49	58.89
Asset-7	Sub-station (Brown Field) GIS	2931.21	330.18	7.0	195.78	134.40*	195.78

*Initial spares of ₹12.79 lakh (discharged up to COD) is disallowed from the capital cost and the balance excess Initial Spares of ₹121.61 lakh is disallowed from the year 2022-23.

21. Accordingly, the capital cost as on COD for the purpose of truing up of the transmission tariff for the 2019-24 tariff period in accordance with Regulation 23 (d) of the 2019 Tariff Regulations is as follows:

Assets	Capital cost as per the Auditor certificate	Less: Excess Initial Spares	Less: Undischarged IDC as per Order	Capital cost allowed as on COD
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			dated 18.5.2023	
Asset-1	2669.51	61.73	2.06	2605.72
Asset-2	777.17	8.97	0.22	767.98
Asset-3	801.05	4.41	3.91	792.73
Asset-4	900.80	4.51	5.30	890.99
Asset-5	923.61	4.72	0.62	918.27
Asset-6	884.12	6.49	1.19	876.44
Asset-7	3107.09	12.79	2.02	3092.28

Additional Capital Expenditure (ACE)

22. The Petitioner has claimed the following ACE in respect of the transmission assets based on the actual expenditure in accordance with Regulation 24(1)(a) & Regulation 24(1)(b) of the 2019 Tariff Regulations:

Asset	Particulars	Regulations	(₹ in lakh)		
			2021-22	2022-23	2023-24
Asset-1	Undischarged Liability recognized prior to the cut-off date; Work deferred for execution	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations	496.57	114.87	125.85
Asset-2	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	179.5	75.29	12.81
Asset-3	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	119.32	137.56	5.27
Asset-4	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	162.86	89.60	10.91
Asset-5	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	114.73	146.99	25.61
Asset-6	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	141.9	131.85	15.16
Asset-7	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	70.61	221.78	71.56

23. The Petitioner, vide affidavit dated 18.8.2025, has submitted that in case of the transmission assets, the Liquidated Damages (LD) were recovered from the executing



agencies and the same has been adjusted from the capital cost in the year in which LD was recovered. The LD recovered in respect of transmission assets for the 2019-24 tariff period are as under:

(₹ in lakh)		
Asset	LD Recovered	Year of LD Recovery
Asset-1	48.90	2023-24
Asset-2	14.32	2022-23
Asset-3	1.30	2022-23
Asset-5	18.04	2022-23
Asset-6	35.05	2022-23
Asset-7	67.50	2022-23

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

Asset-1

(₹ in lakh)											
Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge				Unexecuted Work			
				2021-22	2022-23	2023-24	Total (2019-24)	2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	540.50	281.73	2.27	125.85	409.85	194.88	-	-	194.88
Site Packages	Sub-Station	2021-22	79.43	19.38	-	-	19.38		111.12	-	111.12
Total			619.93	301.11	2.27	125.85	429.23	194.88	111.12	-	306.00

Asset-2

(₹ in lakh)							
Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	158.02	124.42	25.97	7.63	158.02
Transformer & Rectifiers India Ltd.	Sub-Station	2021-22	102.35	54.86	47.49		102.35
ABB India Ltd.	Sub-Station	2021-22	0.15		0.15		0.15



Toshniwal Industries Pvt. Ltd.	Sub-Station	2021-22	5.18			5.18	5.18
Altanova India Pvt. Ltd.	Sub-Station	2021-22	1.68		1.68		1.68
Total			267.38	179.28	75.29	12.81	267.38

Asset-3

(₹ in lakh)

Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	120.18	58.86	56.05	5.27	120.18
Transformer & Rectifiers India Ltd.	Sub-Station	2021-22	137.21	55.78	81.43	-	137.21
ABB India Ltd.	Sub-Station	2021-22	0.08	-	0.08	-	0.08
Jagathes Engg. Contractor	Sub-Station	2021-22	0.77	0.77	-	-	0.77
Total			258.24	115.41	137.56	5.27	258.24

Asset-4

(₹ in lakh)

Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	127.87	69.67	48.00	10.20	127.87
P Kuppusamy Contract	Sub-Station	2021-22	15.94	-	15.23	0.71	15.94
Transformer & Rectifiers India Ltd.	Sub-Station	2021-22	91.67	65.40	26.27	-	91.67
ABB India Ltd.	Sub-Station	2021-22	22.59	22.49	0.10	-	22.59
Total			258.07	157.56	89.60	10.91	258.07

Asset-5

(₹ in lakh)

Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	130.56	60.71	59.27	10.58	130.56
Transformer & Rectifiers India	Sub-Station	2021-22	113.10	53.42	46.55	13.13	113.10



Ltd.							
ABB India Ltd.	Sub-Station	2021-22	2.33	-	2.33	-	2.33
B S Chandramouli	Sub-Station	2021-22	8.58	-	8.58	-	8.58
Limesha N	Sub-Station	2021-22	5.92	-	5.72	0.20	5.92
Altanova India Ltd.	Sub-Station	2021-22	3.91	-	2.21	1.70	3.91
Umesha N	Building and Civil works	2021-22	22.31	-	22.31	-	22.31
Total			286.71	114.13	146.97	25.61	286.71

Asset-6

(₹ in lakh)

Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	163.00	76.87	78.08	8.05	163.00
P Kuppusamy Contract	Sub-Station	2021-22	-	-	-	-	-
Transformer & Rectifiers India Ltd.	Sub-Station	2021-22	121.19	62.00	52.08	7.11	121.19
ABB India Ltd.	Sub-Station	2021-22	0.06	-	0.06	-	0.06
Altanova India Pvt. Ltd.	Sub-Station	2021-22	1.63	-	1.63	-	1.63
A Arunachalam	Building and Civil Works	2021-22	1.84	1.84	-	-	1.84
Total			287.72	140.71	131.85	15.16	287.72

Asset-7

(₹ in lakh)

Party Name	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD	Discharge			
				2021-22	2022-23	2023-24	Total (2019-24)
Linxon India Ltd.	Sub-station	2021-22	168.26	28.78	109.45	30.03	168.26
Transformer & Rectifiers India Ltd.	Sub-Station	2021-22	232.68	39.81	151.34	41.53	232.68
Linxon India Ltd.	Building & civil works	2021-22	77.80	-	77.8	-	77.80
Linxon India Ltd.	Communication	2021-22	4.42	-	4.42	-	4.42



	system excl. OPGW						
Linxon India Ltd.	IT equipment incl. software	2021-22	0.39	-	0.39	-	0.39
Total			483.55	68.59	343.40	71.56	483.55

25. We have considered the Petitioners' submissions. The amount of the LD recovered has already been adjusted by the Petitioner from the ACE claimed in the year in which recovery was made which is in line with the 2019 Tariff Regulations.

26. Accordingly, the ACE claimed by the Petitioner is approved under Regulation 24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations on account of the undischarged liability for the works executed before the cut-off date and work deferred. The ACE approved for the transmission assets for the 2019-24 tariff period is as follows:

Asset	Particulars	Regulations	(₹ in lakh) Actual ACE		
			2021-22	2022-23	2023-24
Asset-1	Undischarged Liability recognized prior to the cut-off date; Work deferred for execution	24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations	496.57	114.87	125.85
Asset-2	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	179.5	75.29	12.81
Asset-3	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	119.32	137.56	5.27
Asset-4	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	162.86	89.60	10.91
Asset-5	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	114.73	146.99	25.61
Asset-6	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	141.90	131.85	15.16
Asset-7	Undischarged Liability recognized prior to the cut-off date;	24(1)(a) of the 2019 Tariff Regulations	70.61	221.78	71.56



27. Therefore, the capital cost and trued-up ACE approved in respect of the transmission assets for the 2019-24 tariff period is as under:

(₹ in lakh)

Asset	Capital cost allowed as on COD	Allowed ACE			Total Capital cost as on 31.3.2024
		2021-22	2022-23	2023-24	
Asset-1	2605.72	496.57	114.87	125.85	3343.01
Asset-2	767.98	179.50	75.29	12.81	1035.58
Asset-3	792.73	119.32	137.56	5.27	1054.88
Asset-4	890.99	162.86	89.60	10.91	1154.36
Asset-5	918.27	114.73	146.99	25.61	1205.60
Asset-6	876.44	141.90	131.85	15.16	1165.35
Asset-7	3092.28	70.61	221.78	71.56	3456.23

Debt-Equity ratio

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

Asset-1

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1824.00	70.00	516.10	70.00	2340.11	70.00
Equity	781.72	30.00	221.19	30.00	1002.90	30.00
Total	2605.72	100.00	737.29	100.00	3343.01	100.00

Asset-2

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	537.59	70.00	187.32	70.00	724.91	70.00
Equity	230.39	30.00	80.28	30.00	310.67	30.00
Total	767.98	100.00	267.60	100.00	1035.58	100.00

Asset-3



Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	554.91	70.00	183.51	70.00	738.42	70.00
Equity	237.82	30.00	78.65	30.00	316.46	30.00
Total	792.73	100.00	262.15	100.00	1054.88	100.00

Asset-4

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	623.69	70.00	184.36	70.00	808.05	70.00
Equity	267.30	30.00	79.01	30.00	346.31	30.00
Total	890.99	100.00	263.37	100.00	1154.36	100.00

Asset-5

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	642.79	70.00	201.13	70.00	843.92	70.00
Equity	275.48	30.00	86.20	30.00	361.68	30.00
Total	918.27	100.00	287.32	100.00	1205.60	100.00

Asset-6

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	613.51	70.00	202.24	70.00	815.75	70.00
Equity	262.93	30.00	86.67	30.00	349.61	30.00
Total	876.44	100.00	288.91	100.00	1165.35	100.00

Asset-7

Funding	Capital cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	2164.60	70.00	254.76	70.00	2419.36	70.00
Equity	927.68	30.00	109.18	30.00	1036.87	30.00
Total	3092.28	100.00	363.94	100.00	3456.23	100.00



Depreciation

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

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

Asset-1

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
	Depreciation			
A	Opening Gross Block	2605.72	3102.29	3217.16
B	Addition during 2019-24 due to ACE	496.57	114.87	125.85
C	Closing Gross Block (A+B)	3102.29	3217.16	3343.01
D	Average Gross Block (A+C)/2	2854.01	3159.73	3280.09
E	Average Capital Cost (90% depreciable assets)	2854.01	3159.73	3280.09
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	2568.61	2843.76	2952.08
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	2568.61	2843.76	2952.08
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	112.30	166.83	173.19
O	Cumulative Depreciation at the end of the year	112.30	279.13	452.32
P	Remaining Aggregate Depreciable Value at the end of the year	2456.31	2564.63	2499.76



Asset-2

	Particulars	2021-22 (Pro-rata for 212 days)	2022-23	(₹ in lakh) 2023-24
	Depreciation			
A	Opening Gross Block	767.98	947.48	1022.77
B	Addition during 2019-24 due to ACE	179.50	75.29	12.81
C	Closing Gross Block (A+B)	947.48	1022.77	1035.58
D	Average Gross Block (A+C)/2	857.73	985.13	1029.18
E	Average Capital Cost (90% depreciable assets)	838.90	966.30	1010.35
F	Average Capital Cost (100% depreciable assets)	18.83	18.83	18.83
G	Depreciable Value (excluding IT equipment and software) (E*90%)	755.01	869.67	909.31
H	Depreciable Value of IT equipment and software (F*100%)	18.83	18.83	18.83
I	Total Depreciable Value (G+H)	773.84	888.50	928.14
J	Weighted average rate of Depreciation (WAROD) (in %)	5.49	5.47	5.46
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	27.37	53.84	56.17
O	Cumulative Depreciation at the end of the year	27.37	81.21	137.38
P	Remaining Aggregate Depreciable Value at the end of the year	746.47	807.29	790.76

Asset-3

	Particulars	2021-22 (Pro-rata for 183 days)	2022-23	(₹ in lakh) 2023-24
	Depreciation			
A	Opening Gross Block	792.73	912.05	1049.61
B	Addition during 2019-24 due to ACE	119.32	137.56	5.27
C	Closing Gross Block (A+B)	912.05	1049.61	1054.88
D	Average Gross Block (A+C)/2	852.39	980.83	1052.25
E	Average Capital Cost (90% depreciable assets)	831.16	959.55	1030.97
F	Average Capital Cost (100% depreciable assets)	21.23	21.28	21.28
G	Depreciable Value (excluding IT equipment and software) (E*90%)	748.04	863.59	927.87



H	Depreciable Value of IT equipment and software (F*100%)	21.23	21.28	21.28
I	Total Depreciable Value (G+H)	769.28	884.87	949.15
J	Weighted average rate of Depreciation (WAROD) (in %)	5.52	5.49	5.48
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	23.60	53.86	57.63
O	Cumulative Depreciation at the end of the year	23.60	77.46	135.08
P	Remaining Aggregate Depreciable Value at the end of the year	745.68	807.42	814.07

Asset-4

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
	Depreciation			
A	Opening Gross Block	890.99	1053.85	1143.45
B	Addition during 2019-24 due to ACE	162.86	89.60	10.91
C	Closing Gross Block (A+B)	1053.85	1143.45	1154.36
D	Average Gross Block (A+C)/2	972.42	1098.65	1148.91
E	Average Capital Cost (90% depreciable assets)	972.42	1098.65	1148.91
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	875.18	988.79	1034.02
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	875.18	988.79	1034.02
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.28	5.28
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	25.60	58.01	60.66
O	Cumulative Depreciation at the end of the year	25.60	83.61	144.27
P	Remaining Aggregate Depreciable Value at the end of the year	849.58	905.18	889.74

Asset-5



(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
	Depreciation			
A	Opening Gross Block	918.27	1033.00	1179.99
B	Addition during 2019-24 due to ACE	114.73	146.99	25.61
C	Closing Gross Block (A+B)	1033.00	1179.99	1205.60
D	Average Gross Block (A+C)/2	975.64	1106.50	1192.79
E	Average Capital Cost (90% depreciable assets)	975.64	1106.50	1192.79
F	Average Capital Cost (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	878.08	995.85	1073.51
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	878.08	995.85	1073.51
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.26	5.24
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	21.59	58.21	62.55
O	Cumulative Depreciation at the end of the year	21.59	79.80	142.35
P	Remaining Aggregate Depreciable Value at the end of the year	856.48	916.05	931.17

Asset-6

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
	Depreciation			
A	Opening Gross Block	876.44	1018.34	1150.19
B	Addition during 2019-24 due to ACE	141.90	131.85	15.16
C	Closing Gross Block (A+B)	1018.34	1150.19	1165.35
D	Average Gross Block (A+C)/2	947.39	1084.27	1157.77
E	Average Capital Cost (90% depreciable assets)	926.65	1063.51	1137.01
F	Average Capital Cost (100% depreciable assets)	20.75	20.76	20.76
G	Depreciable Value (excluding IT equipment and software) (E*90%)	833.98	957.16	1023.31
H	Depreciable Value of IT equipment and software (F*100%)	20.75	20.76	20.76



I	Total Depreciable Value (G+H)	854.73	977.92	1044.07
J	Weighted average rate of Depreciation (WAROD) (in %)	5.43	5.41	5.40
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	14.09	58.64	62.53
O	Cumulative Depreciation at the end of the year	14.09	72.74	135.27
P	Remaining Aggregate Depreciable Value at the end of the year	840.63	905.18	908.80

Asset-7

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
	Depreciation			
A	Opening Gross Block	3092.28	3162.89	3384.67
B	Addition during 2019-24 due to ACE	70.61	221.78	71.56
C	Closing Gross Block (A+B)	3162.89	3384.67	3456.23
D	Average Gross Block (A+C)/2	3127.59	3273.78	3420.45
E	Average Capital Cost (90% depreciable assets)	3125.35	3271.34	3417.82
F	Average Capital Cost (100% depreciable assets)	2.24	2.44	2.63
G	Depreciable Value (excluding IT equipment and software) (E*90%)	2812.81	2944.21	3076.04
H	Depreciable Value of IT equipment and software (F*100%)	2.24	2.44	2.63
I	Total Depreciable Value (G+H)	2815.06	2946.65	3078.67
J	Weighted average rate of Depreciation (WAROD) (in %)	5.24	5.22	5.20
K	Balance useful life of the asset (Year)	25.00	25.00	24.00
L	Lapsed life at the beginning of the year (Year)	0.00	0.00	1.00
N	Depreciation during the year (D*J)	17.52	170.95	177.98
O	Cumulative Depreciation at the end of the year	17.52	188.46	366.44
P	Remaining Aggregate Depreciable Value at the end of the year	2797.54	2758.18	2712.23

31. The details of depreciation allowed vide Order dated 18.5.2023 in Petition No.



334/TT/2022 in respect of the transmission assets; depreciation claimed by the Petitioner in the instant Petition and trued-up depreciation approved in the instant Order are as follows:

Asset-1

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	121.58	190.70	191.33
Claimed by the Petitioner in the instant Petition	112.30	166.83	173.19
Approved after true-up in this Order	112.30	166.83	173.19

Asset-2

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	28.68	59.97	64.16
Claimed by the Petitioner in the instant Petition	27.36	53.84	56.17
Approved after true-up in this Order	27.37	53.84	56.17

Asset-3

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	25.33	59.91	62.91
Claimed by the Petitioner in the instant Petition	23.60	53.85	57.63
Approved after true-up in this Order	23.60	53.86	57.63

Asset-4

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	27.24	64.91	67.99
Claimed by the Petitioner in the instant Petition	25.60	58.01	60.66
Approved after true-up in this Order	25.60	58.01	60.66



Asset-5

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	23.50	66.24	69.22
Claimed by the Petitioner in the instant Petition	21.59	58.20	62.55
Approved after true-up in this Order	21.59	58.21	62.55

Asset-6

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	14.99	66.46	71.62
Claimed by the Petitioner in the instant Petition	14.09	58.65	62.53
Approved after true-up in this Order	14.09	58.64	62.53

Asset-7

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	17.59	178.88	191.28
Claimed by the Petitioner in the instant Petition	17.52	170.96	177.96
Approved after true-up in this Order	17.52	170.95	177.98

Interest on Loan (IoL)

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

33. We have considered the Petitioner's submissions. The 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 in respect of the transmission assets is as follows:

Asset-1

Particulars	(₹ in lakh)		
	2021-22	2022-23	2023-24



		(Pro-rata for 272 days)		
	Interest on Loan			
A	Gross Normative Loan	1824.00	2171.60	2252.01
B	Cumulative Repayments upto Previous Year	0.00	112.30	279.13
C	Net Loan-Opening (A-B)	1824.00	2059.31	1972.89
D	Additions	347.60	80.41	88.10
E	Repayment during the year	112.30	166.83	173.19
F	Net Loan-Closing (C+D-E)	2059.31	1972.89	1887.79
G	Average Loan (C+F)/2	1941.66	2016.10	1930.34
H	Weighted Average Rate of Interest on Loan (in %)	6.0098	7.2867	7.9905
I	Interest on Loan (G*H)	86.96	146.91	154.24

Asset-2

			(₹ in lakh)	
	Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	537.59	663.24	715.94
B	Cumulative Repayments upto Previous Year	0.00	27.37	81.21
C	Net Loan-Opening (A-B)	537.59	635.87	634.73
D	Additions	125.65	52.70	8.97
E	Repayment during the year	27.37	53.84	56.17
F	Net Loan-Closing (C+D-E)	635.87	634.73	587.52
G	Average Loan (C+F)/2	586.73	635.30	611.13
H	Weighted Average Rate of Interest on Loan (in %)	5.9633	7.3348	8.0937
I	Interest on Loan (G*H)	20.32	46.60	49.46

Asset-3

			(₹ in lakh)	
	Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	554.91	638.43	734.73
B	Cumulative Repayments upto Previous Year	0.00	23.60	77.46
C	Net Loan-Opening (A-B)	554.91	614.83	657.27
D	Additions	83.52	96.30	3.69
E	Repayment during the year	23.60	53.86	57.63
F	Net Loan-Closing (C+D-E)	614.83	657.27	603.33
G	Average Loan (C+F)/2	584.87	636.05	630.30
H	Weighted Average Rate of Interest on Loan (in %)	6.0486	7.2645	7.9545
I	Interest on Loan (G*H)	17.74	46.21	50.14

Asset-4



(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	623.69	737.70	800.42
B	Cumulative Repayments upto Previous Year	0.00	25.60	83.61
C	Net Loan-Opening (A-B)	623.69	712.09	716.81
D	Additions	114.00	62.72	7.64
E	Repayment during the year	25.60	58.01	60.66
F	Net Loan-Closing (C+D-E)	712.09	716.81	663.78
G	Average Loan (C+F)/2	667.89	714.45	690.29
H	Weighted Average Rate of Interest on Loan (in %)	6.2992	7.2812	7.8719
I	Interest on Loan (G*H)	20.98	52.02	54.34

Asset-5

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	642.79	723.10	825.99
B	Cumulative Repayments upto Previous Year	0.00	21.59	79.80
C	Net Loan-Opening (A-B)	642.79	701.51	746.19
D	Additions	80.31	102.89	17.93
E	Repayment during the year	21.59	58.21	62.55
F	Net Loan-Closing (C+D-E)	701.51	746.19	701.57
G	Average Loan (C+F)/2	672.15	723.85	723.88
H	Weighted Average Rate of Interest on Loan (in %)	6.0198	7.3277	8.0783
I	Interest on Loan (G*H)	16.96	53.04	58.48



Asset-6

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	613.51	712.84	805.13
B	Cumulative Repayments upto Previous Year	0.00	14.09	72.74
C	Net Loan-Opening (A-B)	613.51	698.75	732.40
D	Additions	99.33	92.30	10.61
E	Repayment during the year	14.09	58.64	62.53
F	Net Loan-Closing (C+D-E)	698.75	732.40	680.48
G	Average Loan (C+F)/2	656.13	715.57	706.44
H	Weighted Average Rate of Interest on Loan (in %)	6.3813	7.3628	7.9627
I	Interest on Loan (G*H)	11.47	52.69	56.25

Asset-7

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
	Interest on Loan			
A	Gross Normative Loan	2164.60	2214.02	2369.27
B	Cumulative Repayments upto Previous Year	0.00	17.52	188.46
C	Net Loan-Opening (A-B)	2164.60	2196.51	2180.80
D	Additions	49.42	155.24	50.09
E	Repayment during the year	17.52	170.95	177.98
F	Net Loan-Closing (C+D-E)	2196.51	2180.80	2052.92
G	Average Loan (C+F)/2	2180.55	2188.65	2116.86
H	Weighted Average Rate of Interest on Loan (in %)	5.9829	6.9279	7.5090
I	Interest on Loan (G*H)	13.94	151.63	158.95

34. The details of IoL allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 for the transmission assets; IoL claimed by the Petitioner in the instant Petition and trued-up IoL approved in the instant Order are as follows:

Asset-1

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	94.20	139.66	128.62
Claimed by the Petitioner in the instant Petition	86.96	146.91	154.24



Approved after true-up in this Order	86.96	146.91	154.24
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Asset-2

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	21.40	42.74	42.45
Claimed by the Petitioner in the instant Petition	20.32	46.60	49.46
Approved after true-up in this Order	20.32	46.60	49.46

Asset-3

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	19.02	42.77	41.37
Claimed by the Petitioner in the instant Petition	17.74	46.21	50.14
Approved after true-up in this Order	17.74	46.21	50.14

Asset-4

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	21.80	49.41	48.01
Claimed by the Petitioner in the instant Petition	20.98	52.02	54.34
Approved after true-up in this Order	20.98	52.02	54.34

Asset-5

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	18.35	49.36	47.90
Claimed by the Petitioner in the instant Petition	16.96	53.04	58.48
Approved after true-up in this Order	16.96	53.04	58.48

Asset-6

(₹ in lakh)

Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
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Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	11.87	50.59	50.70
Claimed by the Petitioner in the instant Petition	11.47	52.69	56.25
Approved after true-up in this Order	11.47	52.69	56.25

Asset-7

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	13.96	136.67	136.00
Claimed by the Petitioner in the instant Petition	13.94	151.63	158.96
Approved after true-up in this Order	13.94	151.63	158.95

Return on Equity (RoE)

35. The Petitioner has submitted that its Income Tax Assessment has been completed, and the Income Tax Department has issued the assessment Orders for the FY 2019-20 and FY 2020-21, and the income has been assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner has further submitted that the Income Tax Returns (ITR) have been filed for FY 2021-22, FY 2022-23 and FY 2023-24 (submitted in Petition No. 401/TT/2024).

36. 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 [(Base Rate)/(1-t)] (in %)
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

37. We have considered the Petitioner's submissions and have also gone through the record. We have noted that the entities covered under the MAT regime are paying



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

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

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

Asset-1

				(₹ in lakh)
	Particulars	2021-22	2022-23	2023-24



		(Pro-rata for 272 days)		
	Return on Equity			
A	Opening Equity	781.72	930.69	965.15
B	Additions	148.97	34.46	37.76
C	Closing Equity (A+B)	930.69	965.15	1002.90
D	Average Equity (A+C)/2	856.20	947.92	984.03
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	119.84	178.04	184.82

Asset-2

			(₹ in lakh)	
	Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	230.39	284.24	306.83
B	Additions	53.85	22.59	3.84
C	Closing Equity (A+B)	284.24	306.83	310.67
D	Average Equity (A+C)/2	257.32	295.54	308.75
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	28.07	55.51	57.99

Asset-3

			(₹ in lakh)	
	Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	237.82	273.61	314.88
B	Additions	35.80	41.27	1.58
C	Closing Equity (A+B)	273.61	314.88	316.46
D	Average Equity (A+C)/2	255.72	294.25	315.67
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	24.08	55.27	59.29

Asset-4

			(₹ in lakh)	
	Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	267.30	316.16	343.04
B	Additions	48.86	26.88	3.27
C	Closing Equity (A+B)	316.16	343.04	346.31
D	Average Equity (A+C)/2	291.73	329.60	344.67



E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	27.32	61.90	64.74

Asset-5

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	275.48	309.90	354.00
B	Additions	34.42	44.10	7.68
C	Closing Equity (A+B)	309.90	354.00	361.68
D	Average Equity (A+C)/2	292.69	331.95	357.84
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	23.04	62.35	67.21

Asset-6

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	262.93	305.50	345.06
B	Additions	42.57	39.56	4.55
C	Closing Equity (A+B)	305.50	345.06	349.61
D	Average Equity (A+C)/2	284.22	325.28	347.33
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	14.63	61.09	65.24

Asset-7

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
	Return on Equity			
A	Opening Equity	927.68	948.87	1015.40
B	Additions	21.18	66.53	21.47
C	Closing Equity (A+B)	948.87	1015.40	1036.87
D	Average Equity (A+C)/2	938.28	982.13	1026.13
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50
F	MAT Rate for respective year (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782
H	Return on Equity (D*G)	18.83	184.46	192.73



39. The details of RoE allowed vide Order dated 18.5.2023 in Petition No.334/TT/2022 for the transmission assets; RoE claimed by the Petitioner in the instant Petition and trued-up RoE approved in the instant Order are as follows:

Asset-1

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	129.74	203.51	204.18
Claimed by the Petitioner in the instant Petition	119.84	178.04	184.82
Approved after true-up in this Order	119.84	178.04	184.82

Asset-2

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	29.58	62.44	67.05
Claimed by the Petitioner in the instant Petition	28.07	55.51	57.99
Approved after true-up in this Order	28.07	55.51	57.99

Asset-3

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	25.92	61.58	64.66
Claimed by the Petitioner in the instant Petition	24.08	55.27	59.29
Approved after true-up in this Order	24.08	55.27	59.29

Asset-4

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	29.07	69.45	72.96
Claimed by the Petitioner in the instant Petition	27.32	61.91	64.74
Approved after true-up in this Order	27.32	61.90	67.74

Asset-5

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	25.08	70.94	74.42



Claimed by the Petitioner in the instant Petition	23.04	62.35	67.21
Approved after true-up in this Order	23.04	62.35	67.21

Asset-6

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	15.58	69.58	75.28
Claimed by the Petitioner in the instant Petition	14.62	61.09	65.23
Approved after true-up in this Order	14.63	61.09	65.24

Asset-7

(₹ in lakh)			
Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	18.91	192.93	206.92
Claimed by the Petitioner in the instant Petition	18.83	184.46	192.73
Approved after true-up in this Order	18.83	184.46	192.73

Operation & Maintenance Expenses (O&M Expenses)

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

Asset-1

(₹ in lakh)			
O&M Expenses	2021-22	2022-23	2023-24
	186.72	259.62	268.25

Asset-2

(₹ in lakh)			
O&M Expenses	2021-22	2022-23	2023-24
	20.01	35.66	36.91

Asset-3

(₹ in lakh)			
O&M Expenses	2021-22	2022-23	2023-24
	17.27	35.66	36.91

Asset-4

(₹ in lakh)			
O&M Expenses	2021-22	2022-23	2023-24
	17.18	35.66	36.91

Asset-5

(₹ in lakh)			
O&M Expenses	2021-22	2022-23	2023-24
	14.44	35.66	36.91



Asset-6

(₹ in lakh)

O&M Expenses	2021-22	2022-23	2023-24
	9.44	35.66	36.91

Asset-7

(₹ in lakh)

O&M Expenses	2021-22	2022-23	2023-24
	5.15	49.92	51.67

41. We have considered the Petitioner's submissions. The O&M Expenses approved for the transmission assets as per the norms specified in the 2019 Tariff Regulations are as follows:

Asset-1

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV SS	--	--	1	1	1
Norms (₹ lakh/Nos.)	22.51	23.30	24.12	24.96	25.84
220 KV SS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	58.57	60.62	62.75
Transformer/Reactor (MVA)					
Norms (₹ lakh/MVA)	0.36	0.37	0.38	0.40	0.41
40 MVA Transformer	--	--	500	500	500
O&M Expenses allowed for Transformer/Reactor (MVA)	--	--	192.00	199.00	205.50
Total O&M Expenses allowed (₹ in lakh)	--	--	250.57	259.62	268.25
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 272 days)	--	--	186.73	259.62	268.25

Asset-2

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV SS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	34.45	35.66	36.91



Total O&M Expenses allowed (₹ in lakh)	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 212 days)	--	--	20.01	35.66	36.91

Asset-3

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV SS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh)	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 183 days)	--	--	17.27	35.66	36.91

Asset-4

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV SS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh)	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 182 days)	--	--	17.18	35.66	36.91

Asset-5

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV SS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	34.45	35.66	36.91



Total O&M Expenses allowed (₹ in lakh)	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 153 days)	--	--	14.44	35.66	36.91

Asset-6

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	32.15	33.28	34.45	35.66	36.91
400 KV GIS	--	--	1	1	1
O&M Expenses allowed for Sub-station	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh)	--	--	34.45	35.66	36.91
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 100 days)	--	--	9.44	35.66	36.91

Asset-7

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-Station Bays (nos.)					
Norms (₹ lakh/Nos.)	22.51	23.296	24.115	24.962	25.837
400 KV GIS	--	--	2	2	2
O&M Expenses allowed for Sub-station	--	--	48.23	49.92	51.67
Total O&M Expenses allowed (₹ in lakh)	--	--	48.23	49.92	51.67
Total O&M Expenses allowed (₹ in lakh) (Pro-rata for 39 days)	--	--	5.15	49.92	51.67

42. Accordingly, the details of O&M Expenses allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 for the transmission assets; O&M Expenses claimed by the Petitioner in the instant Petition and trued-up O&M Expenses approved in the instant Order are as follows:

Asset-1

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24



Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	186.73	259.62	268.25
Claimed by the Petitioner in the instant Petition	186.72	259.62	268.25
Approved after true-up in this Order	186.73	259.62	268.25

Asset-2

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	20.01	35.66	36.91
Claimed by the Petitioner in the instant Petition	20.01	35.66	36.91
Approved after true-up in this Order	20.01	35.66	36.91

Asset-3

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	17.27	35.66	36.91
Claimed by the Petitioner in the instant Petition	17.27	35.66	36.91
Approved after true-up in this Order	17.27	35.66	36.91

Asset-4

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	17.18	35.66	36.91
Claimed by the Petitioner in the instant Petition	17.18	35.66	36.91
Approved after true-up in this Order	17.18	35.66	36.91

Asset-5

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	14.44	35.66	36.91
Claimed by the Petitioner in the instant Petition	14.44	35.66	36.91
Approved after true-up in this Order	14.44	35.66	36.91

Asset-6

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	9.44	35.66	36.91
Claimed by the Petitioner in the instant Petition	9.44	35.66	36.91



Approved after true-up in this Order	9.44	35.66	36.91
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Asset-7

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	5.15	49.92	51.67
Claimed by the Petitioner in the instant Petition	5.15	49.92	51.67
Approved after true-up in this Order	5.15	49.92	51.67

Interest on Working Capital (IWC)

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

44. The components of the working capital and interest approved thereon for the transmission assets for the 2019-24 tariff period are as follows:

Asset-1

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	20.88	21.64	22.35
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	37.59	38.94	40.24
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	85.55	94.65	98.33
D	Total Working Capital (A+B+C)	144.01	155.23	160.92
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	11.27	16.30	19.31

Asset-2

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08



B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	20.70	24.04	25.15
D	Total Working Capital (A+B+C)	28.74	32.36	33.77
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	1.75	3.40	4.05

Asset-3

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	20.70	23.96	25.58
D	Total Working Capital (A+B+C)	28.74	32.28	34.19
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	1.51	3.39	4.10

Asset-4

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	22.92	26.04	27.16
D	Total Working Capital (A+B+C)	30.96	34.36	35.78
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	1.62	3.61	4.29

Asset-5

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08



B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	22.76	26.24	28.23
D	Total Working Capital (A+B+C)	30.80	34.56	36.84
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	1.36	3.63	4.42

Asset-6

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	22.74	26.10	27.70
D	Total Working Capital (A+B+C)	30.77	34.42	36.31
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	0.89	3.61	4.36

Asset-7

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
	Interest on Working Capital			
A	Working Capital for O&M Expenses (O&M Expenses for one month)	4.02	4.16	4.31
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	7.23	7.49	7.75
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	64.96	69.72	72.73
D	Total Working Capital (A+B+C)	76.21	81.37	84.78
E	Rate of Interest for working capital (in %)	10.50	10.50	12.00
F	Interest on working capital (D*E)	0.86	8.54	10.17

45. The details of IWC allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 for the transmission assets; IWC claimed by the Petitioner in the instant Petition and trued-up IWC approved in the instant Order are as follows:

Asset-1

(₹ in lakh)			
Particulars	2021-22	2022-23	2023-24



	(Pro-rata for 272 days)		
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	11.62	16.85	17.02
Claimed by the Petitioner in the instant Petition	11.27	16.30	19.31
Approved after true-up in this Order	11.27	16.30	19.31

Asset-2

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	1.80	3.52	3.67
Claimed by the Petitioner in the instant Petition	1.75	3.40	4.05
Approved after true-up in this Order	1.75	3.40	4.05

Asset-3

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	1.58	3.51	3.61
Claimed by the Petitioner in the instant Petition	1.51	3.39	4.10
Approved after true-up in this Order	1.51	3.39	4.10

Asset-4

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	1.68	3.76	3.87
Claimed by the Petitioner in the instant Petition	1.62	3.61	4.29
Approved after true-up in this Order	1.62	3.61	4.29

Asset-5

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	1.43	3.80	3.90
Claimed by the Petitioner in the instant Petition	1.35	3.63	4.42
Approved after true-up in this Order	1.36	3.63	4.42

Asset-6

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24



Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	0.91	3.80	3.98
Claimed by the Petitioner in the instant Petition	0.88	3.61	4.36
Approved after true-up in this Order	0.89	3.61	4.36

Asset-7

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	0.86	8.56	8.94
Claimed by the Petitioner in the instant Petition	0.85	8.54	10.17
Approved after true-up in this Order	0.86	8.54	10.17

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

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

Asset-1

	Particulars	(₹ in lakh)		
		2021-22 (Pro-rata for 272 days)	2022-23	2023-24
A	Depreciation	112.30	166.83	173.19
B	Interest on Loan	86.96	146.91	154.24
C	Return on Equity	119.84	178.04	184.82
D	O & M Expenses	186.73	259.62	268.25
E	Interest on Working Capital	11.27	16.30	19.31
F	Total (A+B+C+D+E)	517.09	767.70	799.81

Asset-2

	Particulars	(₹ in lakh)		
		2021-22 (Pro-rata for 212 days)	2022-23	2023-24
A	Depreciation	27.37	53.84	56.17
B	Interest on Loan	20.32	46.60	49.46
C	Return on Equity	28.07	55.51	57.99
D	O & M Expenses	20.01	35.66	36.91
E	Interest on Working Capital	1.75	3.40	4.05
F	Total (A+B+C+D+E)	97.52	195.01	204.59

Asset-3

	Particulars	(₹ in lakh)		
		2021-22 (Pro-rata for 183 days)	2022-23	2023-24
A	Depreciation	23.60	53.86	57.63
B	Interest on Loan	17.74	46.21	50.14



C	Return on Equity	24.08	55.27	59.29
D	O & M Expenses	17.27	35.66	36.91
E	Interest on Working Capital	1.51	3.39	4.10
F	Total (A+B+C+D+E)	84.20	194.38	208.07

Asset-4

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
A	Depreciation	25.60	58.01	60.66
B	Interest on Loan	20.98	52.02	54.34
C	Return on Equity	27.32	61.90	64.74
D	O & M Expenses	17.18	35.66	36.91
E	Interest on Working Capital	1.62	3.61	4.29
F	Total (A+B+C+D+E)	92.70	211.20	220.94

Asset-5

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
A	Depreciation	21.59	58.21	62.55
B	Interest on Loan	16.96	53.04	58.48
C	Return on Equity	23.04	62.35	67.21
D	O & M Expenses	14.44	35.66	36.91
E	Interest on Working Capital	1.36	3.63	4.42
F	Total (A+B+C+D+E)	77.39	212.88	229.56

Asset-6

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
A	Depreciation	14.09	58.64	62.53
B	Interest on Loan	11.47	52.69	56.25
C	Return on Equity	14.63	61.09	65.24
D	O & M Expenses	9.44	35.66	36.91
E	Interest on Working Capital	0.89	3.61	4.36
F	Total (A+B+C+D+E)	50.51	211.70	225.28

Asset-7

(₹ in lakh)				
	Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
A	Depreciation	17.52	170.95	177.98
B	Interest on Loan	13.94	151.63	158.95
C	Return on Equity	18.83	184.46	192.73
D	O & M Expenses	5.15	49.92	51.67
E	Interest on Working Capital	0.86	8.54	10.17
F	Total (A+B+C+D+E)	56.29	565.51	591.50



47. The details of AFC allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022 for transmission assets; AFC claimed by the Petitioner in the instant Petition and trued-up AFC approved in the instant Order are as follows:

Asset-1

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	543.87	810.34	809.40
Claimed by the Petitioner in the instant Petition	517.09	767.70	799.81
Approved after true-up in this Order	517.09	767.70	799.81

Asset-2

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	101.47	204.33	214.24
Claimed by the Petitioner in the instant Petition	97.51	195.01	204.58
Approved after true-up in this Order	97.52	195.01	204.59

A

Asset-3

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	89.12	203.43	209.46
Claimed by the Petitioner in the instant Petition	84.20	194.38	208.07
Approved after true-up in this Order	84.20	194.38	208.07

A

Asset-4

Particulars	(₹ in lakh)		
	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	96.97	223.19	229.74
Claimed by the Petitioner in the instant Petition	92.70	211.21	220.94
Approved after true-up in this Order	92.70	211.20	220.94

Asset-5

Particulars	(₹ in lakh)		
	2021-22	2022-23	2023-24



	(Pro-rata for 153 days)		
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	82.80	226.00	232.35
Claimed by the Petitioner in the instant Petition	77.38	212.88	229.57
Approved after true-up in this Order	77.39	212.88	229.56

Asset-6

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	52.79	226.09	238.49
Claimed by the Petitioner in the instant Petition	50.50	211.70	225.28
Approved after true-up in this Order	50.51	211.70	225.28

Asset-7

			(₹ in lakh)
Particulars	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
Allowed vide Order dated 18.5.2023 in Petition No. 334/TT/2022	56.47	566.96	594.81
Claimed by the Petitioner in the instant Petition	56.29	565.51	591.49
Approved after true-up in this Order	56.29	565.51	591.50

Determination of Annual Fixed Charges for the 2024-29 Tariff Period

48. The Petitioner has claimed the following transmission charges in respect of the Combined asset for the 2024-29 tariff period:

	(₹ in lakh)				
Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	665.29	670.33	670.33	670.33	663.06
Interest on Loan	541.44	495.53	449.13	401.27	347.31
Return on Equity	704.90	710.28	710.28	710.28	710.28
Interest on Working Capital	54.28	55.12	55.83	56.50	57.33
O&M Expenses	599.44	631.24	663.70	698.28	736.21
Total	2565.35	2562.50	2549.27	2536.66	2514.19

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

(₹ in lakh)



Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	49.95	52.60	55.31	58.19	61.35
Maintenance Spares	89.92	94.69	99.56	104.74	110.43
Receivables	316.28	315.93	314.29	311.88	309.97
Total Working Capital	456.15	463.22	469.16	474.81	481.75
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	54.28	55.12	55.83	56.50	57.33

Effective Date of Commercial Operation (E-COD)

50. The Petitioner has claimed E-COD of the Combined asset as 25.10.2021. We have considered the Petitioner's submission. Based on the trued-up admitted capital cost and actual COD of all the transmission assets, E-COD has been worked out as follows:

Asset No.	COD	Admitted cost as on 31-03-2024 (₹ in lakh)	Weight of the cost (%)	No. of days from last COD	Weighted Days	E-COD (Latest COD-Total Weighted Days)
Asset-1	3.7.2021	3343.01	26.93	233.00	62.74	25.10.2021
Asset-2	1.9.2021	1035.58	8.34	173.00	14.43	
Asset-3	30.9.2021	1054.88	8.50	144.00	12.24	
Asset-4	1.10.2021	1154.36	9.30	143.00	13.30	
Asset-5	30.10.2021	1205.60	9.71	114.00	11.07	
Asset-6	22.12.2021	1165.35	9.39	61.00	5.73	
Asset-7	21.2.2022	3456.23	27.84	-	-	
Total		12415.01	100.00		119.00	

51. The E-COD of the Combined asset in the instant Petition is allowed as 25.10.2021. E-COD is used to determine the lapsed life of the project, which works out as 2 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD).

Weighted Average Life ("WAL") of the Project

52. The life as defined in Regulation 33 of the 2024 Tariff Regulations has been considered for the determination of WAL. The Combined asset may have multiple elements such as land, building, transmission line, sub-station, and PLCC, and each element may have a different span of life. Therefore, the concept of WAL has been used as the useful life of the transmission project as a whole.



53. WAL has been determined based on the admitted capital cost of individual elements under the transmission project as on 31.3.2024 and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, WAL in respect of the Combined asset has been worked out as 25 years as follows:

Particulars	Combined Asset cost (₹ in lakh) (1)	Life as per 2024 Tariff Regulation (Years) (2)	Weighted Cost (3) = (1)x(2)	Weighted Average Life of Asset (in years) (4) =(3)/(1)
Building Civil Works & Colony	218.20	25	5455	25
Sub Station	12104.48	25	302612	
PLCC	28.83	15	432.45	
IT Equipment (Incl. Software)	63.50	7	444.5	
Total	12415.01		308943.95	

54. WAL as on 1.4.2024, as determined above, is applicable prospectively for the 2024-29 tariff period onwards, and no retrospective adjustment of depreciation is required to be done. As discussed in the preceding paragraphs, the E-COD of the Combined asset is 25.10.2021, and the lapsed life of the project as a whole works out as 2 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, WAL has been used to determine the remaining useful life of the Combined asset as on 31.3.2024 to be 23 years.

Capital Cost

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

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

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being less than 30% of the funds deployed;

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

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

- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
- (d) to (h).....
- (i) Expenditure on account of change in law and force majeure events;

(4) & (5)

- (6) The following shall be excluded from the capital cost of the existing and new projects:
- (a) The assets forming part of the project but not in use, as declared in the tariff petition;
 - (b) De-capitalised Assets after the date of commercial operation on account of obsolescence;
 - (c) De-capitalised Assets on account of upgradation or shifting from one project to another project:
 Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be decapitalised from the original project only after its redeployment;



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

(d)

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

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

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

Capital cost claimed as on 31.3.2024	ACE Claimed	(₹ in lakh)
	2024-25	Estimated Completion cost as on 31.3.2029
12415.01	190.70	12605.71

57. We have considered the Petitioner’s submissions. The capital cost has been dealt in line with Regulation 19(3)(a) of the 2024 Tariff Regulations. The trued-up capital cost of ₹ 12415.01 lakh for the Combined asset as on 31.3.2024 is considered as the opening capital cost as on 1.4.2024 for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

58. The 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 work 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 of 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;*
- (f) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;
Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and*
- (g) *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 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 cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:*

- (a) *Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;*
- (b) *The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;*
- (c) *The replacement of such asset or equipment is necessary on*



- account of obsolescence of technology; and
- (d) The replacement of such asset or equipment has otherwise been allowed by the Commission.
- (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 ₹ 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses”

59. The Petitioner has submitted that the ACE claimed in the 2024-29 Tariff Period is on account of undischarged liability towards final payment/withheld payment due to contractual exigencies and for works executed prior to the cut-off date. The Petitioner has also submitted that the ACE to be incurred by the Petitioner during 2024-29 tariff shall be finalized after the closing of contract which may happen to be higher or lower than the estimated add cap prepared and submitted.

Capital cost as on 1.4.2024	Projected ACE					(₹ in lakh) Estimated Completion cost as on 31.3.2029
	2024-25	2025-26	2026-27	2027-28	2028-29	
12415.01	190.70	-	-	-	-	12605.71

60. We have considered the Petitioner's submissions. We observe that the Petitioner has claimed the projected ACE of ₹190.70 lakh for the FY 2024-25 against the undischarged liability as on 1.4.2024 against outstanding payment for works executed before the cut-off date. Therefore, as per Regulation 24(1)(a) and 25(1)(d) of 2024 Tariff Regulations, the ACE projected by the Petitioner in respect of the Combined asset for 2024-29 tariff period is hereby allowed subject to truing up and the details of same are as follows:

Capital cost admitted as on 1.4.2024	ACE allowed	Capital cost allowed as on 31.3.2029
	2024-25	
12415.01	190.70	12605.71

Debt-Equity ratio

61. 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 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 1.4.2024, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2024 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 1.4.2024, if the equity actually deployed as on 1.4.2024 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 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.”

62. The debt-equity ratio considered for the purpose of 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 purpose of computation of tariff for the Combined asset for the 2024-29 tariff period is as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE Allowed (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	8690.51	70.00	133.49	70.00	8824.00	70.00
Equity	3724.50	30.00	57.21	30.00	3781.71	30.00
Total	12415.01	100.00	190.70	100.00	12605.71	100.00

Depreciation

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

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

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

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

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

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

.....

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

(4)

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



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

.....

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

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

.....

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

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

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

(10) Xxxxx

(11) Xxxxx

(12) Xxxxx”

64. The WAROD has been worked out for the Combined asset as per the rates of depreciation specified in the 2024 Tariff Regulations.

65. The depreciation allowed for the Combined asset under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as follows:

(₹ in lakh)						
Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation					
A	Opening Gross Block	12415.01	12605.71	12605.71	12605.71	12605.71



B	Addition during 2024-29 due to ACE	190.70	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	12605.71	12605.71	12605.71	12605.71	12605.71
D	Average Gross Block (A+C)/2	12510.36	12605.71	12605.71	12605.71	12605.71
E	Average Capital Cost (90% depreciable assets)	12446.86	12542.21	12542.21	12542.21	12542.21
F	Average Capital Cost (100% depreciable assets)	63.50	63.50	63.50	63.50	63.50
G	Depreciable Value (excluding IT equipment and software) (E*90%)	11202.17	11287.99	11287.99	11287.99	11287.99
H	Depreciable Value of IT equipment and software (F*100%)	63.50	63.50	63.50	63.50	63.50
I	Total Depreciable Value (G+H)	11265.67	11351.49	11351.49	11351.49	11351.49
J	Weighted average rate of Depreciation (WAROD) (in %)	5.32	5.32	5.32	5.32	5.26
K	Balance useful life of the asset (Year)	23	22	21	20	19
L	Lapsed life at the beginning of the year (Year)	2	3	4	5	6
N	Combined Depreciation during the year (D*J)	665.29	670.32	670.32	670.32	663.06
O	Cumulative Depreciation at the end of the year	2178.37	2848.69	3519.01	4189.34	4852.40
P	Remaining Aggregate Depreciable Value at the end of the year	9087.31	8502.80	7832.47	7162.15	6499.09

Interest on Loan (IoL)

66. 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 decapitalization 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.”

67. The Weighted Average Rate of Interest on loans has been considered on the basis of the rate prevailing as on 1.4.2024. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of truing up. The IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. The IoL allowed for 2024-29 tariff period in respect of the Combined asset is as follows:

(₹ in lakh)						
Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	8690.51	8824.00	8824.00	8824.00	8824.00
B	Cumulative Repayments upto Previous Year	1513.08	2178.37	2848.69	3519.01	4189.34
C	Net Loan-Opening (A-B)	7177.43	6645.63	5975.31	5304.98	4634.66
D	Additions	133.49	0.00	0.00	0.00	0.00
E	Repayment during the year	665.29	670.32	670.32	670.32	663.06
F	Net Loan-Closing (C+D-E)	6645.63	5975.31	5304.98	4634.66	3971.60
G	Average Loan (C+F)/2	6911.53	6310.47	5640.14	4969.82	4303.13



H	Weighted Average Rate of Interest on Loan (in %)	7.8339	7.8525	7.9631	8.0742	8.0708
I	Interest on Loan (G*H)	541.44	495.53	449.13	401.27	347.30

Return on Equity (RoE)

68. Regulations 30 and 31 of the 2024 Tariff Regulations provide as under:

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

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

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

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

Provided further that:

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

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

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

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



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

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

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

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

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

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

69. The Petitioner has submitted that the MAT rate applies to it. We have considered the Petitioner’s submissions and perused the record.

70. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the Combined asset for the 2024-29 tariff period is as under:

(₹ in lakh)						
Combined Asset						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	3724.50	3781.71	3781.71	3781.71	3781.71
B	Additions	57.21	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	3781.71	3781.71	3781.71	3781.71	3781.71
D	Average Equity (A+C)/2	3753.11	3781.71	3781.71	3781.71	3781.71
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782



H	Return on Equity (D*G)	704.91	710.28	710.28	710.28	710.28
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Operation & Maintenance Expenses (O&M Expenses)

71. The O&M expenses claimed by the Petitioner for the Combined asset for the 2024-29 period are as under:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	599.44	631.24	663.70	698.70	736.21

72. The norms specified under Regulation 36(3)(a) of the 2024 Tariff Regulations provides as under:

“36. Operation and Maintenance Expenses:

...

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					



HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (₹ Lakh per MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

.....”

73. We have considered the Petitioner's submissions. The O&M Expenses have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations, and the same as under:

Particulars	Combined Asset				
	2024-25	2025-26	2026-27	2027-28	2028-29
Sub-station					
Norms (₹ lakh per Bays) – 400 KV	29.53	31.08	32.71	34.43	36.23
400 KV	6	6	6	6	6
Norms (₹ lakh per Bays) – 400 KV GIS	20.671	21.756	22.897	24.101	25.361
400 KV GIS	3	3	3	3	3
O&M Expenses allowed for Sub-station (₹ lakh per Bays)	239.19	251.75	264.95	278.88	293.46
Transformer/Reactor					
Norms (₹ lakh per MVA)	0.262	0.276	0.290	0.305	0.322
Nos of Transformer/Reactor (MVA) Allowed	1375	1375	1375	1375	1375
O&M Expenses allowed for Transformer/Reactor (₹ lakh per MVA)	360.25	379.50	398.75	419.38	442.75



Total O&M Expenses allowed (₹ in lakh)	599.44	631.25	663.70	698.26	736.21
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Interest on Working Capital (IWC)

74. Regulations 34(1)(d), 34(3) and 34(4) of the 2024 Tariff Regulations specify 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.

(2)

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

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

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

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

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

(₹ in lakh)					
Combined Asset					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29



A	Working Capital for O&M Expenses (O&M Expenses for one month)	49.95	52.60	55.31	58.19	61.35
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	89.92	94.69	99.56	104.74	110.43
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /Annual transmission charges)	316.28	315.93	314.29	311.88	309.97
D	Total Working Capital (A+B+C)	456.15	463.22	469.16	474.81	481.75
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)	54.28	55.12	55.83	56.50	57.33

Annual Fixed Charges of the 2024-29 Tariff Period

77. The AFC allowed for the Combined asset for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	665.29	670.32	670.32	670.32	663.06
Interest on Loan	541.44	495.53	449.13	401.27	347.30
Return on Equity	704.91	710.28	710.28	710.28	710.28
O&M Expenses	599.44	631.25	663.70	698.26	736.21
Interest on Working Capital	54.28	55.12	55.83	56.50	57.33
Total	2565.36	2562.51	2549.26	2536.64	2514.18

Filing Fee and Publication Expenses

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

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



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

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

81. 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.”

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

License Fee and RLDC Fees and Charges

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

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

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

Security Expenses, Insurance and Capital Spares

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

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

88. The Petitioner has not claimed the Capital Spares for the Combined asset in the instant Petition for the 2024-29 tariff period. Accordingly, the Petitioner has submitted



that it will file a separate Petition for the capital spares consumed and consequential IWC thereon on an actual basis for the 2024-29 tariff period as per the 2024, Tariff Regulations. The Petitioner has also submitted that it has filed Petition No . 45/MP/2024, claiming therein Capital Spares for the 2019-24 tariff period as per the 2019 Tariff Regulations.

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

"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."

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

Sharing of Transmission Charges

91. The Petitioner has submitted as under:

(a) COD of Asset-1 was approved as on 3.7.2021 under Regulation 5(2) of 2019, Tariff Regulations. The associated downstream transmission system under the scope of APTRANSCO has successfully completed trial operation on load on 23.7.2021. Therefore, transmission charges from



3.7.2021 to 22.7.2021 shall be shared by APTRANSCO.

(b) The trued-up tariff for the 2019-24 period will be recovered on monthly basis in accordance with Regulation 57 of the 2019, Tariff Regulations, and will be shared by the beneficiaries and long-term transmission customers as per the 2010 Sharing Regulations/2020 Sharing Regulations, as amended for the applicable periods.

(c) The tariff for the 2024-29 period will be recovered on monthly basis in accordance with Regulation 78 of the 2024, Tariff Regulations, and will be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations, as amended from time to time.

92. We have considered the Petitioner's submissions. The transmission charges from 3.7.2021 to 22.7.2021 shall be shared by APTRANSCO, if not shared as on date. The billing, collection, and disbursement of the transmission charges for the Combined asset shall be recovered in terms of the provisions of the 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.

93. To summarise:

(a) The details of the AFC claimed by the Petitioner in the instant Petition and trued-up AFC approved in the instant Order for the 2019-24 tariff period for the transmission assets are as follows:

Asset-1	(₹ in lakh)		
	2021-22 (Pro-rata for 272 days)	2022-23	2023-24
AFC claimed	517.09	767.70	799.81
AFC approved	517.09	767.70	799.81

(₹ in lakh)			
Asset-2	2021-22 (Pro-rata for 212 days)	2022-23	2023-24
AFC claimed	97.51	195.01	204.58
AFC approved	97.52	195.01	204.59

(₹ in lakh)			
Asset-3	2021-22 (Pro-rata for 183 days)	2022-23	2023-24
AFC claimed	84.20	194.38	208.07
AFC approved	84.20	194.38	208.07

(₹ in lakh)			
Asset-4	2021-22 (Pro-rata for 182 days)	2022-23	2023-24
AFC claimed	92.70	211.21	220.94
AFC approved	92.70	211.20	220.94

(₹ in lakh)			
Asset-5	2021-22 (Pro-rata for 153 days)	2022-23	2023-24
AFC claimed	77.38	212.88	229.57
AFC approved	77.39	212.88	229.56

(₹ in lakh)			
Asset-6	2021-22 (Pro-rata for 100 days)	2022-23	2023-24
AFC claimed	50.50	211.70	225.28
AFC approved	50.51	211.70	225.28

(₹ in lakh)			
Asset-7	2021-22 (Pro-rata for 39 days)	2022-23	2023-24
AFC claimed	56.29	565.51	591.49
AFC approved	56.29	565.51	591.50

(b) The details of the AFC claimed by the Petitioner in the instant Petition and AFC allowed for the 2024-29 tariff period for the Combined asset in this Order are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC claimed	2565.35	2562.50	2549.27	2536.66	2514.19
AFC allowed	2565.36	2562.51	2549.26	2536.64	2514.18

94. This Order disposes of Petition No. 480/TT/2025, in terms of the above discussions and findings.

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

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

