

BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. ___ /TT/ ___

IN THE MATTER OF: -

Subject matter: Petition for truing up of Transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for Asset under “Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda” in Eastern Region under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024.

Power Grid Corporation of India Ltd.

---PETITIONER

Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi. - 110 016.
Corporate Centre: ‘SAUDAMINI’, Plot No-2,
Sector-29, Gurgaon-122 001, Haryana.

Bihar State Power (Holding) Company Ltd.

---RESPONDENT

Vidyut Bhavan, Bailey Road,
Patna – 800 001, Bihar.
Represented by its Chairman

And others

Place:

Petitioner

Date: 30.07.2024


(Zafrul Hasan)
General Manager (Commercial)



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FILED BY
POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED: 30.07.2024

REPRESENTED BY

Zafrul Hasan

(Zafrul Hasan)

General Manager (Commercial)



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Bihar State Power (Holding) Company Ltd.

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Represented by its Chairman

---RESPONDENT

And others

To
The Secretary
Central Electricity Regulatory Commission
New Delhi 110001

Sir,



The present tariff Petition is filed under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024 and same may be pleased to be registered and taken on record by the Hon'ble Commission.

FILED BY
POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED: 30.07.2024

REPRESENTED BY

(Zafrul Hasan)
General Manager (Commercial)



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Bihar State Power (Holding) Company Ltd.

---RESPONDENT

Vidyut Bhavan, Bailey Road,
Patna – 800 001, Bihar.
Represented by its Chairman

And others

MEMO OF PARTIES

Power Grid Corporation of India Ltd.

--- PETITIONER

VERSUS

Eastern Region

--- RESPONDENTS

1. Bihar State Power (Holding) Company Limited
Vidyut Bhawan, Bailey Road,
Patna - 781001, Assam
Represented by its Chairman



2. West Bengal State Electricity Distribution Company Limited
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Kolkata - 700 091, West Bengal
Represented by its Chairman.
3. Grid Corporation Of Orissa Ltd
Shahid Nagar,
Bhubaneswar - 751 007, Odisha
Represented by its Chairman & Managing Director
4. Damodar Valley Corporation
DVC Tower, Maniktala
Civic Centre, VIP Road,
Kolkata - 700 054, West Bengal
Represented by its Chairman
5. Power Department, Govt. of Sikkim,
Gangtok – 737 101, Sikkim
Represented by its Commissioner and Secretary (Power)
6. Jharkhand Bijli Vitran Nigam Ltd
Engineering Building, H.E.C., Dhurwa,
Ranchi – 834 004, Jharkhand
Represented by its Chairman

GURGAON

DATED: 30.07.2024

**PETITIONER
POWER GRID CORPORATION OF INDIA LTD.
REPRESENTED BY**

**Zafrul Hasan
General Manager (Commercial)**



**BEFORE
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Petition No. ----/TT/----

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Vidyut Bhavan, Bailey Road,
Patna – 800 001, Bihar.
Represented by its Chairman

And others

MEMO OF APPEARANCE

POWER GRID CORPORATION OF INDIA LTD.

-- PETITIONER

1. Shri Dilip Nagesh Rozekar, ED (Commercial & Regulatory Cell), POWERGRID
2. Shri Mohd. Mohsin, Chief GM (Commercial & Regulatory Cell), POWERGRID
3. Shri V. Srinivas, Chief GM (Commercial & Regulatory Cell)
4. V.C. Sekhar, Sr. GM (Regulatory Cell)
5. **Shri Zafrul Hasan, GM (Commercial), POWERGRID**



I, Zafrul Hasan, the Petitioner above named do hereby nominate to act, plead and appear on my behalf in the aforesaid matter.

IN WITNESS WHEREOF I have set and subscribed my hands to this writing on this 30th date of Jul'2024.

PETITIONER

POWER GRID CORPORATION OF INDIA LTD.

Zafrul Hasan

General Manager (Commercial)



GURGAON

DATED: 30.07.2024

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---PETITIONER

Bihar State Power (Holding) Company Ltd.

Vidyut Bhavan, Bailey Road,
Patna – 800 001, Bihar.
Represented by its Chairman

---RESPONDENT

And others

A. EXECUTIVE SUMMARY OF THE PETITION:

(i) Brief Background of the Petitioner

1. The Petitioner herein, Power Grid Corporation of India Ltd. (Hereinafter referred to as “POWERGRID/Petitioner”) is a Government Company within the meaning of the Companies Act, 2013. POWERGRID is deemed transmission licensee in terms of Section 14 of the Electricity Act, 2003. POWERGRID by virtue of a transmission



licensee is required to inter-alia build, maintain and operate an efficient, coordinated and economical interstate transmission system (“ISTS”). POWERGRID operates and functions within the regulatory control of this Hon’ble Central Electricity Regulatory Commission (hereinafter referred to as “**Hon’ble Central Commission**”). Tariff for the transmission system established by POWERGRID is required to be determined by this Hon’ble Central Commission in accordance with the Tariff Regulations as notified by this Hon’ble Central Commission in exercise of its powers under Section 178 of the Electricity Act, 2003.

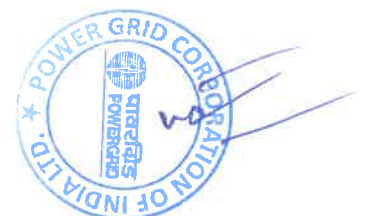
(ii) Brief Background of the Respondent(s):

POWERGRID has impleaded distribution licensees and Government department of the respective states which are engaged in distribution of electricity in Eastern Region of India. The respondents are also ‘Designated Inter State Transmission Customer’ (hereinafter referred to as ‘DICS’) in terms of the 2020 Sharing Regulations from Eastern region.

(iii) Background of Transmission Assets:

2. POWERGRID has filed the present petition for truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for the following Assets which are implemented under “**Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda**” in Eastern Region for the following:

Asset No	Asset Name	DOC0	Remarks
Asset-I	Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda	01.05.2002	-



(iv) Summary of Claims:

3. A. POWERGRID is seeking truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for aforesaid transmission assets on capital cost comprising of capital cost incurred/Admitted upto 31.03.2019/DOCO and additional capital expenditure during 2019-24 & 2024-29 in accordance with terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (“**Tariff Regulations, 2019**”) and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (“**Tariff Regulations, 2024**”).
4. The details of FR (Feasibility Report) /RCE (Revised Cost Estimate) approved cost vis-à-vis claimed capital cost as on 31.03.2019 and additional capital expenditure during 2019-24 and 2024-29 tariff block is as under:

Tariff Period 2019-24				
				<i>₹ in Lakhs</i>
Asset No.	Apportioned Approved Cost as per FR / RCE	Expenditure Up to DOCO /31.03.2019	Expenditure during 2019-24 tariff block	Actual Cost as on 31.03.2024
			2019-24	
Asset-I	945.00 / NA	594.63	0.00	594.63

Tariff Period 2024-29				
				<i>₹ in Lakhs</i>
Asset No.	Apportioned Approved Cost as per FR / RCE	Expenditure Up to 31.03.2024	Estimated Expenditure during 2024-29 tariff block	Total Estimated Cost as on 31.03.2029
			2024-29	
Asset-I	945.00 / NA	594.63	0.00	594.63



5. It is prayed to hon'ble commission to reimburse expenditure of petition filing fee, license fee, newspaper publication expanses and RLDC fee & charges etc.

6. Details of tariff claimed are as under:

True up annual transmission tariff for 2019-24 tariff block:

Tariff For 2019-24 Block						
₹ in Lakhs						
Asset No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I	Approved Tariff (approved vide CERC order 324/TT/2019)	249.46	255.59	262.47	269.82	276.95
	Revised tariff (claimed vide instant petition)	248.31	254.44	260.68	268.00	276.48

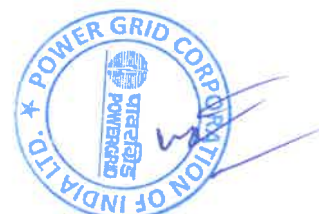
Tariff For 2024-29 Block					
₹ in Lakhs					
Asset No	2024-25	2025-26	2026-27	2027-28	2028-29
Asset-I	203.34	211.75	220.43	230.04	231.66

B. DETAILED PETITION;

MOST RESPECTFULLY SHOWETH:

Issue wise submission(s):

7. The Petitioner herein, Power Grid Corporation of India Ltd/ POWERGRID. is a Government Company within the meaning of the Companies Act, 1956. POWERGRID is a deemed transmission licensee under Section 14 of the Electricity Act 2003.



8. POWERGRID being transmission licensee is required to inter-alia build, maintain and operate an efficient, coordinated and economical interstate transmission system (ISTS). The tariff for the said transmission systems shall be determined by the Hon'ble Central Commission in accordance with the Tariff Regulations, 2019 and 2024.
9. That the subject project/petition covers approval of transmission tariff for following Asset:

Asset No	Asset Name	DOCO	Remarks
Asset-I	Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda	01.05.2002	Covered under instant petition (Earlier covered under Petition no. 324/TT/2019)

COST DETAILS:

10. The capital cost of Rs. 594.63 Lakhs for subject Asset-I has been admitted by Hon'ble commission vide order dated 19.02.2021 in petition no. 324/TT/2019. Copy of order is enclosed as Encl-1. In the current petition, no additional capital expenditure was incurred during the 2019-24 tariff block, and no additional capital expenditures are proposed during the 2024-29 tariff block.

TRANSMISSION TARIFF:

11. Transmission tariff:

The 2019-2024 truing up exercise is to be done at the time of filing tariff petition for next block, i.e. 2024-29 period as per regulation 13 of Tariff Regulation 2019-24.

Regulation 13 of Tariff Regulation 2019-24:

Quote

"The Commission shall carry out truing up exercise for the period 2019-24 along with the tariff petition filed for the next tariff period, for the following:"

Unquote



That the Petitioner is required to adjust the yearly impact of MAT as per regulation 31 (3) of the tariff Regulation 2019-24 period dated 07.03.2019 in the truing up petition for 2019-24 tariff block.

Regulation 31 (3) of the tariff Regulation 2019-24:

Quote

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 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 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. 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 year to year basis

Unquote

It is submitted that the Income Tax assessment of the Petitioner has been completed and Assessment Orders has been issued by the Income Tax Department for FY 2019-20 and 2020-21; and that the Income Tax returns have been filed with the Income Tax Department for FY 2021-22 & 2022-23. Further, it is submitted that the Income Tax Return for 2023-24 will be filed in due course.

As such, basis of year wise effective tax rate and Grossed up ROE trued up accordingly for the block period 2019-24 is summarized as under:



Financial Year	Basis considered	Total Tax & Interest paid (Rs)	Assessed MAT Income under Sec 115 JB (Rs)	Effective Tax percentage	Grossed up ROE (Base rate/(1-t))
2019-20	Assessment Order	24,52,62,76,991	1,40,37,47,53,855	17.472%	18.782%
2020-21	Assessment Order	26,08,93,59,008	1,49,32,09,65,036	17.472%	18.782%
2021-22	Actual Tax paid	31,81,46,40,406	1,82,08,92,88,030	17.472%	18.782%
2022-23	Actual Tax paid	30,42,88,20,993	1,74,15,76,29,306	17.472%	18.782%
2023-24	Applicable Rate #			# 17.472%	18.782%

Based on the applicable rate of MAT @ 15 %, Surcharge @ 12% & Cess @ 4%

The above Effective Tax percentage shall be applied by the petitioner in arriving out the Grossed up ROE rate in all cases of truing up petitions to be filed for the period 2019-24. It is submitted that effective rate of tax considered for FY 2019-20 and 2020-21 are based on Assessment Order issued by Income-Tax authorities, for the purpose of grossing up of ROE rate and that the effective rate of tax considered for F/Y 2021-22 and F/Y 2022-23 are based on the Income-tax returns filed, for the purpose of grossing up of ROE rate of respective years. Further, for F/Y 2023-24, pending filing of ITR, effective tax rate is calculated based the applicable MAT rate (i.e. MAT 15% + Surcharge 12.00% + Cess 4%), for the purpose of grossing up of ROE rate.

The Hon'ble Commission is requested to allow the petitioner to claim the differential tariff on account of the trued up ROE based on effective tax rate calculated on completion of Income-tax assessment/re-assessment for the F/Y 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on receipt of the respective assessment orders, directly from the beneficiaries, on year to year basis as provided in the regulation.

In line with the above Regulation, the tariff for each year of the tariff period 2019-24 block has been trued up considering the above Effective Tax percentage to arrive at Grossed up ROE rate.



While filing Tariff petition for 2019-24 period, the petitioner had prayed for allowing the floating rate of Interest on loan adjustments. As per Hon'ble Commission order dated 18.04.2022 in petition no. 26/TT/2021, it has been stated that the weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019 and accordingly, the floating rate of interest on actual, applicable from time to time, if any, during 2019-24 tariff shall be considered at the time of true up or next revision of tariff.

That in the present petition, truing up of transmission tariff for the tariff block 2019-24 is being carried out on account of actual additional capitalization during 2019-24 tariff block, change in MAT rate as well as floating rate of interest during 2019-24.

12. The trued up annual transmission tariff for the tariff period 2019-24 is summarized as below:

Truing-Up Tariff For 2019-24 Block						
						<i>₹ in Lakhs</i>
Asset No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I	Approved Tariff (approved vide CERC order 324/TT/2019)	249.46	255.59	262.47	269.82	276.95
	Revised tariff (claimed vide instant petition)	248.31	254.44	260.68	268.00	276.48

Tariff Filing Formats along with the other relevant information and supporting documentation are attached hereto as **Encl-2**.

That in the subject petition, details are provided in various Tariff Forms with respect to Capital Cost as per books / Gross Block amount as per Books. It is submitted that the petitioner has opted for deemed cost exemption as per Para D7 AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Accordingly Carrying value i.e. Gross Block less Accumulated Depreciation is considered as deemed cost as on the date of transition i.e. 1st April 2015. As such, in case of assets commissioned before



01.04.2015, the accumulated depreciation as on 1st April 2015 is added back to the deemed Capital Cost as per books / Gross Block amount as per Books for arriving at the figures to be provided in various Tariff Forms.

13. The tariff for 2024-29 tariff block is summarized below:

Tariff For 2024-29 Block					
					<i>₹ in Lakhs</i>
Asset No	2024-25	2025-26	2026-27	2027-28	2028-29
Asset	203.34	211.75	220.43	230.04	231.66

Tariff Filing Formats along with the other relevant information and supporting documentation are attached hereto as **Encl-3**.

14. The asset has already completed 12 years of useful life in tariff block 2014-19 and the remaining depreciable value has been spread across the balance useful life of the asset in accordance with the Regulation 33(5) of the CERC tariff Regulation'2024. Further, the details have been computed and are provided in Form- 10 A.
15. That, it is submitted that the petitioner is currently liable to pay income tax at MAT rate specified in Income-tax Act,1961. Therefore, ROE has been calculated @ 18.782% after grossing up the ROE with MAT rate of 17.472% (Base Rate 15% + Surcharge 12% + Cess 4%) based on the formula given at regulation 31 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for 2024-29 period. That as per clause 31 (3) of the above regulation, the grossed up rate of ROE at the end of every financial year shall be trued up 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 IT authorities pertaining to the tariff period 2024-29 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on ROE after truing up



shall be recovered or refunded to beneficiaries or the long term customers, as the case may be on year to year basis. It is further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of tax including interest received from IT authorities shall be recoverable /adjustable during the tariff period 2024-29 on year to year basis on receipt of Income Tax assessment order.

16. Under CGST Act, 2017 implemented w.e.f. 01.07.2017, the Govt. of India has exempted the charges of transmission of electricity vide notification no. 12/2017 – Central Tax (Rate) dated 28.06.2017 at serial no. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL. Hence, the Transmission Charges as indicated at para 12 above is exclusive of GST. Further, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to the petitioner and the same shall be charged & billed separately by the petitioner. Further additional taxes, if any, are to be paid by the petitioner on account of demand from Govt. / Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

17. In the tariff calculation for 2019-24 period, Interest on Loan has been calculated on the basis of actual rate of interest of various loans deployed for each year. In the tariff calculation for 2024-29 period, Interest on Loan has been calculated on the basis of interest rates prevailing as on 01.04.2024 for respective loans. The change in Interest rate due to floating rate of interest applicable, if any, for the project needs to be claimed /adjusted over the tariff block of 05 years directly from / with the beneficiaries.

For the purpose of the supporting documents for rate of interest, a compendium of floating rate of interest of various loans during the tariff period 2019-24 shall be submitted shortly before the Hon'ble Commission.

18. The transmission charges at para-12 & 13 above is inclusive of O&M expenses derived for the subject asset based on the norms for O&M expenditure for Transmission System as specified under regulation 36 (3) (a) of the tariff regulations for block 2024-29.



19. That as per Regulation 36(3)(d) of CERC Tariff Regulations, 2024, the Security Expenses, Insurance and Capital Spares more than Rs. 10 Lakh for transmission system shall be allowed separately after prudence check.

SECURITY EXPANSES:

In this regard, it is submitted that a separate petition shall be filed for truing up of security expenses from 01.04.2019 to 31.03.2024 under the Regulation 35 (3) (C) of Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and recovery of security expenses from 01.04.2024 to 31.03.2029 under the Regulation 36 (3) (d) of Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024.

INSURANCE:

In this regard, it is submitted that a separate petition shall be filed before Hon'ble Commission for claiming the overall Insurance Expenses and consequential Interest on Working Capital (IOWC) on the same considering actual Insurance Expense incurred by the Petitioner for the F/Y 2023-24 after escalating the same at 5.25% per annum for arriving at the Estimated Insurance Expense for the year 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29.

CAPITAL SPARE:

With regard to Capital Spares, the Petitioner has filed a separate Petition bearing No 45/MP/2024 for claiming the capital spares under Tariff Regulations 2019. Further, as per Tariff Regulations, 2024, Capital spares consumed and consequential Interest on Working Capital (IOWC) on the same shall be claimed by the Petitioner as per actual through a separate petition.

Accordingly, these expenses are not claimed in the subject petition through the relevant Tariff Form and shall be claimed separately.



20. That as per Regulation 99 of CERC Tariff Regulations, 2024, the fees and charges of Central Transmission Utility of India Limited ('CTUIL') shall be allowed separately by the Commission through a separate regulation. Further, it provides that that until such regulation is issued by the Commission, the expenses of CTUIL shall be borne by POWERGRID which shall be recovered by POWERGRID as additional O&M expenses through a separate petition.

Accordingly, the expenses of CTUIL borne by POWERGRID shall be claimed through a separate petition.

21. The application filing fee, expenses incurred on publication of Notices in Newspapers and License fee may be allowed to be recovered separately from the respondents in terms of Regulation 94(1) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024. The fees and charges to be paid by the petitioner as ISTS licensee (deemed ISTS licensee) under CERC (Fees and Charges of RLDC and other matters) Regulations as amended from time to time shall also be recoverable from the DICs as provided under clause 94 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

22. The Transmission Charges and other related Charges indicated at para 12 & 13 above, is exclusive of incentive, late payment surcharge, FERV, any statutory taxes, levies, duties, cess, filing fees, license fee, RLDC fees and charges, capital spares, security expenses, insurance expenses or any other kind of imposition (s) and/ or other surcharges etc. whatsoever imposed / charged by any Government (Central/State). and / or any other local bodies/authorities/regulatory authorities in relation to transmission of electricity, environmental protection, and/or in respect of any of its installation associated with the Transmission System and the same shall be borne and additionally paid by the respondent(s) to the petitioner and the same shall be charged, billed separately by the petitioner on the respondents.

SHARING OF TRANSMISSION CHARGES:

23. Transmission Tariff for 2019-24 as per above, shall be recovered as per Regulation 57 of CERC Tariff Regulations, 2019 and CERC Sharing Regulations, in vogue. Transmission Tariff for 2024-29 as per above, shall be recovered as per Regulation 78 of CERC Tariff Regulations, 2024 and CERC Sharing Regulations, in vogue.



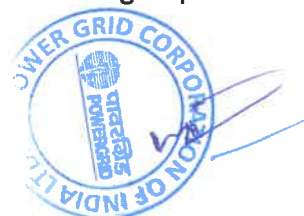
24. In the circumstances mentioned above it will be just and proper that the transmission tariff for the asset covered under this petition be allowed to be charged from the beneficiaries on the basis set out above. **The Petitioner submits that Encl.-1 to Encl.-3 may please be treated as integral part of this petition.**

PRAYER:

25. **PRAYER**

It is respectfully prayed that the Hon'ble Commission may be pleased to

- a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 12 and 13 above.
- b) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 12 and 13 above for respective block.
- Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long term customers / DIC as the case may be, as and when the same is materialized as per regulation 67 of 2019 and regulation 89 of 2024 tariff regulation. The petitioner may be allow to recover the deferred tax liability materialized directly without making any application before the commission as provided in the regulations.
- c) 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.



- d) Allow the petitioner to bill and recover Licensee fee and RLDC fees & charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.
- e) 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.
- f) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 19 above.
- g) 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 19 above.
- h) 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 19 above.
- i) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 20 above.
- j) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.

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



GURGAON

DATED: 30.07.2024

FILED BY
POWER GRID CORPORATION OF INDIA LTD.

REPRESENTED BY

Zafrul Hasan

General Manager (Commercial)



BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

PETITION NO.:

IN THE MATTER OF:

Subject matter: Petition for truing up of Transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for Asset under “Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda” in Eastern Region under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024.

Power Grid Corporation of India Ltd.

---PETITIONER

Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi. - 110 016.
Corporate Centre: 'SAUDAMINI', Plot No-2,
Sector-29, Gurgaon-122 001, Haryana.

Bihar State Power (Holding) Company Ltd.

---RESPONDENT

Vidyut Bhavan, Bailey Road,
Patna – 800 001, Bihar.
Represented by its Chairman

And others

AFFIDAVIT VERIFYING THE PETITION

I, Zafrul Hasan, S/O Late Shri Zahurul Hasan, working as General Manager (Commercial) in the Powergrid Corporation of India Ltd., having its registered Office at B-9, Institutional Area, Katwaria Sarai, New Delhi-110 016, do hereby solemnly affirm and state as under: -



25



1. That the deponent is the General Manager of Petitioner and is well conversant with the facts and the circumstances of the case and therefore competent to swear this affidavit.
2. That the accompanying Petition under Section 62 of the Electricity Act, 2003, has been filed by my authorised representative/nominated counsel under my instruction and the contents of the same are true and correct to the best of my knowledge and belief.
3. That the contents of Para 01 to 25 of the facts as mentioned in the Petition are true and correct based on the my personal knowledge, belief and records maintained in the office and the contents of Para 01 to 25 of the Petition are believed to be true on the basis of the legal advice received.
4. That the annexures annexed to the Petition are correct and true copies of the respective originals.
5. That the Deponent has not filed any other Petition or Appeal before any other forum or court of law with respect to the subject matter of the dispute



VERIFICATION

Solemnly affirmed at Gurgaon on this 30th day of Jul'2024 that the contents of the above affidavit are true to my knowledge and belief and no part of it is false and nothing material has been concealed there from.



ATTESTED
MAHENDER S. PUNIA
ADVOCATE & NOTARY
Distt. Gurugram (Haryana) India

30/07/2024



पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
केन्द्रीय वाणिज्यिक विभाग


Ref: CC/Commercial/2022

Date:-13.12.2022

LETTER OF AUTHORIZATION

Pursuant to the POWER OF ATTORNEY dated 08.12.2022 and in supersession of the letters of authorization dated 19.07.2022, I hereby authorize the following Executives to sign on Vakalatnama, Affidavits and to appear and conduct case proceedings on behalf of the company before CERC, SERC, APTEL, High Courts and Supreme Court.

1. Sh. S.S Raju, CGM (Commercial)
2. Sh. V. Srinivas, CGM (Commercial - BCD)
3. Sh. Mohd Mohsin, Sr. GM (Commercial)
4. Sh. Bipin Bihari Rath, Sr.GM (Commercial)
5. Sh. V.C Shekhar, GM (Regulatory Cell)
6. Sh. Zafrul Hasan, Sr. DGM (Commercial)


13/12/22
Mukesh Khanna

ED (Commercial &RC)



**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 324/TT/2019

Coram :

**Shri I. S. Jha, Member
Shri Arun Goyal, Member**

Date of Order: 19.02.2021

In the matter of

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and revision of transmission tariff for 2001-04 tariff block, 2004-09 tariff block, 2009-14 tariff block and truing up of transmission tariff of 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff for 2019-24 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2019 of Farakka-Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region.

And in the matter of

Power Grid Corporation of India Limited
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.... Petitioner

Versus

1. Bihar State Power (Holding) Company Limited,
(Formerly Bihar State Electricity Board-BSEB),
Vidyut Bhavan, Bailey Road,
Patna – 800 001
2. West Bengal State Electricity Distribution Company Limited,
Bidyut Bhawan, Bidhan Nagar, Block DJ,
Sector-II, Salt Lake City,
Kolkata - 700 091
3. Grid Corporation of Orissa Limited,
Shahid Nagar, Bhubaneswar - 751 007
4. Jharkhand State Electricity Board
In front of Main Secretariat,
Doranda, Ranchi - 834002



5. Damodar Valley Corporation
DVC Tower, Maniktala Civic Centre,
VIP Road, Kolkata - 700 054
6. Power Department,
Government of Sikkim,
Gangtok - 737 101

... Respondents

Parties present:

For Petitioner: Shri S. S. Raju, PGCIL
Shri A. K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri V. Rastogi, PGCIL

For Respondent: None

ORDER

The present petition has been filed by the Petitioner, Power Grid Corporation of India Ltd. for revision of transmission tariff for 2001-04 tariff period, 2004-09 tariff period, 2009-14 tariff period under applicable tariff regulations; truing of the capital expenditure for the period from 1.4.2014 to 31.3.2019 under Regulation 8 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations") and for determination of tariff under Regulation 8 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") of "Farakka-Malda Transmission Link and Additional 315 MVA Transformer at Malda" in Eastern Region (hereinafter referred as "transmission asset")

2. The Petitioner has made the following prayers:

- "1) Approve the revised Transmission Tariff for 2001-04 block, 2004-09 block and transmission tariff for 2009-14 block for the assets covered under this petition.
- 2) Approve the trued-up Transmission Tariff for the tariff block 2014-19 and transmission tariff for 2019-24 block for the assets covered under this petition.



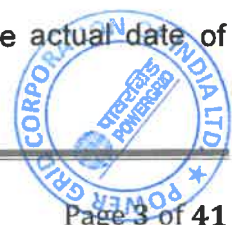
- 3) Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause 25 of the Tariff Regulations 2014 and Tariff Regulations 2019.
- 4) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70(1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.
- 5) Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.
- 6) 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 2019-24 period, if any, from the respondents.
- 7) Allow the Petitioner to recover FERV on the foreign loans deployed as provided under clause 68 of the Tariff Regulations, 2019.
- 8) Allow the Petitioner to file a separate petition before the Commission for claiming the overall security expenses and consequential IOWC on that security expenses.
- 9) Allow the Petitioner to claim the capital spares at the end of tariff block as per actual.
- 10) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.

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

Background

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

- a) The Petitioner was entrusted with the implementation of strengthening of “Farakka-Malda transmission link and additional 315 MVA Transformer at Malda” in Eastern Region. The administrative approval and expenditure sanction was initially accorded by the Ministry of Power vide its letter dated 13.1.2000 at an estimated cost of ₹945.00 lakh, including IDC of ₹58.00 lakh, based on 2nd quarter 1999 price level. As per the investment approval, the transmission asset was to be commissioned within 18 months from that date. The actual date of commercial operation of the transmission asset is 1.5.2002.



b) The transmission tariff from 1.5.2002 to 31.3.2004 was determined vide order dated 10.3.2005 in Petition No. 112/2002; for the period from 1.4.2004 to 31.3.2009 in order dated 20.1.2006 in Petition No. 53/2005 and order dated 25.2.2011 in Petition No. 141/2010; and for the period from 1.4.2009 to 31.3.2014 vide order dated 30.5.2011 in Petition No. 80/2011. The tariff for the 2009-14 period was trued up and tariff for the period from 1.4.2014 to 31.3.2019 was determined vide order dated 8.1.2016 in Petition No. 213/TT/2014.

c) The Petitioner has sought revision of transmission tariff approved for the 2001-04 and 2004-09 tariff periods on account of change in Interest on Loan (IOL) and Interest on Working Capital (IWC) to the extent of revision in IOL and in Maintenance Spares in terms of judgement of the Appellate Tribunal for Electricity (APTEL) dated 22.1.2007 and 13.6.2007 in Appeal No. 81/2005 and 139/2006 respectively. Further, the Petitioner has sought consequential revision of tariff allowed for the 2009-14 tariff period; truing up of tariff of 2014-19 tariff period and determination of tariff for 2019-24 tariff period for the transmission asset.

d) APTEL, vide judgements dated 22.1.2007 in Appeal No.81/2005 and other related Appeals, and judgement dated 13.6.2007 in Appeal No. 139/2006 pertaining to generating stations of NTPC decided on, mainly, the following issues:-

- (a) Computation of interest on loan
- (b) Consequences of refinancing of loan
- (c) Depreciation as deemed repayment
- (d) Admissibility of depreciation up to 90% of the value of the assets
- (e) Consideration of maintenance of spares for working capital
- (f) Depreciation of assets.

e) The Commission and certain beneficiaries filed Appeals against the APTEL's judgments before the Hon'ble Supreme Court in 2007. The Appeals were admitted and initially stay was granted by the Hon'ble Supreme Court. Subsequently, on an assurance by NTPC that the issues under Appeal would not be pressed for implementation during the pendency of the Appeals, the stay was vacated by the Hon'ble Supreme Court.



- f) PGCIL based on APTEL's judgments dated 22.1.2007 and 13.6.2007, sought re-determination of tariff of its transmission assets for the tariff blocks 2001-04 and 2004-09 in Petition No. 121/2007. The Commission after taking into consideration the pending Appeals before the Hon'ble Supreme Court adjourned the matter sine die and directed to revive the same after the disposal of the Civil Appeals by the Hon'ble Supreme Court.
- g) The Hon'ble Supreme Court vide its judgment dated 10.4.2018, dismissed the said Civil Appeals filed by the Commission and others against APTEL's said judgments.
- h) Consequent to the Hon'ble Supreme Court's judgment dated 10.4.2018 in NTPC matters, the Petition No. 121/2007 was listed for hearing on 8.1.2019. The Commission, vide order dated 18.1.2019 in Petition No. 121/2007, directed the Petitioner to submit its claim separately for the assets at the time of filing of truing up of the petitions for the period 2014-19 in respect of concerned transmission assets.
- i) The instant petition was heard on 31.7.2020 through video conferencing and in view of APTEL's judgments dated 22.1.2007 and 13.6.2007 and the judgement of Hon'ble Supreme Court dated 10.4.2018, tariff of transmission asset is being revised. Although, period-wise tariff is being reworked based on the Tariff Regulations applicable for the respective tariff periods, suitable assumptions at certain places, if any, are being applied which are being indicated.
- j) The transmission asset was put under commercial operation on 1.5.2002. The tariff from 1.5.2002 was worked out based on the admitted capital cost of ₹742.43 lakh as on COD. Accordingly, tariff is being revised for the 2001-04, 2004-09, 2009-14 tariff periods in terms of the APTEL's judgement dated 22.1.2007 and 13.6.2007.
4. Further, as provided under Regulation 8(1) of the 2014 Tariff Regulations, the tariff allowed for the period from 1.4.2014 to 31.3.2019 has been trued-up. The tariff for the 2019-24 period is determined under Regulation 8 of the 2019 Tariff Regulations.



5. The respondents are distribution licensees and power departments, who are procuring transmission service from the Petitioner, mainly beneficiaries of Eastern Region.

6. The Petitioner has served copy of this petition on the respondents and notice of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments/ objections have been received from the general public in response to the notices published in the newspapers by the Petitioner. Notice dated 14.1.2020 directing the beneficiaries/ Respondents to file reply in the matter was also published on Commission's website. None of the respondents have filed any reply in the matter.

7. This order has been issued considering the main petition dated 9.8.2019 and Petitioner's affidavit dated 17.8.2020.

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

9. The Petitioner has sought revision of the computation of the interest on loan, maintenance spares for working capital and depreciation allowed from COD to 31.03.2004 and 2004-09 period on the basis of the judgements of APTEL dated 22.1.2007 in Appeal No.81 of 2005 and 13.6.2007 in Appeal No.139/2006. APTEL while dealing with the issue of computation of interest on loan, in judgement dated 22.1.2007, observed that interest on loan for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgement dated 14.11.2006 in Appeal Nos. 94 and 96 of 2005. APTEL in its judgement dated 14.11.2006 set aside the Commission's methodology of computation of loan on the



actual repayment basis or normative repayment whichever is higher. The relevant portions of the judgement of 14.11.2006 is as follows:-

"12. We have heard the arguments of the Senior Counsel(s) of appellant and respondents. We notice that the appellant has not challenged the formula for computing the annual repayment amount as provided in Appeal No. 96 of 2005 & IA No.117 of 2006 in Appeal No. 94 of 2005 para-22 of the impugned order and has only challenged the provisions at para 23 specifying that the amount of annual repayment for calculation of interest on loan is chosen higher of the normative debt and actual debt.

13. As mentioned earlier the servicing of the capital (equity or debt) is financed by the recovery of interest on debt capital and through earning of return on equity capital. The actual loan repayment has been normalized to 50% of the total capital by the formula in para 22 of the impugned order given in para 11 above. Once it has been decided and agreed that the financing plan would be based on normative debt-equity ratio of 50:50 and not the actual debt-equity ratio, the same normative basis should be adopted for recovery of cost of servicing the capital.

14. In the instant case since the normative debt-equity ratio of 50:50 has been adopted in the financing plan, the loan repayment should be computed based on normative debt. This is to ensure that whatever normative debt has been considered, tariff should ensure the recovery of the same normative debt and interest thereon.

18. In its Tariff Regulation of 2004 the Central Commission perhaps recognizing the aforesaid anomaly has dispensed with the practice of adopting higher of actual or normative repayment and has corrected the method of determination of quantum of debt repayment only on the basis of the normative debt with effect from 01.04.2004

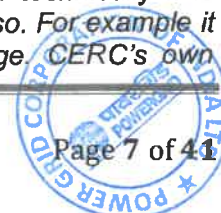
19. In view of the above, the Central Commission is required to adopt normative debt repayment methodology for working out the interest on loan liability for the period 01.04.1998 to 31.03.2001."

In view of the above, the interest allowed for the 2001-04 and 2004-09 periods is revised on the basis of the normative debt repayment methodology.

10. APTEL in judgement dated 13.6.2007 in Appeal No.139 of 2006 and others held that additional capitalisation after the date of commercial operation should also be considered for computation of maintenance spares as under:-

"Analysis and Decision

We are not inclined to agree with the contention of the respondents that escalation of 6% will take care of the additional capitalization. Escalation is meant to factor inflation and is allowed as per CERC Regulations whether or not additional capitalization takes place. Question before us is that: can the historical cost be frozen with the Commissioning of the station. It is quite normal and prudent to ensure earliest operation of the plant without necessarily 100% completion of plants and works, of course not at the cost of safety of the plant. Adding some of the plants and works after the commercial operation will reduce interest during construction. If technically it is possible to delay some of the plants or works, it is only prudent to do so. For example it is common to build redundancies in the plant at a little later stage. CERC's own



regulations rightly recognized additional capitalization. It is pertinent to set out excerpts pertaining to additional capitalization from CERC (Terms & Conditions of Tariff) Regulation, 2004 Clause 18 as below:-

*“Additional capitalization (1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and up to the cut off date may be admitted by the Commission, subject to prudence check: (i) Deferred liabilities
(ii) Works deferred for execution
(iii) Procurement of initial capital spares in the original scope of work, subject to ceiling specified in regulation 17.
(iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
(v) On account of change in law.*

Provided that original scope of work along with estimates of expenditure shall be submitted along with the application for provisional tariff.

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating station.”

It is clear from the abovementioned Clause 18 of the CERC Regulations that additional capitalization after the date of commercial operation is recognized as part of the capital expenditure. Historical cost does not literally mean that the cost on the date of the commercial operation. The term historical cost is used so as to distinguish it from 'book value' or 'the replacement cost'. The cost of maintenance spares limited to 1% of the historical cost corresponds to the plant and equipment and installations which are required to be maintained. If the cost of additional equipment is not included in the historical cost, how spares for the additional equipment be procured for maintenance of the additional equipment. In this view of the matter, the CERC needs to examine afresh in the light of the aforesaid observations.”

11. In view of the above, the maintenance spares to be considered for computation of working capital from COD to 31.03.2004 and 2004-09 periods are also required to be revised taking into consideration the additional capitalisation after the date of commercial operation.

12. As regards depreciation, APTEL in its judgement dated 13.6.2007 in Appeal No.139 of 2006 observed that depreciation is an expense and it cannot be deployed for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. The relevant portion of the judgement is as under:-

“Analysis and Decision

In the orders of this Tribunal dated November 14, 2006 and January 24, 2007, it has been laid down that the computation of outstanding loan will be on normative basis only



(instead of normative or actual whichever is higher). In view of this there is no question of any adjustment of the depreciation amount as deemed repayment of loan.

It is to be understood that the depreciation is an expense and not an item allowed for repayment of loan. If a corporation does not borrow, it would not mean that the corporation will not be allowed any depreciation. Depreciation is an expense it represents a decline in the value of asset because of use, wear or obsolescence. The Accounting Principles Board of USA defines depreciation as under:-

“The cost of a productive facility is one of the costs of the service it renders during its useful economic life. Generally accepted accounting principles require that this cost be spread over the expected useful life of the facility in such a way as to allocate it as equitably as possible to the periods during which services are obtained from the use of the facility. This procedure is known as depreciation accounting, a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation”

It is well established that the depreciation is an expense and therefore, it cannot be deployed for deemed repayment of loan. In this view of the matter the CERC shall need to make a fresh computation of outstanding loan in the light of the aforesaid observations.”

13. Accordingly, in view of the above directions of APTEL, the outstanding loan allowed for the transmission asset from COD to 31.03.2004 and 2004-09 periods is revised in the instant order.

14. The revision of tariff allowed from COD to 31.03.2004 and 2004-09 tariff periods necessitates the revision of tariff allowed for the 2009-14 period, which is also allowed in the instant order. The implementation of the directions of APTEL in case of the Petitioner has been kept pending waiting for the outcome of the Civil Appeals filed before the Hon'ble Supreme Court. Taking into consideration the facts of the case and keeping in view the interest of the consumers, we are of the view that the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed in the instant order for the period from COD to 31.03.2004, 2004-09 and 2009-14 tariff periods. Therefore, the Petitioner will neither claim nor pay any carrying cost from the beneficiaries for the difference, if any, in the tariff allowed earlier and that allowed in the instant order. Further, the said difference in tariff shall be recovered/ paid over a period of six months from the date of issue of this order



REVISION OF TRANSMISSION CHARGES ALLOWED FROM COD to 31.3.2004, 2004-09 and 2009-14 TARIFF PERIODS

2002-04 Period

15. The Commission in order dated 10.3.2005 in Petition No.112/2002 had approved the following transmission charges for the transmission asset for the 2001-04 period:

(₹ in lakh)

Particulars	2002-03	2003-04
Depreciation	25.81	28.16
Interest on Loan	52.71	56.17
Return on Equity	12.55	13.69
Advance against Depreciation	0.00	0.00
Interest on Working Capital	2.99	3.32
O & M Expenses	46.13	53.34
Total	140.20	154.69

16. The Petitioner has claimed the following revised transmission charges for the transmission asset for the 2001-04 period in this petition:

(₹ in lakh)

Particulars	2002-03	2003-04
Depreciation	25.81	28.16
Interest on Loan	52.71	56.17
Return on Equity	12.55	13.69
Advance against	0.00	0.00
Interest on Working	2.99	3.33
O & M Expenses	46.13	53.34
Total	140.19	154.68

17. We have considered the Petitioner's claim. The tariff is allowed for the transmission asset on the basis of the following:-

- a) Admitted capital cost of ₹742.43 lakh as on 1.5.2002 as per order dated 10.03.2005 in Petition No. 112/2002. The additional capitalization of ₹2.58 lakh has been approved by the Commission for FY 2003-04.
- b) Weighted Average Rate of Interest on actual loan, as applied in tariff, has been derived/ adopted from the said Order dated 10.3.2005 in petition no.112/2002.



c) Weighted Average Rate of Depreciation, Rate of Interest for Working Capital and O&M Expenses as per order dated 10.3.2005 in Petition No 112/2002.

d) The 2001 Tariff Regulations (applicable for 2001-04 period) provided that tariff revisions during the tariff period on account of capital expenditure within the approved project cost incurred during the tariff period could be entertained by the Commission only if such expenditure exceeded 20% of the approved cost. In all cases, where such expenditure was less than 20%, tariff revision was considered in the next tariff period. Accordingly, the additional expenditure considered in 2003-04 period and corresponding Maintenance Spares component of IWC are being revised on account of additional capitalisation in 2001-04 period.

18. In view of the above, the revised AFC allowed for the transmission asset for the 2002-04 period is as follows:

Particulars	(₹ in lakh)	
	2002-03	2003-04
Depreciation	25.81	28.16
Interest on Loan	52.71	56.17
Return on Equity	12.55	13.69
Advance against Depreciation	0.00	0.00
Interest on Working Capital	2.99	3.33
O & M Expenses	46.13	53.34
Total	140.20	154.69

19. AFC allowed earlier for 2001-04 period vide order dated 10.3.2005 in petition no. 112/2002, the revised AFC claimed in the instant petition and AFC allowed in the instant order is given below:-

Particulars	(₹ in lakh)	
	2002-03	2003-04
AFC approved earlier for 2001-04 period vide order dated 10.3.2005 in petition no. 112/2002	140.20	154.69
Revised AFC claimed in the instant petition	140.19	154.68
AFC allowed in the instant order	140.20	154.69

2004-09 Period



20. The Commission in order dated 20.1.2006 in Petition No. 53/2005 and order dated 25.2.2011 in Petition No. 141/2010 had approved the following annual fixed cost for the transmission asset for the 2004-09 period:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	26.45	26.45	26.45	25.38	24.31
Interest on Loan	48.42	44.81	41.01	35.25	29.49
Return on Equity	12.34	12.34	12.34	11.09	9.84
Advance against Depreciation	0.00	1.28	16.56	20.44	19.68
Interest on Working Capital	4.58	4.68	5.03	5.11	5.11
O&M Expenses	84.36	87.75	91.26	94.89	98.70
Total	176.16	177.31	192.65	192.16	187.14

21. The Petitioner has claimed the following revised AFC for the transmission asset for the 2004-09 period in this petition:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	26.45	26.45	26.45	25.38	24.31
Interest on Loan	48.43	45.07	41.55	36.08	30.60
Return on Equity	12.34	12.34	12.34	11.09	9.84
Advance against Depreciation	0.00	0.00	8.43	16.90	16.40
Interest on Working Capital	4.59	4.67	4.90	5.04	5.02
O&M Expenses	84.36	87.75	91.26	94.89	98.70
Total	176.16	176.28	184.94	189.37	184.87

22. We have considered the Petitioner's claim. The tariff is allowed for the transmission asset on the basis of the following:-

- a) Admitted capital cost of ₹697.54 lakh as on 1.4.2004 after adjusting FERV difference of (-) ₹47.47 lakh and additional capitalisation of ₹2.58 lakh. De-capitalisation of ₹59.58 lakh during 2007-08 as approved by the Commission vide Order dated 25.2.2011 in Petition No. 141/2010.
- b) Weighted Average Rate of Interest on actual loan adopted from order dated 20.1.2006 in Petition No. 53/2005 and order dated 25.2.2011 in Petition No. 141/2010.
- c) Weighted Average Rate of Depreciation, Rate of Interest for Working Capital and O&M Expenses as per order dated 20.1.2006 in Petition No. 53/2005 and order dated 25.2.2011 in Petition No. 141/2010.



d) The maintenance spares component for calculating IWC is adjusted with respect to de-capitalisation of ₹59.58 lakh during 2007-08.

23. In view of the above, the revised AFC allowed for the transmission asset for the 2004-09 tariff period is as follows:

Particulars	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	26.45	26.45	26.45	25.38	24.31
Interest on Loan	48.42	44.81	41.01	35.25	29.50
Return on Equity	12.34	12.34	12.34	11.09	9.84
Advance against Depreciation	0.00	1.26	16.55	20.43	19.67
Interest on Working Capital	4.58	4.68	5.03	5.08	5.05
O&M Expenses	84.36	87.75	91.26	94.89	98.70
Total	176.16	177.29	192.65	192.13	187.07

24. AFC allowed earlier for 2004-09 period vide order dated 25.2.2011 in Petition No. 141/2010, the revised AFC claimed in the instant petition and the revised AFC allowed in the instant order is given below:-

Particulars	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
AFC approved earlier for 2004-09 period vide order dated 25.2.2011 in Petition No. 141/2010,	176.16	177.31	192.65	192.16	187.14
Revised AFC claimed in the instant petition	176.16	176.28	184.94	189.37	184.87
Revised AFC allowed in the instant order	176.16	177.29	192.65	192.13	187.07

2009-14 Period

25. The Commission vide order dated 30.5.2011 in Petition No. 80/2011 had approved the tariff for the transmission asset for the 2009-14 and subsequently, vide order dated 8.1.2016 in Petition No. 213/TT/2014 had trued up the tariff allowed for the 2009-14 period and the same is as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14



Depreciation	34.27	34.27	34.27	34.27	34.27
Interest on Loan	22.52	17.84	15.25	13.37	11.81
Return on Equity	13.13	13.61	13.62	13.62	13.79
Interest on Working Capital	9.32	9.68	10.11	10.57	11.07
O&M Expenses	157.20	166.20	175.71	185.76	196.38
Total	236.44	241.60	248.95	257.59	267.31

26. The Petitioner has claimed the following revised transmission charges for the transmission asset for the 2009-14 period in this petition:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	34.27	34.27	34.27	34.27	34.27
Interest on Loan	23.60	18.79	16.18	14.32	12.81
Return on Equity	13.13	13.62	13.61	13.62	13.79
Interest on Working Capital	9.34	9.70	10.12	10.59	11.09
O&M Expenses	157.20	166.20	175.71	185.76	196.38
Total	237.54	242.59	249.89	258.56	268.35

27. We have considered the Petitioner's claim. The tariff is allowed for the transmission asset on the basis of the following:-

- a) Admitted capital cost of ₹637.96 lakh as on 1.4.2009.
- b) Weighted Average Rate of Interest on actual loan derived/ adopted from order dated 8.1.2016 in Petition No. 213/TT/2014.
- c) Weighted Average Rate of Depreciation as per order dated 8.1.2016 in Petition No. 213/TT/2014.
- d) There is 'NIL' additional capitalisation during 2009-14 tariff period.

28. In view of the above, the revised transmission charges allowed for the transmission asset for the 2009-14 tariff period is as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	34.27	34.27	34.27	34.27	34.27
Interest on Loan	22.53	17.84	15.25	13.37	11.81
Return on Equity	13.13	13.61	13.62	13.62	13.79
Interest on Working Capital	9.32	9.68	10.11	10.57	11.07
O&M Expenses	157.20	166.20	175.71	185.76	196.38
Total	236.45	241.60	248.96	257.60	267.32

29. AFC allowed earlier for 2009-14 period vide order dated 30.5.2011 in Petition No. 80/2011 and subsequently, vide order dated 8.1.2016 in Petition No. 213/TT/2014



and revised AFC claimed and revised AFC allowed in the instant petition is given below:-

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
AFC approved earlier for 2009-14 period vide order dated 30.5.2011 in Petition No. 80/2011 and subsequently, trued up the tariff for 2009-14 tariff period vide order dated 8.1.2016 in Petition No. 213/TT/2014	236.44	241.60	248.95	257.59	267.31
Revised AFC claimed in the instant petition	237.54	242.59	249.89	258.56	268.35
Revised AFC allowed in the instant order	236.45	241.60	248.96	257.60	267.32

TRUING-UP OF ANNUAL FIXED CHARGES OF 2014-19 TARIFF PERIOD

30. The Commission vide order dated 8.1.2016 in Petition No 213/TT/2014 had approved the tariff for the 2014-19 period as below:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	34.27	9.92	9.92	9.92	9.92
Interest on Loan	10.31	12.80	11.72	10.64	9.56
Return on Equity	13.79	13.79	13.79	13.79	13.79
Interest on Working Capital	11.34	11.17	11.48	11.81	12.15
O&M Expenses	180.90	186.90	193.11	199.53	206.13
Total	250.60	234.57	240.02	245.69	251.54

31. The Petitioner has submitted the information as required under the 2014 Tariff Regulations for truing up of annual fixed charges for 2014-19 period. The tariff for 2014-19 period has been trued up as discussed in the subsequent paragraphs.

32. The details of the trued-up transmission charges claimed by the Petitioner are as under:-

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19



Depreciation	34.27	11.06	20.68	10.18	10.19
Interest on Loan	11.97	14.36	12.66	11.00	9.89
Return on Equity	13.79	13.85	13.38	12.91	12.95
Interest on Working Capital	11.38	11.23	11.54	11.81	12.15
O&M Expenses	180.90	186.90	193.11	199.53	206.13
Total	252.31	237.40	251.37	245.43	251.31

33. The details of the interest on working capital claimed by the Petitioner are as under: -

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	27.14	28.04	28.97	29.93	30.92
O&M expenses	15.08	15.58	16.09	16.63	17.18
Receivables	42.05	39.57	40.44	40.91	41.88
Total	84.27	83.19	85.50	87.47	89.98
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	11.38	11.23	11.54	11.81	12.15

Capital Cost as on 1.4.2014

34. The capital cost of the transmission asset has been calculated in accordance with the Regulation 9(3) and Regulation 9(6) of 2014 Tariff Regulations. The Commission vide order dated 8.1.2016 in Petition No. 213/TT/2014 had approved the transmission tariff for the transmission asset for the 2014-19 period based on admitted capital cost of ₹637.96 lakh as on 31.3.2014. Accordingly, the capital cost as on 31.3.2014 of ₹637.96 lakh has been considered for the purpose of computing tariff. The Petitioner has not claimed any additional capital expenditure during the 2014-19 tariff period. However, the Petitioner has claimed de-capitalisation of ₹43.33 lakh towards Sub-Station (SS) item during 2016-17 with effect from 1.4.2016 in the instant petition. The Petitioner has claimed adjustment in cumulative depreciation by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful life. The Petitioner has submitted Form-10B with details of original value of asset decapitalized, debt-equity ratio at the time of capitalization, cumulative depreciation and cumulative repayment w.r.t to the decapitalized asset. The Petitioner



has prayed to allow recovery of the unrecovered depreciation of the de-capitalized asset in the instant petition.

35. Taking into consideration of the decapitalization amounting to ₹43.33 lakh as also corresponding cumulative depreciation and repayment, the capital cost considered for computation of tariff is as follows:

(₹ in lakh)

Particular	Capital cost as on 31.3.2014 (1)	Decapitalization during 2014-19	Total capital cost including additional capitalization as on 31.3.2019 (3)=(1)-(2)
		2016-17 (2)	
Capital Cost allowed in this order	637.96	43.33	594.63

36. Accordingly, necessary adjustments in opening gross block, gross normative loan, opening equity, cumulative depreciation and cumulative repayment of loan have also been carried out for this purpose as discussed in subsequent paragraphs.

Debt-Equity Ratio

37. The debt-equity ratio has been allowed in accordance with Regulation 19(3) of the 2014 Tariff Regulations. As per Regulation 19(3) of the 2014 Tariff Regulations, the debt-equity ratio allowed by the Commission for determination of tariff for the period ending on 31.3.2014 shall be considered. Accordingly, the debt-equity ratio of 88.98:11.02 for the period ending on 31.3.2014, considered for the purpose of determination of tariff of the 2014-19 tariff period has been considered for the purpose of truing up of the tariff of the transmission asset for the 2014-19 tariff period. The details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 of the transmission asset is as follows:



Funding	Capital cost as on 1.4.2014 (₹ in lakh)	Debt Equity Ratio	Total cost as on 31.3.2019 (₹ in lakh)	Debt Equity Ratio.
Debt	567.66	88.98	529.11	88.98
Equity	70.30	11.02	65.52	11.02
Total	637.96	100.00	594.63	100.00

Interest on Loan (IoL)

38. The Petitioner has claimed IOL based on actual interest rates for each year during the 2014-19 period.

39. We have considered the submissions of the Petitioner. IOL has been calculated as per the provisions of Regulation 26 of the 2014 Tariff Regulations as detailed below: -

(i) Gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual average loan have been considered as per the petition except for ADB-I loan.

(ii) The repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that period.

40. The details of interest on loan allowed are as under: -

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	567.66	567.66	567.66	529.11	529.11
Cumulative Repayment upto previous Year	410.88	445.15	455.08	433.09	442.37
Net Loan-Opening	156.78	122.51	112.59	96.01	86.74
Addition due to Additional Capitalization	0.00	0.00	-38.56	0.00	0.00
Repayment during the year	34.27	9.92	8.30	9.28	9.28
Net Loan-Closing	122.51	112.59	65.73	86.74	77.46
Average Loan	139.65	117.55	89.16	91.37	82.10
Weighted Average Rate of Interest on Loan (%)	7.3853	10.8931	10.8931	10.8931	10.8931
Interest on Loan	10.31	12.80	9.71	9.95	8.94

41. Accordingly, IoL allowed vide order dated 8.1.2016 in Petition No. 213/TT/2014, IoL claimed by the Petitioner in the instant petition and trued-up IoL in respect of transmission asset is shown in the table below:-



Particulars (IoL)	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 8.1.2016 in Petition No.213/TT/2014	10.31	12.80	11.72	10.64	9.56
As claimed by the Petitioner in the instant petition	11.97	14.36	12.66	11.00	9.89
Allowed in this order	10.31	12.80	9.71	9.95	8.94

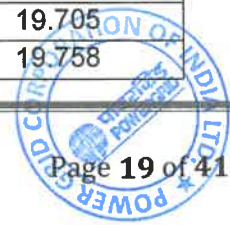
Return on Equity (RoE)

42. The Petitioner is entitled for Return on equity for the transmission asset in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that they are liable to pay income tax at MAT rates and has claimed following effective tax rates for the 2014-19 tariff period: -

Year	Claimed effective tax (in %)	Grossed up ROE (Base Rate/1-t) (in %)
2014-15	21.018	19.624
2015-16	21.382	19.716
2016-17	21.338	19.705
2017-18	21.337	19.704
2018-19	21.549	19.758

43. We have considered the submissions of the Petitioner. The Commission in order dated 27.4.2020 in Petition No. 247/TT/2019 has arrived at the effective tax rate based on the notified MAT rates for the Petitioner and the same is given in the table below: The same MAT rates are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations.

Year	Notified MAT rates (inclusive of surcharge & cess) (in %)	Base Rate of ROE (in %)	Grossed up ROE (Base Rate/1-t) (in %)
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758



44. The Petitioner has claimed RoE for the 2014-19 period after grossing up the ROE of 15.50% with Effective Tax rates (based on MAT rates) each year as per the above said Regulation. ROE is trued up on the basis of the MAT rate applicable in the respective years and is allowed as follows:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	70.30	70.30	70.30	65.52	65.52
Addition due to Additional Capitalization	0.00	0.00	-4.77	0.00	0.00
Closing Equity	70.30	70.30	65.52	65.52	65.52
Average Equity	70.30	70.30	67.91	65.52	65.52
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the Respective year	20.961%	21.342%	21.342%	21.342%	21.549%
Rate of Return on Equity (Pre-tax)	19.610%	19.705%	19.705%	19.705%	19.758%
Return on Equity (Pre-tax)	13.79	13.85	13.38	12.91	12.95

45. RoE approved *vide* order dated 8.1.2016 in Petition No. 213/TT/2014, trued up RoE claimed by the Petitioner in the instant petition and trued-up RoE allowed in respect of transmission asset is shown in the table below:-

(₹ in lakh)					
Particulars (RoE)	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 8.1.2016 in Petition No.213/TT/2014	13.79	13.79	13.79	13.79	13.79
As claimed by the Petitioner in the instant petition	13.79	13.85	13.38	12.91	12.95
Allowed in this order	13.79	13.85	13.38	12.91	12.95

Depreciation

46. The depreciation has been worked out as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. The Gross Block during the 2014-15 has been depreciated at weighted average rate of depreciation (WAROD). WAROD has been allowed (refer Annexure-1 to this order) after taking into account the depreciation rates of assets as prescribed in 2019 Tariff Regulations. Further, the transmission asset has been put under commercial operation as on 1.5.2002. Hence, 12 years has been completed during 2014-15 period. Accordingly, the depreciation for 2015-16



onwards has been allowed by spread over of balance depreciable value as on 1.4.2015. The trued-up depreciation allowed for the 2014-19 tariff period is as under:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	637.96	637.96	637.96	594.63	594.63
Additional Capitalisation	0.00	0.00	-43.33	0.00	0.00
Closing Gross Block	637.96	637.96	594.63	594.63	594.63
Average Gross Block	637.96	637.96	616.30	594.63	594.63
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Depreciation (WAROD) (%)	5.3720	Spreading			
Balance useful life of the asset at the beginning of the year	14	13	12	11	10
Elapsed life	11	12	13	14	15
Aggregated Depreciable Value	574.16	574.16	554.67	535.17	535.17
Depreciation during the Year	34.27	9.92	8.30	9.28	9.28
Remaining Aggregate Depreciable Value at the beginning of the year	163.28	129.01	99.59	102.07	92.79

47. The depreciation approved *vide* order dated 8.1.2016 in Petition No. 213/TT/2014, the trued up depreciation claimed by the Petitioner in the instant petition and trued-up depreciation allowed in respect of transmission asset is shown in the table below:-

(₹ in lakh)

Particulars (depreciation)	2014-15	2015-16	2016-17	2017-18	2018-19
Approved <i>vide</i> order dated 8.1.2016 in Petition No. 213/TT/2014	34.27	9.92	9.92	9.92	9.92
As claimed by the Petitioner in the instant petition	34.27	11.06	20.68	10.18	10.19
Allowed in this order	34.27	9.92	8.30	9.28	9.28

Operation and Maintenance Expenses (O&M Expenses)

48. As stated above, the transmission asset includes the Farakka-Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system.



49. The Petitioner has claimed the O&M Expenses for the transmission asset for the 2014-19 period as per the norms specified in the 2014 Tariff Regulations. Hence, it is allowed and the details are as follows:-

Particulars (O&M)	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Claimed	180.90	186.90	193.11	199.53	206.13
Allowed	180.90	186.90	193.11	199.53	206.13

Interest on Working Capital (IWC)

50. The Petitioner is entitled for IWC as per Regulation 28 of the 2014 Tariff Regulations. The components of the working capital and the petitioner’s entitlement to interest thereon are discussed hereunder:-

a. Receivables

Receivables as a component of working capital will be equivalent to two months fixed cost. The Petitioner has claimed the receivables on the basis of 2 (two) month’s annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 (two) month’s transmission charges.

b. Maintenance spares

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M expenses. The value of maintenance spares has accordingly been worked out.

c. O & M Expenses

Operation and maintenance expenses have been considered for one month as a component of working capital. The petitioner has claimed O&M expenses for 1(one) month of the respective year as claimed in the petition. This has been considered in the working capital.

d. Rate of interest on working capital



As per proviso 3 of Regulation 28 of the 2014 Tariff Regulations, SBI Base Rate (10.00%) as on 1.4.2014 Plus 350 bps i.e. 13.50% has been considered as the rate of interest on working capital.

51. IWC allowed as per the methodology provided in the Regulation 28 of the 2014 Tariff Regulations is as under: -

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	27.14	28.04	28.97	29.93	30.92
O&M expenses	15.08	15.58	16.09	16.63	17.18
Receivables	41.77	39.11	39.32	40.57	41.57
Total	83.98	82.72	84.37	87.13	89.66
Rate of Interest on working capital	13.50%	13.50%	13.50%	13.50%	13.50%
Interest on Working Capital	11.34	11.17	11.39	11.76	12.10

52. The details of IWC approved vide order dated 8.1.2016 in Petition No. 213/TT/2014, the trued up IWC claimed in the instant petition and the trued-up allowed in the instant order are as under:-

(₹ in lakh)					
Particulars (IWC)	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 8.1.2016 in 213/TT/2014	11.34	11.17	11.48	11.81	12.15
Claimed by the Petitioner in the instant petition	11.38	11.23	11.54	11.81	12.15
Allowed after true-up in this order	11.34	11.17	11.39	11.76	12.10

APPROVED ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD

53. The trued up annual fixed charges for the transmission asset for the tariff period 2014-19 are summarised below: -

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	34.27	9.92	8.30	9.28	9.28
Interest on Loan	10.31	12.80	9.71	9.95	8.94
Return on Equity	13.79	13.85	13.38	12.91	12.95
Interest on Working Capital	11.34	11.17	11.39	11.76	12.10
O&M Expenses	180.90	186.90	193.11	199.53	206.13
Total	250.61	234.65	235.89	243.44	249.40



54. The annual fixed charges approved *vide* order dated 8.1.2016 in Petition No. 213/TT/2014, trued up transmission charges claimed by the Petitioner in the instant petition and trued-up transmission charges allowed in respect of transmission asset is shown in the table below:-

(₹ in lakh)					
Particulars (ATC)	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 8.1.2016	250.60	234.57	240.02	245.69	251.54
Claimed in the instant petition	252.31	237.40	251.37	245.43	251.31
Allowed after true-up in this order	250.61	234.65	235.89	243.44	249.40

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2019-24 TARIFF PERIOD

55. The Petitioner has claimed the following transmission charges for the 2019-24 tariff period: -

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	10.18	10.20	10.18	10.20	10.18
Interest on Loan	8.78	7.67	6.56	5.45	4.34
Return on Equity	12.31	12.31	12.31	12.31	12.31
Interest on Working Capital	9.64	9.96	10.27	10.61	10.92
O&M Expenses	210.33	217.82	225.42	233.46	241.31
Total	251.24	257.96	264.74	272.03	279.06

56. The details of the interest on working capital claimed by the Petitioner are as under: -

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Maintenance Spares	31.55	32.67	33.81	35.02	36.20
O&M expenses	17.53	18.15	18.79	19.46	20.11
Receivables	30.89	31.80	32.64	33.54	34.31
Total	79.97	82.62	85.24	88.02	90.62
Rate of Interest (%)	12.05%	12.05%	12.05%	12.05%	12.05%
Interest on Working Capital	9.64	9.96	10.27	10.61	10.92

57. The tariff for 2019-24 period is allowed as discussed in the subsequent paragraphs.

Capital Cost



58. Regulation 19 of the 2019 Tariff Regulations provides as follows: -

“(1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for 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, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity 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 sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 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 upto 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 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) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries

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

(a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019.

(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) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
(e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.”

(4) The capital cost in case of existing or new hydro generating station shall also include:

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
(b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram JyotiYojana (DDUGJY) project in the affected area.

(5) 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 replacement or removal on account of obsolescence or shifting from one project to another project:

Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be decapitalised only after its redeployment;

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

(c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;
(d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and
(e) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment.”

59. The capital cost of ₹ 594.63 lakh has been considered by the Commission for the transmission asset as on 31.3.2019. The Petitioner has not claimed any additional capital expenditure during 2019-24 period. Therefore, the capital cost of ₹ 594.63 lakh as on 31.3.2019 has been considered for the purpose of determination of transmission



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

Debt-Equity Ratio

60. Regulation 18 of the 2019 Tariff Regulations provides as under:-

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

Provided that:

- 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.*

(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 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 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 1.4.2019, if the equity actually deployed as on 1.4.2019 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 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, 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 1.4.2019 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.”

61. The debt-equity ratio for the 2019-24 period is allowed as per Regulation 18(3) of the 2019 Tariff Regulations. The details of the debt-equity ratio considered for the purpose of tariff for 2019-24 tariff period is as follows:-

Funding	(₹ in lakh)			
	Capital cost as on 1.4.2019 (₹ in lakh)	%	Total cost as on 31.3.2024 (₹ in lakh)	%
Debt	529.11	88.98	529.11	88.98
Equity	65.52	11.02	65.52	11.02
Total	594.63	100.00	594.63	100.00

Return on Equity (RoE)

62. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations specify as under:-

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

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

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system;

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 Restricted Governor Mode Operation (RGMO) or 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;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;

b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

“31. Tax on Return on Equity:(1) The base 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. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

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

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

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and 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 company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

(3) 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 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 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short



deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. 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 year to year basis.”

63. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. Accordingly, the MAT rate applicable in 2019-20 has been considered for the purpose of ROE, which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. The RoE has been allowed as follows:-

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	65.52	65.52	65.52	65.52	65.52
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Equity	65.52	65.52	65.52	65.52	65.52
Average Equity	65.52	65.52	65.52	65.52	65.52
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the FY 2019-20	17.472%	17.472%	17.472%	17.472%	17.472%
Rate of Return on Equity (Pre-tax)	18.782%	18.782%	18.782%	18.782%	18.782%
Return on Equity (Pre-tax)	12.31	12.31	12.31	12.31	12.31

Interest on Loan (IOL)

64. Regulation 32 of the 2019 Tariff Regulations provides as under:-

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

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission upto 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/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 upto the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of 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 after providing appropriate accounting adjustment for interest capitalized:



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

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

(6) The interest on 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”

65. The details of interest on loan allowed is as follows:-

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	529.11	529.11	529.11	529.11	529.11
Cumulative Repayment up to previous Year	451.65	460.93	470.21	479.49	488.77
Net Loan-Opening	77.46	68.18	58.90	49.62	40.34
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Repayment during the year	9.28	9.28	9.28	9.28	9.28
Net Loan-Closing	68.18	58.90	49.62	40.34	31.06
Average Loan	72.82	63.54	54.26	44.98	35.70
Weighted Average Rate of Interest on Loan	10.89%	10.89%	10.89%	10.89%	10.89%
Interest on Loan	7.93	6.92	5.91	4.90	3.89

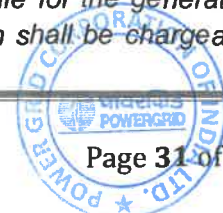
Depreciation

66. Regulation 33 of the 2019 Tariff Regulations provide that:-

"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 case of the tariff of all the units of a generating station or all elements of a transmission system including 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 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 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, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable



from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to 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 further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

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) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

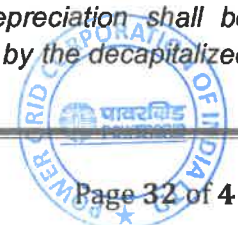
(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the generating station and transmission system:

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 station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) 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 decapitalized asset during its useful services."



67. The depreciation has been worked out considering the admitted capital cost of ₹594.63 lakh as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The detailed calculations for depreciation for the transmission asset are worked out and allowed as follows:-

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	594.63	594.63	594.63	594.63	594.63
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	594.63	594.63	594.63	594.63	594.63
Average Gross Block	594.63	594.63	594.63	594.63	594.63
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Depreciation (WAROD)	Spreading				
Balance useful life of the asset at the beginning of the year	9	8	7	6	5
Elapsed life	16	17	18	19	20
Aggregated Depreciable Value	535.17	535.17	535.17	535.17	535.17
Depreciation during the Year	9.28	9.28	9.28	9.28	9.28
Remaining Aggregate Depreciable Value	83.52	74.24	64.96	55.68	46.40

Operation and Maintenance Expenses (O&M Expenses)

68. Regulation 35(3)(a) of the 2019 Tariff Regulations specifies the norms for the O&M Expenses for the transmission system and it is as follows:-

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Norms for sub-station Bays (₹ Lakh per bay)</i>					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
<i>Norms for Transformers (₹ Lakh per MVA)</i>					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
<i>Norms for AC and HVDC lines (₹ Lakh per km)</i>					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher-Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

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 further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.



(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.

(4) Communication system: The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.”

69. The O&M Expenses claimed by the Petitioner are as per the norms specified in the 2019 Tariff Regulations and hence, they are allowed as claimed as under:-

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Claimed by the Petitioner	210.33	217.82	225.42	233.46	241.31
Allowed in this order	210.33	217.82	225.42	233.46	241.31

Interest on Working Capital (IWC)

70. Regulation 34(1)(c), Regulation 34(3), Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations specifies as follows:

“34. Interest on Working Capital

(1)...

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

- i. Receivables equivalent to 45 days of fixed cost;
- ii. Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
- iii. Operation and maintenance expenses, including security expenses for one month”

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 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 bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

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

“3.Definitions ...

(7) ‘Bank Rate’ means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

71. The Petitioner has submitted that it has computed interest on working capital for 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of interest on working capital as 12.05%.The interest on working capital is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of interest on working capital considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-2020, whereas, ROI for 2020-21 onwards has been considered as 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) The components of the working capital and interest there on allowed are as under:-

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Maintenance Spares	31.55	32.67	33.81	35.02	36.20
O&M expenses	17.53	18.15	18.79	19.46	20.11
Receivables	30.67	31.51	32.36	33.26	34.05
Total	79.75	82.34	84.96	87.74	90.36
Rate of Interest on working capital (%)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	9.61	9.26	9.56	9.87	10.17

APPROVED ANNUAL TRANSMISSION CHARGES FOR 2019-24 TARIFF PERIOD

72. The transmission charges allowed for the transmission asset for the 2019-24 period are summarised below:-

	(₹ in lakh)				
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24



Depreciation	9.28	9.28	9.28	9.28	9.28
Interest on Loan	7.93	6.92	5.91	4.90	3.89
Return on Equity	12.31	12.31	12.31	12.31	12.31
Interest on Working Capital (%)	9.61	9.26	9.56	9.87	10.17
O&M Expenses	210.33	217.82	225.42	233.46	241.31
Total	249.46	255.59	262.47	269.82	276.95

Filing Fee and Publication Expenses

73. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

License fee and RLDC Fees and Charges

74. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for 2019-24 period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for 2019-24 period.

Security Expenses

75. The Petitioner has submitted that security expenses for the transmission asset are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IOWC. The Petitioner has requested to consider the actual security expenses incurred during 2018-19 for claiming estimated security expenses for 2019-20 which shall be subject to true up at the end of the year based on the actuals. The Petitioner has submitted that similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 will be filed on a yearly basis on the basis of the actual expenses of previous year subject to true up at the end of the year on actual expenses. The Petitioner has submitted that the difference, if any, between the estimated security expenses and actual security



expenses as the audited accounts may be allowed to be recovered from the beneficiaries on a yearly basis.

76. We have considered the submissions of the Petitioner. We are of the view that Petitioner should claim security expenses for all the transmission assets in one petition. It is observed that the Petitioner has already filed the Petition No. 260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19. Therefore, security expenses will be dealt with Petition No. 260/MP/2020 in accordance with the appropriate provisions of the 2019 Tariff Regulations.

Goods and Services Tax

77. The Petitioner has submitted that, if GST is levied at any rate and at any point of time in future on Charges of Transmission of Electricity, the same shall be borne and additionally paid by the respondent(s) to the Petitioner and the same shall be charged & billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Govt. / Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

78. We have considered the submissions of the Petitioner. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

Capital Spares

79. As the Petitioner has sought reimbursement of capital spares at the end of tariff block. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.



Sharing of Transmission Charges

80. The billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 or the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, as applicable, as provided in Regulation 43 of 2014 Tariff Regulations for the 2014-19 tariff period and Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.

81. To summarise, the revised Annual Fixed Charges allowed for the transmission asset as per the APTEL's judgements are as under:

(₹ in lakh)

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
140.20	154.69	176.16	177.29	192.65	192.13	187.07

(₹ in lakh)

2009-10	2010-11	2011-12	2012-13	2013-14
236.45	241.60	248.96	257.60	267.32

The trued-up Annual Fixed Charges allowed for the transmission asset for the 2014-19 tariff period are as under:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Fixed Charges	250.61	234.65	235.89	243.44	249.40

The Annual Fixed Charges allowed for the transmission asset for the 2019-24 tariff period in this order are as under:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	249.46	255.59	262.47	269.82	276.95



82. This order disposes of Petition No. 324/TT/2019.

**Sd/-
(Arun Goyal)
Member**

**Sd/-
(I. S. Jha)
Member**



**DETAILS OF WEIGHTED AVERAGE RATE OF DEPRECIATION (WAROD)
FOR THE 2014-19 TARIFF PERIOD**

2014-19 Capital Expenditure	Admitted Capital Cost as on 1.4.2014	Projected Additional Capitalisation during tariff period 2014-19	Admitted Capital Cost as on 31.3.2019	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations				
					2014-15	2015-16	2016-17	2017-18	2018-19
Land-Freehold	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
Land-Lease hold	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Building, Civil Works & Colony	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00
Transmission Line	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
Substation	582.05	-43.33	538.72	5.28%	30.73	Spreading			
PLCC	55.91	0.00	55.91	6.33%	3.54				
IT Equipment (Incl. Software)	0.00	0.00	0.00	15.00%	0.00				
Total	637.96	-43.33	594.63	Total	34.27				
Average Gross Block (₹ in lakh)					637.96				
Weighted Average Rate of Depreciation (WAROD)					5.3720%				



Summary of Tariff

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Year Days	366.00	365.00	365.00	365.00	366.00
Tariff Days	366.00	365.00	365.00	365.00	366.00
Depreciation-Form No. 10A	9.28	9.28	9.28	9.28	9.28
Interest on Loan-Form No. 9E	7.94	6.92	5.91	4.90	3.89
Return on Equity-Form No. 8	12.31	12.31	12.31	12.31	12.31
Int. on Working capital-Form No.11	9.56	9.22	8.87	9.16	10.80
Op. and maintenance-Form No.2	209.22	216.71	224.31	232.35	240.20
Total AFC	248.31	254.44	260.68	268.00	276.48

(Petitioner)



Details of Transmission Lines and Substations, Communication System covered in the project scope and O&M for instant asset Form No. -2

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -station		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

1. Transmission Lines

(Amount in Rs. Lakh)

Summary:



2. Sub Station

Name of Sub-station	Type of Substation	Voltage Level KV	No. of Transformers/ Reactor/ SVC etc. (with capacity)	No. of Bays				MVA/MVAR Capacity				Date of Comm. operation	Covered in the present petition	
				765 KV	400 KV	220 KV	132 KV	765 KV	400 KV	220 KV	132 KV		Yes/ No	If No, Petition No.
Malda:400KV LINE BAY FOR FARAKKA		400 KV			1.000							May 1, 2002	Y	
Malda:400KV BAY FOR ICT-V AT MALDA		400 KV			1.000							May 1, 2002	Y	
Farakka:400KV LINE BAY FOR MALDA		400 KV			1.000							May 1, 2002	Y	
Malda:315 MVA ICT-V AT MALDA		400 KV	1.000						315.00			May 1, 2002	Y	

Summary:

O&M Expenses For Substations Covered in the instant petition	2019-20	2020-21	2021-22	2022-23	2023-24
400KV SUB-STATION					
Normative Rate of O&M as per Regulation	32.15	33.28	34.45	35.66	36.91
No. of Units	3.00	3.00	3.00	3.00	3.00
O&M Claimed	96.45	99.84	103.35	106.98	110.73
400KV SUB-STATION ICT					
Normative Rate of O&M as per Regulation	0.358	0.371	0.384	0.398	0.411

No. of Units	1.00	1.00	1.00	1.00	1.00
O&M Claimed	112.77	116.87	120.96	125.37	129.47



Summary of O&M Expenses claim

(Amount in Rs. Lakh)

Particular	2019-20	2020-21	2021-22	2022-23	2023-24
A) Normative O&M					
Transmission Line	0.00	0.00	0.00	0.00	0.00
Substation	209.22	216.71	224.31	232.35	240.20
Communication System	0.00	0.00	0.00	0.00	0.00
Total Normative O&M	209.22	216.71	224.31	232.35	240.20
B) O&M Claimed under Regulation 35 (3)(C) (* The same is not being claimed and will be claimed through separate Petition)					
*Security Expenses	0.00	0.00	0.00	0.00	0.00
*Actual Capital Spare consumed	0.00	0.00	0.00	0.00	0.00
*Insurance Premium Paid	0.00	0.00	0.00	0.00	0.00
Total O&M	209.22	216.71	224.31	232.35	240.20


(Petitioner)



Normative parameters considered for tariff computations

Form No. - 3

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Base Rate of Return of Equity (in %)						
Tax Rate (in %)	21.55	17.472	17.472	17.472	17.472	17.472
Effective tax rate (in %)						
Grossed up Rate of ROE (in %)	19.758	18.782	18.782	18.782	18.782	18.782
Target availability - AC System (in %)	98.00	98.00	98.00	98.00	98.00	98.00
Target availability - HVDC System (in %)	96.00	96.00	96.00	96.00	96.00	96.00
Norms for sub-station Bays (Rs Lakh per bay)						
765 kV	96.20	45.01	46.60	48.23	49.93	51.68
400 kV	68.71	32.15	33.28	34.45	35.66	36.91
220 kV	48.10	22.51	23.30	24.12	24.96	25.84
132 kV and below	34.36	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (Rs Lakh per MVA)						
765 kV	0.00	0.491	0.508	0.526	0.545	0.564
400 kV	0.00	0.358	0.371	0.384	0.398	0.411
220 kV	0.00	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.00	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (Rs Lakh per km)						
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.806	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.691	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.461	0.503	0.521	0.539	0.558	0.578



Single Circuit (Single Conductor)	0.23	0.252	0.26	0.27	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.21	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.806	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.346	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.123	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.413	1.544	1.598	1.654	1.713	1.773

Norms for HVDC stations

HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	0.00	834.00	864.00	894.00	925.00	958.00
Gazuwaka HVDC Back-to-Back station (Rs. Lakh per 500 MW)	0.00	1,666.00	1,725.00	1,785.00	1,848.00	1,913.00
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	0.00	2,252.00	2,331.00	2,413.00	2,498.00	2,586.00
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	0.00	2,468.00	2,555.00	2,645.00	2,738.00	2,834.00
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	0.00	1,696.00	1,756.00	1,817.00	1,881.00	1,947.00
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	0.00	2,563.00	2,653.00	2,746.00	2,842.00	2,942.00


(Petitioner)



Calculation of ROE

Form No. - 8

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
No. of Days in the year	366.00	365.00	365.00	365.00	366.00
No. of days for which tariff claimed	366.00	365.00	365.00	365.00	366.00
Opening Normative Equity	65.53	65.53	65.53	65.53	65.53
Less: Adjustment in Equity*	0.00	0.00	0.00	0.00	0.00
Adjustment during the year	0.00	0.00	0.00	0.00	0.00
Net opening equity (Normal)	65.53	65.53	65.53	65.53	65.53
Add: Increase in Equity due to addition during the year / period	0.00	0.00	0.00	0.00	0.00
Less: Decrease due to de-capitalisation during the year / period	0.00	0.00	0.00	0.00	0.00
Add: Increase due to discharge during the year / period	0.00	0.00	0.00	0.00	0.00
Closing Normative Equity	65.53	65.53	65.53	65.53	65.53
Average Normative Equity	65.53	65.53	65.53	65.53	65.53
Rate of return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Reduced rate of 1% decided by commission under Regulation 30(2) (if any)	0.00	0.00	0.00	0.00	0.00
Effective rate of ROE	15.50	15.50	15.50	15.50	15.50
MAT/Corporate Rate	17.472	17.472	17.472	17.472	17.472
Grossed up rate of ROE	18.782	18.782	18.782	18.782	18.782
Return on Equity	12.31	12.31	12.31	12.31	12.31
Pro rata return on Equity	12.31	12.31	12.31	12.31	12.31



Calculation of WAR of interest on actual loan

Form No. - 9C

Name of the Transmission Licensee		Power Grid Corporation of India Limited			
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s				
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda				
Region	Eastern Region	DOC Date	May 1, 2002		

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
BOND IX -DOCO					
Gross Loan- Opening	98.00	98.00	98.00	98.00	98.00
Cumulative repayments of Loans upto previous year	98.00	98.00	98.00	98.00	98.00
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	12.25	12.25	12.25	12.25	12.25
Interest on loan	0.00	0.00	0.00	0.00	0.00

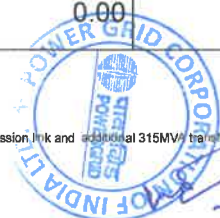
BOND X -DOCO					
Gross Loan- Opening	69.00	69.00	69.00	69.00	69.00
Cumulative repayments of Loans upto previous year	69.00	69.00	69.00	69.00	69.00
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00



Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	10.90	10.90	10.90	10.90	10.90
Interest on loan	0.00	0.00	0.00	0.00	0.00

ADB - I -DOCO					
Gross Loan- Opening	489.84	489.84	489.84	489.84	489.84
Cumulative repayments of Loans upto previous year	489.84	489.84	489.84	489.84	489.84
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	7.51	7.51	7.51	7.51	7.51
Interest on loan	0.00	0.00	0.00	0.00	0.00

Summary					
Gross Loan- Opening	656.84	656.84	656.84	656.84	656.84
Cumulative repayments of Loans upto previous year	656.84	656.84	656.84	656.84	656.84
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	10.8993	10.8993	10.8993	10.8993	10.8993
Interest on loan	0.00	0.00	0.00	0.00	0.00



(Petitioner)



Loans in Foreign Currency

Form No. - 9D

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
ADB - I -DOCO -USD					
Gross Loan-Opening	11.05	11.05	11.05	11.05	11.05
Cumulative repayments of loans upto previous year	11.05	11.05	11.05	11.05	11.05
Net Loans-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of interest on Loan on Annual Basis	7.51	7.51	7.51	7.51	7.51
Interest on loan	0.00	0.00	0.00	0.00	0.00



Calculation of interest on Normative loan

Form No. - 9E

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
No. of Days in the Year	366.00	365.00	365.00	365.00	366.00
No. of days for which Tariff claimed	366.00	365.00	365.00	365.00	366.00
Gross normative loan-Opening	529.10	529.10	529.10	529.10	529.10
Cumulative repayments of Normative loan upto previous year	451.65	460.93	470.21	479.49	488.77
Net normative loan-Opening	77.45	68.17	58.89	49.61	40.33
Addition in normative loan towards the ACE	0.00	0.00	0.00	0.00	0.00
Adjustment of normative gross loan pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Normative repayments of normative loan during the year	9.28	9.28	9.28	9.28	9.28
Adjustment of cumulative repayment pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Net normative loan - closing	68.17	58.89	49.61	40.33	31.05
Average normative loan	72.81	63.53	54.25	44.97	35.69
Weighted Average Rate of interest on actual loan	10.8993	10.8993	10.8993	10.8993	10.8993
Interest on normative loan	7.94	6.92	5.91	4.90	3.89
Pro rata interest on normative loan	7.94	6.92	5.91	4.90	3.89



Calculation of Depreciation Rate on Original Project Cost

Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Name of Assets	Gross block at the beginning of the year	Add Cap during the year	Gross block at the end of the year	Average Gross Block	Depreciation Rate as per CERC's Depreciation Rate Schedule	Depreciation Amount for each year upto 31.03.2024
2019-20						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	6.33	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDSP/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2020-21						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00



Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	6.33	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2021-22

Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	6.33	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	



2022-23						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	6.33	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2023-24						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	6.33	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28



Weighted Average Rate of Depreciation(%)					1.560634	
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Statement of Depreciation

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub - s				
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda				
Region	Eastern Region	DOCOC Date	May 1, 2002		

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
No of Days in the year	366.00	365.00	365.00	365.00	366.00
No of days for which tariff claimed	366.00	365.00	365.00	365.00	366.00
Life at the beginning of the year					
1.1 Weighted Average useful life of the Asset/ Project	25.00	25.00	25.00	25.00	25.00
1.2 Lapsed Weighted Average useful life of the Asset/Project(in completed no. of year)	16.00	17.00	18.00	19.00	20.00
1.3 Balance Weighted Average useful life of the Asset/Project(in completed no. of year)	9.00	8.00	7.00	6.00	5.00
Capital Base					
1.4 Opening capital cost	594.63	594.63	594.63	594.63	594.63
1.5 Additional Capital Expenditure dr. the year	0.00	0.00	0.00	0.00	0.00
1.6 De-Capitalisation During the year	0.00	0.00	0.00	0.00	0.00
1.7 Closing capital cost	594.63	594.63	594.63	594.63	594.63
1.8 Average capital cost	594.63	594.63	594.63	594.63	594.63
1.9 Freehold land included in 1.8	0.00	0.00	0.00	0.00	0.00
1.10 Asset having NIL salvage value included in 1.8	0.00	0.00	0.00	0.00	0.00
1.11 Asset having 10% salvage value included in 1.8	594.63	594.63	594.63	594.63	594.63
1.12 Depreciable Value(1.10+90% of 1.11)	535.17	535.17	535.17	535.17	535.17
Depreciation for the period and Cum. Depreciation					
1.13 Weighted Average Rate of depreciation	1.560634	1.560634	1.560634	1.560634	1.560634



1.14 Depreciation(for the period)	9.28	9.28	9.28	9.28	9.28
1.15 Depreciation(Annualised)	9.28	9.28	9.28	9.28	9.28
Unrecovered Depreciation for DECAP	0.00	0.00	0.00	0.00	0.00
1.16 Cumulative depreciation at the beginning of the period	451.65	460.93	470.21	479.49	488.77
1.17 Less:Adj of Cum. Dep pertaining to decapitalised Asset	0.00	0.00	0.00	0.00	0.00
1.18 Cumulative depreciation at the end of the period	460.93	470.21	479.49	488.77	498.05

(Petitioner)



Calculation of interest on working Capital

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
No of Days in the year	366.00	365.00	365.00	365.00	366.00
No of days for which tariff claimed	366.00	365.00	365.00	365.00	366.00
O&M Expenses-one month	17.44	18.06	18.69	19.36	20.02
Maintenance spares 15% of O&M Expenses	31.38	32.51	33.65	34.85	36.03
Receivables equivalent to 45 days of AFC	30.53	31.37	32.14	33.04	33.99
Total Working capital	79.35	81.94	84.48	87.25	90.04
Bank Rate as on 01.04.2019 or as on 01st April of the COD year, whichever is later.	12.05	11.25	10.50	10.50	12.00
Interest on working capital	9.56	9.22	8.87	9.16	10.80
Pro rata interest on working capital	9.56	9.22	8.87	9.16	10.80



Summary of Tariff

Form No. - 1

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Year Days	365.00	365.00	365.00	366.00	365.00
Tariff Days	365.00	365.00	365.00	366.00	365.00
Depreciation-Form No. 10A	9.28	9.28	9.28	9.28	0.00
Interest on Loan-Form No. 9E	2.88	1.87	0.86	0.18	0.00
Return on Equity-Form No. 8	12.31	12.31	12.31	12.31	12.31
Int. on Working capital-Form No.11	7.74	8.11	8.50	8.90	9.23
Op. and maintenance-Form No.2	171.12	180.18	189.48	199.37	210.12
Total AFC	203.33	211.75	220.43	230.04	231.66



Details of Transmission Lines and Substations, Communication System covered in the project scope and O&M for instant asset Form No. - 2

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -station		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

1. Transmission Lines

(Amount in Rs. Lakh)

Summary:



2. Sub Station

Name of Sub-station	Type of Substation	Voltage Level KV	No. of Transfor ms/ Reactor/ SVC etc. (with capacity)	No. of Bays				MVA/MVAR Capacity				Date of Comm. operation	Covered in the present petition	
				765 KV	400 KV	220 KV	132 KV	765 KV	400 KV	220 KV	132 KV		Ye s/ No	If No, Petitio n No.
Malda:400KV LINE BAY FOR FARAKKA		400 KV			1.000							May 1, 2002	Y	
Malda:400KV BAY FOR ICT-V AT MALDA		400 KV			1.000							May 1, 2002	Y	
Farakka:400KV LINE BAY FOR MALDA		400 KV			1.000							May 1, 2002	Y	
Malda:315 MVA ICT-V AT MALDA		400 KV	1.000						315.00			May 1, 2002	Y	

Summary:

O&M Expenses For Substations Covered in the instant petition	2024-25	2025-26	2026-27	2027-28	2028-29
400KV SUB-STATION					
Normative Rate of O&M as per Regulation	29.53	31.08	32.71	34.43	36.23
No. of Units	3.00	3.00	3.00	3.00	3.00
O&M Claimed	88.59	93.24	98.13	103.29	108.69
400KV SUB-STATION ICT					
Normative Rate of O&M as per Regulation	0.262	0.276	0.29	0.305	0.322

No. of Units	1.00	1.00	1.00	1.00	1.00
O&M Claimed	82.53	86.94	91.35	96.08	101.43

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Summary of O&M Expenses claim

(Amount in Rs. Lakh)

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
A) Normative O&M					
Transmission Line	0.00	0.00	0.00	0.00	0.00
Substation	171.12	180.18	189.48	199.37	210.12
Communication System	0.00	0.00	0.00	0.00	0.00
Total Normative O&M	171.12	180.18	189.48	199.37	210.12
B) O&M Claimed under Regulation 35 (3)(C) (* The same is not being claimed and will be claimed through separate Petition)					
*Security Expenses	0.00	0.00	0.00	0.00	0.00
*Actual Capital Spare consumed	0.00	0.00	0.00	0.00	0.00
*Insurance Premium Paid	0.00	0.00	0.00	0.00	0.00
Total O&M	171.12	180.18	189.48	199.37	210.12

(Petitioner)



Normative parameters considered for tariff computations

Form No. - 3

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base Rate of Return of Equity (in %)						
Tax Rate (in %)	17.472	17.472	17.472	17.472	17.472	17.472
Effective tax rate (in %)						
Grossed up Rate for ROE of 15.5% (in %)	18.782	18.782	18.782	18.782	18.782	18.782
Grossed up Rate for ROE of 15.0% (in %)	18.176	18.176	18.176	18.176	18.176	18.176
Target availability - AC System (in %)	98.00	98.00	98.00	98.00	98.00	98.00
Target availability - HVDC System (in %)	96.00	96.00	96.00	96.00	96.00	96.00
Norms for sub-station Bays (Rs Lakh per bay)						
765 kV	51.68	41.34	43.51	45.79	48.20	50.73
400 kV	36.91	29.53	31.08	32.71	34.43	36.23
220 kV	25.84	20.67	21.75	22.90	24.10	25.36
132 kV and below	18.46	15.78	16.61	17.48	18.40	19.35
Norms for Transformers (Rs Lakh per MVA)						
765 kV	0.564	0.262	0.276	0.29	0.305	0.322
400 kV	0.411	0.262	0.276	0.29	0.305	0.322
220 kV	0.282	0.262	0.276	0.29	0.305	0.322
132 kV and below	0.282	0.262	0.276	0.29	0.305	0.322
Norms for Reactor (Rs Lakh per MVAR)						
765 kV	0.00	0.262	0.276	0.29	0.305	0.322
400 kV	0.00	0.262	0.276	0.29	0.305	0.322



220 kV	0.00	0.262	0.276	0.29	0.305	0.322
132 kV and below	0.00	0.262	0.276	0.29	0.305	0.322
Norms for AC and HVDC lines (Rs Lakh per km)						
Single Circuit (Bundled Conductor with six or more sub-conductors)	1.011	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.867	0.738	0.776	0.817	0.86	0.905
Single Circuit (Twin & Triple Conductor)	0.578	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.289	0.246	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.517	1.291	1.359	1.43	1.506	1.585
Double Circuit (Twin & Triple Conductor)	1.011	0.861	0.906	0.953	1.003	1.056
Double Circuit (Single Conductor)	0.433	0.369	0.388	0.409	0.43	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.662	2.266	2.385	2.51	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.773	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations (Rs Lakh/MW)						
HVDC bipole scheme (Rs Lakh/MW)	0.00	1.04	1.10	1.16	1.22	1.28
HVDC Back-to-Back stations (Rs Lakh/MW) (Except Gazuwaka BTB)	0.00	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (Rs Lakh/MW)	0.00	1.83	1.92	2.03	2.13	2.24

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(Petitioner)



Calculation of ROE

Form No. - 8

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No. of Days in the year	365.00	365.00	365.00	366.00	365.00
No. of days for which tariff claimed	365.00	365.00	365.00	366.00	365.00
Opening Normative Equity	65.53	65.53	65.53	65.53	65.53
Less: Adjustment in Equity*	0.00	0.00	0.00	0.00	0.00
Adjustment during the year	0.00	0.00	0.00	0.00	0.00
Net opening equity (Normal)	65.53	65.53	65.53	65.53	65.53
Add: Increase in Equity due to addition during the year / period	0.00	0.00	0.00	0.00	0.00
Less: Decrease due to de-capitalisation during the year / period	0.00	0.00	0.00	0.00	0.00
Add: Increase due to discharge during the year / period	0.00	0.00	0.00	0.00	0.00
Closing Normative Equity	65.53	65.53	65.53	65.53	65.53
Average Normative Equity	65.53	65.53	65.53	65.53	65.53
Rate of return on Equity (%) .	18.782	18.782	18.782	18.782	18.782
Reduced rate of 1% decided by commission under Regulation 30(2) (if any)	0.00	0.00	0.00	0.00	0.00
Effective rate of ROE	15.50	15.50	15.50	15.50	15.50
MAT/Corporate Rate	17.472	17.472	17.472	17.472	17.472
Grossed up rate of ROE	18.782	18.782	18.782	18.782	18.782
Pro rata return on Equity	12.31	12.31	12.31	12.31	12.31
Return on Equity	12.31	12.31	12.31	12.31	12.31



Calculation of WAR of interest on actual loan

Form No. - 9C

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s				
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda				
Region	Eastern Region	DOC Date	May 1, 2002		

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
BOND IX -DOCO					
Gross Loan- Opening	98.00	98.00	98.00	98.00	98.00
Cumulative repayments of Loans upto previous year	98.00	98.00	98.00	98.00	98.00
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	12.25	12.25	12.25	12.25	12.25
Interest on loan	0.00	0.00	0.00	0.00	0.00

BOND X -DOCO					
Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Gross Loan- Opening	69.00	69.00	69.00	69.00	69.00
Cumulative repayments of Loans upto previous year	69.00	69.00	69.00	69.00	69.00
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00



Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	10.90	10.90	10.90	10.90	10.90
Interest on loan	0.00	0.00	0.00	0.00	0.00

ADB - I -DOCO					
Gross Loan- Opening	489.84	489.84	489.84	489.84	489.84
Cumulative repayments of Loans upto previous year	489.84	489.84	489.84	489.84	489.84
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	7.51	7.51	7.51	7.51	7.51
Interest on loan	0.00	0.00	0.00	0.00	0.00

Summary

Gross Loan- Opening	656.84	656.84	656.84	656.84	656.84
Cumulative repayments of Loans upto previous year	656.84	656.84	656.84	656.84	656.84
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	10.8993	10.8993	10.8993	10.8993	10.8993
Interest on loan	0.00	0.00	0.00	0.00	0.00



(Petitioner)



Loans in Foreign Currency

Form No. - 9D

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
ADB - I -DOCOC -USD					
Gross Loan-Opening	11.05	11.05	11.05	11.05	11.05
Cumulative repayments of loans upto previous year	11.05	11.05	11.05	11.05	11.05
Net Loans-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of interest on Loan on Annual Basis	7.51	7.51	7.51	7.51	7.51
Interest on loan	0.00	0.00	0.00	0.00	0.00



(Petitioner)



Calculation of interest on Normative loan

Form No. - 9E

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No. of Days in the Year	365.00	365.00	365.00	366.00	365.00
No. of days for which Tariff claimed	365.00	365.00	365.00	366.00	365.00
Gross normative loan-Opening	529.10	529.10	529.10	529.10	529.10
Cumulative repayments of Normative loan upto previous year	498.05	507.33	516.61	525.89	529.10
Net normative loan-Opening	31.05	21.77	12.49	3.21	0.00
Addition in normative loan towards the ACE	0.00	0.00	0.00	0.00	0.00
Adjustment of normative gross loan pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Normative repayments of normative loan during the year	9.28	9.28	9.28	3.21	0.00
Adjustment of cumulative repayment pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Net normative loan - closing	21.77	12.49	3.21	0.00	0.00
Average normative loan	26.41	17.13	7.85	1.61	0.00
Weighted Average Rate of interest on actual loan	10.8993	10.8993	10.8993	10.8993	10.8993
Interest on normative loan	2.88	1.87	0.86	0.18	0.00
Pro rata interest on normative loan	2.88	1.87	0.86	0.18	0.00



Calculation of Depreciation Rate on Original Project Cost

Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

(Amount in Rs. Lakh)

Name of Assets	Gross block at the beginning of the year	Add Cap during the year	Gross block at the end of the year	Average Gross Block	Depreciation Rate as per CERC's Depreciation Rate Schedule	Depreciation Amount for each year upto 31.03.2029
2024-25						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	15.00	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/ SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2025-26						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00



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Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	15.00	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2026-27

Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	15.00	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	



2027-28						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	8.38
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	15.00	0.90
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	9.28
Weighted Average Rate of Depreciation(%)					1.560634	

2028-29						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	538.72	0.00	538.72	538.72	5.28	0.00
Comm. Sys. excluding Fiber Optic	55.91	0.00	55.91	55.91	15.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	594.63	0.00	594.63	594.63	0.00	0.00



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Weighted Average Rate of Depreciation(%)					0.00	
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(Petitioner)



Statement of Depreciation

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOCO Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No of Days in the year	365.00	365.00	365.00	366.00	365.00
No of days for which tariff claimed	365.00	365.00	365.00	366.00	365.00
Life at the beginning of the year					
1.1 Weighted Average useful life of the Asset/ Project	25.00	25.00	25.00	25.00	25.00
1.2 Lapsed Weighted Average useful life of the Asset/Project(in completed no. of year)	21.00	22.00	23.00	24.00	25.00
1.3 Balance Weighted Average useful life of the Asset/Project(in completed no. of year)	4.00	3.00	2.00	1.00	0.00
Capital Base					
1.4 Opening capital cost	594.63	594.63	594.63	594.63	594.63
1.5 Additional Capital Expenditure dr. the year	0.00	0.00	0.00	0.00	0.00
1.6 De-Capitalisation During the year	0.00	0.00	0.00	0.00	0.00
1.7 Closing capital cost	594.63	594.63	594.63	594.63	594.63
1.8 Average capital cost	594.63	594.63	594.63	594.63	594.63
1.9 Freehold land included in 1.8	0.00	0.00	0.00	0.00	0.00
1.10 Asset having NIL salvage value included in 1.8	0.00	0.00	0.00	0.00	0.00
1.11 Asset having 10% salvage value included in 1.8	594.63	594.63	594.63	594.63	594.63
1.12 Depreciable Value(1.10+90% of 1.11)	535.17	535.17	535.17	535.17	535.17
Depreciation for the period and Cum. Depreciation					
1.13 Weighted Average Rate of depreciation	1.560634	1.560634	1.560634	1.560634	0.00



1.14 Depreciation(for the period)	9.28	9.28	9.28	9.28	0.00
1.15 Depreciation(Annualised)	9.28	9.28	9.28	9.28	0.00
Unrecovered Depreciation for DECAP	0.00	0.00	0.00	0.00	0.00
1.16 Cumulative depreciation at the beginning of the period	498.05	507.33	516.61	525.89	535.17
1.17 Less:Adj of Cum. Dep pertaining to decapitalised Asset	0.00	0.00	0.00	0.00	0.00
1.18 Cumulative depreciation at the end of the period	507.33	516.61	525.89	535.17	535.17

(Petitioner)



Calculation of interest on working Capital

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	Strengthening of Farakka Malda transmission link and provision of additional 315 MVA transformer at Malda sub -s		
Element Description	strengthening of Farakka- Malda transmission link and additional 315MVA transformer at Malda		
Region	Eastern Region	DOC Date	May 1, 2002

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No of Days in the year	365.00	365.00	365.00	366.00	365.00
No of days for which tariff claimed	365.00	365.00	365.00	366.00	365.00
O&M Expenses-one month	14.26	15.02	15.79	16.61	17.51
Maintenance spares 15% of O&M Expenses	25.67	27.03	28.42	29.91	31.52
Receivables equivalent to 45 days of AFC	25.07	26.11	27.18	28.28	28.56
Total Working capital	65.00	68.16	71.39	74.80	77.59
Bank Rate as on 01.04.2019 or as on 01st April of the COD year, whichever is later.	11.90	11.90	11.90	11.90	11.90
Interest on working capital	7.74	8.11	8.50	8.90	9.23
Pro rata interest on working capital	7.74	8.11	8.50	8.90	9.23

(Petitioner)



Summary of issue involved in the petition		PART-III FORM- 15
1. Name of the Petitioner	Powergrid Corporation of India Ltd	
2. Petition Category	Transmission	
3. Tariff Period	2019-24 & 2024-29	
4. Name of the Project	Assets under Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region	
5. Investment Approval date	NA	
6. SCOD of the Project	NA	
7. Actual COD of the project	01.05.2002	
8. Whether entire scope is covered in the present petition.	Yes	
9. No. of Assets covered in instant petition	01 nos	
10. No. of Assets having time over run	NA	
11. Estimated Project Cost as per IA	Rs. 945.00 Lakh	
12. Is there any REC? if so, provide the date	NA	
13. Revised Estimated Project Cost (if any)	NA	
14. Completion cost for all the assets covered in the instant petition.	Rs. 594.63 Lakh	
15. No. of Assets covered in instant petition and having cost overrun.	NA	
16	Prayer in brief	
17	Key details and any Specific issue involved	
18	Respondents	
	Name of Respondents	
	1	BSPHCL
	2	JBVNL
	3	WBSEDCL
	4	DVC
	5	Power Dept., Govt. of Sikkim
	6	GRIDCO



PART-III													
Summary of Capital Cost & Annual Fixed Cost (AFC) Claimed for ALL the assets covered in the present petition.													
Name of the Petitioner			Powergrid Corporation of India Ltd										
Tariff Period			2019-24										
Name of the Transmission Project			Assets under Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region										
COD of the Project (if entire scope of project is completed)			01.05.2002										
												Rupees in lakh	
A) Summary of Capital Cost as on COD and Additional Capital Expenditure claimed for all the assets Covered in the instant petition.													
S. No.	Asset No.	COD	i) Apportioned Approved Cost		ii) Summary of Actual / Projected Capital Cost							Capital Cost as on Cut-off Date	
			As per IA	As per RCE	As on COD/ as on 31.03.2019	2019-20	2020-21	2021-22	2022-23	2023-24	Capital Cost as on 31.03.2024		
			1	2	3	4	5	6	7	8	9		11= (5+8+7+8+9+10)
1	Asset-I	01.05.2002	945.00	NA	594.63	0	0	0	0	0	0	594.63	
Total Capital Cost Claimed			945.00	0.00	594.63	0.00	0.00	0.00	0.00	0.00	0.00	594.63	
B) Summary of Tread-Up Annual Fixed Cost (AFC) claimed for all the assets covered in the instant petition.													
S. No.	Asset No.	Asset Name and its location				2019-20	2020-21	2021-22	2022-23	2023-24			
1	Asset-I	Assets under Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region				248.31	254.44	260.68	268	276.48			
Total AFC for all the Assets					248.31	254.44	260.68	268	276.48				
Note: 1) The purpose of this form is to summarise the Capital cost & AFC claimed for all the assets covered in the instant petition.													
												(Petitioner)	



PART-III												
Summary of Capital Cost & Annual Fixed Cost (AFC) Claimed for ALL the assets covered in the present petition.												
Name of the Petitioner			Powergrid Corporation of India Ltd									
Tariff Period			2024-29									
Name of the Transmission Project			Assets under Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region									
COD of the Project (if entire scope of project is completed)			01.05.2002									
											Rupees in lakh	
A) Summary of Capital Cost as on COD and Additional Capital Expenditure claimed for all the assets Covered in the instant petition.												
S. No.	Asset No.	COD	i) Apportioned Approved Cost		ii) Summary of Actual / Projected Capital Cost						Capital Cost as on Cut-off Date	
			As per IA	As per RCE	As on COD/ as on 31.03.2024	2024-25	2025-26	2026-27	2027-28	2028-29		Capital Cost considered as on 31.03.2029
			1	2	3	4	5	6	7	8		9
1	Asset-I	01.05.2002	945.00	NA	594.63	0	0	0	0	0	594.63	
Total Capital Cost Claimed			945.00	0.00	594.63	0.00	0.00	0.00	0.00	0.00	594.63	
B) Summary of Annual Fixed Cost (AFC) claimed for all the assets covered in the instant petition.												
S. No.	Asset No.	Asset Name and its location				2024-25	2025-26	2026-27	2027-28	2028-29		
1	Asset-I	Assets under Strengthening of Farakka – Malda Transmission Link and Additional 315 MVA Transformer at Malda in Eastern Region				203.34	211.75	220.43	230.04	231.66		
Total AFC for all the Assets						203.34	211.75	220.43	230.04	231.66		
Note: 1) The purpose of this form is to summarise the Capital cost & AFC claimed for all the assets covered in the instant petition.												
											(Petitioner)	



INDEX		PART-III
Checklist of Forms and other Information/ documents for tariff filing for Transmission System & Communication System (2019-24 & 2024-29 periods)		
Form No.	Title of Tariff Filing Forms (Transmission & Communication System)	Tick
FORM- 1	Summary of Tariff	✓
FORM- 1A	Summary of Asset level cost	N.A.
FORM-2	Details of Transmission Lines and Substations and Communication System covered in the project scope and O&M for instant asset	✓
FORM-3	Normative parameters considered for tariff computations	✓
FORM- 4	Abstract of existing transmission assets/elements under project, Determination of Effective COD and Weighted Average Life for single AFC for the project as whole.	N.A.
FORM- 4A	Statement of Capital cost	N.A.
FORM- 4B	Statement of Capital Works in Progress	N.A.
FORM- 4C	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New Project/Element	N.A.
FORM-5	Element wise Break-up of Project/Asset/Element Cost for Transmission System or Communication System	N.A.
FORM-5A	Break-up of Construction/Supply/Service packages	N.A.
FORM-5B	Details of all the assets covered in the project	N.A.
FORM- 6	Actual Cash Expenditure and Financial Package up to COD	N.A.
FORM- 7	Statement of Additional Capitalisation after COD	N.A.
FORM- 7A	Financing of Additional Capitalisation	N.A.
FORM- 7B	Statement of Additional Capitalisation during five year before the end of the useful life of the project.	N.A.
FORM- 8	Calculation of Return on Equity	✓
FORM-8A	Details of Foreign Equity	N.A.
FORM-9	Details of Allocation of corporate loans to various transmission elements	N.A.
FORM-9A	Details of Project Specific Loans	N.A.
FORM-9B	Details of Foreign loans	N.A.
FORM-9C	Calculation of Weighted Average Rate of Interest on Actual Loans	✓
FORM-9D	Loans in Foreign Currency	✓
FORM-9E	Calculation of Interest on Normative Loan	✓
FORM- 10	Calculation of Depreciation Rate on original project cost	✓
FORM- 10A	Statement of Depreciation	✓
FORM- 10B	Statement of De-capitalisation	N.A.
FORM- 11	Calculation of Interest on Working Capital	✓
FORM- 12	Details of time over run	N.A.
FORM- 12A	Incidental Expenditure during Construction	N.A.
FORM- 12B	Calculation of IDC & Financing Charges	N.A.
FORM- 13	Details of Initial spares	N.A.
FORM- 14	Non-Tariff Income	N.A.
FORM- 15	Summary of issue involved in the petition	✓
FORM A	Summary of Capital Cost & Annual Fixed Cost (AFC) Claimed for ALL	✓
Other Information/ Documents		
S. No.	Information/Document	Tick
1	Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association (For New Project(s) setup by a company making tariff application for the first time to CERC)	N.A.
2	Region wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & Annexure for the new Transmission System & Communication System for the relevant years.	N.A.
3	Copies of relevant loan Agreements	N.A.
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	N.A.
5	Copies of the Equity participation agreements and necessary approval for the foreign equity.	N.A.
6	Copies of the BPTA/TSA/PPA with the beneficiaries, if any	N.A.
7	Detailed note giving reasons of cost and time over run, if applicable. List of supporting documents to be submitted: a. Detailed Project Report b. CPM Analysis c. PERT Chart and Bar Chart d. Justification for cost and time Overrun	N.A.
8	Transmission Licensee shall submit copy of Cost Audit Report along with cost accounting records, cost details, statements, schedules etc. for the transmission system as submitted to the Govt. of India for first two years i.e. 2019-20 and 2020-21 at the time of mid-term true-up in 2021-22 and for balance period of tariff period 2019-24 at the time of final true-up in 2024-25. In case of initial tariff filing the latest available Cost Audit Report should be furnished.	N.A.
9.	BBMB is maintaining the records as per the relevant applicable Acts. Formats specified herein may not be suitable to the available information with BBMB. BBMB may modify formats suitably as per available information to them for submission of required information for tariff purpose.	N.A.
10.	Any other relevant information, (Please specify)	N.A.
Note 1: Electronic copy of the petition (in words format) and detailed calculation as per these formats (in excel format) and any other information submitted has to be uploaded in the e-filing website and shall also be furnished in pen drive/flash drive.		

