

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 751/TT/2025

Coram:

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

Date of Order: 28.05.2026

In the matter of:

Approval under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003, and under Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, for the truing up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and for the determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, for Combined Assets under Augmentation of Transformers in the Northern Region, Part B 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 - 226 001.
- 2. Ajmer Vidyut Vitran Nigam Limited,**
Corporate Office, Vidyut Bhawan,
Panchsheel Nagar, Makarwali Road,
Ajmer-305004 (Rajasthan).
- 3. Jaipur Vidyut Vitran Nigam Limited,**
132 kV, GSS RVPNL Sub- Station Building,
Caligiri Road, Malviya Nagar,
Jaipur-302017 (Rajasthan).



- 4. Jodhpur Vidyut Vitran Nigam Limited,**
New Power House, Industrial Area,
Jodhpur – 342 003(Rajasthan).
- 5. Himachal Pradesh State Electricity Board Limited,**
Vidyut Bhawan,
Kumar House Complex Building II,
Shimla-171004.
- 6. Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala - 147001.
- 7. Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula-134 109 (Haryana).
- 8. Jammu Kashmir Power Corporation Limited ,**
220/66/33 KV Gladni SS SLDC Building,
Narwal, Jammu.
- 9. BSES Yamuna Power Limited,**
B-Block, Shakti Kiran, Bldg.,
(Near Karkadooma Court),
Karkadooma 2nd Floor,
New Delhi-110092.
- 10. BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
New Delhi.
- 11. Tata Power Delhi 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.
- 14. North Central Railway,**
Allahabad (Uttar Pradesh).

15. New Delhi Municipal Council,

Palika Kendra, Sansad Marg,
New Delhi-110002.

16. Himachal Pradesh Power Transmission Corporation Limited,

HIMFED Bhawan, Panjari,
Shimla-171005.

17. Punjab State Transmission Corporation Limited,

PSEB Head Office, The Mall,
Patiala-147001.

...Respondent(s)

Parties Present: Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vijay G., PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Amit Yadav, PGCIL
Shri Mukesh Bhakar, PGCIL
Ms. Supriya Singh, PGCIL
Ms. Anshul Garg, PGCIL
Shri Arjun Malhotra, PGCIL
Ms. Kirti, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, has filed this Petition for the true-up of the transmission tariff for the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”), and for the determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period, in respect of the following transmission assets under “Augmentation of Transformers in Northern Region-Part B in the Northern Region” (hereinafter referred to as the “transmission project”):



- Asset-1:** 1 X 500 MVA, 400/220 kV transformer at Panchkula Sub-station;
- Asset-2:** 1 X 500 MVA, 400/220 kV transformer at Jalandhar Sub-station;
- Asset-3:** 1 X 315 MVA, 400/220 kV transformer at Samba Sub-station;
- Asset-4:** 400/220 kV, 3 X 105 MVA ICT along with associated bays at Hamirpur Sub-station;
- Asset-5:** 220 kV, 2 numbers line bays at Hamirpur Sub-station;
- Asset-6:** 220 kV, 2 numbers line bays at Jalandhar Sub-station; and
- Asset-7:** 1 X 500 MVA, 400/220 kV ICT-IV at GIS Gurgaon Sub-station.

It is pertinent to note that Petition No. 404/TT/2020 was filed to true up the tariff for the 2014-19 period and to determine the tariff for the 2019-24 period in relation to the aforementioned seven transmission assets. The transmission tariff was trued up for the 2014-19 period for the aforementioned transmission assets on an individual basis. Further, the tariff for the 2019-24 period was determined for Assets-1, 2, 3 and 4, as well as 7, as Combined Assets, while the tariff for Assets-5 and 6 was determined separately. Accordingly, in this order, we have used the nomenclature Combined Assets 1 to 4 and 7 in relation to Assets 1 to 4 and 7 for the 2019-24 period, while Assets 5 and 6 have been mentioned individually.

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 18 & 19 above.*
- b) *Admit the capital cost claimed and additional capitalization incurred during 2019-24 and projected 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 18 & 19 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 25 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 25 above.*
- i) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 25 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 26 above.*
- k) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*

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

Background

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

- a. The Petitioner was entrusted with the implementation of the transmission project, which was discussed and agreed at the 30th SCM and the 25th NRPC meetings, held on 19.12.2011 and 19.3.2012, respectively.
- b. The Investment Approval (the IA) for the transmission project was accorded by the Board of Directors of the Petitioner (at its 300th meeting on 27.3.2014) vide Memorandum dated 16.5.2014, at an estimated cost of ₹15557.00 lakh, including an Interest During Construction (IDC) of ₹809.00 lakh (based on the



December 2013 Price Level). The Revised Cost Estimate (RCE) for the transmission project was approved by the Board of Directors (at its 339th meeting on 29.3.2017) vide Memorandum dated 31.3.2017, at an estimated cost of ₹20642.00 lakh, including an IDC of ₹743.00 lakh (based on the December 2016 Price Level).

c. The scope of work for the transmission project is as follows:

Sub-stations

- i. Samba (1 X 315 MVA, 400/220 kV transformer);
- ii. Gurgaon (1 X 500 MVA, 400/220 kV transformer);
- iii. Hamirpur (3 X 105 MVA, 400/220 kV transformer along with 2 numbers of 220 kV line bays);
- iv. Jalandhar (1 X 500 MVA, 400/220 kV transformer along with 2 numbers of 220 kV line bays); and
- v. Panchkula (1 X 500 MVA, 400/220 kV transformer).

d. The scope of the work as per the IA is complete and is covered in the instant Petition.

e. The details of the assets with their dates of commercial operation is as follows:

Asset	Asset Name	COD
Asset-1	1 X 500 MVA, 400/220 kV transformer at Panchkula Sub-station	2.4.2016
Asset-2	1 X 500 MVA, 400/220 kV transformer at Jalandhar Sub-station	2.7.2016
Asset-3	1 X 315 MVA, 400/220 kV transformer at Samba Sub-station	29.10.2016
Asset-4	400/220 kV, 3 X 105 MVA ICT along with associated bays at Hamirpur Sub-station	31.3.2019
Asset-5	220 kV, 2 numbers line bays at Hamirpur Sub-station	31.3.2019*
Asset-6	220 kV, 2 numbers line bays at Jalandhar Sub-station	25.3.2019*
Asset-7	1 X 500 MVA, 400/220 kV ICT-IV at GIS Gurgaon Sub-station	31.12.2017

* COD has been approved under the second proviso to Regulation 4(3) of the 2014 Tariff Regulations.

- f. The transmission tariff of Assets-1, 2 and 3 from their respective CODs to 31.3.2019 was approved by the Commission vide order dated 6.10.2017 in Petition No. 236/TT/2016, and the transmission tariff of Asset-4, Asset-5, Asset-6 and Asset-7 from their respective CODs to 31.3.2019 was approved vide order dated 21.11.2019 in Petition No. 158/TT/2018.
- g. In respect of the existing Asset-5 (Asset-2 in the order dated 21.11.2019 in Petition No. 158/TT/2018), the Commission approved the COD under proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations and directed that the transmission charges from 31.3.2019 till commissioning of the associated downstream network, i.e. the 220 kV Hamirpur-Dehan line, under the scope of HPPTCL shall be borne by HPPTCL and, thereafter, shall be governed by the provisions of the 2010 Sharing Regulations.
- h. Similarly, in case of existing Asset-6 (Asset-3 in order dated 21.11.2019 in Petition No. 158/TT/2018), the Commission approved the COD under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations and directed that the transmission charges from 25.3.2019 till commissioning of associated 220 kV downstream network of PSTCL shall be borne by PSTCL and thereafter, shall be shall be governed by the provisions of the 2010 Sharing Regulations.
- i. The Commission has trued up the AFC in respect of transmission assets on an individual basis for the 2014-19 tariff period and determined the AFC in respect of Combined Assets-1 to 4 and 7, and Assets-5 and 6 for the 2019-24 tariff period vide order dated 3.5.2022 in Petition No. 404/TT/2020.

4. The Respondents are distribution and transmission licensees and power utilities who are procuring transmission services from the Petitioner, mainly beneficiaries of the Northern Region.

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

6. The hearing in this matter was held on 23.12.2025, and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner vide affidavits dated 22.11.2024 11.2.2025, 10.12.2025 and 16.1.2026.

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

Truing up of Annual Fixed Charges for the 2019-24 Tariff Period

9. The details of the trued-up transmission charges claimed by the Petitioner in respect of Combined Assets-1 to 4 and 7, and Assets-5 and 6, are as follows:

Combined Assets-1 to 4 and 7:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	787.90	812.31	831.85	855.70	864.60
Interest on Loan	689.50	621.31	572.50	551.54	516.01
Return on Equity	818.78	844.32	865.17	890.40	899.67
Interest on Working Capital	78.24	74.32	70.57	72.41	84.12
O&M Expenses	1003.06	1039.20	1075.63	1114.46	1151.55
Total	3377.48	3391.46	3415.72	3484.51	3515.95

Asset-5:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	35.80	40.98	41.26	41.26	41.26
Interest on Loan	35.16	34.79	31.19	29.81	27.93
Return on Equity	37.00	42.53	42.82	42.82	42.82
Interest on Working Capital	3.00	2.99	2.79	2.82	3.25

O&M Expenses	31.52	32.62	33.76	34.94	36.18
Total	142.48	153.91	151.82	151.65	151.44

Asset-6:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	20.20	20.20	20.20	20.20	20.20
Interest on Loan	20.01	17.40	15.66	14.73	14.10
Return on Equity	21.40	21.40	21.40	21.40	21.40
Interest on Working Capital	2.89	2.72	2.58	2.63	3.08
O&M Expenses	45.02	46.60	48.24	49.92	51.68
Total	109.52	108.32	108.08	108.88	110.46

10. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of Combined Assets-1 to 4 and 7, and Assets-5 and 6 are as follows:

Combined Assets-1 to 4 and 7:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	83.59	86.60	89.64	92.87	95/96
Maintenance Spares	150.46	155.88	161.34	167.17	172.73
Receivables	415.26	418.13	421.12	429.60	432.29
Total Working Capital	649.31	660.61	672.10	689.64	700.98
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	78.24	74.32	70.57	72.41	84.12

Asset-5:

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2.63	2.72	2.81	2.91	3.02
Maintenance Spares	4.73	4.89	5.06	5.24	5.43
Receivables	17.52	18.98	18.72	18.70	18.62
Total Working Capital	24.88	26.59	26.59	26.85	27.07
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	3.00	2.99	2.79	2.82	3.25

Asset-6:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	3.75	3.88	4.02	4.16	4.31
Maintenance Spares	6.75	6.99	7.24	7.49	7.75
Receivables	13.47	13.35	13.32	13.42	13.58
Total Working Capital	23.97	24.22	24.58	25.07	25.64
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	2.89	2.72	2.58	2.63	3.08

CODs of Assets-5 and 6:

11. The Commission, in its order dated 21.11.2019 in Petition No. 158/TT/2018 approved the COD of Asset 2: 220 kV, 2 number line bays at Hamirpur Sub-station (Asset-5 in Petition No. 404/TT/2020) and Asset 3: 220 kV, 2 number line bays at Jalandhar Sub-station (Asset-6 in Petition No. 404/TT/2020) under proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations as the associated transmission lines under the scope of HPPTCL and PSPCL/PSTCL, respectively were not ready. The Commission further held that the transmission charges from the COD of Assets- 2 and 3 (Assets- 5 and 6 in Petition No. 404/TT/2020) shall be borne by HPPTCL and PSPCL, respectively, till the CODs of the associated transmission lines under their scope. The relevant portion of the order dated 21.11.2019 is as follows:

“31. In view of above, the COD claimed and allowed are as under:

S. No.	Assets	COD claimed	COD allowed
1	Asset 1: 400/220 kV, 3 X 105 MVA ICT alongwith associated bays at Hamirpur Substation	31.3.2019 (Actual)	31.3.2019 (Actual)
2	Asset 2: 220 kV, 2 Nos. Line Bays at Hamirpur Substation	31.3.2019*** (proposed)	31.3.2019*
3	Asset 3: 220 kV, 2 Nos. Line bays at Jalandhar Substation	25.3.2019*** (proposed)	25.3.2019**
4	Asset 4: 1 X 500 MVA, 400/220 kV Transformer at Gurgaon Substation	31.12.2017 (Actual)	31.12.2017 (Actual) *

**COD approved under Proviso (ii) of Regulation 4 (3) in line with the 2014 Tariff Regulations. The Transmission charges from 31.3.2019 till Commissioning of the associated downstream network 220 kV Hamirpur-Dehan line shall be borne by HPPTCL and thereafter, under PoC mechanism.*

***COD approved under Proviso (ii) of Regulation 4 (3) in line with the Tariff Regulation 2014. The transmission charges from 25.3.2019 till commissioning of associated 220 kV downstream network of PSTCL shall be borne by PSTCL and thereafter, shall be recovered under PoC mechanism.*

**** As per respective Management Certificate of the Assets.”*

12. Aggrieved by the Commission's order dated 21.11.2019 in Petition No. 158/TT/2018, Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) preferred Appeal No. 300 of 2022 before the Appellate Tribunal for Electricity (APTEL). The said Appeal is pending adjudication before the APTEL. Similarly, Punjab State Transmission Corporation Limited (PSTCL) filed Appeal No. 109 of 2021 before the APTEL against the Commission's order dated 21.11.2019 in Petition No. 158/TT/2018. The APTEL, vide its judgement dated 15.9.2022 in Appeal No. 109 of 2021, held that, in the absence of any binding contract between PGCIL and PSTCL, the liability for transmission charges cannot be fastened on PSTCL, and set aside the Commission's order dated 21.11.2019 imposing liability for transmission charges in respect of 220 kV, 2 nos. line bays at Jalandhar Sub-station on PSTCL till the COD of the transmission line under the scope of PSTCL. The relevant portions of the APTEL's said judgment dated 15.9.2022 are as follows:

“26. We do not accept the arguments of PGCIL that the resolution adopted in the 25th meeting of NRPC constitutes an agreement between the parties. The said resolution on the basis of deliberations in the meeting held on 23.02.2012 and 24.02.2012 was only to record 'concurrence' of NRPC with the transmission proposals that had been agreed earlier in the 30th Standing Committee meeting on Power System Planning of Northern Region. The qualifying clause in the said earlier resolution that the approval in principle was subject to the 'requirement of STU' being communicated would also apply to the concurrence by NRPC. It is not in dispute that PGCIL did not receive any confirmation of the requirement from the appellant. PGCIL itself did not ascertain requirement by any communication addressed to the appellant before obtaining investment approval from its Board of Directors on 16.05.2014 or before commencement of the execution of the work. As noted earlier, the first communication from its office, after development of the asset, was sent on 28.12.2016, the focus being to elicit information regarding construction of downstream lines. As noted earlier, the reference in the said communication was not on the NRPC resolution but on the resolution before the Standing Committee wherein the STU had expressed its agreement subject to it communicating its requirements later.

27. From the chronology of events, it is clear that PGCIL went ahead with the development of the work assuming that there was a requirement of the asset for purposes of the appellant. This assumption, without confirmation by the STU, was unfounded. In these

circumstances, it cannot be said that there was an agreement reached between the parties (PGCIL on one hand and PTCL on the other) for development of the subject asset.

In this view, as indeed in absence of any contract binding the parties to the dispute herein, the liability towards transmission charges cannot be fastened on the STU (PSTCL), not the least on the ground that it had been remiss in

28. For the above reasons, the appeal succeeds. The impugned order to the extent thereby liability to pay transmission charges in respect of Asset3: 220 kV, 2 nos. Line bays at Jalandhar Sub-station has been placed at the door of the appellant is hereby set aside and vacated.

29. The appeal is disposed of in above terms.”

13. As against the APTEL judgement dated 15.9.2022 in Appeal No. 109 of 2021, the Petitioner has filed Civil Appeal No. 1377 of 2023 before the Hon'ble Supreme Court and the same is pending.

14. In the case of Asset-5 (220 kV, 2 Nos. Line Bays at Hamirpur Substation) against the approval of COD as 31.03.2019 and treatment of transmission charges, (HPPTCL) filed Appeal No. 300 of 2022 before the Appellate Tribunal for Electricity (APTEL) and the said Appeal is pending adjudication before the APTEL. Therefore, the treatment of mismatch of transmission charges is dealt under Sharing of Transmission Charges.

15. In case of Asset-6 (220 kV, 2 Nos. Line bays at Jalandhar Substation), the Commission approved the COD of the Asset as 25.3.2019 COD approved under Proviso (ii) of Regulation 4 (3) in line with the Tariff Regulation 2014. The transmission charges from 25.3.2019 till commissioning of associated 220 kV downstream network of PSTCL shall be borne by PSTCL and thereafter, shall be recovered under PoC mechanism APTEL, vide its judgment dated 15.9.2022 in Appeal No. 109 of 2021 set aside the Commission's order dated 21.11.2019 in Petition No. 158/TT/2018 to the extent of imposing liability for transmission charges relating to “220 kV two line bays at Jalandhar Sub-station”. The details of the nomenclature of the asset covered under various Petitions is as follows:

Order dated 21.11.2019 in Petition No. 158/TT/2018	Order dated 03.05.2022 in Petition No. 404/TT/2020	Nomenclature in the Instant true-up Petition
Asset-3: 220 kV, 2 nos. Line bays at Jalandhar Sub-station (COD: 25.3.2019)	Asset-VI: 220 kV, 2 numbers Line bays at Jalandhar Sub-station (COD: 25.3.2019)	Asset-6: 220 kV, 2 numbers Line bays at Jalandhar Sub-station (COD: 25.3.2019)

16. APTEL vide its judgment dated 15.9.2022 in Appeal No. 109 of 2021 is held that PSTCL is not liable to pay transmission charges from 25.3.2019 for 220 kV, 2 numbers Line bays at Jalandhar Sub-station and against the judgement dated 15.9.2022 in Appeal No. 109 of 2021, the Petitioner has filed Civil Appeal No. 1377 of 2023 before the Hon'ble Supreme Court and no stay against the APTEL vide its judgment dated 15.9.2022 in Appeal No. 109 of 2021. In view of this, we are of the view that the tariff approved for "220 kV two line bays at Jalandhar Sub-station" (Asset-6 in this Petition), vide order dated 21.11.2019 in Petition No.158/TT/2019, and subsequent orders of the Commission are withdrawn. The Petitioner is accordingly directed to reimburse the tariff recovered for the said asset, i.e. "220 kV two-line bays at Jalandhar Sub-station", as per the Commission's earlier orders dated order dated 21.11.2019 in Petition No. 158/TT/2018 and order dated 3.5.2022 in Petition No. 404/TT/2020 from the beneficiaries by adjusting future bills. A final decision in this regard will be taken subject to the outcome of Civil Appeal No. 1377 of 2023 filed before the Hon'ble Supreme Court.

Capital Cost for the 2019-24 Tariff Period

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

18. The Commission, vide order dated 3.5.2022 in Petition No. 404/TT/2020, allowed the capital cost and Additional Capital Expenditure (ACE) in respect of the Combined Assets-1 to 4 and 7, as well as Asset-5 for the 2019-24 tariff period. The details of the same are as follows:

(₹ in lakh)

Assets	Apportioned Approved Cost As per RCE	Capital Cost as on COD /31.3.2019	Admitted ACE					Capital Cost allowed as on 31.3.2024
			19-20	20-21	21-22	22-23	23-24	
Combined Assets-1 to 4 and 7	19323.11	14069.70	753.88*	854.86*	0.00	0.00	0.00	15678.44
Asset-5	879.63	563.58	122.57	73.81	0.00	0.00	0.00	759.96

*Excess Initial Spares of ₹53.51 lakh in 2019-20 and ₹66.78 lakh in 2020-21 for Asset-IV adjusted in ACE of Combined Assets for the 2019-24 tariff period.

19. The Petitioner in the instant true-up Petition has claimed the following capital costs in respect of Combined Assets 1 to 4 and 7, as well as Asset 5, as per the Auditor's Certificates dated 20.8.2024 for the 2019-24 tariff period:

(₹ in lakh)

Assets	Apportioned Approved Cost As per RCE	Capital Cost claimed as on 1.4.2019	Admitted ACE					Capital Cost allowed as on 31.3.2024
			19-20	20-21	21-22	22-23	23-24	
Combined Assets 1 to 4 and 7	19323.11	14162.07	738.59	167.88	572.20	323.23	5.98	15969.95
Asset-5	879.63	563.58	186.09	10.29	0.00	0.00	0.00	759.96

20. We have considered the submissions of the Petitioner.

21. The capital cost has been dealt with in accordance with Regulation 19(3) of the 2019 Tariff Regulations. The trued-up capital costs of ₹2198.34 lakh, ₹1764.30 lakh, ₹1878.86 lakh, ₹5013.67 lakh, ₹563.58 lakh, and ₹3214.54 lakh as on 31.3.2019 in respect of Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, and Asset-7, respectively, were approved by the Commission vide order dated 3.5.2022 in Petition No. 404/TT/2020. Therefore, the capital costs of ₹14069.79 lakh and ₹563.58 lakh are being considered as the opening capital costs in respect of Combined Assets-1 to 4 and 7, as well as Asset-5, respectively, for the truing up of the Annual Fixed Charges for the 2019-24 tariff period.

Initial Spares:

22. The Petitioner has submitted that the Initial Spares have been recalculated at the project level as per Regulation 13 of the 2014 Tariff Regulations, and the disallowed Initial Spares have been added back, considering them at the project level and based on the discharge. The details of the Initial Spares submitted by the Petitioner are as follows:

(₹ in lakh)

Assets	Plant & Machinery cost considered as on cut-off date	Initial Spares claimed	Norms as per 2014 Tariff Regulations (in %)	Initial Spares allowable as per the 2014 Tariff Regulations (₹ in lakh)	Excess Initial spares
Asset-1	2081.48	94.76	6.00	126.81	-32.05
Asset-2	1691.61	86.50	6.00	102.45	-15.95
Asset-3	1832.39	106.08	6.00	110.19	-4.11
Asset-4	6306.97	466.61	5.00	307.39	159.22
Asset-7	3495.85	452.06	5.00	160.20	291.86
Combined asset-1 to 4 & 7	15408.29	1206.01		807.04	398.97
Asset-5	738.13	0.00	5.00	38.85	-38.85
Total	16515.27	1206.01		869.43	336.58

23. The Petitioner has also submitted the discharge statement in relation to the following transmission assets:

(₹ in lakh)

Asset	Total Spares Claimed	Expenditure on Initial Spares upto 31.3.2019 and included in the Auditor's Certificate upto 31.3.2019	Expenditure on Initial Spares in 2019-20 (Additional Capitalization)	Expenditure on Initial Spares in 2020-21 (Additional Capitalization)
Asset-1	94.76	94.76	0.00	0.00
Asset-2	86.50	86.50	0.00	0.00
Asset-3	106.08	106.08	0.00	0.00
Asset-4	466.61	241.31	112.65	112.65
Asset-5	0.00	0.00	0.00	0.00
Asset-7	452.06	437.77	14.29	0.00

24. The Petitioner has also submitted an adjustment for recalculated excess Initial Spares of ₹336.58 lakh at the project level, and the same is as follows:

(₹ in lakh)

Asset	Excess Initial Spares	Initial Spares disallowed as on 31.3.2019	Initial Spares disallowed in 2019-20	Initial Spares disallowed in 2020-21	Initial Spares added back on 31.3.2019
Asset-1	-	-	-	--	-
Asset-2	-	-	-	--	-
Asset-3	-	-	-	-	-
Asset-4	159.22	-	46.57	112.65	-
Asset-7	177.35	163.06	14.29	-	112.50
Asset-5	-	-	-	-	-
Total	336.58	163.06	60.86	112.65	112.50

*Against the Initial Spares disallowance of ₹275.56 as on 31.3.2019, the revised disallowance is ₹163.06. Accordingly, the Initial Spares of ₹112.50 have been added back to the admitted cost as on 31.3.2019.

25. We have considered the Petitioner's submissions. The details of the CODs and their respective cut-off dates in respect of Assets-1 to 7 are as follows:

Asset	DOCO date	Cutoff date
Asset-1	2.4.2016	31.3.2019
Asset-2	2.7.2016	31.3.2019
Asset-3	29.10.2016	31.3.2019
Asset-4	31.3.2019	31.3.2022
Asset-5	31.3.2019	31.3.2022
Asset-6	25.3.2019	31.3.2022
Asset-7	31.12.2017	31.3.2020

26. The APTEL vide its judgment dated 14.9.2019 in Appeal No. 74 of 2017 observed that the Commission, for the purpose of a prudence check, may restrict the Initial Spares to the cost of the individual asset and later, at the time of truing-up, allow the Initial Spares as per the ceiling on the overall project cost. The relevant portion of the said judgment is extracted here under:

“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.”

27. Therefore, in accordance with APTEL's aforesaid judgment dated 14.9.2019, the Initial Spares are to be allowed as per the norms on an overall project cost basis. The overall project cost of the assets can ideally be arrived at only when all the transmission assets are combined. However, in this case, the Petitioner has combined Assets 1 to 4 and Asset 7 as Combined Assets and claimed a separate tariff for Assets 5 and 6 for the 2019-24 tariff period.

28. In light of the above discussions, we are of the view that the Initial Spares cannot presently be recalculated as a whole of the project cost in accordance with APTEL's said judgment dated 14.9.2019 during the 2019-24 tariff period. Accordingly, the Petitioner's claim on this count is hereby rejected.

29. Further, as the cut-off dates for Assets 4, 5 and 7 fall within the 2019-24 tariff period, we consider it appropriate to recalculate the Initial Spares based on the actual expenditure in relation to these assets, as per Regulation 13 of the 2014 Tariff Regulations. The details are as follows:

(₹ in lakh)

Assets	Plant & Machinery cost considered as on cut-off date	Initial Spares claimed	Norms as per the 2019 Tariff Regulations (in %)	Initial Spares worked out as per the 2014 Tariff Regulations	Excess Initial Spares	Allowable Initial Spares
	A	B	C	$D = (A - B) * C / (100\% - C)$	$E = (B - D)$, if $B > D$, otherwise 0	B, if $E = 0$. Otherwise D
Asset-1	2081.48	94.76	6.00	126.81	0.00	94.76
Asset-2	1691.61	86.50	6.00	102.45	0.00	86.50
Asset-3	1832.40	106.08	6.00	110.19	0.00	106.08
Asset-4	6306.97	466.61	5.00	307.39	159.22	307.39
Asset-5	738.13	0.00	5.00	38.85	0.00	0.00
Asset-7	3495.85	452.06	5.00	160.20	291.86	160.20

30. Therefore, the year-wise discharge of the Initial Spares allowed is as follows:

(₹ in lakh)

Assets	Initial Spares Claimed	Initial Spares already disallowed upto 31.3.2019 vide order dated 3.5.2022 in Petition No. 404/TT/2020	Initial Spares to be disallowed in ACE			Total Initial Spares Allowed
			As on 31.3.2019	2019-20	2020-21	
Asset-1	94.76	0	0	0.00	0.00	94.76
Asset-2	86.50	0	0	0.00	0.00	86.50
Asset-3	106.08	0	0	0.00	0.00	106.08
Asset-4	466.61	0	0	46.57	112.65	307.39
Asset-7	452.06	275.56	2.01	14.29	0.00	160.20
Combined Assets-1 to 4 and 7 275.56			2.01	60.86	112.65	754.93
Asset-5	0.00	0.00		0.00	0.00	0.00

Note: As per the discharge statement submitted by the Petitioner, the excess Initial Spares claimed shall be deducted from the ACE of the respective Financial Year.

Liquidated Damages (LD)

31. The Petitioner has submitted that the LD is added back in the Auditor's Certificate to the extent of the IDC/IEDC disallowed, whichever is lower. LD for Assets-2 and 3 were recovered in 2018-19, and the Commission, in its order dated 3.5.2022 in Petition No. 404/TT/2020, had already considered the LD added back, as claimed in that Petition. The necessary rectification is done, and the details thereof are as follows:

(₹ in lakh)

Asset	IDC/ IEDC disallowed	LD recovered		LD already added back in last order	Revised LD to be added back	
		Upto 31.3.2019	2021-22		Upto 31.3.2019	2021-22
Asset-2	21.82	33.07	0.00	33.07	(11.25)	0.00
Asset-3	29.56	38.44	0.00	38.44	(8.88)	0.00
Asset-4	939.70	0.00	324.17	0.00	0.00	324.17
Total					(20.13)	324.17

32. The Petitioner, in its affidavit dated 16.1.2026, has submitted that the Commission, in its order dated 6.10.2017 in Petition No. 236/TT/2016, disallowed the IDC/IEDC of ₹33.07 lakh for Asset-2 and ₹38.44 lakh for Asset-3. Accordingly, the LD recovered from the contractor, amounting to ₹33.07 lakh and ₹38.44 lakh for Assets-2 and 3, respectively, was reduced from the capital cost in FY 2018–19. Subsequently, the disallowance was revised during the true-up vide order dated 3.5.2022 in Petition No. 404/TT/2020 to ₹21.82 lakh for Asset-2 and ₹29.56 lakh for Asset-3. Accordingly, the IDC/IEDC disallowed to the extent of the LD recovered, amounting to ₹21.82 lakh (Asset-2) and ₹29.56 lakh (Asset-3), was added back to the capital cost in FY 2018-19. However, the differential LD amounts of ₹11.25 lakh (Asset-2) and ₹8.88 lakh (Asset-3) were inadvertently added back again while calculating the capital cost for tariff determination for the 2019-24 and the 2024-29 tariff blocks. The Petitioner has now rectified this error by removing the excess LD of ₹11.25 lakh for Asset-2 and ₹8.88 lakh for Asset-3, and has re-calculated the tariff based on the revised capital cost, submitting the corrected computation in place of that provided earlier at Para-15 of the tariff Petition.

33. We are now of the view that the LD to the extent of IDC/IEDC, i.e. ₹33.07 lakhs for Asset-2 and ₹38.44 lakhs for Asset-3 that were disallowed vide order dated 6.10.2017 in Petition No. 236/TT/2016 has already been added back in the capital cost which was approved subsequently vide order dated 3.5.2022 in Petition No. 404/TT/2020. Since the disallowance was further reduced to ₹21.82 lakh for Asset-2 and ₹29.56 lakh for Asset-3 vide order dated 3.5.2022 in Petition No. 404/TT/2020, the excess added amount of LD of ₹11.25 lakh for Asset-2 and ₹8.88 lakh for Asset-3, as mentioned below, is further reduced in this Petition. The necessary details are as follows:

(₹ in lakh)

Asset	IDC/ IEDC disallowed	LD recovered		LD already added back in the last order	Revised LD to be added back	
		Upto 31.3.2019	2021-22		Upto 31.3.2019	2021- 22
Asset-2	21.82	33.07	0.00	33.07	(11.25)	0.00
Asset-3	29.56	38.44	0.00	38.44	(8.88)	0.00
Asset-4	939.70	0.00	324.17	0.00	0.00	324.17
Total					(20.13)	324.17

34. We have considered the submissions of the Petitioner. Regulations 21 (4) and 21(5) of the 2019 Tariff Regulation provide as follows:

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

Xxxx

Xxxxxx

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

(5) If the delay in achieving the COD is attributable either in entirety or in part to the generating company or the transmission licensee or its contractor or supplier or agency, in such cases, IDC and IEDC beyond SCOD may be disallowed after prudence check either in entirety or on pro-rata basis corresponding to the period of delay not condoned and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be retained by the generating company or the transmission licensee, as the case may be.”

35. The Commission, vide order dated 3.5.2022 in Petition No. 404/TT/2020, disallowed the IDC and IEDC in respect of Assets-2, 3 and 4 on account of non-condonation of time overrun. Accordingly, the IDC/IEDC disallowed to the extent of LD recovered, i.e. ₹33.07 lakh and ₹38.44 lakh in respect of Assets-2 and 3, respectively, have been added back as ACE during FY 2018-19. The details are as follows:

(₹ in lakh)

Asset Name	Disallowed IDC	Disallowed IEDC	Total IDC and IEDC disallowed	LD added back in ACE during the FY 2018-19
Asset-2	14.29	7.53	21.82	33.07
Asset-3	18.60	10.96	29.56	38.44
Asset-4	652.50	287.20	939.70	0.00

36. In light of the above discussions and in terms of Regulation 21(1)(5) of the 2019 Tariff Regulations, the revised details of the LDs to be added back to the extent of IDC/IEDC disallowed in respect of Assets-2, 3 and 4 are as follows:

(₹ in lakh)

Asset Name	Total IDC and IEDC disallowed	LD recovered		LD to be added back in the Capital Cost	
		2018-19	2021-22	2018-19	2021-22
Asset-2	21.82	33.07	0.00	(11.25)	0.00
Asset-3	29.56	38.44	0.00	(8.88)	0.00
Asset-4	939.70	0.00	324.17	0.00	324.17
Total				(20.13)	324.17

37. Accordingly, the details of the capital cost as on 1.4.2019 in respect of Combined Assets 1-4 and 7 as well as Asset 5, are as follows:

(₹ in lakh)

Asset	Capital Cost as on 31.3.2019 (A)	Less: Extra Initial Spares disallowed as on 31.3.2019 (B)	Less: Extra LD Adjusted on its recovery up to 31.3.2019 (C)	Capital Cost as on 1.4.2019 (D=A-B-C)
Combined Assets -1 to 4 and 7)	14069.70	2.01	20.13	14047.56
Asset-5	563.58	0.00	0.00	563.58

Additional Capital Expenditure (ACE)

38. The Commission, vide order dated 3.5.2022 in Petition No. 404/TT/2020, allowed the following ACE in respect of Combined Assets 1-4 and 7, as well as Asset 5, for the 2019-24 tariff period:

(₹ in lakh)

Asset	ACE Allowed				
	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Assets 1 to 4 and Asset-7	753.88*	854.86*	-	-	-
Asset-5	122.57	73.81	--	-	-

*Excess Initial Spares of ₹53.51 lakh in the FY 2019-20 and ₹66.78 lakh in the FY 2020-21 for Asset-4 adjusted in ACE of the Combined Assets for the 2019-24 tariff period.

39. Against this, the Petitioner has claimed the following ACE in respect of the Combined Assets-1 to 4 and 7, and Asset-5 based on the actual expenditure in accordance with Regulations 24(1)(a), 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations:

(₹ in lakh)

Particulars	Regulations	Asset	ACE Claimed					Total
			2019-20	2020-21	2021-22	2022-23	2023-24	
Balance and retention payments for liabilities other than IDC	Regulations 24(1)(a) & 24(1)(b) of the 2019 Tariff Regulations	Asset-4	688.27	146.34	492.25	0.00	0.00	1326.86
		Asset-5	186.09	10.29	0.00	0.00	0.00	196.38
		Asset-7	7.09	0.00	0.00	0.00	0.00	7.09
Payment made towards liability admitted for works within the original scope executed prior to the cut-off date	Regulation 25(1)(d) of the 2019 Tariff Regulations	Asset-1	15.31	5.08	1.95	0.00	0.00	22.34
		Asset-2	25.73	8.99	0.00	0.00	1.87	36.59
		Asset-3	2.19	0.00	0.00	23.89	0.00	26.08
		Asset-4	0.00	0.00	0.00	174.07	0.00	174.07
		Asset-7	0.00	7.47	78.00	125.27	4.11	214.85

40. The Petitioner has submitted that while projecting the estimated additional capitalization/ACE, contracts were not closed and liabilities were not finalized. However, in this true-up Petition, ACE is claimed on the basis of actual payments made to the contractors after receipt of the final invoices from them and incorporating the amendments.

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

(₹ in lakh)

Asset	Party Name	Particulars	Outstanding Liability as on COD/31.3.2019	Discharge					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-1	M/S Toshiba Transmission & Distribution Systems (India) Pvt. Ltd.	Substation	22.34	15.31	5.08	1.95	0.00	0.00	22.34

(₹ in lakh)

Asset	Party Name	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2019	Discharge					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-2	M/S Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. & Ge T&D India Limited.	2.7.2016	36.59	25.73	8.99	0.00	0.00	1.87	36.59

(₹ in lakh)

Asset	Party Name	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2019	Discharge					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-3	M/S Toshiba Transmission & Distribution Systems	29.10.2016	25.82	1.93	0.00	0.00	23.89	0.00	25.82
Asset-3	M/S Toshiba Transmission & Distribution Systems (India) Pvt. Ltd.	29.10.2016	0.25	0.25	0.00	0.00	0.00	0.00	0.25
		Total		2.18	0.00	0.00	23.89	0.00	26.07

(₹ in lakh)

Asset	Party Name	Outstanding Liability as on COD/31.3.2019	Discharge					Total	Additional Liability Recognized 2019-20
			2019-20	2020-21	2021-22	2022-23	2023-24		
Asset-4	M/S NEHVS & EMC Limited	1476.43	551.12	258.99	492.25	174.07	0.00	1476.43	174.07
Asset-4	M/S NEHVS & EMC Limited	9.66	9.66	0.00	0.00	0.00	0.00	9.66	0.00
		Total	560.78	258.99	492.25	174.07	0.00	1486.09	174.07

(₹ in lakh)

Asset	Party Name	Particulars	Outstanding Liability as on COD/31.3.2019	Discharge					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-5	M/S NEHVS & EMC Limited	Substation	196.38	186.09	10.29	0.00	0.00	0.00	196.38

(₹ in lakh)

Asset	Party Name	Particulars	Outstanding Liability as on COD/31.3.2019	Discharge					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-7	M/s NHVS & M/s EMC Limited	Sub-Station	350.29	21.38	7.47	78	121.03	4.11	231.99
Asset-7	M/s NHVS & M/s EMC Limited	I. T Equipment	4.24	0.00	0.00	0.00	4.24	0.00	4.24
		Total		21.38	7.47	78.00	125.27	4.11	236.23

42. We have considered the submissions made by the Petitioner. The Petitioner has claimed the ACE on account of the discharged liabilities against the final/retention payments to the contractors for the work executed prior to the cut-off date and for the works deferred for execution. Therefore, as per Regulations 24(1)(a), 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations, the ACE claimed by the Petitioner is admitted and allowed as follows:

(₹ in lakh)

Combined Assets-1 to 4 and 7					
Regulations	ACE allowed				
	2019-20	2020-21	2021-22	2022-23	2023-24
ACE under Regulations 24(1)(a), 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations as per the liability flow statement and Auditor's Certificate	799.45	280.53	572.20*	323.23	5.98
Less: Excess Initial Spares	60.86	112.65	0	0	0
Net ACE	738.59	167.88	572.20	323.23	5.98

*Including the added back of the LD amounting to ₹324.17 lakh

(₹ in lakh)

Asset-5					
Regulations	ACE allowed				
	2019-20	2020-21	2021-22	2022-23	2023-24
ACE under Regulations 24(1)(a), 24(1)(b) and 25(1)(d) of the 2019 Tariff Regulations as per the liability flow statement and Auditor's Certificate	186.09	10.29	0.00	0.00	0.00

43. Accordingly, the capital cost and ACE allowed in respect of Combined Assets-1 to 4 and 7, and Asset-5 for the 2019-24 tariff period are as follows:

(₹ in lakh)

Assets	Apportioned cost as per RCE	Capital Cost up to 1.4.2019	ACE allowed					Total Capital Cost as on 31.3.2024
			2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets-1 to 4 and 7	19323.11	14047.56	738.59	167.88	572.20	323.23	5.98	15855.44
Asset-5	879.63	563.58	186.09	10.29	0.00	0.00	0.00	759.96

Debt-Equity Ratio

44. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of tariff in respect of the Combined Assets-1 to 4 and 7, and Asset-5 during the 2019-24 tariff period are as follows:

Combined Assets 1 to 4 and 7:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	9833.29	70.00	1265.51	70.00	11098.81	70.00
Equity	4214.27	30.00	542.36	30.00	4756.63	30.00
Total	14047.56	100.00	1807.88	100.00	15855.44	100.00

Asset-5:

Funding	Capital Cost as on 31.3.2019 (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	394.51	70.00	137.47	70.00	531.97	70.00
Equity	169.07	30.00	58.91	30.00	227.99	30.00
Total	563.58	100.00	196.38	100.00	759.96	100.00

Depreciation

45. Depreciation has been worked out considering the admitted capital expenditure as on COD and, thereafter, up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Combined Assets-1 to 4 and 7, as well as Asset-5, as per the rates of depreciation specified under Regulation 33 of the 2019 Tariff Regulations.

46. The depreciation allowed for the Combined Assets-1 to 4 and 7, and Asset-5 for the 2019-24 tariff period is as follows:

Combined Assets-1 to 4 and 7						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	14047.56	14786.15	14954.03	15526.23	15849.46
B	Addition during 2019-24 due to ACE	738.59	167.88	572.20	323.23	5.98
C	Closing Gross Block (A+B)	14786.15	14954.03	15526.23	15849.46	15855.44
D	Average Gross Block (A+C)/2	14416.85	14870.09	15240.13	15687.84	15852.45
E	Average Capital Cost (90% depreciable assets)	14204.76	14653.04	15023.08	15468.68	15631.16
F	Average Capital Cost (100% depreciable assets)	212.09	217.04	217.04	219.16	221.28
G	Depreciable Value (excluding IT equipment and software) (E*90%)	12784.29	13187.74	13520.78	13921.81	14068.05
H	Depreciable Value of IT equipment and software (F*100%)	212.09	217.04	217.04	219.16	221.28
I	Total Depreciable Value (G+H)	12996.38	13404.78	13737.82	14140.97	14289.33
J	Weighted average rate of Depreciation (WAROD) (in %)	5.4230	5.4219	5.4184	5.4158	5.4157
K	Balance useful life of the asset (Year)	24	23	22	21	20
L	Elapsed life at the beginning of the year (Year)	1	2	3	4	5
M	Combined Depreciation during the year (D*J)	781.82	806.24	825.78	849.62	858.52

Combined Assets-1 to 4 and 7						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
N	Cumulative Depreciation at the end of the year	1697.13	2503.37	3329.15	4178.77	5037.29
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	11299.24	10901.41	10408.67	9962.20	9252.04

(₹ in lakh)

Asset-5						
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	563.58	749.67	759.96	759.96	759.96
B	Addition during 2019-24 due to ACE	186.09	10.29	0.00	0.00	0.00
C	Closing Gross Block (A+B)	749.67	759.96	759.96	759.96	759.96
D	Average Gross Block (A+C)/2	656.63	754.82	759.96	759.96	759.96
E	Average Capital Cost (90% depreciable assets)	646.46	744.65	749.79	749.79	749.79
F	Average Capital Cost (100% depreciable assets)	10.17	10.17	10.17	10.17	10.17
G	Depreciable Value (excluding IT equipment and software) (E*90%)	581.81	670.18	674.81	674.81	674.81
H	Depreciable Value of IT equipment and software (F*100%)	10.17	10.17	10.17	10.17	10.17
I	Total Depreciable Value (G+H)	591.98	680.35	684.98	684.98	684.98
J	Weighted average rate of Depreciation (WAROD) (in %)	5.4514	5.4299	5.4286	5.4286	5.4286
K	Balance useful life of the asset (Year)	24	23	22	21	20
L	Elapsed life at the beginning of the year (Year)	0	1	2	3	4
M	Combined Depreciation during the year (D*J)	35.80	40.99	41.26	41.26	41.26
N	Cumulative Depreciation at the end of the year	35.88	76.86	118.12	159.37	200.63
O	Remaining Aggregate Depreciable Value at the end of the year (I-O)	556.10	603.49	566.86	525.61	484.35

47. The details of the depreciation approved vide order dated 3.5.2022 in Petition No. 404/TT/2020 for Combined Assets-1 to 4 and 7, and Asset-5; depreciation

claimed by the Petitioner in the instant Petition and trued up depreciation allowed in this order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Assets-1 to 4 and 7					
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	783.43	826.62	849.43	849.43	849.43
Claimed by the Petitioner in the instant Petition	787.90	812.31	831.85	855.70	864.60
Approved after true-up in this order	781.82	806.24	825.78	849.62	858.52
Asset-5	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	34.12	39.30	41.25	41.25	41.25
Claimed by the Petitioner in the instant Petition	35.80	40.98	41.26	41.26	41.26
Approved after true-up in this order	35.80	40.99	41.26	41.26	41.26

Interest on Loan (IoL)

48. The Petitioner has claimed the Weighted Average Rate of IoL based on its actual loan portfolio and rate of interest.

49. We have considered the submissions of the Petitioner. IoL has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of Combined Assets-1 to 4 and 7, and Asset-5 is as follows:

(₹ in lakh)						
Particulars		Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	9833.29	10350.30	10467.82	10868.36	11094.62
B	Cumulative Repayments upto Previous Year	915.31	1697.13	2503.37	3329.15	4178.77

Particulars		Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
C	Net Loan-Opening (A-B)	8917.98	8653.17	7964.45	7539.21	6915.85
D	Additions	517.01	117.52	400.54	226.26	4.19
E	Repayment during the year	781.82	806.24	825.78	849.62	858.52
F	Net Loan-Closing (C+D-E)	8653.17	7964.45	7539.21	6915.85	6061.51
G	Average Loan (C+F)/2	8785.58	8308.81	7751.83	7227.53	6488.68
H	Weighted Average Rate of Interest on Loan (in %)	7.7798	7.4146	7.3239	7.5695	7.8882
I	Interest on Loan (G*H)	683.50	616.06	567.74	547.08	511.84

(₹ in lakh)

Particulars		Asset-5				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	394.51	524.77	531.97	531.97	531.97
B	Cumulative Repayments upto Previous Year	0.08	35.88	76.86	118.12	159.37
C	Net Loan-Opening (A-B)	394.43	488.89	455.11	413.86	372.60
D	Additions	130.26	7.20	0.00	0.00	0.00
E	Repayment during the year	35.80	40.99	41.26	41.26	41.26
F	Net Loan-Closing (C+D-E)	488.89	455.11	413.86	372.60	331.34
G	Average Loan (C+F)/2	441.66	472.00	434.48	393.23	351.97
H	Weighted Average Rate of Interest on Loan (in %)	7.9601	7.3713	7.1793	7.5815	7.9365
I	Interest on Loan (G*H)	35.16	34.79	31.19	29.81	27.93

50. The details of IoL approved vide order dated 3.5.2022 in Petition No. 404/TT/2020 for Combined Assets-1 to 4 and 7, and Asset-5, IoL claimed by the Petitioner in this Petition and trued-up IoL allowed in the instant order are as follows:

(₹ in lakh)

Combined Assets-1 to 4 and 7	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	693.60	673.49	635.27	573.45	504.56
Claimed by the Petitioner in the instant Petition	689.50	621.33	572.50	551.54	516.01
Approved after true-up in this order	683.50	616.06	567.74	547.08	511.87



Asset-5	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	34.42	37.04	36.06	32.87	29.43
Claimed by the Petitioner in the instant Petition	35.16	34.79	31.19	29.81	27.93
Approved after true-up in this order	35.16	34.79	31.19	29.81	27.93

Return on Equity (RoE)

51. The Petitioner has submitted that its Income Tax Assessment has been completed, and assessment orders have been issued by the Income Tax Department for the FY 2019-20 and FY 2020-21, and the income has been assessed under MAT (115JB of the Income Tax Act, 1961). The Petitioner has further submitted that the Income Tax Returns (ITRs) have been filed for the FY 2021-22, FY 2022-23, and FY 2023-24. The Petitioner has further submitted that it is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

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

52. We have considered the Petitioner's submissions and have also gone through the record. We note that the entities covered under the MAT regime are paying Income Tax as per the MAT rates notified for the respective financial year under the Income Tax Act, 1961 (for short, hereinafter referred to as the "IT Act, 1961"), which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961.

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

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

53. Accordingly, the trued-up RoE allowed in respect of Combined Assets-1 to 4 and 7, and Asset-5 for the 2019-24 tariff period is as follows:

(₹ in lakh)						
	Particulars	Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	4214.27	4435.84	4486.21	4657.87	4754.84
B	Additions	221.58	50.36	171.66	96.97	1.79
C	Closing Equity (A+B)	4435.84	4486.21	4657.87	4754.84	4756.63

	Particulars	Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
D	Average Equity (A+C)/2	4325.06	4461.03	4572.04	4706.35	4755.73
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	812.33	837.87	858.72	883.95	893.22

(₹ in lakh)

	Particulars	Asset-5				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	169.07	224.90	227.99	227.99	227.99
B	Additions	55.83	3.09	0.00	0.00	0.00
C	Closing Equity (A+B)	224.90	227.99	227.99	227.99	227.99
D	Average Equity (A+C)/2	196.99	226.44	227.99	227.99	227.99
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	37.00	42.53	42.82	42.82	42.82

54. The details of the RoE approved vide order dated 3.5.2022 in Petition No. 404/TT/2020 for Combined Assets-1 to 4 and 7, and Asset-5; RoE claimed by the Petitioner in the instant Petition and trued-up RoE allowed in the instant order are as follows:

(₹ in lakh)

Combined Assets-1 to 4 and 7	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	814.00	859.33	883.41	883.41	883.41
Claimed by the Petitioner in the instant Petition	818.78	844.32	865.17	890.40	899.67
Approved after true-up in this order	812.33	837.87	858.72	883.95	893.22
Asset-5	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	35.21	40.74	42.82	42.82	42.82



Claimed by the Petitioner in the instant Petition	37.00	42.53	42.82	42.82	42.82
Approved after true-up in this order	37.00	42.53	42.82	42.82	42.82
Claimed by the Petitioner in the instant Petition	21.40	21.40	21.40	21.40	21.40
Approved after true-up in this order	21.40	21.40	21.40	21.40	21.40

Operation & Maintenance Expenses (O&M Expenses)

55. The Commission, vide order dated 3.5.2022 in Petition No. 404/TT/2020, allowed the following O&M Expenses in respect of the Combined Assets 1 to 4 and Asset-7, as well as Asset-5:

(₹ in lakh)					
Particulars	Combined Assets-1 to 4 and 7				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	1003.06	1039.20	1075.63	1114.46	1151.55
	Asset-5				
	31.52	32.62	33.76	34.94	36.18
	45.02	46.60	48.24	49.92	51.68

54. The Petitioner, in the instant true-up Petition, has claimed the following O&M Expenses for the Combined Assets-1 to 4 and 7, as well as Asset-5:

(₹ in lakh)					
Particulars	Combined Assets-1 to 4 and 7				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	1003.06	1039.20	1075.63	1114.46	1151.55

(₹ in lakh)					
Particulars	Asset-5				
O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
	31.52	32.62	33.76	34.94	36.18

55. We have considered the Petitioner's submissions. It is observed that the O&M

Expenses claimed by the Petitioner in the instant true-up Petition are as per Regulation 35(3) of the 2019 Tariff Regulations. The O&M Expenses have been worked out in relation to the Combined Assets 1 to 4 and 7 as well as Asset 5 are follows:

Particulars	Combined Assets-1 to 4 and 7				
	2019-20	2020-21	2021-22	2022-23	2023-24
(₹ in lakh)					
400 kV Sub-station Bay					
Panchkula Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed	96.45	99.84	103.35	106.98	110.73
220 kV Sub-station					
Panchkula Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	22.51	23.3	24.12	24.96	25.84
O&M Expenses allowed	67.53	69.90	72.36	74.88	77.52
Sub-station GIS bays					
400 kV GIS Bay					
Hamirpur Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Gurgaon Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	22.505	23.296	24.115	24.962	25.837
O&M Expenses allowed	45.01	46.59	48.23	49.92	51.67
220 kV GIS (Number)					
Hamirpur Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Gurgaon Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	15.757	16.31	16.884	17.472	18.088
O&M Expenses allowed	31.51	32.62	33.77	34.94	36.18
400/220 kV ICT					
Panchkula Substation					
• 1 No. 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. 315 MVA, 400/220 kV ICT					
Hamirpur Substation					
• 1 No. 315 MVA, 400/220 kV ICT					
Gurgaon Substation					
• 1 No. 500 MVA, 400/220 kV ICT					

Particulars	Combined Assets-1 to 4 and 7				
	2019-20	2020-21	2021-22	2022-23	2023-24
Norms (₹ Lakh/MVA)	0.358	0.371	0.384	0.398	0.411
O&M Expenses allowed	762.54	790.23	817.92	847.74	875.43
Total O&M Expenses (₹ in lakh)	1003.04	1039.18	1075.63	1114.47	1151.53

(₹ in lakh)

Particulars	Asset-5				
	2019-20	2020-21	2021-22	2022-23	2023-24
220 kV Sub-station Bay (GIS) Panchkula Substation 2 No. line bay for Future-III & IV (Dehan)					
Norms (₹ Lakh/Bay)	15.757	16.31	16.884	17.472	18.088
Total O&M Expenses (₹ in lakh)	31.51	32.62	33.77	34.94	36.18

56. The details of O&M Expenses approved vide order 3.5.2022 in Petition No. 404/TT/2020 for the Combined Assets-1 to 4 and 7 as well as Asset-5, O&M Expenses claimed by the Petitioner in the instant Petition and trued-up O&M Expenses allowed for Combined Assets-1 to 4 and 7 as well as Asset-5 and in the instant order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Assets 1 to 4 and 7					
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	1003.04	1039.18	1075.63	1114.47	1151.53
Claimed by the Petitioner in the instant Petition	1003.06	1039.20	1075.63	1114.46	1151.55
Approved after true-up in this order	1003.04	1039.18	1075.63	1114.47	1151.53
Asset-5					
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	31.51	32.62	33.77	34.94	36.18
Claimed by the Petitioner in the instant Petition	31.52	32.62	33.76	34.94	36.18
Approved after true-up in this order	31.51	32.62	33.77	34.94	36.18

Interest on Working Capital (IWC)

57. 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 and 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for the FY 2021-22 and 2022-23, and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

58. The components of the trued-up working capital and interest allowed thereon for Combined Assets-1 to 4 and 7, and Asset-5 for the 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars		Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	83.59	86.60	89.64	92.87	95.96
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	150.46	155.88	161.34	167.17	172.73
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	412.95	415.90	418.96	427.48	430.20
D	Total Working Capital (A+B+C)	646.99	658.38	669.94	687.52	698.89
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)	77.96	74.07	70.34	72.19	83.87

(₹ in lakh)

Particulars		Asset-5				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month)	2.63	2.72	2.81	2.91	3.01
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	4.73	4.89	5.07	5.24	5.43
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	17.52	18.98	18.72	18.70	18.62
D	Total Working Capital (A+B+C)	24.87	26.59	26.60	26.85	27.06
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)	3.00	2.99	2.79	2.82	3.25

59. The details of the IWC approved vide order dated 3.5.2022 in Petition No. 404/TT/2020 for the Combined Assets-1 to 4 and 7 as well as Asset-5, IWC claimed by the Petitioner in the instant Petition, and trued-up IWC allowed in the instant order are as follows:

(₹ in lakh)					
Combined Assets-1 to 4 and 7	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	78.16	75.46	71.86	72.53	72.90
Claimed by the Petitioner in the instant Petition	78.24	74.32	70.57	72.41	84.12
Approved after true-up in this order	77.96	74.07	70.34	72.19	83.87
Asset-5	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	2.93	2.97	2.86	2.86	2.86
Claimed by the Petitioner in the instant Petition	3.00	2.99	2.79	2.82	3.25
Approved after true-up in this order	3.00	2.99	2.79	2.82	3.25

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

60. Accordingly, the AFC allowed after the truing-up for the 2019-24 tariff period in respect of Combined Assets-1 to 4 and 7, and Asset-5 are as follows:

(₹ in lakh)						
Particulars		Combined Assets-1 to 4 and 7				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	781.82	806.24	825.78	849.62	858.52
B	Interest on Loan	683.50	616.06	567.74	547.08	511.84
C	Return on Equity	812.33	837.87	858.72	883.95	893.22
D	O & M Expenses	1003.04	1039.18	1075.63	1114.47	1151.53
E	Interest on Working Capital	77.96	74.07	70.34	72.19	83.87
F	Total (A+B+C+D+E)	3358.65	3373.42	3398.21	3467.31	3498.98

(₹ in lakh)

Particulars		Asset-5				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	35.80	40.99	41.26	41.26	41.26
B	Interest on Loan	35.16	34.79	31.19	29.81	27.93
C	Return on Equity	37.00	42.53	42.82	42.82	42.82
D	O & M Expenses	31.51	32.62	33.77	34.94	36.18
E	Interest on Working Capital	3.00	2.99	2.79	2.82	3.25
F	Total (A+B+C+D+E)	142.47	153.92	151.83	151.65	151.44

61. The details of the AFC approved vide order 3.5.2022 in Petition No. 404/TT/2020 for Combined Assets-1 to 4 and 7, as well as Asset-5, AFC claimed by the Petitioner in the instant Petition, and trued-up AFC allowed in the instant order are as follows:

(₹ in lakh)

Combined Assets-1 to 4 and 7	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	3372.23	3474.09	3515.61	3493.29	3461.84
Claimed by the Petitioner in the instant Petition	3377.48	3391.46	3415.72	3484.51	3515.95
Approved after true-up in this order	3358.65	3373.42	3398.21	3467.31	3498.98
Asset-5	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 3.5.2022 in Petition No. 404/TT/2020	138.19	152.67	156.76	154.74	152.54
Claimed by the Petitioner in the instant Petition	142.48	153.91	151.82	151.65	151.44
Approved after true-up in this order	142.47	153.92	151.83	151.65	151.44

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

62. The Petitioner has claimed the following transmission charges in respect of the Combined Assets-1 to 5 and 7 for the 2024-29 tariff period:

(₹ in lakh)

Particulars	Combined Assets-1 to 5 and 7				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	910.26	890.76	878.63	878.41	876.66
Interest on Loan	476.15	407.71	336.63	268.10	200.41
Return on Equity	946.00	949.33	949.33	949.33	949.33
Interest on Working Capital	69.52	70.11	70.76	71.61	72.91
O&M Expenses	807.88	850.81	894.45	940.93	992.35
Total	3209.81	3168.72	3129.80	3108.38	3091.66

63. The details of IWC claimed by the Petitioner for the 2024-29 tariff period for the Combined Assets-1 to 5 and 7 are as under:

Particulars	Combined Assets-1 to 5 and 7				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	67.32	70.90	74.54	78.41	82.70
Maintenance Spares	121.18	127.62	134.17	141.14	148.85
Receivables	395.73	390.66	385.87	382.18	381.16
Total Working Capital	584.23	589.18	594.58	601.73	612.71
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	69.52	70.11	70.76	71.61	72.91

(₹ in lakh)

Effective Date of Commercial Operation (E-COD)

64. The Petitioner has combined the transmission assets in the instant Petition and has claimed the E-COD in respect of the Combined Assets as 21.11.2017. We have considered the Petitioner's submissions and worked out the E-COD as 23.10.2017. The working of the E-COD is as under:

Asset	Trued-up Capital cost as on 31.3.2024 (A)	COD	No. of days from latest COD	Weight of cost (in %) (B)	Weighted days (C=A*B)	E-COD of the Combined Asset (Latest COD – Total Weighted Days)
Combined Assets-1 to 4 and 7	15855.44	28.9.2017	549.00	95.43	523.89	23.10.2017
Asset-5	759.96	31.3.2019	0.00	4.57	0.00	
Total	16615.40			100.00	523.89	

65. E-COD is used to determine the lapsed life of the transmission project, which works out as 6 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD).

Weighted Average Life ("WAL") of the Project

66. The life as defined in Regulation 33 of the 2024 Tariff Regulations has been considered for the determination of WAL. The Combined Assets may have multiple

elements such as land, building, transmission line, sub-station, and PLCC, and each element may have a different span of life. Therefore, the concept of WAL has been used as the useful life of the transmission project as a whole.

67. WAL has been determined based on the admitted capital cost of individual elements under the transmission project as on 23.10.2017 (COD) and their respective life as stipulated in the 2024 Tariff Regulations. Accordingly, WAL in respect of the Combined Assets has been worked out as 25 years as follows:

Particulars	Combined Asset Cost (₹ in lakh) (1)	Life as per the 2024 Tariff Regulation (Years) (2)	Weighted Cost (3)=(1)x(2)	Weighted Average Life of the Asset (in years) (4)=(3)/(1)
Sub Station	16370.82	25	409270.59	
PLCC	13.12	7	91.84	
IT Equipment incl. software	231.45	7	1620.17	
Total	16615.40		410982.60	24.735 i.e. 25 Years

68. WAL as on 23.10.2017 (E-COD), as determined above, is applicable prospectively (i.e., for the 2024-29 tariff period onwards), and no retrospective adjustment of depreciation in the previous tariff period is required to be done. As discussed in the preceding paragraphs, the E-COD of the Combined Assets is 23.10.2017, and the lapsed life of the transmission project works out to 6 years as on 1.4.2024 (i.e., the number of completed years as on 1.4.2024 from E-COD). Accordingly, WAL has been used to determine the remaining useful life as on 23.10.2017 to be 25 years.

Capital Cost

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

“19. Capital Cost: (1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence checks

in accordance with these regulations shall form the basis for the determination of tariff for existing and new projects.

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

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

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

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

(d) to (h).....

(i) Expenditure on account of change in law and force majeure events;

(4) & (5)

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

(a) The assets forming part of the project but not in use, as declared in the tariff petition;

(b) De-capitalised Assets after the date of commercial operation on account of obsolescence;

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

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

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

(d).....

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

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

70. The Petitioner has claimed the following capital cost for the Combined Assets for the 2024-29 tariff period:

Asset	Capital Cost claimed as on 31.3.2024	ACE Claimed	Capital cost as on 31.3.2029
		2024-25	
Combined Assets-1 to 5 and 7	16615.40	118.30	16733.70

71. We have considered the Petitioner's submissions. The capital cost has been dealt with in line with Regulation 19(3) of the 2024 Tariff Regulations. The trued-up capital costs of ₹15855.40 lakh, ₹759.96 lakh and ₹379.73 lakh have been approved as on 31.3.2024 in respect of Combined Assets-1 to 4 & 7, as well as Asset-5, respectively. Therefore, the total capital costs of ₹16615.40 lakh and ₹379.73 lakh are

being considered as the opening capital costs as on 1.4.2024 in respect of Combined Assets-1 to 5 and 7, respectively, for working out the tariff for the 2024-29 tariff period.

Additional Capital Expenditure (ACE)

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

“24. Additional Capitalisation within the original scope and upto 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) *Undischarged liabilities recognized to be payable at a future date;*
- (b) *Works deferred for execution;*
- (c) *Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) *Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;*
- (e) *Change in law or compliance of 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 of any existing law which is not provided for in the original scope of work;*
- (c) *Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;*

- (d) *Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;*
- (e) *Force Majeure events;*
- (f) *Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and*

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

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

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

73. The Petitioner has claimed ₹118.30 lakh towards ACE for the 2024-29 tariff period under Regulation 25(1)(d) of the 2024 Tariff Regulations on account of payment towards liability admitted for works within the original scope executed prior to the cut-off date.

74. The vendor-wise details against the ACE in respect of Asset-7 for the 2024-29 tariff period, as submitted by the Petitioner, is as follows:

Asset	Party	Particulars	Outstanding liability as on 31.3.2024	(₹ in lakh) Liability Discharge		
				2024-25	2025-26	Total
Asset-7	M/s NHVS & M/s EMC Limited	Sub-station	118.30	118.30	0.00	118.30
Total			118.30	118.30	0.00	118.30

75. We have considered the Petitioner's submissions. The ACE of ₹118.30 lakh claimed by the Petitioner against un-discharged of liability for the final/retention payments for the works executed prior to the cut-off date is permissible under

Regulation 25(1)(d) of the 2024 Tariff Regulations. Accordingly, the same is allowed in respect of Asset-7 (part of Combined Assets-1 to 5 and Asset-7) for the 2024-29 tariff period.

76. Accordingly, the details of the capital cost and ACE allowed in respect of the instant Combined Assets 1 to 5 and 7 for the 2024-29 tariff period are as under:

(₹ in lakh)

Asset	Capital cost as on 1.4.2024	ACE Allowed 2024-29	Capital cost as on 31.3.2029
Combined Assets-1 to 5 and 7	16615.40	118.30	16733.70
	379.74	0.00	379.74

Debt-Equity Ratio

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

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

Provided that:

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

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

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

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

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

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

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

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

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

78. The debt-equity ratio considered for the purpose of computation of tariff for the 2024-29 tariff period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of tariff for the Combined Assets-1 to 5 and 7 for the 2024-29 tariff period is as follows:

(₹ in lakh)						
Combined Assets-1 to 5 and 7						
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	11630.78	70.00	82.81	70.00	11713.59	70.00
Equity	4984.62	30.00	35.49	30.00	5020.11	30.00
Total	16615.40	100.00	118.30	100.00	16733.70	100.00

Depreciation

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

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

depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

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

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

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

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

.....

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

(4)

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

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

.....

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

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

.....

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

(8) The generating company or the transmission licensee, as the case may be, shall submit the details of capital expenditure proposed to be incurred during five years

before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen years, whichever is lower, and in case of the transmission system shall equally spread the depreciable value over the balance useful life of the Asset or 10 years whichever is higher.

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

(10) Xxxxx

(11) Xxxx

(12) Xxxx”

80. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2024 and thereafter up to 31.3.2029. The WAROD has been worked out for the Combined Assets-1 to 5 and 7 as per the rates of depreciation specified in the 2024 Tariff Regulations.

81. The depreciation allowed for the Combined Assets-1 to 5 and 7 under Regulation 33 of the 2024 Tariff Regulations for the 2024-29 tariff period is as under:

(₹ in lakh)						
Combined Assets-1 to 5 and 7						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Gross Block	16615.40	16733.70	16733.70	16733.70	16733.70
B	Addition during 2024-29 due to ACE	118.30	0.00	0.00	0.00	0.00
C	Closing Gross Block (A+B)	16733.70	16733.70	16733.70	16733.70	16733.70
D	Average Gross Block (A+C)/2	16674.55	16733.70	16733.70	16733.70	16733.70
E	Average Capital Cost (90% depreciable assets)	16443.09	16502.24	16502.24	16502.24	16502.24
F	Average Capital Cost (100% depreciable assets)	231.45	231.45	231.45	231.45	231.45
G	Depreciable Value (excluding IT equipment and software) (E*90%)	14798.78	14852.02	14852.02	14852.02	14852.02

Combined Assets-1 to 5 and 7						
Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
H	Depreciable Value of IT equipment and software (F*100%)	231.45	231.45	231.45	231.45	231.45
I	Total Depreciable Value (G+H)	15030.24	15083.47	15083.47	15083.47	15083.47
J	Weighted average rate of Depreciation (WAROD) (in %)	5.4226	5.2754	5.2146	5.2133	5.2029
K	Balance life at the beginning of the year (Year)	19	18	17	16	15
L	Elapsed useful life of the asset (Year)	6	7	8	9	10
M	Combined Depreciation during the year (D*J)	904.19	882.78	872.59	872.38	870.63
N	Cumulative Depreciation at the end of the year	6142.11	7024.89	7897.48	8769.86	9640.49
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	8888.13	8058.59	7186.00	6313.62	5442.99

Interest on Loan (IoL)

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

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

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

(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis, and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalisation of such asset.

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

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

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

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

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

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

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

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

83. The Weighted Average Rate of IoL has been considered on the basis of the rate prevailing as on 1.4.2024. The Petitioner has prayed that the change in interest rate due to the floating rate of interest applicable, if any, during the 2024-29 tariff period may be adjusted. Accordingly, the floating rate of interest, if any, will be considered at the time of true-up. IoL has been allowed in accordance with Regulation 32 of the 2024 Tariff Regulations. IoL allowed for the 2024-29 tariff period in respect of the Combined Assets-1 to 5 and 7 is as follows:

(₹ in lakh)						
Combined Assets-1 to 5 and 7						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Gross Normative Loan	11630.78	11713.59	11713.59	11713.59	11713.59
B	Cumulative Repayments upto Previous Year	5237.92	6142.11	7024.89	7897.48	8769.86
C	Net Loan-Opening (A-B)	6392.86	5571.48	4688.71	3816.12	2943.74
D	Additions	82.81	0.00	0.00	0.00	0.00
E	Repayment during the year	904.19	882.78	872.59	872.38	870.63
F	Net Loan-Closing	5571.48	4688.71	3816.12	2943.74	2073.11

Combined Assets-1 to 5 and 7						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	(C+D-E)					
G	Average Loan (C+F)/2	5982.17	5130.09	4252.41	3379.93	2508.42
H	Weighted Average Rate of Interest on Loan (in %)	7.8977	7.8864	7.8557	7.8700	7.9241
I	Interest on Loan (G*H)	472.45	404.58	334.06	266.00	198.77

Return on Equity (RoE)

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

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

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

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

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

Provided further that:

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

.....”

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

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

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

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

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

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

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

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

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

85. The Petitioner has submitted that the MAT rate applies to it.

86. We have considered the Petitioner's submissions and have gone through the record. We have considered the applicable MAT rate for the RoE, which will be trued-up in accordance with the 2024 Tariff Regulations. The RoE allowed for the Combined Assets-1 to 5 and 7 for the 2024-29 tariff period is as follows:

(₹ in lakh)

Combined Assets-1 to 5 and 7						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Opening Equity	4984.62	5020.11	5020.11	5020.11	5020.11
B	Additions	35.49	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	5020.11	5020.11	5020.11	5020.11	5020.11
D	Average Equity (A+C)/2	5002.36	5020.11	5020.11	5020.11	5020.11
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	Return on Equity (D*G)	939.54	942.88	942.88	942.88	942.88

Operation & Maintenance Expenses (O&M Expenses)

87. The O&M Expenses claimed by the Petitioner for the Combined Assets-1 to 5 and 7 for the 2024-29 period are as follows:

(₹ in lakh)

O&M Expenses for Combined Assets-1 to 5 and 7	2024-25	2020-21	2021-22	2022-23	2023-24
	807.88	850.81	894.45	940.93	992.93

88. The norms specified under Regulation 36(3)(a) of the 2024 Tariff Regulations provide as follows:

“36. Operation and Maintenance Expenses:

...

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

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (₹ Lakh per km)					

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.346	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (₹ Lakh per MW)	1.04	1.10	1.16	1.22	1.28

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

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

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

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

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

.....”

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

Particulars	Combined Assets-1 to 5 and 7				
	2024-25	2025-26	2026-27	2027-28	2028-29
400 kV Sub-station Bay					
Panchkula Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	29.530	31.080	32.710	34.430	36.230
O&M Expenses allowed	88.59	93.24	98.13	103.29	108.69
220 kV Sub-station					
Panchkula Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	20.670	21.750	22.900	24.100	25.360
O&M Expenses allowed	62.01	65.25	68.70	72.30	76.08
400 kV GIS Bay					
Hamirpur Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
Gurgaon Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	20.671	21.756	22.897	24.101	25.361
O&M Expenses allowed	41.342	43.512	45.794	48.202	50.722
220 kV GIS (Number)					
Hamirpur Substation					
• 1 No. ICT bay for 315 MVA, 400/220 kV ICT					
• 2 Nos line bay for future -III & IV (Dehan)					
Gurgaon Substation					
• 1 No. ICT bay for 500 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	14.469	15.225	16.030	16.870	17.752
O&M Expenses allowed	57.876	60.90	64.12	67.48	71.09
400/220 kV ICT					
Panchkula Substation					
• 1 No. 500 MVA, 400/220 kV ICT					
Jalandhar Substation					
• 1 No. 500 MVA, 400/220 kV ICT					
Samba Substation					
• 1 No. 315 MVA, 400/220 kV ICT					
Hamirpur Substation					
• 1 No. 315 MVA, 400/220 kV ICT					
Gurgaon Substation					
• 1 No. 500 MVA, 400/220 kV ICT					
Norms (₹ Lakh/Bay)	0.262	0.276	0.290	0.305	0.322
	558.06	587.88	617.70	649.65	685.86

Particulars	Combined Assets-1 to 5 and 7				
	2024-25	2025-26	2026-27	2027-28	2028-29
Total O&M Expenses (₹ in lakh)	807.88	850.78	894.44	940.92	992.36

Interest on Working Capital (IWC)

90. 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.”

91. The Petitioner has considered the rate of IWC as 11.90% as on 1.4.2024. IWC is worked out in accordance with Regulation 34 of the 2024 Tariff Regulations. The ROI considered is 11.90% (SBI 1-year MCLR applicable as on 1.4.2024 of 8.65% plus 325 basis points) for the FY 2024-25 and 12.25% (SBI 1-year MCLR applicable as on 1.4.2025 of 9.00% plus 325 basis points) for FY 2025-26 to 2028-29.

92. The components of the working capital and interest allowed thereon under Regulation 34 of the 2024 Tariff Regulations for the 2024-29 tariff period in respect of the Combined Assets-1 to 5 and 7 are as under:

(₹ in lakh)

Combined Assets-1 to 5 and 7						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	67.32	70.90	74.54	78.41	82.70
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	121.18	127.62	134.17	141.14	148.85
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	393.70	388.72	384.24	380.62	379.67
D	Total Working Capital (A+B+C)	582.20	587.24	592.94	600.17	611.22
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)	69.28	71.94	72.64	73.52	74.87

Annual Fixed Charges of the 2024-29 Tariff Period

93. The Annual Fixed Charges (AFC) allowed for the 2024-29 tariff period in respect of the Combined Assets-1 to 5 and 7 are summarized as follows:

(₹ in lakh)

Combined Assets-1 to 5 and 7					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	904.19	882.78	872.59	872.38	870.63
Interest on Loan	472.45	404.58	334.06	266.00	198.77
Return on Equity	939.54	942.88	942.88	942.88	942.88
O & M Expenses	807.88	850.78	894.44	940.92	992.36
Interest on Working Capital	69.28	71.94	72.64	73.52	74.87
Total	3193.34	3152.96	3116.61	3095.7	3079.51

Filing Fee and Publication Expenses

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

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

95. We have considered the Petitioner's submissions. The Petitioner is entitled to reimbursement of the fee paid for filing the Petition and publication expenses incurred on this count directly from the beneficiaries or long-term customers, as the case may be.

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

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

97. 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.”

98. We have considered the Petitioner's submissions and perused Regulation 99 of the 2024 Tariff Regulations. In view of the explicit provision made under Regulation 99 of the 2024 Tariff Regulations, we permit the Petitioner, i.e., PGCIL, to bear the fees and charges expenses of CTUIL and recover the same as additional O&M Expenses

through a separate Petition until such regulation is notified and issued by the Commission.

License Fee and RLDC Fees and Charges

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

Goods and Services Tax

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

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

Security Expenses, Insurance and Capital Spares

102. The Petitioner has submitted that a separate Petition shall be filed for truing up of Security Expenses from 1.4.2019 to 31.3.2024 under Regulation 35(3)(c) of the 2019 Tariff Regulations and recovery of security expenses from 1.4.2024 to 31.3.2029 under Regulation 36 (3)(d) of the 2024 Tariff Regulations. According to the Petitioner, the

Security Expenses regarding the transmission assets are not claimed in the instant Petition.

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

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

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

"36(3)

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

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

Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same

and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.”

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

Sharing of Transmission Charges

107. The Petitioner has submitted that the Commission vide order dated 3.5.2022 in Petition No. 404/TT/2020 directed the following:

“116....the transmission charges of Asset-V from 31.3.2019 till the COD of the associated downstream transmission network of 220 kV Hamirpur-Dehan Line under the scope of HPPTCL shall be borne by HPPTCL and thereafter, transmission charges shall be shared as per provisions of the 2020 Sharing Regulations. Similarly, in case of Asset-VI, transmission charges from 25.3.2019 till the COD of the associated downstream transmission network of 220 kV line Bays at Jalandhar Sub-station under the scope of PSTCL shall be borne by PSTCL and thereafter, transmission charges shall be shared as per provisions of the 2020 Sharing Regulations. The sharing of transmission charges of Asset-V and Asset-VI shall be subject to the outcome of the Appeals preferred by HPPTCL and PSTCL before the APTEL, as mentioned in paragraph 16 above.”

108. Appeal No 300 of 2022 filed by HPPTCL is in hearing stage and no stay has been granted by APTEL to HPPTCL. Accordingly, the tariff for transmission of electricity (Annual Fixed Cost) for the 2019-24 for Asset-5 shall be borne by M/s HPPTCL upto 30.9.2023; with effect from 01.10.2023 to 31.10.2023 by its Discom i.e. M/s HPSEB and from 1.11.2023 it shall be billed under transformer component in accordance with Regulation 57 of the 2019 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers in terms of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from time to time (2020 Sharing Regulations).

109. Further, the Petitioner has submitted that the truing-up of the tariff for the 2019-24 tariff period for Combined Assets-1 to 4 and 7 shall be recovered on a monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers. The Petitioner has also submitted that the tariff for the 2024-29 period for Combined Assets-1 to 5 and 7 shall be recovered on a monthly basis in accordance with Regulation 78 of the 2024 Tariff Regulations and shall be shared by the beneficiaries and long-term transmission customers as per the 2020 Sharing Regulations.

110. We have considered the Petitioner's submissions. The Commission vide order dated 3.5.2022 in Petition No. 404/TT/2020 held that the transmission charges in respect of Asset-5 from 31.3.2019 till the COD of the associated downstream transmission system shall be borne by HPPTCL and thereafter the transmission charges shall be shared under the 2020 Sharing Regulations. The Commission also held that the transmission charges for the remaining transmission assets shall be included in the common PoC pool.

111. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the 2010 Sharing Regulations and with effect from 1.11.2020 (after repeal of the 2010 Sharing Regulations), sharing of transmission charges is governed by the 2020 Sharing Regulations.

112. Regulation 13(12) of the 2020 Sharing Regulations, as amended from time to time, provides as under:

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

(12) For the cases other than those covered under Clauses (3), (6) or (9) of Regulation 13 of these regulations, the YTC for the inter-State transmission system or element thereof approved or declared as deemed COD shall be treated as follows:



(a) The inter-State transmission licensee shall be paid 50% of YTC of its inter-State transmission system for a period of six (6) months from the date of deemed COD or till the commencement of actual power flow, whichever is earlier.

(b) The inter-State transmission licensee shall be paid 100% of YTC of its inter-State transmission system from the seventh (7th) month till the commencement of actual power flow, in case actual power flow does not commence within a period of 6 months from the date of deemed COD.

(c) The charges under sub-clauses (a) and (b) of this Clause shall be disbursed from charges collected in terms of Clause (3) of Regulation 12 of these regulations:

Provided that in case of shortfall in the collection in terms of Clause (3) of Regulation 12 of these regulations, to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from charges collected under T-GNA and TGNARE in terms of Clause (3) of Regulation 11 of these regulations:

Provided further that in case of shortfall in charges collected under T-GNA and TGNARE to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from Deviation and Ancillary Service Pool Account under DSM Regulations.

(d) Sub-clause (a), (b) and (c) of this Clause shall not be applicable for transmission elements covered under the Transformer component (as defined under Regulation 7 of these regulations) which shall be billed to respective drawee DIC of the State from the date of deemed COD. In case of non-availability of separate Yearly Transmission Charges of such transmission elements covered under the transformer component, the same shall be worked out by CTU in terms of Regulation 7(1) of these regulations.

(e) In case an inter-State transmission licensee is responsible for the delay in the commencement of power flow in the inter-State transmission system of another inter-State transmission licensee which has achieved deemed COD, inter-State transmission licensee of the delayed inter-State transmission system shall pay 50% of YTC of its transmission system OR 50% of YTC of the transmission system which has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD:

Provided that the liability of the delayed inter-State transmission licensee under this Clause shall not be affected, notwithstanding any provisions to the contrary in the Transmission Service Agreement or any other Agreement in force between the parties:

Provided further that if the delayed inter-State transmission licensee is levied liquidated damages for delay in completion of the transmission system in terms of the Transmission Service Agreement entered into with CTUIL, the amount of liquidated damages paid by such inter-State transmission licensee to CTU shall be offset to the extent of liability of the delayed inter-State transmission licensees in terms of this Clause and the balance amount, if any, shall be credited into Regional Transmission Deviation account under Clause (3) of Regulation 12 of these regulations.

(f) In case an intra-State transmission licensee is responsible for the delay in commencement of power flow in the inter-State transmission system which has achieved deemed COD, such intra-State transmission licensee of the delayed intraState transmission system shall pay 50% of YTC of the delayed intra-State transmission system OR 50% of YTC of the inter-State transmission system which has achieved deemed COD (excluding transmission elements covered under subclause (d) of this Clause), whichever is lower, till the delayed intra-State transmission system achieves COD:

Provided that in case of transmission elements covered under sub-clause (d) of this Clause, charges under this sub-clause shall not be levied on the intra-State transmission licensee:

Provided further that where YTC of the delayed intra-State transmission system is not available, CTU shall work out the YTC for such intra-State transmission system, for the purpose of this clause, based on the indicative capital cost of similar configuration in the inter-State transmission system.

(g) The billing and collection of the charges in terms of sub-clauses (e) and (f) of this Clause shall be made in accordance with Clause (3) of Regulation 15 of these regulations.

(h) The charges collected as per sub-clause (g) of this Clause shall be reimbursed in terms of Clause (3) of Regulation 12 of these regulations.

(i) In case of inter-State transmission system under Tariff based Competitive Bidding, the first contract year shall commence from the date when such transmission licensee starts receiving 100% of YTC under sub-clause (b) of this Clause or under Regulations 5 to 8 of these regulations.”

113. As regards the components and sharing of transformer components, Regulation 7 of the 2020 Sharing Regulations, as amended from time to time, provides as under:

“7. Components and sharing of Transformer Component (TC)

(1) Transformer Component for State shall comprise of Yearly Transmission Charges for inter-connection transformers (ICTs) along with their associated bays and downstream bays planned for drawal of power by the concerned State shall be provided by the Central Transmission Utility to the Implementing Agency.

Provided that where the Yearly Transmission Charges of ICTs for a State are not available, the Yearly Transmission Charges for such transformers shall be worked out and provided by the Central Transmission Utility, apportioning Yearly Transmission Charges approved by the Commission for the integrated project, based on indicative capital cost. For transformers used for drawl requirement of more than one State, Yearly Transmission Charges shall be apportioned to such States in the ratio of number of feeders from such transformers for each State.

(2) Transformer Component for a State shall be borne and shared by the drawee DICs located in the concerned State in proportion to their quantum of GNA and GNARE.”

114. Therefore, taking into consideration of the above-mentioned provisions of the 2020 Sharing Regulations, and in line with the Commission's order dated 3.5.2022 in Petition No. 404/TT/2020, the transmission charges in respect of Asset-5 shall be borne by the HPPTCL till commissioning of associated downstream transmission system and thereafter the said transmission charges shall be shared as per the provisions of Regulation 5 to 8 of 2020 Sharing Regulations subject to the outcome of the pending Appeal.

115. Further, the transmission charges for Combined Assets 1 to 4 and 7, the transmission charges shall be shared as per the provisions of Regulations 5 to 8 of the 2020 Sharing Regulations.

116. Accordingly, the liabilities of DICs for arrears of the transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of the respective Tariff Regulations and Sharing Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. The billing, collection, and disbursement of the transmission charges for the transmission assets shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided under Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period and under Regulation 78 of the 2024 Tariff Regulations for the 2024-29 tariff period, subject to the outcome of the pending Appeals.

117. To summarise:

- a. The trued-up Annual Transmission Charges approved for the 2019-24 tariff period in respect of Combined Assets-1 to 4 and 7, and Asset-5 and are as follows:

(₹ in lakh)

Combined Assets-1 to 4 and 7					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	3377.48	3391.46	3415.72	3484.51	3515.95
AFC Allowed	3358.65	3373.42	3398.21	3467.31	3498.98

(₹ in lakh)

Asset-5					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC Claimed	142.48	153.91	151.82	151.65	151.44
AFC Allowed	142.47	153.92	151.83	151.65	151.44

b. The Annual Transmission Charges approved in respect of the Combined Assets-1 to 5 and 7 for the 2024-29 tariff period in this order are as follows:

(₹ in lakh)

Combined Assets-1 to 5 and 7					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
AFC Claimed	3209.81	3168.72	3129.80	3108.38	3092.24
AFC Allowed	3193.34	3152.96	3116.61	3095.70	3079.51

118. This order disposes of the Petition No. 751/TT/2025, in terms of the above discussions and findings.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

