

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 818/TT/2025

Coram:

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

Date of Order: 31.03.2026

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 truing up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for Asset-1: 400 kV D/C Mohindergarh-Bhiwani Transmission Line along with communication equipment at both ends and OPGW in place of one earth wire under **“Northern Region System Strengthening Scheme (NRSSS)-XXXV”** and Asset-2: 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation under the **“Construction of two Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation”** scheme 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-171 004
- 6. Punjab State Power Corporation Limited,**
The Mall, PSEB Head Office, Patiala - 147 001.
- 7. Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula (Haryana) 134 109
- 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



15. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

...Respondent(s)

Parties Present: Shri Zafrul Hassan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vishal Sagar, PGCIL
Shri Ashish Agarwal, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited, a deemed transmission licensee, for the truing-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and for the determination of the transmission tariff 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 assets under “Northern Region System Strengthening Scheme (NRSSS)-XXXV” in the Northern Region (hereinafter referred to as “transmission project”):

Asset-1: 400 kV D/C Mohindergarh-Bhiwani Transmission Line along with communication equipment at both ends and OPGW in place of one earth wire.

Asset-2: 2 Nos. 400 kV line bays at Bhiwani Substation: and

Asset-1 and Asset-2 are jointly referred to as “the transmission assets”) for the 2019-24 period. For the 2024-29 tariff period, they have been collectively referred to as "Combined Assets".

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 17 and 18 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 revise the claim (if any) upon the Judgement of APTEL in Appeal no. 157 of 2025.*
- d) Allow the Initial spares on project level as per the APTEL judgement dated 14.09.2019 in Appeal No. 74 of 2017.*
- e) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulations, 2019 and Tariff Regulations, 2024 as per para 17 and 18 above for respective block.*
- f) 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.*
- g) 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.*
- h) 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.*
- i) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 24 above.*
- j) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 24 above.*
- k) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 25 above.*
- l) 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*
- m) 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:



Asset-1:

- a. The Petitioner was entrusted with implementing Transmission Scheme 1. The Investment Approval (IA) and expenditure sanction for Transmission Scheme 1 were granted by the Petitioner's Board of Directors in its 332nd meeting held on 19.8.2016 and circulated vide Memorandum No. C/CP/NRSS-XXXV dated 29.8.2016 at an estimated cost of ₹12391.00 lakh, including an Interest During Construction (IDC) of ₹716.00 lakh based on April 2016 prices. According to the IA dated 19.8.2016, Transmission Scheme 1 was scheduled for commissioning within 24 months from the date of the IA.
- b. Further, the Petitioner has submitted that the scope of Transmission Scheme 1 was discussed and agreed upon in the 32nd Standing Committee Meeting (SCM) of Power System Planning for Northern Region (NR) held on 31.8.2013 and in the 29th meeting of the Northern Regional Power Committee (NRPC) held on 13.9.2013.
- c. Transmission Scheme 1 was initially recommended for implementation through the Tariff Based Competitive Bidding (TBCB) route. However, due to a lack of interest from bidders and the urgent need for the Mohindergarh-Bhiwani 400 D/C line to reduce congestion in the transmission corridor, the Petitioner proposed implementing Transmission Scheme 1 during the 35th meeting of the Empowered Committee on Transmission, which took place on 14.9.2015.
- d. The scope of work covered under the transmission scheme 1 is as follows:

Transmission Line:

- a) Mohindergarh-Bhiwani 400 kV D/C (Twin Moose) line*



- b) Communication equipment at both ends and OPGW in place of one Earthwire

**2 Nos. 400 kV bays at both ends are already available.*

- e. The Petitioner earlier filed Petition No. 196/TT/2021 for Asset-1 on an anticipated COD. However, on account of the non-commissioning of Asset-1, the Commission, in its order dated 21.11.2021, directed the Petitioner to file a fresh Petition for approval of the tariff of Asset-1 as and when it is put into commercial operation.

Asset-2:

- a. The Petitioner was entrusted with the implementation of Asset-2. The IA and expenditure sanction were accorded by the Petitioner's competent authority on 14.11.2014 and circulated vide Memorandum No. C/CP/Bays at Bhiwani dated 17.11.2014, at an estimated cost of ₹847.00 lakh, including an IDC of ₹9.0 lakh based on February 2014 price levels. According to the IA dated 14.11.2014, Transmission Scheme 2 was scheduled to be commissioned within 2 months from the date of the IA, as the work on the 400 kV line bays at Bhiwani Substation was almost complete.
- b. Originally, as part of the expansion of the STU network, the 31st State Control Meeting on Power System Planning for the Northern Region, held on 2.1.2013, approved the establishment of the Dhanoda (HVPNL) to Bhiwani (POWERGRID) 400 kV D/C line. This decision was made in place of the previously approved 400 kV Kaboolpur to Bhiwani (POWERGRID) D/C line.
- c. HVPNL, through an agreement dated 18.1.2011, entrusted the construction of two 400 kV bays at the Bhiwani (POWERGRID) Substation to the Petitioner as a consultancy assignment for terminating the 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line. Based on the decision made at the 31st SCM, it was



agreed that these bays would be used for the termination of the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line. The Letter of Award (LoA) for this work was granted to M/s. L&T on 29.11.2011.

- d. Subsequently, after the conversion of the transmission system of Adani Power Limited (APL) into the Inter-State Transmission System (ISTS), the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL was discussed again during the 32nd SCM of NR held on 31.8.2013. During the meeting, it was deliberated that following the conversion of the Mundra-Mohindergarh HVDC line into an ISTS line, power up to 2500 MW could flow on the HVDC bipole. However, constraints were encountered for transferring power beyond the Mohindergarh HVDC terminal, and these constraints would increase if 2500 MW is transferred through the HVDC bipole. Considering this, it was agreed to take up the Mohindergarh-Bhiwani 400 kV D/C line with twin HTLS as an ISTS strengthening scheme instead of the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL. Accordingly, the following transmission scheme was agreed for implementation under Transmission Scheme 1 (NRSSS-XXXV):

- a) Mohindergarh-Bhiwani 400 kV D/C line with Twin HTLS
- b) 2 Nos. 400 kV line bays at Mohindergarh to be provided by M/s. APL at its Mohindergarh switchyard
- c) 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) to be provided by the Petitioner

- e. Since the work on Bhiwani bays was nearing completion, the 33rd SCM of NR held on 23.12.2013 and the 30th NRPC meeting held on 28.2.2014 agreed on the following:

- a) After discussions in the 32nd SCM, it was agreed to take the Mohindergarh-Bhiwani 400 kV D/C line with Twin HTLS as part of the ISTS strengthening scheme, instead of the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL. Considering this



development, HVPNL informed the Petitioner that the works at the Bhiwani (POWERGRID) Substation need to be cancelled.

- b) Considering the above, it was discussed and agreed that the two 400 kV bays at Bhiwani Substation (POWERGRID), which the Petitioner was implementing on behalf of HVPNL, would be included as part of the ISTS system for terminating the Mohindergarh-Bhiwani (POWERGRID) 400 kV D/C line in the future. The tariff for the two 400 kV line bays at Bhiwani Substation, which were nearing completion, would be sought from the day these bays are commissioned.

- f. The Petitioner has submitted a brief of events as discussed above, which is as under:

Date	Event	Reference
18.1.2011 and 29.11.2011	HVPNL was constructing a 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line, and an agreement was signed between the Petitioner and HVPNL to carry out the work of bays at Bhiwani Substation by the Petitioner on behalf of HVPNL on 18.1.2011, for which a contract was awarded to M/s. L&T on 29.11.2011.	-
2.1.2013	The 31st SCM agreed to establish the 400 kV D/C line of HVPNL, Dhanonda (HVPNL)-Bhiwani (POWERGRID), in place of the already approved 400 kV Kaboolpur-Bhiwani (POWERGRID) D/C line. Based on the decision in the 31st SCM, the bays being constructed by the Petitioner on behalf of HVPNL are now to be used for the termination of the Dhanoda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line.	31 st SCM
31.8.2013	It was agreed to take up the Mohindergarh-Bhiwani 400 kV D/C line as the ISTS strengthening scheme instead of the Dhanonda (HVPNL)-Bhiwani (POWERGRID) 400 kV D/C line by HVPNL.	32 nd SCM
23.12.2013	Based on the discussion in the 32nd SCM, HVPNL conveyed to the Petitioner to cancel the agreement to construct bays at Bhiwani Substation. Since the bays' work was nearing completion, it was agreed in the 33rd SCM that 2 Nos. 400 kV bays at Bhiwani Substation (POWERGRID), which the Petitioner was implementing on behalf of HVPNL, would be included as part of the ISTS system for terminating Mohindergarh-Bhiwani (POWERGRID) 400 kV D/C line in the future. It was also agreed in the same meeting that the tariff for the 2 Nos. 400 kV line bays at Bhiwani Substation, which are nearing completion, could be sought from the day of the commissioning of these bays.	33 rd SCM
27.2.2014	The discussion of the 33 rd SCM was also agreed in the NRPC meeting.	30 th NRPC
17.11.2014	IA memorandum issued for 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.	IA
30.11.2014	The COD of Asset-2 was declared with effect from 30.11.2014.	COD letter



Date	Event	Reference
9.2.2015	Petition No. 77/TT/2015 was filed before the Commission to approve COD and determine the tariff from COD to 31.3.2014 for 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.	-
23.5.2016	The Commission, vide its order dated 23.5.2016, did not approve the COD of these 2 Nos. bays on the ground that the bays would not be utilized as there was no certainty of the upcoming lines and directed the Petitioner to approach the Commission for the tariff determination of the instant bays once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned as per the Tariff Regulations.	Order dated 23.5.2016

g. As per the IA dated 14.11.2014, the scope of work covered under Transmission Scheme 2 is as follows:

Substations:

- a) 2 Nos. 400 kV line bays at Bhiwani (POWERGRID) Substation.
- h. The Petitioner filed Petition No. 77/TT/2015 before the Commission seeking approval of the COD and the tariff determination from COD to 31.3.2014 for Asset-2. The Commission, by its order dated 23.5.2016, did not approve the COD and directed it to approach the Commission for tariff determination for the instant bays once the 400 kV Mohindergarh-Bhiwani D/C line is commissioned, in accordance with the Tariff Regulations.
- i. Therefore, the Petitioner requested the Commission to approve the revised COD of Asset-2 as 24.3.2023, aligning it with that of Asset-1, as directed in the Commission's order dated 23.5.2016 in Petition No. 77/TT/2015.
- j. Accordingly, the Commission vide order dated 11.1.2025 in Petition No. 390/TT/2023 determined the Annual fixed charges in respect of Asset-1 and Asset-2 from COD to 31.3.2024.
- f. The scope of the transmission project as per IA is complete and is included in this Petition.



4. The Respondents are distribution licensees, transmission licensees, and power departments, which 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 regarding the filing of this Petition has been published in newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the notices published in newspapers by the Petitioner.

6. The hearing in this matter was held on 27.2.2026, and the order was reserved.

7. This order is issued considering the submissions made by the Petitioner vide affidavits dated 8.7.2025, 11.12.2025, and 13.3.2026.

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 the transmission assets are as follows:

Asset-1

(₹ in lakh)		
Particulars	2022-23 (Pro-Rata 8 days)	2023-24
Depreciation	11.16	518.49
Interest on Loan	11.21	501.85
Return on Equity	11.82	548.89
Interest on Working Capital	0.50	26.20
O&M Expenses	1.31	62.11
Total	36.00	1657.54

Asset-2

(₹ in lakh)		
Particulars	2022-23 (Pro-Rata 8 days)	2023-24
Depreciation	0.90	41.15



Particulars	2022-23 (Pro-Rata 8 days)	2023-24
Interest on Loan	0.88	38.52
Return on Equity	0.87	39.69
Interest on Working Capital	0.09	4.99
O&M Expenses	1.56	73.82
Total	4.30	198.17

10. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in relation to the transmission assets are as follows:

Asset-1

(₹ in lakh)		
Particulars	2022-23 (Pro-rata 8 days)	2023-24
O&M Expenses	5.00	5.18
Maintenance Spares	9.00	9.32
Receivables	202.52	203.80
Total Working Capital	216.52	218.30
Rate of Interest (in %)	10.50	12.00
Interest on Working Capital	0.50	26.20

Asset-2

(₹ in lakh)		
Particulars	2022-23 (Pro-rata 8 days)	2023-24
O&M Expenses	5.94	6.15
Maintenance Spares	10.70	11.07
Receivables	24.23	24.37
Total Working Capital	40.87	41.59
Rate of Interest (in %)	10.50	12.00
Interest on Working Capital	0.09	4.99

Date of Commercial Operation (COD)

11. The Commission, through an order dated 11.1.2025 in Petition No. 390/TT/2023, approved the COD of Assets-1 and 2 as 24.3.2023 under Regulation 5 of the 2019 Tariff Regulations. In the same order, the Commission also noted that the COD of Asset-2 as 24.3.2023 is well beyond the validity period of the CEA Energisation Certificate dated 25.3.2014 submitted by the Petitioner in support of the COD, and directed the Petitioner to submit a revised CEA Energisation Certificate for Asset-2 during the truing-up process.



12. The Petitioner in the current Petition has complied with the directions of the Commission and submitted the extension of approval for energisation issued by CEA vide letter dated 28.7.2023, which is valid for two years from the date of inspection, i.e., 23.6.2023. The snapshot of the said letter dated 28.7.2023 is as follows:

ENCL-2


भारत सरकार/Govt. of India
विद्युत मंत्रालय/Ministry of Power
केन्द्रीय विद्युत प्राधिकरण/Central Electricity Authority
मुख्य विद्युत निरीक्षणालय प्रभाग/Chief Electrical Inspectorate Division

C20
संख्या
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CEV/2/EI/RIO (N)/Insp./2023/ 397 Dated: 28.07.2023

Extension of Approval for Energisation
(Under Regulation 32 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2023)

Shri. Manoj Kumar Jain
Sr. General Manager, PGCIL
765/400/220kv Substation,
Nimriwali, Charkhi Dadri road
Bhiwani.

Subject: Extension of Approval for Energisation of Electrical Installations as mentioned in List of Equipments of application of 765/400/200 KV Bhiwani Sub Station of PGCIL under Regulation 32 of Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2023.

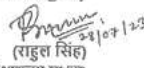
Ref.:

1. Online Application C/2023/05900 dated: 04.05.2023.
2. CEV/2/EI/RIO (N)/Insp./2023/322 dated: 26.06.2023
3. Your compliance report dated: 26.07.2023

Whereas the inspection of Electrical Installation of 765/400/200 KV Bhiwani Sub Station of PGCIL was carried out by the undersigned on 23.06.2023.

The non-compliances of certain provisions/stipulations of the regulations were conveyed to you vide our office letter under reference at Sl. No. (2) above (Inspection Report) and the compliance of the same has since been received vide your letter under reference at Sl.No. (3) above. *The Extension of Approval for energization of Electrical Installations as mentioned in List of Equipments (Annexure) of application of 765/400/200 KV Bhiwani Sub Station of PGCIL is hereby accorded subject to consistent compliance of relevant provisions of CEA (Measures relating to Safety and Electric Supply) Regulations, 2023 by PGCIL*

The above equipments/Installations shall be due for periodical inspection under regulation 32 after two years from the date of this inspection. This periodicity is subject to change by government notification.


(राजेश सिंह)
उप निदेशक, (मुख्य विद्युत निरीक्षणालय प्रभाग)

प्रति:
निदेशक, RIO (N), के. वि. प्रा. I

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एनआरपीसी परिसर, कन्दारीया चरण नई दिल्ली। 100। 62 सी 011-26563214 ईमेल: cea-eldivision@gov.in वेबसाइट: www.cea.nic.in
NRPC Complex Kataria Sarai New Delhi-110016 Tlx: 011-26565214 Email: cea-eldivision@gov.in Website: www.cea.nic.in

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Capital Cost for the 2019-24 Tariff Period

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

14. The Commission, by order dated 11.1.2025 in Petition No. 390/TT/2023, approved the capital cost as on COD) for Assets-1 and 2, as well as Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost of the transmission assets, as allowed by the Commission in the aforesaid order, are as follows:

(₹ in lakh)

Assets	Capital Cost allowed as on COD	ACE admitted		Capital Cost allowed as on 31.3.2024
		2022-23	2023-24	
Asset-1	9460.07	140.89	500.19	10101.15
Asset-2	698.27	6.20	0.00	704.47

15. The Petitioner in the current true-up Petition has claimed the following capital cost and ACE for Assets-1 and 2 regarding the 2019-24 tariff period:

(₹ in lakh)

Assets	Apportioned Approved Cost as per FR	Capital Cost claimed as on 1.4.2019	ACE Claimed		Capital Cost claimed as on 31.3.2024
			2022-23	2023-24	
Asset-1	12391.00	9797.35	67.78	269.40	10134.53
Asset-2	847.10	1049.14	0.00	0.00	1049.14
Total	12391.00	9797.35	67.78	269.40	10134.53

Cost Over-run

16. The Commission, through order dated 11.1.2025 in Petition No. 390/TT/2023, noted that the Petitioner booked an expenditure of approximately ₹1110.00 lakh (an increase of ₹682.07 lakh with respect to the FR cost) under the capital cost for site supervision and other administrative expenses. It also directed the Petitioner to submit detailed justification along with supporting documents regarding the consideration of this capital expenditure at the time of trueing up.



17. In compliance with the said directions of the Commission, the Petitioner in this Petition has submitted that it has capitalised capital cost of ₹1110.00 lakh under the head of “Site Supervision and Other Administrative Costs,” representing expenditure incurred on employee remuneration/benefits and other office or administrative expenses during the construction of the transmission line. The petitioner has further submitted that the variation of ₹682.07 lakh from the estimated FR cost under this head is solely attributable to the actual IEDC incurred during construction. The details of actual IEDC incurred as per Form-12A, as submitted by the Petitioner, are as follows:

S. No.	Parameters	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
A	Expenses:								
1	Employees' Remuneration & Benefits	0.00	0.01	1.61	0.00	313.49	264.39	351.91	931.41
2	Finance Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Water Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Communication Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Power Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Other Office and Administrative Expenses	3.88	5.21	9.38	1.55	71.38	49.49	37.77	178.66
8	Others (Please Specify Details)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Other pre-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (A)	3.88	5.22	10.99	1.55	384.87	313.88	389.68	1110.07
B	Total Expenses (Less: Incomes)								
10	Less: Income from sale of tenders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Less: Income from guest house	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Less: Income recovered from Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Less: Interest on Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GRAND TOTAL (A – B)	3.88	5.22	10.99	1.55	384.87	313.88	389.68	1110.07



18. We have considered the Petitioner's submissions and examined the documents on record. It is observed that for Asset-1, the total estimated completion cost of ₹11333.66 lakh claimed by the Petitioner as on 31.3.2029 is within the approved Feasibility Report (FR) cost of ₹12391.00 lakh, and therefore, there is no cost overrun concerning Asset-1. Regarding Asset-2, it is noted that the FR cost is ₹847.10 lakh, and the estimated cost has varied by about ₹202.04 lakh. However, in this case, we approved the capital cost as on COD at ₹701.25 lakh, which is less than the approved FR cost of ₹847.10 lakh. Therefore, there is no cost overrun for Asset-2 based on the allowed cost on COD, which is ₹847.10 lakh.

Time overrun

19. The Commission vide order dated 11.1.2025 in Petition No. 390/TT/2023 condoned the time overrun of 1478 days and 44 days in respect of Assets-1 and 2, respectively. The details of SCOD, COD, time overrun claimed, time overrun condoned and time overrun not condoned by the Commission in the aforesaid order are as follows:

Assets	SCOD as per IA	Actual COD	Claimed COD	Time overrun claimed	Time overrun condoned	Time overrun not Condoned
Asset-1	18.8.2018	24.3.2023	NA	1679 days	1478 days	201 days
Asset-2	13.1.2015	30.11.2024	24.3.2023	3036 days	44 days	2992 days

20. Aggrieved by the Commission's order dated 11.1.2025 in Petition No. 390/TT/2023, the Petitioner filed Appeal No. 157 of 2025 before the Appellate Tribunal for Electricity (APTEL), challenging the non-condonation of time overrun of 201 days and 2992 days in respect of Assets-1 and 2, respectively. The said appeal is pending adjudication.



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

21. The Petitioner has claimed an IDC of ₹1338.82 lakh for Asset-1 and an IDC of ₹289.86 lakh for Asset-2, supported by the Auditor's Certificates dated 7.6.2025 and 12.6.2023. The Petitioner has also submitted the calculation of IDC along with year-wise details of the IDC discharged.

22. The Petitioner has submitted that IDC and IEDC deductions due to time overrun for Assets- 1 and 2, as per order dated 11.1.2025 in Petition No. 390/TT/2023, have been considered in this Petition.

23. We have considered the above submissions of the Petitioner and are of the view that the Petitioner is at liberty to revise its claim, if any, subject to the outcome of APTEL's judgment in Appeal No. 157 of 2025.

24. Accordingly, based on the information provided by the Petitioner, the trued-up IDC concerning Assets-1 and 2 is as follows:

(₹ in lakh)

Particulars	IDC as per Auditor's Certificate	IDC allowable	IDC disallowed due to Time Over-run	IDC discharged as on COD	IDC discharged during 2022-23	IDC discharged during 2023-24
	A	B	C=A-B	D	E=B-D	F
Asset-1	1338.82	1178.80	160.03	1167.30	0.00	11.49
Asset-2	289.86	6.20	283.66	6.20	0.00	0.00

25. The Petitioner has claimed an IEDC of ₹1110.07 lakh for Asset-1 and ₹27.81 lakh for Asset-2, supported by the Auditor's Certificates dated 7.6.2025 and 12.6.2023. An amount of ₹1017.41 lakh and ₹0.55 lakh was approved as on COD in the order dated 11.1.2025 in Petition No. 390/TT/2023 for Assets-1 and 2, respectively. In this Petition as well, we approve the IEDC in accordance with our order dated 11.1.2025 in



Petition No. 390/TT/2023. The details regarding the IEDC allowed for the transmission assets are as follows:

(₹ in lakh)

Asset	IEDC as per Auditor Certificate (A)	IEDC Disallowed (B)	IEDC Allowed (C) = (A) – (B)
Asset-1	1110.07	92.66	1017.41
Asset-2	27.81	27.26	0.55

Initial Spares

26. The Petitioner has submitted that the Initial Spares for transmission assets have been calculated in accordance with the ceiling specified under Regulation 23 of the 2019 Tariff Regulations and based on the revised Auditor's certificate. The details of the Initial Spares concerning the transmission assets are as follows:

(₹ in lakh)

Assets	Particulars	Cost for Spare Calculation (A)	Initial Spares Claimed (B)	Ceiling (%) (C)	Initial Spares Allowable	Excess initial spares
					$D = [(A-B)*C / (100-C)]$	[B-D]
Asset-1	Transmission line	8386.95	45.75	1.0	84.25	-38.50

(₹ in lakh)

Assets	Particulars	Cost for Spare Calculation (A)	Initial Spares Claimed (B)	Ceiling Limit (%) (C)	Initial Spares Allowable	Excess initial spares
					$D = [(A-B)*C / (100-C)]$	[B-D]
Asset-1	Substation (Brown field)	497.82	25.93	6.0	30.12	-4.19
Asset-2	Substation (Brown field)	731.47	75.61	6.0	41.86	33.75
Total	Substation (Brown field)	1229.29	101.54	6.0	71.98	29.56

27. Further, the Petitioner has submitted the following Initial Spares discharge statement for the transmission assets :



Asset	Particulars	Total spares claimed	Expenditure on Initial Spares upto COD and included in the Auditor's Certificate upto COD	Expenditure on Initial Spares in 2023-24 (Additional Capitalization)	Expenditure on Initial Spares in 2024-25 (Additional Capitalization)
Asset-1	T/L	45.75	4.92	32.55	8.28
Asset-1	Substation	25.93	22.31	3.62	0.00
Asset-2	(Brown field)	75.61	75.61	0.00	0.00

28. We have considered the submissions of the Petitioner. The transmission assets were commissioned during the 2019-24 tariff period. The details of COD and their respective cut-off dates, as per the 2019 Tariff Regulations, are as follows:

Asset Name	COD	Cut-off date
Asset-1	24.3.2023	23.3.2026
Asset-2	24.3.2023	23.3.2026

29. It is observed that the Petitioner has included the Plant & Machinery cost of OPGW under the substation head and claimed the Initial Spares accordingly. In this transmission project, the OPGW has been laid in place of earth wire on the transmission line. The plant and Machinery cost of the same is being considered along with that of the transmission line, and Initial Spares are being worked out accordingly.

30. On perusal of Form -5 of the Petitioner in respect of Asset-2, it is noticed that the Petitioner has included the expenditure incurred against civil works under Plant & Machinery Cost and claimed the Initial Spares accordingly.

31. Regulation 23 of 2019 Tariff Regulations, provides as follows:

"23. Initial Spares: Initial spares shall be Capitalised as a percentage of the Plant and Machinery cost, subject to following ceiling norms:

- (a) Coal-based/lignite-fired thermal generating stations - 4.0%*
- (b) Gas Turbine/Combined Cycle thermal generating stations - 4.0%*
- (c) Hydro generating stations including pumped storage hydro generating station - 4.0%*
- (d) Transmission system*
 - (i) Transmission line - 1.00%*
 - (ii) Transmission Sub-station*
 - Green Field- 4.00%*



- Brown Field - 6.00%
- (iii) Series Compensation devices and HVDC Station - 4.00%
- (iv) Gas Insulated Sub-station (GIS)
- Green Field- 5.00%
- Brown Field - 7.00%
- (v) Communication system - 3.50%
- (vi) Static Synchronous Compensator - 6.00%

Provided that:

- i. Plant and Machinery cost shall be considered as the original project cost excluding IDC, IEDC, Land Cost and Cost of Civil Works. The generating company and the transmission licensee for the purpose of estimating Plant and Machinery Cost, shall submit the break-up of head wise IDC and IEDC in its tariff application;
- ii. where the generating station has any transmission equipment forming part of the generation project, the ceiling norms for initial spares for such equipment shall be as per the ceiling norms specified for transmission system under these regulations

32. In view of the above, the Plant and Machinery Cost to be considered for the determination of Initial Spares shall exclude IDC, IEDC, land cost and cost of civil works.

33. Therefore, in accordance with the Auditor's certificates dated 7.6.2025 and 12.6.2023, Form 5, and Regulation 23(d) of the 2019 Tariff Regulation, the Initial Spares for Assets-1 and 2 are recalculated based on the actual expenditure during the 2019-24 tariff period and are allowed as follows:

(₹ in lakh)							
Asset	Particulars	Plant and machinery cost excluding IEDC, IDC, land and cost of civil works (A)	Initial Spares claimed (B)	Norms as per the 2019 Tariff Regulations (in %) (C)	Allowable Initial Spares $D = (A-B) * C / (1 - C)$	Excess Initial Spares $B-D$, if $B > D$, otherwise 0	Initial Spares allowed $E = \text{Min}(B, D)$
Asset-1	Transmission Line & OPGW	8717.36	71.68	1%	87.33	0.00	71.68
	Sub-station & PLCC/Communication System	167.41	0.00	6%	10.69	0.00	0.00
Asset-2	Sub-station & PLCC/Communication System	681.04	75.61	6%	38.64	36.97	38.64

Capital Cost allowed as on COD



34. Therefore, in light of the above, the details of the capital cost as on COD regarding the transmission assets are as follows:

(₹ in lakh)

Assets	Capital cost claimed in the Auditor's Certificate (as on COD)	Less: disallowed IDC (due to Time Over-run)	Less: disallowed IEDC (due to Time Over-run)	Less: Undischarged IDC (as on COD)	Less: Excess Initial Spares	Capital cost (as on COD)
	A	B	C	D	E	F=A-B-C-D-E
Asset-1	9797.35	160.03	92.66	11.49	0.00	9533.17
Asset-2	1049.14	283.66	27.26	0.00	36.97	701.25

Additional Capital Expenditure (ACE)

35. The Commission, by order dated 11.1.2025 in Petition No. 390/TT/2023, approved the following ACE regarding the transmission assets for the 2019-24 tariff period:

(₹ in lakh)

Assets	ACE allowed		Total (2019-24)
	2022-23	2023-24	
Asset-1	140.89	500.19	641.08
Asset-2	6.20	0.00	6.20

36. Against this, as per the Auditor's Certificate, the Petitioner has claimed the following ACE in respect of Assets-1 and 2 based on actual expenditure in accordance with Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations.

(₹ in lakh)

Assets	ACE		Total (2019-24)
	2022-23	2023-24	
Asset-1	67.78	269.40	337.18
Asset-2	0.00	0.00	0.00

37. The Petitioner has submitted that while projecting the estimated additional capitalisation, contracts were not closed and liabilities were not finalised. However, in this instant trued-up Petition, additional capitalisation is claimed on the basis of actual



payments made to the contractor after receipt of final invoices and incorporating amendments up to the end of the 2019-24 tariff period. The ACE during the 2019-24 tariff period is due to undischarged liabilities towards final payments or withheld payments, which are a result of contractual exigencies and works executed prior to the cut-off date.

38. The Liability Flow Statement detailing head-wise and party-wise information of ACE incurred during the 2019-24 tariff period for Asset-1 is as follows:

Asset-1:

(₹ in lakh)

Party Name	Particulars	Outstanding Liability as on 31.3.2019	Discharge		Works deferred for execution		Outstanding Liability as of 31.3.2024
			2022-23	2023-24	2022-23	2023-24	
M/s. C&C Const. & M/s. Unitech Power	Transmission Line	607.04	0.00	72.46	67.78	180.81	534.58
M/s. ABB	Sub-station	13.41	0.00	13.41	0.00	0.00	0.00
M/s. C&C Const. & M/s Unitech Power.	OPGW	27.72	0.00	2.72	0.00	0.00	25.00
Total		648.17	0.00	88.59	67.78	180.81	559.58

39. We have considered the Petitioner's submissions. The Petitioner has claimed ACE for Asset-1 regarding the discharge of liability for final and retention payments to the contractors for work executed prior to the cut-off date and for work deferred for execution. Therefore, according to Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations, the ACE claimed by the Petitioner for the 2019-24 tariff period is admitted and allowed as follows:

(₹ in lakh)

Particulars	Regulations	Actual ACE	
		2022-23	2023-24
Asset-1			
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations		67.78	269.40
Add: IDC Discharge		0.00	11.49
Total		67.78	280.89



40. In view of the above discussions, the capital cost and ACE allowed for truing up of the tariff for the 2019-24 period in respect of the transmission assets is as under:

(₹ in lakh)

Asset	Apportioned Approved Cost as per FR	Capital Cost allowed as on COD	Allowed ACE		Capital Cost as on 31.3.2024
			2022-23	2023-24	
Asset-1	12391.00	9533.17	67.78	280.89	9881.84
Asset-2	847.10	701.25	0.00	0.00	701.25
Total	13238.10	10234.42	67.78	280.89	10583.09

Debt-Equity Ratio

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

Asset-1

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	6673.22	70.00	244.07	70.00	6917.29	70.00
Equity	2859.95	30.00	104.60	30.00	2964.55	30.00
Total	9533.17	100.00	348.67	100.00	9881.84	100.00

Asset-2

Funding	Capital Cost as on COD (₹ in lakh)	(in %)	ACE in 2019-24 (₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	490.88	70.00	0.00	70.00	490.88	70.00
Equity	210.38	30.00	0.00	30.00	210.38	30.00
Total	701.25	100.00	0.00	100.00	701.25	100.00

Depreciation

42. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019 and, thereafter, up to 31.3.2024. The Weighted Average



Rate of Depreciation (WAROD) has been worked out for the transmission assets as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations.

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

Asset-1

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata 8 days)	2023-24
	Depreciation		
A	Opening Gross Block	9533.17	9600.95
B	Addition during 2019-24 due to ACE	67.78	280.89
C	Closing Gross Block (A+B)	9600.95	9881.84
D	Average Gross Block (A+C)/2	9567.06	9741.40
E	Average Capital Cost (90% depreciable assets)	9567.06	9741.40
F	Average Capital Cost (100% depreciable assets)	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	8610.35	8767.26
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00
I	Total Depreciable Value (G+H)	8610.35	8767.26
J	Weighted average rate of Depreciation (WAROD) (in %)	5.3231	5.3225
K	Balance useful life of the asset	34	34
L	Elapsed life at the beginning of the year (Year)	0	0
M	Combined Depreciation during the year (D*J)	11.16	518.49
N	Cumulative Depreciation at the end of the year	11.16	529.65
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	8599.19	8237.60

Asset-2

(₹ in lakh)			
	Particulars	2022-23 (Pro-rata 8 days)	2023-24
	Depreciation		
A	Opening Gross Block	701.25	701.25
B	Addition during 2019-24 due to ACE	0.00	0.00
C	Closing Gross Block (A+B)	701.25	701.25
D	Average Gross Block (A+C)/2	701.25	701.25
E	Average Capital Cost (90% depreciable assets)	670.56	670.56
F	Average Capital Cost (100% depreciable assets)	30.69	30.69
G	Depreciable Value (excluding IT equipment and software) (E*90%)	603.51	603.51



	Particulars	2022-23 (Pro-rata 8 days)	2023-24
H	Depreciable Value of IT equipment and software (F*100%)	30.69	30.69
I	Total Depreciable Value (G+H)	634.20	634.20
J	Weighted average rate of Depreciation (WAROD) (in %)	5.8444	5.8444
K	Balance useful life of the asset (Year)	23	23
L	Elapsed life at the beginning of the year (Year)	0	0
M	Combined Depreciation during the year (D*J)	0.90	40.98
N	Cumulative Depreciation at the end of the year	0.90	41.88
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	633.30	592.32

44. The details of depreciation approved vide order dated 11.1.2025 in Petition No. 390/TT/2023; depreciation claimed by the Petitioner in the instant Petition and trued up depreciation allowed in the instant order concerning the transmission assets are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	11.12	524.29
Claimed by the Petitioner in the instant Petition	11.16	518.49
Approved after true-up in this order	11.16	518.49

(₹ in lakh)

Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	0.90	41.15
Claimed by the Petitioner in the instant Petition	0.90	41.15
Approved after true-up in this order	0.90	40.98

Interest on Loan (IoL)

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

46. We have considered the submissions of the Petitioner. IoL is 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 the transmission assets is as follows:

(₹ in lakh)

	Particulars	Asset-1	
		2022-23 (Pro-rata 8 days)	2023-24
	Interest on Loan		
A	Gross Normative Loan	6673.22	6720.67
B	Cumulative Repayments upto Previous Year	0.00	11.16
C	Net Loan-Opening (A-B)	6673.22	6709.50
D	Additions	47.45	196.62
E	Repayment during the year	11.16	518.49
F	Net Loan-Closing (C+D-E)	6709.50	6387.64
G	Average Loan (C+F)/2	6691.36	6548.57
H	Weighted Average Rate of Interest on Loan (in %)	7.6446	7.6635
I	Interest on Loan (G*H)	11.21	501.85

(₹ in lakh)

	Particulars	Asset-2	
		2022-23 (Pro-rata 8 days)	2023-24
	Interest on Loan		
A	Gross Normative Loan	490.88	490.88
B	Cumulative Repayments upto Previous Year	0.00	0.90
C	Net Loan-Opening (A-B)	490.88	489.98
D	Additions	0.00	0.00
E	Repayment during the year	0.90	40.98
F	Net Loan-Closing (C+D-E)	489.98	448.99
G	Average Loan (C+F)/2	490.43	469.48
H	Weighted Average Rate of Interest on Loan (in %)	8.1811	8.1660
I	Interest on Loan (G*H)	0.88	38.34

47. The details of IoL allowed vide order dated 11.1.2023 in Petition No. 390/TT/2023; IoL claimed by the Petitioner in the instant Petition and trued-up IoL allowed in the instant order concerning the transmission assets are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	11.17	505.92
Claimed by the Petitioner in the instant Petition	11.21	501.85
Approved after true-up in this order	11.21	501.85

(₹ in lakh)

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Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	0.88	38.46
Claimed by the Petitioner in the instant Petition	0.88	38.52
Approved after true-up in this order	0.88	38.34

Return on Equity (RoE)

48. 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, with income assessed under MAT (115JB of the Income Tax Act, 1961 [IT Act, 1961]). The Petitioner has further submitted that Income Tax Returns (ITRs) have been filed for FY 2021-22, FY 2022-23, and FY 2023-24.

49. 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

50. 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 according to the MAT rates notified for the respective financial year under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) of the IT Act, 1961, defines book profit as net profit in the Statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in



the IT Act, 1961. Since the Petitioner has been paying the MAT rates for the respective financial year, the notified MAT rates for the respective financial year shall be considered as the effective tax rate for grossing up the RoE for truing up the 2019-24 tariff period, in accordance with 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 based on actual payment. However, any penalty (due to default by the Assessee), if imposed, will not be included in the grossing up of the RoE rate. 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 applicable, on a yearly basis. Therefore, the following effective tax rate, based on the notified MAT rates, is considered for grossing up the RoE rate:

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

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

		(₹ in lakh)	
	Particulars	Asset-1	
		2022-23 (Pro-rata 8 days)	2023-24
	Return on Equity		
A	Opening Equity	2859.95	2880.29
B	Additions	20.33	84.27
C	Closing Equity (A+B)	2880.29	2964.55
D	Average Equity (A+C)/2	2870.12	2922.42
E	Return on Equity (Base Rate) (in %)	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782
H	Return on Equity (D*G)	11.82	548.89



(₹ in lakh)

	Particulars	Asset-2	
		2022-23 (Pro-rata 8 days)	2023-24
	Return on Equity		
A	Opening Equity	210.38	210.38
B	Additions	0.00	0.00
C	Closing Equity (A+B)	210.38	210.38
D	Average Equity (A+C)/2	210.38	210.38
E	Return on Equity (Base Rate) (in %)	15.500	15.500
F	MAT Rate for respective year (in %)	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782
H	Return on Equity (D*G)	0.87	39.51

52. The details of RoE approved vide order dated 11.1.2025 in Petition No. 390/TT/2023; RoE claimed by the Petitioner in the instant Petition and trued-up RoE allowed in relation to the transmission assets in the instant order are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	11.77	555.07
Claimed by the Petitioner in the instant Petition	11.82	548.89
Approved after true-up in this order	11.82	548.89

(₹ in lakh)

Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	0.87	39.69
Claimed by the Petitioner in the instant Petition	0.87	39.69
Approved after true-up in this order	0.87	39.51

Operation & Maintenance Expenses (O&M Expenses)

53. The Commission vide order dated 11.1.2025 in Petition No. 390/TT/2023 allowed the following O&M Expenses in respect of the transmission assets for the 2019-24 tariff period :

(₹ in lakh)

Asset Name	2022-23 (Pro-rata 08 days)	2023-24
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Asset-1	1.32	62.11
Asset-2	1.56	73.82

54. The Petitioner in the instant true-up Petition has claimed the following O&M Expenses in respect of the transmission assets for the 2019-24 tariff period :

(₹ in lakh)		
Asset Name	2022-23 (Pro-rata 08 days)	2023-24
Asset-1	1.31	62.11
Asset-2	1.56	73.82

55. We have considered the submissions of the Petitioner. The O&M Expenses allowed for the transmission assets, as per norms specified in the 2019 Tariff Regulations, are as follows:

Asset-1

(₹ in lakh)		
Particulars	2022-23 (pro-rata for 8 days)	2023-24
Transmission Line, Single Circuit (Twin Conductor)		
400 kV Mohindergarh-Bhiwani Line (Total length of line: 06 Km)		
Norms as per regulations (₹ lakh/km)	0.558	0.578
O&M expenses allowed	0.07	3.468
Transmission Line, Double Circuit (Twin Conductor)		
400 kV Mohindergarh-Bhiwani Line (Total length of line: 58.00 km)		
Norms as per regulations (₹ lakh/km)	0.977	1.011
O&M Expenses allowed	1.24	58.64
Total O&M Expenses allowed	1.32	62.11

Asset-2

(₹ in lakh)		
Particulars	2022-23 (pro-rata for 8 days)	2023-24
400 kV Bays		
Bhiwani substation		
2 Nos. 400 kV line bays at Bhiwani Substation		
Norms as per regulations (₹ lakh/Bay)	35.66	36.91
O&M Expenses allowed	1.56	73.82



56. Accordingly, the details of the O&M Expenses approved vide order dated 11.1.2025 in Petition No. 390/TT/2023; O&M Expenses claimed by the Petitioner in this Petition and the trued-up O&M Expenses allowed in this order are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	1.32	62.11
Claimed by the Petitioner in the instant Petition	1.31	62.11
Approved after true-up in this order	1.32	62.11

(₹ in lakh)

Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	1.56	73.82
Claimed by the Petitioner in the instant Petition	1.56	73.82
Approved after true-up in this order	1.56	73.82

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

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

(₹ in lakh)

	Particulars	Asset-1	
		2022-23 (Pro-rata 8 days)	2023-24
	Interest on Working Capital		
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.00	5.18
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	9.00	9.32



	Particulars	Asset-1	
		2022-23 (Pro-rata 8 days)	2023-24
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	202.51	203.79
D	Total Working Capital (A+B+C)	216.52	218.29
E	Rate of Interest for working capital (in %)	10.50	12.00
F	Interest on working capital (D*E)	0.50	26.19

(₹ in lakh)

	Particulars	Asset-2	
		2022-23 (Pro-rata 8 days)	2023-24
	Interest on Working Capital		
A	Working Capital for O&M Expenses (O&M Expenses for one month)	5.94	6.15
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	10.70	11.07
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	24.19	24.30
D	Total Working Capital (A+B+C)	40.83	41.52
E	Rate of Interest for working capital (in %)	10.50	12.00
F	Interest on working capital (D*E)	0.09	4.98

59. The details of IWC allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023; IWC claimed by the Petitioner in the instant Petition and trued-up IWC allowed regarding the transmission assets in the instant order are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	0.50	26.43
Claimed by the Petitioner in the instant Petition	0.50	26.20
Approved after true-up in this order	0.50	26.19

(₹ in lakh)

Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	0.09	4.99
Claimed by the Petitioner in the instant Petition	0.09	4.99



Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Approved after true-up in this order	0.09	4.98

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

60. Accordingly, the Annual Fixed Charges allowed after the truing-up for the 2019-24 tariff period in respect of the transmission assets are as follows:

(₹ in lakh)

	Particulars	Asset-1	
		2022-23 (Pro-rata 8 days)	2023-24
A	Depreciation	11.16	518.49
B	Interest on Loan	11.21	501.85
C	Return on Equity	11.82	548.89
D	O & M Expenses	1.32	62.11
E	Interest on Working Capital	0.50	26.19
F	Total (A+B+C+D+E)	36.01	1657.53

(₹ in lakh)

	Particulars	Asset-2	
		2022-23 (Pro-rata 8 days)	2023-24
A	Depreciation	0.90	40.98
B	Interest on Loan	0.88	38.34
C	Return on Equity	0.87	39.51
D	O & M Expenses	1.56	73.82
E	Interest on Working Capital	0.09	4.98
F	Total (A+B+C+D+E)	4.30	197.63

61. The details of AFC allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023, AFC claimed by the Petitioner in the instant Petition, and trued-up AFC allowed in the instant order are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	35.88	1673.82
Claimed by the Petitioner in the instant Petition	36.00	1657.54
Approved after true-up in this order	36.01	1657.53

(₹ in lakh)



Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Allowed vide order dated 11.1.2025 in Petition No. 390/TT/2023	4.30	198.11
Claimed by the Petitioner in the instant Petition	4.30	198.17
Approved after true-up in this order	4.30	197.63

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

62. Assets 1 and 2 have been combined and termed as Combined Assets for the 2024-29 tariff period. The Petitioner has claimed the following transmission charges in respect of the Combined Assets for the 2024-29 tariff period:

(₹ in lakh)

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	578.29	610.08	638.90	638.90	638.90
Interest on Loan	506.31	498.92	488.65	439.64	391.43
Return on Equity	599.88	633.67	664.30	664.30	664.30
Interest on Working Capital	29.90	31.02	32.02	31.49	31.15
O&M Expenses	111.95	117.82	123.96	130.47	137.33
Total	1826.33	1891.51	1947.83	1904.80	1863.11

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

(₹ in lakh)

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	9.33	9.82	10.33	10.87	11.44
Maintenance Spares	16.79	17.67	18.59	19.57	20.60
Receivables	225.16	233.20	240.14	234.20	229.70
Total Working Capital	251.28	260.69	269.06	264.64	261.74
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90
Interest on Working Capital	29.90	31.02	32.02	31.49	31.15

Effective Date of Commercial Operation (E-COD)



64. The COD of Assets 1 and 2 is 24.3.2023. The Petitioner has claimed the E-COD for the Combined Assets as 24.3.2023. We have considered the Petitioner's submissions and approved the E-COD as 24.3.2023. The E-COD has been used to determine the lapsed life of the transmission project, which is one year 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

65. Life, as defined under Regulation 33 of the 2024 Tariff Regulations, has been considered for the determination of WAL. The Combined Assets may consist of multiple elements such as land, buildings, transmission lines, substations, and PLCC, each with a different lifespan. Therefore, the concept of WAL has been used as the useful life of the transmission system as a whole.

66. WAL has been determined based on the admitted capital cost of individual elements under the transmission project as on 24.3.2023 (E-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 24 years and the same is as follows:

Particulars	Combined Assets Cost (₹ in lakh) (1)	Life as per 2024 Tariff Regulation (Years) (2)	Weighted Cost (3)=(1)x(2)	Weighted Average Life of Asset (in years) (4)=(3)/(1)
Land – Freehold	0.00	0	0.00	33.17 years, rounded off to 33 years
Land – Leasehold	0.00	0	0.00	
OPGW	395.87	15	5938.07	
Transmission Line	9272.53	35	324538.71	
Sub Station	791.24	25	19781.05	
PLCC	92.75	7	649.28	
IT Equipment including software	30.69	7	214.85	
	10583.09		351121.96	33



67. WAL as on 24.3.2023 (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 24.3.2023, and the lapsed life of the project as a whole works out as 1 year 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 1.4.2024 to be 32 years.

Capital Cost

68. 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.”

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

Asset	Capital Cost claimed as on 31.3.2024	ACE Claimed		Estimated Completion Cost
		2024-25	2025-26	
Combined Assets	10590.50	111.76	1087.37	11789.63

70. We have considered the submissions of the Petitioner. The capital cost has been addressed in accordance with Regulation 19(3) (a) of the 2024 Tariff Regulations. The total trued-up capital cost of ₹10583.09 lakh for the Combined Assets as on 31.3.2024 has been approved by the Commission in this order, and it is considered the opening capital cost as on 1.4.2024 for working out the tariff for the 2024-29 period.

Initial Spares

71. In accordance with the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, the Petitioner has now claimed the Initial Spares for the Combined Assets based on the overall project cost. Consequently, the Initial Spares have been recalculated considering the total project cost in line with the APTEL's judgement, and the additional Initial Spares of ₹4.19 lakh have been added back to the cost of the Combined Assets as on 31.3.2024.

72. We have considered the Petitioner's submissions. The APTEL, vide judgement dated 14.9.2019 in Appeal No. 74 of 2017, observed that the Commission, for the purpose of 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.



73. The transmission assets were commissioned during the 2019-24 tariff period, and therefore, the norms specified for the Initial Spares in the 2019 Tariff Regulations apply for the calculation of the allowable Initial Spares asset/element-wise. According to the APTEL's judgement, Initial Spares should be allowed as a percentage of the overall project cost at a later stage. In this case, the assets are combined during the 2024-29 tariff period, and thus, in accordance with the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017, the details of the Initial Spares for the Combined Assets in the 2024-29 tariff period are as follows:

(₹ in lakh)

Asset	Plant & Machinery Cost upto the cut off Date (Excluding IDC, IEDC, cost of Land and Civil works) (A)	Initial Spares Claimed (B)	Ceiling as per The 2019 Tariff Regulations (C) (in %)	Allowable Initial Spares $D=(A-B)*C/(100\%C)$	Initial Spares allowed in instant order during the 2019-24 tariff period	Additional Initial Spares to be allowed $F=C-E$
Transmission line						
Asset-1	8717.36	71.68	1%	87.33	71.68	0.00
(No additional Initial Spares allowed under transmission line head)						
Substation						
Asset-1	167.41	0.00	6%	10.69	0.00	
Asset-2	681.04	75.61	6%	38.64	38.64	
Total	848.45	75.61		49.33	38.64	10.69
(Additional Initial Spares ₹10.69 lakh (₹49.33-38.64 lakh) has been allowed in respect of Combined Assets against the Sub-station)						

74. In light of the above, the additional Initial Spares of ₹10.69 lakh are allowed as on 1.4.2024, in accordance with the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017 regarding the Combined Assets, subject to truing-up.

75. Accordingly, the details of the capital cost as on 1.4.2024 in respect of the Combined Assets are as follows:



(₹ in lakh)

Asset's Name	Admitted Capital Cost as on 31.3.2024	Excess Initial Spares Added back	Capital Cost as on 1.4.2024
Combined Assets	10583.09	10.69	10593.78

Additional Capital Expenditure (ACE)

76. The 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”

77. The Petitioner in the current Petition has claimed ACE regarding Combined Assets for the 2024-29 tariff period under Regulation 24(1)(a) & 24(1)(b) of the 2024 Tariff Regulations, and the details are as follows:

Asset's Name	ACE Claimed		
	2024-25	2025-26	Total
Combined Assets	111.76	1087.37	1199.13

78. The Petitioner has submitted that the projected ACE claimed in the 2024-29 period is on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed prior to the cut-off date.

79. The party-wise details of the liability flow statement against the ACE claimed for the 2024-29 tariff period are as follows:



Asset-1:**(₹ in lakh)**

Party Name	Particular	Outstanding Liability as on 31.3.2024	Discharge		Works deferred for execution		Outstanding Liability as of 31.3.2029
			2024-25	2025-26	2024-25	2025-26	
M/s. C&C Const. & M/s. Unitech Power	Transmission Line	534.38	108.50	426.08	0.00	639.55	0.00
M/s. ABB	Sub-station	0.00	0.00	0.00	0.00	0.00	0.00
M/s. C&C Const. & M/s Unitech Power.	OPGW	25.00	3.26	21.74	0.00	0.00	0.00
Total		648.17	111.76	447.82	0.00	639.55	0.00

80. We have considered the submissions of the Petitioner. It is observed that the Petitioner has projected ACE for the years 2024-25 and 2025-26 against un-discharged liabilities relating to final/retention payments for works executed prior to the cut-off date and works deferred for execution. Therefore, in accordance with Regulation 24(1)(a) and Regulation 24(1)(b) of the 2024 Tariff Regulation, the ACE projected by the Petitioner for the discharge of liabilities in respect of Combined Assets is approved for the 2024-29 tariff period, subject to truing-up, as detailed below:

(₹ in lakh)

Asset's Name	Regulation	ACE allowed	
		2024-25	2025-26
Combined Assets	24(1)(a) of the 2024 Tariff Regulations	111.76	447.82
	24(1)(a) & 24(1)(b) of the 2024 Tariff Regulations	0.00	639.55
Total		111.76	1087.37

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

(₹ in lakh)

Asset	Capital Cost admitted as on 1.4.2024	ACE Allowed		Capital Cost allowed as on 31.3.2029
		2024-25	2025-26	
Combined Assets	10593.78	111.76	1087.37	11792.91

82. In view of the above, the total capital expenditure as on 31.3.2029 is within the apportioned approved FR of ₹13238.10 lakh.



Debt-Equity Ratio

83. 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.”

84. The debt-equity ratio used for calculating the tariff for the 2024-29 period is allowed as per Regulation 18(3) of the 2024 Tariff Regulations. The debt-equity ratio considered for the purpose of computation of the tariff for the Combined Assets for the 2024-29 period is as follows:

Funding	Capital Cost as on 1.4.2024 (₹ in lakh)	(In %)	ACE in 2024-29 period (₹ in lakh)	(In %)	Capital Cost as on 31.3.2029 (₹ in lakh)	(In %)
Debt	7415.65	70.00	839.39	70.00	8255.04	70.00
Equity	3178.13	30.00	359.74	30.00	3537.87	30.00
Total	10593.78	100.00	1199.13	100.00	11792.91	100.00

Depreciation

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

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

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

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



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

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

.....

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

(4)

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

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

.....

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

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

.....

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

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

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

(10) Xxxxx



(11) Xxxxx

(12) Xxxxx”

86. 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 and placed as Annexure-II for the Combined Assets as per the rates of depreciation specified in the 2024 Tariff Regulations.

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

(₹ in lakh)						
Combined Assets						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Depreciation					
A	Opening Gross Block	10593.78	10705.54	11792.91	11792.91	11792.91
B	Addition during 2024-29 due to ACE	111.76	1087.37	0.00	0.00	0.00
C	Closing Gross Block (A+B)	10705.54	11792.91	11792.91	11792.91	11792.91
D	Average Gross Block (A+C)/2	10649.66	11249.23	11792.91	11792.91	11792.91
E	Average Capital Cost (90% depreciable assets)	10618.97	11218.53	11762.22	11762.22	11762.22
F	Average Capital Cost (100% depreciable assets)	30.69	30.69	30.69	30.69	30.69
G	Depreciable Value (excluding IT equipment and software) (E*90%)	9557.07	10096.68	10586.00	10586.00	10586.00
H	Depreciable Value of IT equipment and software (F*100%)	30.69	30.69	30.69	30.69	30.69
I	Total Depreciable Value (G+H)	9587.76	10127.37	10616.69	10616.69	10616.69
J	Weighted average rate of Depreciation (WAROD) (in %)	5.4318	5.4249	5.4191	5.4191	5.4191
K	Balance useful life of the asset	32	31	30	29	28
L	Elapsed life at the beginning of the year	1	2	3	4	5
M	Combined Depreciation during the year (D*J)	578.46	610.25	639.07	639.07	639.07
N	Cumulative Depreciation at the end of the year	1150.01	1760.27	2399.36	3038.44	3677.52



Combined Assets						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	8437.76	8367.10	8217.33	7578.25	6939.17

Interest on Loan (IoL)

88. 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.”

89. 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 2024-29 tariff period in respect of the Combined Assets is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Interest on Loan					
A	Gross Normative Loan	7415.65	7493.88	8255.04	8255.04	8255.04
B	Cumulative Repayments up to Previous Year	571.53	1150.01	1760.27	2399.36	3038.44
C	Net Loan-Opening (A-B)	6844.11	6343.87	6494.76	5855.68	5216.60
D	Additions	78.23	761.16	0.00	0.00	0.00
E	Repayment during the year	578.47	610.26	639.08	639.08	639.08
F	Net Loan-Closing (C+D-E)	6343.87	6494.76	5855.68	5216.60	4577.51
G	Average Loan (C+F)/2	6593.99	6419.32	6175.22	5536.14	4897.05
H	Weighted Average Rate of Interest on Loan (in %)	7.6811	7.7748	7.9157	7.9439	7.9958
I	Interest on Loan (G*H)	506.49	499.09	488.81	439.78	391.56

Return on Equity (RoE)

90. 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.”

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

92. 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 for the 2024-29 tariff period is as follows:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Return on Equity					
A	Opening Equity	3178.13	3211.66	3537.87	3537.87	3537.87
B	Additions	33.53	326.21	0.00	0.00	0.00
C	Closing Equity (A+B)	3211.66	3537.87	3537.87	3537.87	3537.87
D	Average Equity (A+C)/2	3194.90	3374.77	3537.87	3537.87	3537.87
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)	600.07	633.85	664.48	664.48	664.48



Operation & Maintenance Expenses (O&M Expenses)

93. The O&M Expenses claimed by the Petitioner for the Combined Assets for the 2024-29 period are as follows:

(₹ in lakh)					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	111.95	117.82	123.96	130.47	137.33

94. 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
<i>Norms for sub-station Bays (₹ Lakh per bay)</i>					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
<i>Norms for Transformers/ Reactors (₹ Lakh per MVA or MVAR)</i>					
O&M expenditure per MVA or per MVAR (₹ Lakh per MVA or MVAR)	0.262	0.276	0.290	0.305	0.322
<i>Norms for AC and HVDC lines (₹ Lakh per km)</i>					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four 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
<i>Norms for HVDC stations</i>					
HVDC Back-to-Back stations (₹ Lakh per MW) (Except Gazuwaka BTB)	2.07	2.18	2.30	2.42	2.55



Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per MW)</i>	1.83	1.92	2.03	2.13	2.24
<i>HVDC bipole scheme (₹ Lakh per MW)</i>	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.

.....”

95. 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				
	2024-25	2025-26	2026-27	2027-28	2028-29
Transmission line					
Transmission Line, Single Circuit (Twin Conductor)					
400 kV Mohindergarh-Bhiwani Line (Total length of line: 06 km)					
Norms as per regulations (₹ lakh/km)	0.492	0.518	0.545	0.573	0.603
O&M Expenses allowed	2.952	3.108	3.27	3.438	3.618
Transmission Line, Double Circuit (Twin Conductor)					
400 kV Mohindergarh-Bhiwani Line (Total length of line: 58.00 km)					



Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
Transmission line					
Norms as per regulations (₹ lakh/km)	0.861	0.906	0.953	1.003	1.056
O&M Expenses allowed	49.938	52.548	55.274	58.174	61.248
Total O&M Expenses allowed	52.89	55.656	58.544	61.612	64.866
Substation					
400 kV Bays Bhiwani substation 2 Nos. 400 kV line bays at Bhiwani Substation					
Norms as per regulations (₹ lakh/Bay)	29.53	31.08	32.71	34.43	36.23
O&M expenses allowed	59.06	62.16	65.42	68.86	72.46
Total O&M Expenses allowed	111.95	117.82	123.96	130.47	137.33

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

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses claimed by the Petitioner	111.95	117.82	123.96	130.47	137.33
O&M Expenses allowed	111.95	117.82	123.96	130.47	137.33

Interest on Working Capital (IWC)

97. 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.”

98. 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 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 FY 2028-29.

99. 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 are as under:

Combined Assets:

(₹ in lakh)						
	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A	Working Capital for O&M Expenses (O&M Expenses for one month)	9.33	9.82	10.33	10.87	11.44
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	16.79	17.67	18.59	19.57	20.60
C	Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	225.23	233.38	240.33	234.37	229.87
D	Total Working Capital (A+B+C)	251.35	260.87	269.25	264.82	261.92
E	Rate of Interest for working capital (in %)	11.90	12.25	12.25	12.25	12.25



	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
F	Interest on working capital (D*E)	29.91	31.96	32.98	32.44	32.08

Annual Fixed Charges for the 2024-29 Tariff Period

100. The Annual Fixed Charges allowed concerning the Combined Assets for the 2024-29 tariff period are summarized as follows:

Combined Assets:

	(₹ in lakh)				
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	578.46	610.25	639.07	639.07	639.07
Interest on Loan	506.49	499.09	488.81	439.78	391.56
Return on Equity	600.07	633.85	664.48	664.48	664.48
O & M Expenses	111.95	117.82	123.96	130.47	137.33
Interest on Working Capital	29.91	31.96	32.98	32.44	32.08
Total	1826.88	1892.97	1949.30	1906.24	1864.52

Filing Fee and Publication Expenses

101. 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.

102. 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 under Regulation 94(1) of the 2024 Tariff Regulations from the beneficiaries or long-term customers, as the case may be.

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

103. 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.

104. 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.”

105. 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

106. 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

107. 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.

108. 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

109. 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 assets are not claimed in the instant Petition.

110. 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.

111. The Petitioner has not claimed capital spares for the Combined 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 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.



112. 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."

113. 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

114. The Petitioner has submitted that the truing-up of the tariff for the 2019-24 tariff period 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. Further, the tariff for the 2024-29 tariff period shall be recovered monthly 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.



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

116. To summarise:

The details of AFC claimed by the Petitioner in the instant Petition and trued-up AFC allowed in the instant order for the transmission assets are as follows:

(₹ in lakh)

Asset-1	2022-23 (Pro-rata 8 days)	2023-24
Claimed by the Petitioner in the instant Petition	36.00	1657.54
Approved after true-up in this order	36.01	1657.53

(₹ in lakh)

Asset-2	2022-23 (Pro-rata 8 days)	2023-24
Claimed by the Petitioner in the instant Petition	4.30	198.17
Approved after true-up in this order	4.30	197.63

Annual Fixed Charges allowed for the 2024-29 tariff period for the Combined Assets in this order are follows:

(₹ in lakh)

Combined Assets	2024-25	2025-26	2026-27	2027-28	2028-29
Claimed by the Petitioner	1826.33	1891.51	1947.83	1904.80	1863.11
Approved in this order	1826.88	1892.97	1949.30	1906.24	1864.52

117. This order disposes of Petition No. 818/TT/2025, in terms of the above discussions and findings.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

