

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 592/TT/2025

Coram:

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

Date of Order: 24.03.2026

In the matter of:

Petition under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 and under Regulations 15(1)(a) and 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for truing up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Assets under the System Strengthening in Northern Region for Sasan and Mundra UMPP in the Northern Region.

And in the matter of:

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

... Petitioner

Versus

- 1. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001. (Uttar Pradesh)**
- 2. Ajmer Vidyut Vitran Nigam Limited,
Corporate Office, Vidyut Bhawan,
Panchsheel Nagar, Makarwali Road,
Ajmer – 305004 (Rajasthan).**
- 3. Jaipur Vidyut Vitran Nigam Limited,
132 kV GSS RVPNL Substation Building,
Caligiri Road, Malviya Nagar,
Jaipur – 302017 (Rajasthan).**



- 4. Jodhpur Vidyut Vitran Nigam Limited,**
New Powerhouse, Industrial Area,
Jodhpur – 342003 (Rajasthan).
- 5. Himanchal Pradesh State Electricity Board,**
Vidyut Bhawan, Kumar House Complex Building II,
Shimla – 171004. (Himachal Pradesh)
- 6. Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala – 147001. (Punjab)
- 7. Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula – 134109 (Haryana).
- 8. Jammu Kashmir Power Corporation Limited,**
220/66/33 kV Gladni SS SLDC Building,
Narwal, Jammu.
- 9. BSES Yamuna Power Limited,**
B-Block, Shakti Kiran Building,
Near Karkardooma Court, 2nd Floor,
Karkardooma, New Delhi-110092.
- 10. BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place, New Delhi.
- 11. TATA Power Distribution Limited,**
33 kV Substation building, Hudson Lane,
Kingsway Camp, North Delhi – 110009.
- 12. Chandigarh Electricity Department,**
Chandigarh Administration, Sector– 9,
(Chandigarh).
- 13. Uttarakhand Power Corporation Limited,**
Urja Bhawan, Kanwali Road, Dehradun.
(Uttarakhand)
- 14. Northern Central Railway,**
Allahabad.
- 15. New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi – 110002.

...Respondents



For Petitioner : Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Ranjeet Pandey, PGCIL
Ms. Anshul Garg, PGCIL
Shri Divyanshu Mishra, PGCIL
Shri Yating Kalra, PGCIL

For Respondents: None

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for the truing up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and for the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) in respect of the Combined Assets comprising of the following assets (hereinafter referred to as “the Combined Assets”) under “System Strengthening in Northern Region for Sasan and Mundra UMPP” in the Northern Region (hereinafter referred to as “the transmission project”).

Asset	Asset Name	COD
Asset-I	Combined Assets consisting of the Combined Assets-A and B: (Asset A: 315 MVA ICT-I at Sikar 400/200 kV new Substation with 1 number 220 kV Line bay and Asset-B: LILO of Circuit-I of Sikar (RVPN)-Ratangarh (RVPN) 220 kV D/C Line at Sikar (PG)), Asset-C: LILO of Circuit-II of Sikar (RVPN)-Ratangarh (RVPN) 220 kV D/C Line at Sikar (PG), Asset-D: 315 MVA ICT-II at Sikar 400/200 kV New Substation with 1 number 220 kV line bay, Combined Assets- E to I (Asset E: LILO of 1st Circuit of 400 kV Jhakri – Abdullapur Transmission Line at Panchkula, Asset F: LILO of 2nd Circuit of 400 kV Jhakri – Abdullapur Transmission Line at Panchkula, Asset-G: 400/220 kV 315 MVA ICT-I along with associated bays at Panchkula Substation, Asset-H: 315 MVA ICT-II along with associated bays at Panchkula Substation, Asset-I: 125 MVar bus reactor along with associated bays at Panchkula Substation), Asset-J:	1.3.2012 (E-COD)



	400 kV, 80 MVAR bus reactor along with associated bays at 400/220 kV Sikar Substation.	
Asset-II	Combined Assets-A and B: Asset-A: 400 kV Agra-Sikar (D/C Quad) Line with associated bays at Agra and Asset-B: 2 numbers 400 kV line bays for 400 kV D/C Agra-Sikar Line including 2 numbers 50 MVAR Line Reactors under Bus Reactor operation mode at 400/220 kV Sikar Substation.	28.12.2013 (E-COD)
Asset-III	One number Circuit of 400 kV D/C Sikar-Ratangarh Line with associated bays	11.2.2015
Asset-IV	Second Circuit of 400 kV D/C Sikar-Ratangarh Line with associated bays	11.2.2015
Asset-V	125 MVAR bus reactor at Ratangarh Substation (RRVPNL) with associated bays	3.2.2015
Asset-VI	400 kV D/C Sikar-Jaipur Line with associated bays	16.2.2017
	Combined Assets (E-COD) (As per order dated 6.6.2022 Petition No.469/TT/2020)	13.5.2014

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

- a) *“Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the asset covered under this petition, as per para 16 and 17 above.*
- b) *Admit the capital cost claimed and additional capitalization incurred during 2019-24 and projected additional capitalization to be incurred 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 16 and 17 above for respective block.*
- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*



- f) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.*
- g) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 23 above.*
- h) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 23 above.*
- i) *Allow the petitioner to file a separate petition before Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 23 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 24 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries and*
- l) *Pass such other relief as Commission deems fit and appropriate under the circumstances of the case and in the interest of justice. ”*

Background

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

- a. The Investment Approval (the IA) and the expenditure sanction for the transmission project was accorded by the Board of Directors of the Petitioner vide Memorandum dated 10.12.2009, at an estimated cost of ₹121683 lakh, including an Interest During Construction (IDC) of ₹5770 lakh (based on 2nd Quarter, 2009 Price level) in its 229th meeting held on 3.12.2009. Further, the Revised Cost Estimate (RCE) for the transmission project was accorded by the Board of Directors of the Petitioner vide Memorandum dated 1.6.2016, at an estimated cost of ₹142887 lakh, including the IDC of ₹7969 lakh (based on December, 2015 price level) in its 329th meeting held on 26.5.2016. The Petitioner, subsequently, submitted the RCE-II vide affidavit dated 30.3.2021,



duly approved by its Board of Directors vide Memorandum dated 18.12.2020 in its 380th meeting held on 11.11.2020, The scope of work covered under the transmission project broadly includes:

Transmission Lines:

- Agra-Sikar 400 kV D/C Quad Line – 320 km
- Sikar-Jaipur 400 kV D/C Line – 157 km
- Sikar-Ratangarh (RVPN) 400 kV D/C Line – 90 km
- LILO of both circuits of Nathapa Jhakri-Abdullapur 400 kV D/C (Triple Snowbird) Line at Panchkula – 2x 25 km
- LILO of both circuits of Sikar (RVPN)- Ratangarh (RVPN) 220 kV D/C Line at Sikar (POWERGRID) – 5.4 km

Substations:

- 2x315 MVA, 400/220 kV Sikar Substation (New)
- 2x315 MVA, 400/220 kV Panchkula Substation (New)
- 765/400 kV Agra Substation (Extension)
- 400/220 kV Ratangarh Substation (Extension)
- 400/220 kV Jaipur Substation (Extension)

Reactive Compensation:

- Agra-Sikar 400 kV D/C Quad Line (from end to end 50 MVar switchable)
- LILO of both circuits of Nathpa – Jhakri Abdullapur 400 kV D/C at Panchkula (50 MVar switchable) (50 MVar existing reactors to be retained)

Switchable Bus Reactors (MVar):

- Sikar : 80
- Ratangarh : 125
- Panchkula : 125

- b. The entire scope of the transmission project is covered in the instant Petition.
- c. The Commission, vide order dated 30.3.2016 in Petition No. 186/TT/2015,



determined the tariff for the 2014-19 tariff period in respect of Asset-I.

- d. The Commission, vide order dated 20.7.2018 in Petition No. 64/TT/2018, determined the tariff for the 2014-19 tariff period in respect of Asset-II which was revised vide order dated 23.4.2019 in Petition No. 64/TT/2018.
- e. Further, the tariff for the 2014-19 tariff period was determined for Assets-III, IV and V vide order dated 28.4.2016 in Petition No. 199/TT/2015 and for Asset-VI vide order dated 6.12.2017 in Petition No. 69/TT/2017.
- f. Assets-I, II, III, IV, V and VI were combined into a single asset, namely, the Combined Assets by the Petitioner w.e.f. 1.4.2019. The Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, trued up the Annual Fixed Charges (AFC) for the 2014-19 tariff period in respect of Assets-I, II, III, IV, V and VI and determined the AFC for the 2019-24 tariff period in respect of the Combined Assets.
- g. The Petitioner has filed the instant Petition for truing up of the AFC for the 2019-24 tariff period and determination of the AFC for the 2024-29 tariff period in respect of the Combined Assets.

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

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



of the Respondents has filed their reply to the Petition.

6. The matter was heard on 21.1.2026, and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner vide affidavits dated 8.11.2024, 7.10.2025 and 9.2.2026. Having heard the Petitioner's representatives and perused the material available on record, we proceed to dispose of the Petition.

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

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	6637.38	6637.62	6639.07	6640.29	6640.29
Interest on Loan	2304.57	1268.32	880.22	1702.04	2167.51
Return on Equity	7352.73	7352.99	7354.54	7355.83	7355.83
Interest on Working Capital	351.86	317.86	294.72	309.05	364.15
O&M Expenses	2451.16	2537.68	2626.78	2719.62	2813.62
Total	19097.70	18144.47	17795.33	18726.83	19341.40

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

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	204.26	211.47	218.90	226.64	234.47
Maintenance Spares	367.67	380.65	394.02	407.94	422.04
Receivables	2348.08	2233.29	2193.94	2308.79	2378.04
Total Working Capital	2920.01	2825.41	2806.86	2943.37	3034.55
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	351.86	317.86	294.72	309.05	364.15

Capital Cost for the 2019-24 Tariff Period

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

12. The Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, allowed



the capital cost and the Additional Capital Expenditure (ACE) in respect of the Combined Assets for the 2019-24 tariff period as follows:

(₹ in lakh)

Apportioned Approved RCE-II Cost	Capital Cost as on 31.3.2019	ACE					Capital Cost as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
137617.72	130492.56	1160.00	295.00	-	-	-	131947.56

13. The Petitioner, in the instant true-up Petition, has claimed the capital cost and the actual ACE incurred in respect of the Combined Assets for the 2019-24 tariff period as under:

(₹ in lakh)

Apportioned Approved Capital Cost	Capital Cost allowed as on 1.4.2019	ACE claimed					Capital Cost allowed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
137616.72	130492.56	-	8.99	46.00	-	-	130547.55

14. We have considered the Petitioner's submissions. The Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, has approved the trued-up total capital cost of ₹130488.13 lakh as on 31.3.2019 in respect of the Combined Assets without the adjustment of the additional Initial Spares allowed as on 1.4.2019. Thus, the same capital cost of ₹130488.13 lakh i.e. without the adjustment of the additional Initial Spares allowed as on 1.4.2019 is being considered as the opening capital cost as on 1.4.2019 in respect of the Combined Assets for truing up of the transmission tariff for the 2019-24 period.

Adjustment of Initial Spares

15. The Petitioner has submitted that the Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, allowed the Initial Spares on the basis of the overall project cost as per the Appellate Tribunal for Electricity's (APTEL's) judgment dated 14.9.2019 in Appeal No. 74 of 2017 and as there is no change in the overall project cost for the



calculation of the Initial Spares since the last order, the approved Initial Spares have been considered in the instant Petition as well.

16. We have considered the Petitioner's submissions. The Dates of Commercial Operation (CODs) and the cut-off dates of Assets-I, II, III, IV, V, and VI for the determination of the Initial Spares as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and 2014 are as under:

S. No.	Asset	COD	Cut-off date
1	Asset-I	1.3.2012	31.3.2015
2	Asset-II	28.12.2013	31.3.2016
3	Asset-III	11.02.2015	31.3.2018
4	Asset-IV	11.2.2015	31.3.2018
5	Asset-V	3.2.2015	31.3.2018
6	Asset-VI	16.2.2017	31.3.2020

17. Further, as per the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, the Initial Spares are to be allowed as per the ceiling on the overall project cost. The relevant extract of the judgment dated 14.9.2019 is as follows:

"8.13.....We do not agree with this methodology of restricting initial spares asset/element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true-up"

18. In terms of the above, the Initial Spares are to be allowed as a percentage of the project cost as a whole. Therefore, considering the Auditor's Certificates and the actual expenditure in respect of Asset-VI during the 2019-24 tariff period, the Initial Spares worked out and allowed as per the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, are as follows:



Asset	Particulars	Plant and Machinery Cost up to the cut-off date (A)	Initial Spares Claimed (B)	Ceiling as per the 2009/2014 Tariff Regulations (in %) (C)	Initial Spares Allowable $D = [(A-B)*C / (100-C)]$	Initial Spares allowed in instant order	Additional Initial spares to be allowed
Transmission Line							
Asset-I	Transmission Line	6107.95	38.68	0.75%	45.86	38.68	
Asset-II	Transmission Line	62643.24	474.22	0.75%	469.79	469.79	
		68751.19	512.90		515.65	508.47	4.43
<i>(Additional Initial Spares of ₹4.43 lakh (₹512.90 lakh - ₹508.47 lakh) are being allowed against transmission line head)</i>							
Asset-III	Transmission Line	4935.92	15.11	1.00%	49.71	15.11	
Asset-IV	Transmission Line	1896.59	15.11	1.00%	19.00	15.11	
Asset-VI	Transmission Line	21248.86	161.21	1.00%	213.01	161.21	
		28081.37	191.43		281.72	191.43	0.00
<i>There are no additional Initial Spares in respect of the Transmission Line</i>							
Substation							
Asset-I	Substation	17303.33	297.51	2.50%	436.05	297.51	
Asset-II	Substation	3439.46	20.83	2.50%	87.66	20.83	
		20742.79	318.34		523.70	318.34	0.00
<i>There are no additional Initial Spares in respect of the Substation</i>							
Asset-III	Substation	2492.62	0.00	6.00%	159.10	0	
Asset-IV	Substation	2481.40	0.00	6.00%	158.39	0	
Asset-V	Substation	981.98	18.87	6.00%	61.48	18.87	
Asset-VI	Substation	2884.22	66.81	6.00%	179.83	66.81	
		8840.22	85.68		558.80	85.68	0.00
<i>There are no additional Initial Spares with respect to the Substation</i>							

19. Therefore, in terms of the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, the total additional Initial Spares of ₹4.43 lakh against the Transmission Line are added back to the capital cost for the Combined Assets as on 1.4.2019.

20. Accordingly, the details of the capital cost as on 1.4.2019 for the Combined Assets are as follows:



(₹ in lakh)			
Asset	Combined capital cost as on 31.3.2019	Additional Initial Spares allowed as per the APTEL's judgement dated 14.9.2019	Capital Cost as on 1.4.2019
Combined Assets	130488.13	4.43	130492.56

Additional Capital Expenditure (ACE)

21. The Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, allowed the following ACE in respect of the Combined Assets for the 2019-24 tariff period:

(₹ in lakh)						
Asset	ACE allowed					Total ACE
	2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets	1160.00	295.00	-	-	-	1455.00

22. The Petitioner, in the instant true-up Petition, has claimed the ACE for the 2019-24 tariff period in respect of the Combined Assets, based on the actual expenditure towards reconductoring, and the details of the same are as follows:

(₹ in lakh)							
Asset	Capital Cost as on 31.3.2019	ACE claimed					Total ACE
		2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets	130492.56	-	8.99	46.00	-	-	54.99

23. The Petitioner has submitted that while projecting the estimated ACE, the contracts were not closed, and the liabilities were not finalized, however, in the instant true up Petition, the ACE is claimed on the basis of the actual payments made to the contractors after the receipt of the invoices from the contractors and incorporating the amendments till the end of the 2019-24 tariff period. It is submitted that the ACE claimed is on account of the undischarged liability towards the final payment/withheld payment due to the contractual exigencies and for works executed prior to the cut-off date.

24. The Petitioner has also submitted the Liability Flow Statement claiming the discharge of the liabilities for the 2019-24 tariff period. The details of the same are as



under:

(₹ in lakh)										
Asset	Party-Wise	Particulars	Outstandi ng Liability as on 31.3.2019	Liability Discharge						Outstand ing Liability as on 31.3.2024
				2019-20	2020-21	2021-22	2022-23	2023-24	Total (2019-24)	
Asset-I	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	15.00	-	-	-	-	-	-	15.00
	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	15.00	-	-	-	-	-	-	15.00
Asset-III	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	135.00	-	-	23.00	-	-	23.00	112.00
	M/s RRVPNL	SS Work	435.00	-	-	-	-	-	-	435.00
Asset-IV	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	135.00	-	-	23.00	-	-	23.00	112.00
	M/s RRVPNL	SS Work	435.00	-	-	-	-	-	-	435.00
Asset-VI	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	500.99	-	8.99	-	-	-	8.99	492.00
	Total		1670.99	-	8.99	46.00	-	-	54.99	1616.00

25. We have considered the Petitioner's submissions. It is observed that the Petitioner has claimed the ACE on account of the discharge of liability towards the final/retention payment against the works executed prior to the cut-off dates. Therefore, as per Regulation 25(1)(d) of the 2019 Tariff Regulations, the ACE claimed by the Petitioner for the Combined Assets is hereby allowed for the 2019-24 tariff period and the details of the same are as follows:

(₹ in lakh)						
Asset	Regulation	Actual ACE				
		2019-20	2020-21	2021-22	2022-23	2023-24
Combined Assets	25(1)(d) of the 2019 Tariff Regulations	0.00	8.99	46.00	0.00	0.00

26. Accordingly, the details of the capital cost and the trued-up ACE allowed in



respect of the Combined Assets for the 2019-24 tariff period are as under:

Asset	Capital Cost as on 1.4.2019	Allowed ACE					(₹ in lakh)
		2019-20	2020-21	2021-22	2022-23	2023-24	Capital Cost as on 31.3.2024
Combined Assets	130492.56	-	8.99	46.00	-	-	130547.55

Debt-Equity Ratio

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

Funding	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	91344.79	70.00	38.49	70.00	91383.29	70.00
Equity	39147.77	30.00	16.50	30.00	39164.27	30.00
Total	130492.56	100.00	54.99	100.00	130547.55	100.00

Depreciation

28. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Combined Assets for the 2019-24 tariff period as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

29. The depreciation allowed for the Combined Assets for the 2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Depreciation					
A	Opening Gross Block	130492.56	130492.56	130501.55	130547.55	130547.55



B	Addition during the year 2019-24, due to projected ACE	0.00	8.99	46.00	0.00	0.00
C	Closing Gross Block (A+B)	130492.56	130501.55	130547.55	130547.55	130547.55
D	Average Gross Block (A+C)/2	130492.56	130497.06	130524.55	130547.55	130547.55
E	Freehold land (Average)	4172.65	4172.65	4172.65	4172.65	4172.65
F	Average Gross Block (90% depreciable assets (D-E-G))	126201.29	126205.79	126233.28	126256.28	126256.28
G	Average Gross Block (100% depreciable assets)	118.62	118.62	118.62	118.62	118.62
H	Depreciable Value (excluding IT equipment and software) (F*90%)	113581.16	113585.21	113609.95	113630.65	113630.65
I	Depreciable Value of IT equipment and software (G*100%)	118.62	118.62	118.62	118.62	118.62
J	Total Depreciable Value (H+I)	113699.78	113703.83	113728.57	113749.27	113749.27
K	Weighted Average Rate of Depreciation (WAROD) (in %)	5.0864	5.0864	5.0865	5.0865	5.0865
L	Lapsed useful life at the beginning of the year (Year)	4.00	5.00	6.00	7.00	8.00
M	Balance useful life at the beginning of the year (Year)	29.00	28.00	27.00	26.00	25.00
N	Depreciation during the year (D*K)	6637.38	6637.62	6639.07	6640.29	6640.29
O	Cumulative Depreciation at the end of the year	37794.92	44432.54	51071.61	57711.90	64352.18
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	75904.86	69271.29	62656.96	56037.37	49397.09

30. The details of the depreciation allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets, depreciation claimed in the instant true-up Petition, and the trued-up depreciation approved in the instant order are as follows:



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020	6656.48	6694.89	6702.68	6702.68	6702.68
Claimed in the instant true-up Petition	6637.38	6637.62	6639.07	6640.29	6640.29
Approved after true-up in this order	6637.38	6637.62	6639.07	6640.29	6640.29

Interest on Loan (IoL)

31. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio as per the prevailing rate of interest.

32. We have considered the Petitioner's submissions. The Interest on Loan (IoL) has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved for the Combined Assets is as follows:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Loan					
A	Gross Normative Loan	91344.79	91344.79	91351.08	91383.28	91383.28
B	Cumulative Repayments up to Previous Year	31045.75	37683.13	44320.75	50959.82	57600.11
C	Net Loan-Opening (A-B)	60299.04	53661.66	47030.33	40423.46	33783.18
D	Additions	0.00	6.29	32.20	0.00	0.00
E	Repayment during the year	6637.38	6637.62	6639.07	6640.29	6640.29
F	Repayment adjustment due to de-capitalization	0.00	0.00	0.00	0.00	0.00
G	Net Loan-Closing (C+D) - (E-F)	53661.66	47030.33	40423.46	33783.18	27142.89
H	Average Loan (C+G)/2	56980.35	50345.99	43726.90	37103.32	30463.03
I	Weighted Average Rate of Interest on Loan (in %)	4.0445	2.5192	2.0130	4.5873	7.1152
J	Interest on Loan (G*IH)	2304.57	1268.31	880.24	1702.04	2167.52



33. The details of the IoL allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets, IoL claimed in the instant true-up Petition, and the trued-up IoL approved in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020	2620.47	2337.66	2036.57	1730.63	1423.46
Claimed in the instant true-up Petition	2304.57	1268.32	880.22	1702.04	2167.51
Approved after true-up in this order	2304.57	1268.31	880.24	1702.04	2167.52

Return on Equity (RoE)

34. The Petitioner has submitted that it is liable to pay 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). It is submitted that the Petitioner's Income Tax Assessment has been completed and the Assessment Orders have been issued by the Income Tax Department for the FYs 2019-20 and 2020-21. It is further submitted that the Income Tax Returns (ITRs) have been filed for the FYs 2021-22 and 2022-23, and the ITR for the FY 2023-24 will be filed in due course.

35. It is submitted that the income has been assessed under the MAT regime as per Section 115JB of the Income Tax Act, 1961 (hereinafter referred to as "the IT Act, 1961") and the Petitioner 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



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

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

37. Accordingly, the trued-up RoE allowed in respect of the Combined Assets for the



2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Return on Equity					
A	Opening Equity	39147.77	39147.77	39150.47	39164.27	39164.27
B	Additions	0.00	2.70	13.80	0.00	0.00
C	Closing Equity (A+B)	39147.77	39150.47	39164.27	39164.27	39164.27
D	Average Equity (A+C)/2	39147.77	39149.12	39157.37	39164.27	39164.27
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
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)	7352.73	7352.99	7354.54	7355.83	7355.83

38. The details of the RoE allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets, RoE claimed in the instant true-up Petition, and the trued-up RoE approved for the Combined Assets in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020	7385.41	7426.41	7434.72	7434.72	7434.72
Claimed in the instant true-up Petition	7352.73	7352.99	7354.54	7355.83	7355.83
Approved after true-up in this order	7352.73	7352.99	7354.54	7355.83	7355.83

Operation and Maintenance Expenses (O&M Expenses)

39. The Commission, vide order dated 6.6.2022 in Petition No. 469/TT/2020, has allowed the Operation and Maintenance Expenses (O&M Expenses) in respect of the Combined Assets for the 2019-24 tariff period as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2451.16	2537.65	2626.77	2719.62	2813.61

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



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2451.16	2537.68	2626.78	2719.62	2813.62

41. We have considered the Petitioner's submissions. The O&M Expenses allowed for the Combined Assets as per the norms specified in the 2019 Tariff Regulations, are as follows:

(₹ in lakh)					
Particulars	Combined Assets				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV Bays					
Sikar Substation					
2 Nos. ICT Bays for 315 MVA, 400/220 kV ICT-I and ICT-II 1 No. Reactor Bay for 80 MVA Bus reactor 2 Nos. Line Bay for 400 kV D/C Agra -Sikar Transmission Line 2 Nos. Line Bays for 400 kV D/C Sikar-Ratangarh Transmission Line 2 Nos. Line Bays for 400 kV D/C Sikar-Jaipur Transmission Line					
Panchkula Substation					
2 Nos. Line Bay for LILO of Circuit -I of 400 kV D/C Jhakri-Abdullapur Transmission Line 2 Nos. Line Bay for LILO of Circuit -II of 400 kV D/C Jhakri-Abdullapur Transmission Line 2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 1 No. Reactor Bay for 125 MVA Bus reactor 2 Nos. Reactor Bay for Switchable Line Reactor					
Agra Substation					
2 Nos. Line Bay for 400 kV D/C Agra -Sikar Transmission Line 2 Nos. Reactor Bay for Switchable Line Reactor					
Ratangarh Substation					
2 Nos. Line Bays for 400 kV D/C Sikar-Ratangarh Transmission Line 1 No. Reactor Bay for 125 MVA Bus reactor					
Jaipur Substation					
2 Nos. Line Bays for 400 kV D/C Sikar-Jaipur Transmission Line					
Norms as per the Regulation (₹ lakh/bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed	868.05	898.56	930.15	962.82	996.57
220 kV Bays					
Sikar Substation					
2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 2 Nos. Line Bay 2 Nos. Line Bay for LILO of Circuit -I of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL)					



Transmission Line. 2 Nos. Line Bay for LILO of Circuit -II of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL) Transmission Line. Panchkula Substation 2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 6 Nos. Line Bays					
Norms as per the Regulation (₹ lakh/bay)	22.51	23.30	24.12	24.96	25.84
O&M Expenses Allowed	360.16	372.8	385.92	399.36	413.44
400 kV ICT Sikar Substation 2 Nos. 315 MVA, 400/220 kV ICT-I and ICT-II Panchkula Substation 2 Nos. 315 MVA, 400/220 kV ICT-I and ICT-II					
Norms as per the Regulation (₹ lakh/MVA)	0.358	0.371	0.384	0.398	0.411
O&M Expenses allowed	451.08	467.46	483.84	501.48	517.86
Total O&M Expenses allowed	1679.29	1738.82	1799.91	1863.66	1927.87

(₹ in lakh)

Particulars	Combined Assets				
	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Line Double Circuit (Single Conductor) LILO of Circuit -I & II of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL) Transmission Line (total length of line: 5.830 km)					
Norms as per the Regulation (₹ lakh/km)	0.377	0.391	0.404	0.419	0.433
O&M Expenses allowed	2.20	2.28	2.36	2.44	2.52
Transmission Line Double Circuit (Twin & Triple Conductor) 400 kV D/C Sikar-Ratangarh Transmission Line (total length of line: 76.530 km) 400 kV D/C Sikar-Jaipur Transmission Line (total length of line: 169.00 km) - LILO of 400 kV D/C Jhakri-Abdullapur Transmission Line (total length of line: 48.885 km)					
Norms as per the Regulation (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011
O&M Expenses allowed	259.38	268.51	277.93	287.64	297.65
Transmission Line Double Circuit (Four Conductor) 400 kV D/C Agra -Sikar Transmission Line (total length of line: 386.00 km)					
Norms as per the	1.322	1.368	1.416	1.466	1.517



Regulation (₹ lakh/km)					
O&M Expenses allowed	510.29	528.05	546.58	565.88	585.56
Total O&M Expenses allowed	771.87	798.83	826.86	855.96	885.74

(₹ in lakh)

Particulars	Combined Assets				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses allowed for Substation	1679.29	1738.82	1799.91	1863.66	1927.87
O&M Expenses allowed for Transmission Line	771.87	798.83	826.86	855.96	885.74
Total O&M Expenses allowed	2451.16	2537.65	2626.77	2719.62	2813.61

42. Accordingly, the details of the O&M Expenses allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets, O&M Expenses claimed in the instant true-up Petition, and the trued-up O&M Expenses approved in the instant order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020.	2451.16	2537.65	2626.77	2719.62	2813.61
Claimed by the Petitioner in the instant true-up Petition	2451.16	2537.68	2626.78	2719.62	2813.62
Approved after true-up in this order	2451.16	2537.66	2626.77	2719.63	2813.62

Interest on Working Capital (IWC)

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



working capital and the interest allowed thereon in respect of the Combined Assets for the 2019-24 tariff period are as follows:

		(₹ in lakh)				
	Particulars	Combined Assets				
		2019-20	2020-21	2021-22	2022-23	2023-24
	Interest on Working Capital					
A	Working Capital for O&M Expenses (O&M Expenses for one month)	204.26	211.47	218.90	226.64	234.47
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	367.67	380.65	394.02	407.94	422.04
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	2348.08	2233.29	2193.95	2308.79	2378.04
D	Total Working Capital (A+B+C)	2920.02	2825.41	2806.86	2943.37	3034.55
E	Rate of Interest for Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
F	Interest on Working Capital (D*E)	351.86	317.86	294.72	309.05	364.15

44. The details of the IWC allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets; IWC claimed in the instant true-up Petition, and the trued-up IWC approved in the instant order are as follows:

		(₹ in lakh)				
Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020		357.39	334.74	311.77	311.28	310.15
Claimed in the instant true-up Petition		351.86	317.86	294.72	309.05	364.15
Approved after trued-up in this order		351.86	317.86	294.72	309.05	364.15

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

45. Accordingly, the AFC allowed after truing-up for the 2019-24 tariff period in respect of the Combined Assets are as follows:



(₹ in lakh)

S. No.	Particulars	Combined Assets				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	6637.38	6637.62	6639.07	6640.29	6640.29
B	Interest on Loan	2304.57	1268.31	880.24	1702.04	2167.52
C	Return on Equity	7352.73	7352.99	7354.54	7355.83	7355.83
D	O & M Expenses	2451.16	2537.66	2626.77	2719.63	2813.62
E	Interest on Working Capital	351.86	317.86	294.72	309.05	364.15
F	Total (A+B+C+D+E)	19097.70	18114.44	17795.34	18726.84	19341.41

46. The details of the AFC allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020 for the Combined Assets, AFC claimed in the instant true-up Petition, and the trued-up AFC approved in the instant order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.6.2022 in Petition No. 469/TT/2020	19470.91	19331.34	19112.50	18898.93	18684.61
Claimed in the instant true-up Petition	19097.70	18114.47	17795.33	18726.83	19341.40
Approved after true-up in this order	19097.70	18114.44	17795.34	18726.84	19341.41

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

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

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	6735.70	6741.56	6669.28	1462.14	1464.15
Interest on Loan	1793.78	1337.81	843.70	544.23	438.46
Return on Equity	7401.36	7446.89	7446.89	7446.89	7446.26
Interest on Working Capital	340.27	339.67	336.88	260.37	265.72
O&M Expenses	2391.91	2518.93	2650.01	2789.11	2937.22
Total	18664.02	18384.86	17946.76	12502.74	12552.81

48. The Petitioner has claimed the following IWC in respect of the Combined Assets



for the 2024-29 tariff period:

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	199.41	209.91	220.83	232.43	244.77
Maintenance Spares	358.94	377.84	397.50	418.37	440.58
Receivables	2301.04	2266.63	2212.61	1537.22	1547.61
Total Working Capital	2859.39	2854.38	2830.94	2188.02	2232.96
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	340.27	339.67	336.88	260.37	265.72

Capital Cost

49. Regulation 19 of the 2024 Tariff Regulations provides as under:

“19. Capital Cost: (1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence 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 de-capitalised from the original project only after its redeployment;

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

(d)

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

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

50. The Petitioner has claimed the capital cost and the ACE in respect of the



Combined Assets for the 2024-29 tariff period as follows:

(₹ in lakh)							
Apportioned Cost as per RCE-II	Expenditure as on 1.4.2024	Projected ACE in the 2024-29 Tariff Period					Estimated Completion Cost as on 31.3.2029
		2024-25	2025-26	2026-27	2027-28	2028-29 Add-capitalization/ (De-capitalization)	
137617.72	130547.55	1616.00	-	-	-	80.35	132176.66
		-	-	-	-	(67.24)	
		1616.00	-	-	-	13.11	

51. We have considered the Petitioner's submissions. The trued-up capital cost of ₹130547.55 lakh as on 31.3.2024 in respect of the Combined Assets has been approved in the instant order and thus, the same is being considered as the opening capital cost as on 1.4.2024 for the determination of the AFC in respect of the Combined Assets for the 2024-29 tariff period in accordance with Regulation 19(3)(a) of the 2024 Tariff Regulations.

Additional Capital Expenditure (ACE)

52. 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 with the directions or order of any statutory authority or order or decree of any court of law;*
- (e) *Change in law or compliance with any existing law which is not provided*



- for in the original scope of work;
- (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 the cut-off date, the additional capitalization may be admitted by the Commission after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

- (a) Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;
- (b) The replacement of the asset or equipment is necessary on account of 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 capitalisation with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses.”

53. The Petitioner has claimed the ACE in respect of the Combined Assets for the 2024-29 tariff period and the details of the same are as follows:

Capital Cost as on 1.4.2024	Regulations	(₹ in lakh)				
		ACE				
		2024-25	2025-26	2026-27	2027-28	2028-29
130547.55	Regulation 25(1)(d) of the 2024 Tariff Regulations	1616.00	-	-	-	-
	Regulation 25(2)(c) of the 2024 Tariff Regulations	-	-	-	-	80.35

54. The Petitioner has submitted that the ACE claimed for the 2024-29 tariff period is on account of the undischarged liability towards the final payment/withheld payment, as liabilities were not finalized and are beyond the cut-off date. The petitioner has also submitted that the ACE is to be incurred by the petitioner during the 2024-29 tariff on account of undischarged liability towards final payment/withheld payment for works executed prior to the cut-off date.

55. The Petitioner has claimed the ACE under Regulation 25(2) of the 2024 Tariff Regulations on account of the replacement of the components/equipment in the system which have deteriorated due to ageing and may affect the stability and reliability of the Grid in case of sudden failure. The detailed justification for the ACE claimed towards the upgradation of the Supervisory Control and Data Acquisition (SCADA) Systems at the Sikar Substation, as submitted by the Petitioner, is as follows:

- The SCADA Systems are essential for the real-time monitoring and control of the substations.
- These systems collect real-time data from the field devices, including Intelligent Electronic Devices (IEDs), sensors, and other control equipment. They empower the operators to monitor and control the processes both



locally and remotely, ensuring smooth and reliable operations. A failure in the SCADA System can result in a lack of visibility at the Regional Load Despatch Centre (RLDC) and the remote-control centre, which can significantly hinder the effective operation of the Grid.

- c) The SCADA Systems primarily consist of the hardware and software components, such as Human-Machine Interfaces (HMIs), Engineering PCs, Remote Terminal Units (RTUs), and servers, which can become obsolete over time.
- d) The existing SCADA Systems installed at the Sikar Substation are based on Windows 7. The Original Equipment Manufacturer (OEM) has already declared Windows 7 as end-of-life (The Petitioner has furnished the declaration in this regard, posted on the website of Microsoft vide affidavit dated 7.10.2025).
- e) Additionally, there are no security patches or support available for the current SCADA System, categorizing it as a legacy system. To address cybersecurity concerns and ensure the secure and reliable operation of the system, it is prudent to replace the SCADA System, as recommended in the Central Electricity Authority (CEA) Guidelines on Cyber Security in the Power Sector, 2021.
- f) Furthermore, this SCADA System has reached the end of its useful life of seven years, as stipulated by the 2024 Tariff Regulations.

56. The Petitioner has also submitted the detailed Liability Flow Statement in respect of the Combined Assets for the 2024-29 tariff period, and the same is as follows:

(₹ in lakh)

Asset	Party-Wise	Particular	Outstandi ng Liability as on 31.3.2024	Discharge of Liability					
				2024-25	2025-26	2026-27	2027-28	2028-29	Total (2024-29)
Asset-I	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	15.00	15.00	-	-	-	-	15.00
	M/s SPIC SMO, M/s Mirador,	TL Work	15.00	15.00	-	-	-	-	15.00



	M/s Sujana, M/s Neueon Tower								
Asset-III	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	112.00	112.00	-	-	-	-	112.00
	M/s RRVPNL	SS Work	435.00	435.00	-	-	-	-	435.00
Asset-IV	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	112.00	112.00	-	-	-	-	112.00
	M/s RRVPNL	SS Work	435.00	435.00	-	-	-	-	435.00
Asset-VI	M/s SPIC SMO, M/s Mirador, M/s Sujana, M/s Neueon Tower	TL Work	492.00	492.00	-	-	-	-	492.00
	Total		1616.00	1616.00	-	-	-	-	1616.00

Asset	Name of work	Outstandi ng Liability as on 31.3.2024	Additional Liability Recognized					Total (2024-29)
			2024-25	2025-26	2026-27	2027-28	2028-29	
Asset-I	Upgradation of SCADA	-		-	-	-	5.28	5.28
Asset-III		-		-	-	-	14.67	14.67
Asset-IV		-		-	-	-	9.01	9.01
Asset-VI		-		-	-	-	51.39	51.39
	Total	-		-	-	-	80.35	80.35

57. We have considered the Petitioner's submissions. It is observed that the Petitioner has projected the ACE of ₹1616.00 lakh during the FY 2024-25 against the un-discharged liability as on 1.4.2024 on account of the final/retention payments for the works executed prior to the cut-off date. Therefore, as per Regulation 25(1)(d) of the 2024 Tariff Regulations, the ACE of ₹1616.00 lakh claimed by the Petitioner during the FY 2024-25 in respect of the Combined Assets is hereby allowed, subject to truing up. The Petitioner is directed to submit the reasons for the delay in discharging the liabilities at the time of truing-up.



58. Further, it is observed that the Petitioner has also projected the ACE of ₹80.35 lakh on account of the upgradation of the SCADA System at the Sikar Substation. The Petitioner has submitted that the existing SCADA System is Windows-7 based system which is already declared obsolete by the OEM. Also, the other hardware and software components of the existing SCADA System i.e. HMIs, Engineering PCs, RTUs and servers are obsolete, the existing SCADA System has completed its useful life of 7 years and the OEM has declared the end of life for Windows-7. As per Regulation 2(87) of the 2024 Tariff Regulations, the useful life of the IT System, SCADA System and Communication System excluding OPGW is 7 years, hence, its life span should be 7 years with 15% depreciation as per Appendix-I of the 2024 Tariff Regulations.

59. Therefore, the proposed ACE towards the replacement of the SCADA System at the Sikar Substation is allowed under Regulation 25(2)(c) of the 2024 Tariff Regulations. The Petitioner is directed to submit the actual ACE with all the supporting documents at the time of truing-up.

60. Accordingly, the details of the ACE allowed in respect of the Combined Assets for the 2024-29 tariff period are as follows:

Asset	Regulation	(₹ in lakh)				
		ACE Allowed				
		2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	Regulation 25(1)(d) of the 2024 Tariff Regulations	1616.00	-	-	-	-
	Regulation 25(2)(c) of the 2024 Tariff Regulation.					80.35

De-Capitalization

61. The Petitioner, in the instant Petition, has also proposed the de-capitalization of ₹67.24 lakh during the FY 2028-29 against the upgradation of the SCADA System at the Sikar Substation. The details of the de-capitalization, as submitted by the Petitioner,



are as follows:

(₹ in lakh)							
Asset	Year of De-capitalization	Works/Equipment proposed to be de-capitalized	Year of Capitalization	Original Book Value	Debt-Equity Ratio	Cumulative Depreciation	Cumulative Repayment of Loan
Asset-I	2028-29	SAS Upgradation at Sikar Substation	2011-12	4.42	70: 30:00	4.42	3.09
Asset-III	2028-29	SAS Upgradation at Sikar Substation	2014-15	12.28	70: 30:00	12.28	8.60
Asset-IV	2028-29	SAS Upgradation at Sikar Substation	2014-15	7.54	70: 30:00	7.54	5.28
Asset-VI	2028-29	SAS Upgradation at Sikar Substation	2016-17	43.00	70: 30:00	43.00	30.10
Combined Assets	2028-29	SAS Upgradation at Sikar Substation	2014-15 (ECOD: 13.5.2014)	67.24	70: 30:00	67.24	47.07

62. We have considered the Petitioner's submissions. The de-capitalization of ₹67.24 lakh claimed by the Petitioner during the FY 2028-29 for the upgradation of the SCADA System at the Sikar Substation is hereby allowed, subject to truing up.

63. Therefore, the details of the net ACE allowed in respect of the Combined Assets for the 2024-29 tariff period are as follows:

(₹ in lakh)						
Asset	Regulation	ACE Allowed				
		2024-25	2025-26	2026-27	2027-28	2028-29
Combined Assets	ACE allowed	1616.00	-	-	-	80.35
	De-Capitalization allowed					(67.24)
	Net ACE	1616.00	-	-	-	13.11



64. Accordingly, the details of the capital cost and the ACE allowed in respect of the Combined Assets for the 2024-29 tariff period are as follows:

Asset	Capital Cost as on 1.4.2024	ACE Allowed					(₹ in Lakh) Capital Cost as on 31.3.2029
		2024-25	2025-26	2026-27	2027-28	2028-29	
Combined Assets	130547.55	1616.00	-	-	-	13.11	132176.66

Debt-Equity Ratio

65. Regulation 18 of the 2024 Tariff Regulations provides as under:

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

Provided that:

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

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

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

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

Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on



1.4.2024 or is completing its useful life during the 2024-29 tariff period., if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

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

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

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

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

66. The debt-equity ratio considered for the computation of the tariff for the 2024- 29 tariff period and allowed as per Regulation 18(3) of the 2024 Tariff Regulations is as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	91383.29	70.00	1140.38	70.00	92523.66	70.00
Equity	39164.27	30.00	488.73	30.00	39653.00	30.00
Total	130547.55	100.00	1629.11	100.00	132176.66	100.00

Depreciation

67. Regulation 33 of the 2024 Tariff Regulations provides as under:

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

68. We have considered the Petitioner's submissions. The WAROD has been worked out considering the depreciation rates for the Combined Assets specified in the 2024 Tariff Regulations. The depreciation has been calculated considering the admitted capital expenditure as on 1.4.2024, and thereafter, up to 31.3.2029. The Combined Assets shall complete 12 years of its useful life in the FY 2027-28. Accordingly, the depreciation allowed for the Combined Assets as per Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation					
A	Opening Gross Block	130547.55	132163.55	132163.55	132163.55	132163.55
B	Addition during the year 2024-29 due to projected ACE	1616.00	0.00	0.00	0.00	13.11
C	Closing Gross Block (A+B)	132163.55	132163.55	132163.55	132163.55	132176.66
D	Average Gross Block (A+C)/2	131355.55	132163.55	132163.55	132163.55	132170.11
E	Freehold land (Average)	4172.65	4172.65	4172.65	4172.65	4172.65
F	Average Gross Block (90% depreciable assets) (D-E-G)	127064.28	127872.28	127872.28	127872.28	127872.28
G	Average Gross Block (100% depreciable assets)	118.62	118.62	118.62	118.62	125.18
H	Depreciable Value (excluding IT equipment and software) (F*90%)	114357.85	115085.05	115085.05	115085.05	115085.05
I	Depreciable Value of IT equipment and software (G*100%)	118.62	118.62	118.62	118.62	125.18



J	Total Depreciable Value (H+I)	114476.47	115203.67	115203.67	115203.67	115210.23
K	Weighted Average Rate of Depreciation (WAROD) (in %)	5.1278	5.1009	5.0462	Spread Over	
L	Lapsed useful life at the beginning of the year (Year)	9.00	10.00	11.00	12.00	13.00
M	Balance useful life at the beginning of the year (Year)	24.00	23.00	22.00	21.00	20.00
N	Depreciation during the year (D*K)	6735.69	6741.56	6669.27	1462.14	1464.15
O	Cumulative Depreciation at the end of the year	71087.87	77829.43	84498.70	85960.84	87357.75
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	43388.60	37374.24	30704.97	29242.83	27852.47

Interest on Loan (IoL)

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

“32. Interest on loan capital: (1) *The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered 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.”

70. The WAROI 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 at the time of true-up. Accordingly, the floating rate of interest, if any, will be considered while truing up the tariff for the 2024-29 tariff period. The IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. Accordingly, the IoL allowed for the 2024-29 tariff period in respect of the Combined Assets is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	91383.28	92514.48	92514.48	92514.48	92514.48
B	Cumulative Repayments up to Previous Year	64240.39	70976.08	77717.64	84386.91	85849.05
C	Net Loan-Opening (A-B)	27142.89	21538.40	14796.84	8127.57	6665.43
D	Addition due to ACE	1131.20	0.00	0.00	0.00	9.18
E	Repayment during the year	6735.69	6741.56	6669.27	1462.14	1464.15
E1	Repayment adjustment due to de-Cap	0.00	0.00	0.00	0.00	47.07



F	Net Loan-Closing (C+D) - (E-E1)	21538.40	14796.84	8127.57	6665.43	5257.52
G	Average Loan (C+F)/2	24340.65	18167.62	11462.21	7396.50	5961.48
H	Weighted Average Rate of Interest on Loan (in %)	7.3708	7.3664	7.3636	7.3612	7.3583
I	Interest on Loan (G*H)	1794.10	1338.30	844.03	544.47	438.67

Return on Equity (RoE)

71. 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."

72. The Petitioner has submitted that the MAT rate applies to it. Accordingly, the applicable MAT rate has been considered for the purpose of RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed in respect of the Combined Assets for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	39164.27	39649.07	39649.07	39649.07	39649.07



B	Addition due to ACE	484.80	0.00	0.00	0.00	3.93
C	Closing Equity (A+B)	39649.07	39649.07	39649.07	39649.07	39653.00
D	Average Equity (A+C)/2	39406.67	39649.07	39649.07	39649.07	39651.03
E	Return on Equity (Base Rate)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (Pre-tax) (D*G)	7401.36	7446.89	7446.89	7446.89	7447.26

Operation and Maintenance Expenses (O&M Expenses)

73. The O&M Expenses claimed by the Petitioner in respect of the Combined Assets for the 2024-29 tariff period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	2392.91	2518.93	2650.01	2789.11	2937.22

74. Regulation 36(3)(a) of the 2024 Tariff Regulations provide 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
<i>Norms for sub-station Bays (Rs Lakh per bay)</i>					
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
<i>Norms for Transformers/ Reactors (Rs Lakh per MVA or MVAR)</i>					
O&M expenditure per MVA or per MVAR (Rs Lakh per MVA or per MVAR)	0.262	0.276	0.290	0.305	0.322
<i>Norms for AC and HVDC lines (Rs Lakh per km)</i>					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four or more sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.246	0.259	0.272	0.287	0.302



Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	2.07	2.18	2.30	2.42	2.55
Gazuwaka BTB (Rs Lakh/MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (Rs Lakh/MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

.....”

75. We have considered the Petitioner’s submissions. The O&M Expenses for the 2024-29 tariff period have been worked out in accordance with Regulation 36 of the 2024 Tariff Regulations, and the same are as follows:



(₹ in lakh)

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
400 kV Bays					
Sikar Substation					
2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 1 No. Reactor Bay for 80 MVar Bus reactor 2 Nos. Line Bay for 400 kV D/C Agra -Sikar Transmission Line 2 Nos. Line Bays for 400 kV D/C Sikar-Ratangarh Transmission Line 2 Nos. Line Bays for 400 kV D/C Sikar-Jaipur Transmission Line					
Panchkula Substation					
2 Nos. Line Bay for LILO of Circuit -I of 400 kV D/C Jhakri-Abdullapur Transmission Line 2 Nos. Line Bay for LILO of Circuit -II of 400 kV D/C Jhakri-Abdullapur Transmission Line 2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 1 No. Reactor Bay for 125 MVar Bus reactor 2 Nos. Reactor Bay for Switchable Line Reactor					
Agra Substation					
2 Nos. Line Bay for 400 kV D/C Agra -Sikar Transmission Line 2 Nos. Reactor Bay for Switchable Line Reactor					
Ratangarh Substation					
2 Nos. Line Bays for 400 kV D/C Sikar-Ratangarh Transmission Line 1 No. Reactor Bay for 125 MVAR Bus reactor					
Jaipur Substation					
2 Nos. Line Bays for 400 kV D/C Sikar-Jaipur Transmission Line					
Norms as per the Regulation (₹ lakh/bay)	29.53	31.08	32.71	34.43	36.23
O&M Expenses allowed	797.31	839.16	883.17	929.61	978.21
220 kV Bays					
Sikar Substation					
2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 2 Nos. Line Bay 2 Nos. Line Bay for LILO of Circuit -I of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL) Transmission Line. 2 Nos. Line Bay for LILO of Circuit -II of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL) Transmission Line.					
Panchkula Substation					
2 Nos. ICT Bay for 315 MVA, 400/220 kV ICT-I and ICT-II 6 Nos. Line Bays					
Norms as per the	20.67	21.75	22.90	24.10	25.36



Regulation (₹ lakh/bay)					
O&M Expenses allowed	330.72	348	366.4	385.6	405.76
400 kV ICT Sikar Substation 2 Nos. 315 MVA, 400/220 kV ICT-I and ICT-II Panchkula Substation 2 Nos. 315 MVA, 400/220 kV ICT-I and ICT-II					
Norms as per the Regulation (₹ lakh/MVA)	0.262	0.276	0.290	0.305	0.322
O&M Expenses allowed	330.12	347.76	365.4	384.3	405.72
400 kV Reactors Sikar Substation 1 No. 80 MVA Bus reactor 2 Nos. 50 MVA Switchable Line Reactor Panchkula Substation 1 No. 125 MVA Bus reactor 2 Nos. 50 MVA Switchable Line Reactor Agra Substation 2 Nos. 80 MVA Switchable Line Reactor Ratangarh Substation 1 No. 125 MVA Bus reactor					
Norms as per the Regulation (₹ lakh/MVA)	0.262	0.276	0.290	0.305	0.322
O&M Expenses allowed	180.78	190.44	200.1	210.45	222.18
Total O&M Expenses allowed	1638.93	1725.36	1815.07	1909.96	2011.87

(₹ in lakh)

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
Transmission Line Double Circuit (Single Conductor) LILO of Circuit -I & II of 220 kV D/C Sikar (RVPNL)-Ratangarh (RVPNL) Transmission Line (total length of line: 5.830 km)					
Norms as per the Regulation (₹ lakh/km)	0.369	0.388	0.409	0.430	0.453
O&M Expenses allowed	2.15	2.26	2.38	2.51	2.64
Transmission Line Double Circuit (Twin & Triple Conductor) 400 kV D/C Sikar-Ratangarh Transmission Line (total length of line: 76.530 km) 400 kV D/C Sikar-Jaipur Transmission Line (total length of line: 169.00 km) - LILO of 400 kV D/C Jhakri-Abdullapur Transmission Line (total length of line: 48.885 km)					



Norms as per the Regulation (₹ lakh/km)	0.861	0.906	0.953	1.003	1.056
O&M Expenses allowed	253.49	266.74	280.58	295.30	310.90
Transmission Line Double Circuit (Four Conductor)					
400 kV D/C Agra -Sikar Transmission Line (total length of line: 386.00 km)					
Norms as per the Regulation (₹ lakh/km)	1.291	1.359	1.430	1.506	1.585
O&M Expenses allowed	498.33	524.57	551.98	581.32	611.81
Total O&M Expenses allowed	753.97	793.58	834.94	879.12	925.35

(₹ in lakh)

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses allowed for Substation	1638.93	1725.36	1815.07	1909.96	2011.87
O&M Expenses allowed for Transmission Line	753.97	793.58	834.94	879.12	925.35
Total O&M Expenses allowed	2392.90	2518.94	2650.01	2789.08	2937.22

76. Therefore, the details of the O&M Expenses claimed by the Petitioner and allowed in the instant order in respect of the Combined Assets for the 2024-29 tariff period are as follows:

(₹ in lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses claimed	2391.91	2518.93	2650.01	2789.11	2937.22
O&M Expenses Allowed	2392.90	2518.94	2650.01	2789.08	2937.22

Interest on Working Capital (IWC)

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

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

.....

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

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



expenses for one month.

(2)

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

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

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

78. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. The IWC is worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The RoI considered is 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9.00% plus 325 basis points) for the FYs 2025-26 to 2028-29.

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

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	199.41	209.91	220.83	232.42	244.77
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	358.94	377.84	397.50	418.36	440.58
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges)	2301.08	2267.94	2213.90	1538.20	1547.77
D	Total Working Capital (A+B+C)	2859.42	2855.69	2832.23	2188.99	2233.13
E	Rate of Interest for Working Capital (in %)	11.90	12.25	12.25	12.25	12.25



F	Interest on Working Capital (D*E)	340.27	349.82	346.95	268.15	273.56
----------	--	---------------	---------------	---------------	---------------	---------------

Annual Fixed Charges for the 2024-29 Tariff Period

80. The AFC allowed in respect of the Combined Assets for the 2024-29 tariff period are as follows:

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	6735.69	6741.56	6669.27	1462.14	1464.15
Interest on Loan	1794.10	1338.30	844.03	544.47	438.67
Return on Equity	7401.36	7446.89	7446.89	7446.89	7447.26
O & M Expenses	2392.90	2518.94	2650.02	2789.09	2937.23
Interest on Working Capital	340.27	349.82	346.95	268.15	273.66
Total	18664.32	18395.51	17957.16	12510.74	12560.97

Filing Fee and Publication Expenses

81. The Petitioner has claimed reimbursement of the fee paid by it for filing the Petition and publication expenses. The Petitioner has submitted that it is entitled to the reimbursement of the filing fee and the expenses incurred on publication of notices in the application for approval of tariff directly from the beneficiaries or the long-term customers, as the case may be, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

82. We have considered the Petitioner's submissions. The Petitioner is entitled to the 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 terms of Regulation 94(1) of the 2024 Tariff Regulations.

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

83. The Petitioner has submitted that, as per Regulation 99 of the 2024 Tariff Regulations, the fees and charges of the Central Transmission Utility of India Limited (CTUIL) may be allowed separately through a separate regulation. It is further submitted



that in the absence of such regulation, the expenses of CTUIL will be borne by the Petitioner, which will be recovered by the Petitioner as additional O&M Expenses through a separate Petition at the end of the tariff period.

84. 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.”

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

License Fee and RLDC Fees and Charges

86. The Petitioner has claimed reimbursement of the license fee and the 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 fees and charges from the beneficiaries in terms of Regulation 94(3) of the 2024 Tariff Regulations for the 2024-29 tariff period.

Goods and Services Tax

87. The Petitioner has submitted that the transmission charges claimed herein are exclusive of the Goods and Services Tax (GST), and in case GST is levied on the



transmission of electricity in the future, the same will be additionally paid by the Respondents and be charged and billed separately by the Petitioner. It is prayed that the additional taxes, if any, are paid by the Petitioner on account of the demand from the Government/Statutory Authorities, and the same may be allowed to be recovered from the beneficiaries.

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

Security Expenses, Insurance, and Capital Spares

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

90. It is submitted that the Petitioner shall file a separate Petition for the truing up of the security expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of the security expenses from 1.4.2024 to 31.3.2029 under Regulation 36(3)(d) of the 2024 Tariff Regulations.

91. It is further submitted that the Petitioner shall file a separate Petition claiming the overall insurance expenses and the consequential IWC on the same, considering the actual insurance expenses incurred by it for the FY 2023-24 after escalating the same at 5.25% per annum to arrive at the estimated insurance expense for the FYs 2024-25, 2025-26, 2026-27, 2027-28, and 2028-29.

92. The Petitioner has also submitted that it has filed Petition No. 45/MP/2024, claiming therein the capital spares for the 2019-24 tariff period as per the 2019 Tariff



Regulations. It is submitted that the Petitioner shall file a separate Petition claiming the capital spares consumed and the consequential IWC thereon, on an actual basis, for the 2024-29 tariff period as per the 2024 Tariff Regulations.

93. We have considered the Petitioner's submissions and have perused the record. We deem it proper here to refer 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.

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

94. 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 and capital spares individually costing more than ₹10 lakh, and insurance expenses, on an estimated basis, as per the 2024 Tariff Regulations for the 2024-29 tariff period.

Sharing of Transmission Charges

95. The Petitioner has submitted that the transmission charges for the 2019-24 tariff period will be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and will be shared by the beneficiaries and long-term



transmission customers. Further, the tariff for the 2024-29 tariff period will be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers as per the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as the 2020 Sharing Regulations).

96. We have considered the Petitioner's submissions. With effect from 1.11.2020, the sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of the respective Tariff Regulations and shall be recovered from the concerned DICs through the second bill as per Regulation 15(2)(b) of the 2020 Sharing Regulations. The billing, collection, and disbursement of the transmission charges for the Combined Assets shall be recovered in terms of the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period.

97. To summarize:

- i) The details of the trued-up AFC claimed by the Petitioner and approved in the instant order in respect of the Combined Assets for the 2019-24 tariff period are as follows:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	19097.70	18114.47	17795.33	18726.83	19341.40
AFC Approved	19097.70	18114.44	17795.34	18726.84	19341.41

- ii) The AFC claimed by the Petitioner and allowed in the instant order in respect of the Combined Assets for the 2024-29 tariff period are as follows:



(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed in the instant Petition	18663.02	18384.86	17946.76	12502.74	12552.81
Allowed in the instant order	18664.32	18395.51	17957.16	12510.74	12560.97

98. This order disposes of Petition No. 592/TT/2025, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

