

BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. ___ /TT/ ___

IN THE MATTER OF: -

Petition for truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for **Special Energy Meters in Northern Region** under Section 62 read with Section 79 (1) (d) of the 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 Conditions of Tariff) Regulations, 2019 and Central Electricity Regulatory Commission (Terms and Conditions 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).

--- RESPONDENT(S)

Uttar Pradesh Power Corporation Ltd.
Shakti Bhawan, 14, Ashok Marg
Lucknow - 226 001
Represented by Its Chairman
And others

FILED BY
POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED: 29.07.2024

REPRESENTED BY


(V.G. Sekhar)
Sr. General Manager (Regulatory Cell)



BEFORE
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And others

----- RESPONDENT(S)

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 the 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 Conditions of Tariff) Regulations, 2019 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 and same may please be registered and taken on record by the Hon'ble



Commission.

GURGAON

FILED BY

DATED:- 29.07.2024

POWER GRID CORPORATION OF INDIA LTD.

REPRESENTED BY

(V.C. Sekhar)
Sr. General Manager (Regulatory Cell)



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Uttar Pradesh Power Corporation Ltd.

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Shakti Bhawan, 14, Ashok Marg

Lucknow - 226 001

Represented by Its Chairman

And others

MEMO OF PARTIES

Power Grid Corporation of India Ltd.

VERSUS

--- PETITIONER

Northern Region

--- RESPONDENT

1. UTTAR PRADESH POWER CORPORATION LTD.
SHAKTI BHAWAN, 14, ASHOK MARG
LUCKNOW - 226 001
REPRESENTED BY ITS CHAIRMAN

2. AJMER VIDYUT VITRAN NIGAM LTD
CORPORATE OFFICE, VIDYUT BHAWAN,
PANCHSHEEL NAGAR, MAKARWALI ROAD
AJMER-305004 (RAJASTHAN)
REPRESENTED BY ITS MANAGING DIRECTOR



3. JAIPUR VIDYUT VITRAN NIGAM LTD
132 KV, GSS RVPNL SUB- STATION BUILDING,
CALIGIRI ROAD, MALVIYA NAGAR, JAIPUR-302017
(RAJASTHAN)
REPRESENTED BY ITS MANAGING DIRECTOR
4. JODHPUR VIDYUT VITRAN NIGAM LTD
NEW POWER HOUSE, INDUSTRIAL AREA ,
JODHPUR – 342 003(RAJASTHAN)
REPRESENTED BY ITS MANAGING DIRECTOR
5. HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD
VIDYUT BHAWAN
KUMAR HOUSE COMPLEX BUILDING II
SHIMLA-171 004
REPRESENTED BY ITS CHAIRMAN
6. PUNJAB STATE POWER CORPORATION LIMITED
THE MALL, PSEB HEAD OFFICE, PATIALA - 147 001
REPRESENTED BY ITS CHAIRMAN AND MANAGING
DIRECTOR
7. HARYANA POWER PURCHASE CENTRE
SHAKTI BHAWAN, SECTOR-6
PANCHKULA (HARYANA) 134 109
REPRESENTED BY ITS S.E. / C & R-1
8. JAMMU KASHMIR POWER CORPORATION LIMITED
220/66/33 KV GLADNI SS SLDC BULIDING
NARWAL, JAMMU
REPRESENTED BY ITS CHAIRMAN
9. BSES YAMUNA POWER Ltd,
B-BLOCK, SHAKTI KIRAN, BLDG.
(NEAR KARKADOOA COURT),
KARKADOOA 2ND FLOOR,
NEW DELHI-110092
REPRESENTED BY ITS CEO
10. BSES RAJDHANI POWER Ltd,
BSES BHAWAN, NEHRU PLACE,
NEW DELHI
REPRESENTED BY ITS CEO



11. TATA POWER DELHI DISTRIBUTION LTD.
33 KV SUBSTATION, BUILDING
HUDSON LANE, KINGSWAY CAMP
NORTH DELHI - 110009
REPRESENTED BY ITS CEO
12. CHANDIGARH ELECTRICITY DEPTT.
CHANDIGARH ADMINISTRATION
SECTOR -9, CHANDIGARH.
REPRESENTED BY ITS CHIEF ENGINEER
13. UTTARAKHAND POWER CORPORATION LTD.
URJA BHAWAN
KANWALI ROAD
DEHRADUN.
REPRESENTED BY ITS MANAGING DIRECTOR
14. NORTH CENTRAL RAILWAY
ALLAHABAD.
REPRESENTED BY CHIEF ELECTRICAL
DISTRIBUTIONENGINEER
15. NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA, SANSAD MARG,
NEW DELHI-110002
REPRESENTED BY CHAIRMAN

GURGAON

DATED: 29.07.2024

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


(V.C. Sekhar)
Sr. General Manager (Regulatory Cell)



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Represented by Its Chairman

And others

--- RESPONDENT(S)

MEMO OF APPEARANCE

POWER GRID CORPORATION OF INDIA LTD.

-- PETITIONER

1. Shri Dilip Nagesh Rozekar, ED (Commercial & RC), POWERGRID
2. Shri Mohd. Mohsin, Chief GM (Comml- Petition), POWERGRID
3. **V.C. Sekhar, Sr. GM (Commercial-RC), POWERGRID**
4. Shri Zafrul Hasan, GM (Comml- Petition), POWERGRID

I, V.C. Sekhar, 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 29th day of July 2024.

PETITIONER
POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED:- 29.07.2024


(V.C. Sekhar)
Sr. General Manager (Regulatory Cell)



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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, own, operate and maintain an efficient, coordinated and economical inter-state 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 Commission**"). Tariff for the transmission system established by POWERGRID is required to be determined by



this Hon'ble Commission in accordance with the Tariff Regulations as notified by this Hon'ble 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 departments of the respective states which are engaged in distribution of electricity in Northern Region of India. The respondents are also 'Designated Inter State Transmission Customer' (hereinafter referred to as 'DICs') from Northern region in terms of the 2020 Sharing Regulations.

(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 below asset in Northern Region:

Asset No	Asset Name	DOCO	Remarks
Asset-1	Special Energy Meters in Northern Region	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 asset on capital cost comprising of expenditure incurred/Admitted upto 31.03.2019/DOCO and additional capital expenditure during 2019-24 & 2024-29 in accordance with provisions 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/RCE apportioned approved cost vis-a-vis claimed capital cost as on 31.03.2019 and additional capital expenditure during 2019-24 and 2024-29 tariff block are as under:



Rs in lakhs

Asset No.	Apportioned Approved Cost as per FR	Expenditure Up to DOCO /31.03.2019	Expenditure during 2019-24 tariff block	Actual Cost as on 31.03.2024
Asset-1	904.00	668.71	No add cap	668.71

Rs in lakhs

Asset No.	Apportioned Approved Cost as per FR	Expenditure Up to 31.03.2024	Expenditure during 2024-29 tariff block	Actual Cost as on 31.03.2029
Asset-1	904.00	668.71	No add cap	668.71

5. Details of tariff claimed are as under:

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

Rs in Lakhs

Name of the asset	Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	AFC approved	92.41	92.32	92.24	92.24	92.23
	Revised AFC based on truing up	92.41	92.32	92.23	92.23	92.40

Tariff claimed for 2024-29 tariff block:

Rs in Lakhs

Name of the asset	2024-25	2025-26	2026-27	2027-28	2028-29
Asset-1	92.40	92.40	92.40	92.38	38.24

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

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, own, operate and maintain an efficient, coordinated and economical inter-state transmission system (ISTS). The tariff for the said transmission systems shall be determined by the Hon'ble Commission in accordance with the provisions of 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-1	Special Energy Meters in Northern Region	01.05.2002	Earlier covered under petition no. 12/TT/2020 now covered under instant petition

10. Cost details:

The capital cost of Rs. 668.71 Lakhs for subject Asset has been admitted by Hon'ble commission vide order dated 13.12.2021 in petition no. 12/TT/2020. 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.

11. Transmission tariff:

The truing up exercise for the period 2019-2024 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.

Regulation 13 of Tariff Regulation, 2019:

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 Regulations, 2019 dated 07.03.2019 in the truing up petition for 2019-24 tariff block.

Regulation 31 (3) of the tariff Regulation, 2019:

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 have 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 to be 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))
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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.

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

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

Rs in Lakh

Project		2019-20	2020-21	2021-22	2022-23	2023-24
Asset-1	AFC approved	92.41	92.32	92.24	92.24	92.23
	Revised AFC based on truing up	92.41	92.32	92.23	92.23	92.40

Tariff filing forms along with the other relevant information and supporting documents 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 worked out for 2024-29 tariff block is summarized below:

Rs in Lakh

Project		2024-25	2025-26	2026-27	2027-28	2028-29
Asset-1	AFC	92.40	92.40	92.40	92.38	38.24

Tariff filing forms along with the other relevant information and supporting documents are attached hereto as **Encl-3**.



14. The asset has completed 12 Yrs of life in 2014-19 block, and thus the remaining depreciable amount at end of 12 yrs have been spread over the balance useful life of the asset as per clause 33 (5) of the CERC Tariff Regulations, 2024. 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 and para-13 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 calculations 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 calculations 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 will be submitted shortly with a Truing-up petition and the details of the same will be submitted through an affidavit once submitted. These documents/details will also be made available on our website www.powergrid.in.

18. The transmission charges at para-12 & 13 above have nil O&M as instant asset are of meters category.
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 Expenses:

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 Regulation, 2019 for 2019-24 period. 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 for 2024-29 period as per actual through a separate petition.

Accordingly, these expenses are not claimed in the subject petition through the relevant Tariff Forms 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 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) and Regulation 94(4) 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, 2023 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 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.

23. Sharing of Transmission Charges

Tariff for Transmission of Electricity (Annual Fixed Cost) for 2019-24 as per para 12 above shall be recovered on monthly basis in accordance with Regulation 57 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and shall be shared by the beneficiaries and long-term transmission customers in terms of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 and/or Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from to time for the applicable periods.

Tariff for Transmission of Electricity (Annual Fixed Cost) for 2024-29 as per para 13 above shall be recovered on monthly basis in accordance with Regulation 78 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 and shall be shared by the beneficiaries and long-term transmission customers in terms of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from to time.

- 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.**

A. 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 asset 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 Regulations, 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 Tariff regulations, 2019 and Regulation 89 of Tariff regulations, 2024 . The petitioner may be allowed to recover the deferred tax liability materialized directly without making any application before the Hon'ble 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 RLDC fees & charges and Licensee fee, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.
- 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:- 29.07.2024

**FILED BY
POWER GRID CORPORATION OF INDIA LTD.**

REPRESENTED BY


(V.C. Sekhar)

Sr. General Manager (Regulatory Cell)



BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

PETITION NO.:

IN THE MATTER OF: Petition for truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for **Special Energy Meters in Northern Region** under Section 62 read with Section 79 (1) (d) of the 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 Conditions of Tariff) Regulations, 2019 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

Power Grid Corporation of India Ltd.

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).

--- **PETITIONER**

Uttar Pradesh Power Corporation Ltd.

Shakti Bhawan, 14, Ashok Marg

Lucknow - 226 001

Represented by Its Chairman

And others

----- **RESPONDENT(S)**

AFFIDAVIT VERIFYING THE PETITION

I, V.C. Sekhar, S/O Late Sh. V. Devaiah, working as Senior General Manager (Regulatory Cell) in the Power Grid Corporation of India Ltd., having its registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, do hereby solemnly affirm and state as under: -

1. That the deponent is the Senior General Manager of Petitioner and is well conversant with the facts and the circumstances of the case and therefore competent to swear this affidavit.



24



2. That the accompanying Petition under Section 62 of the Electricity Act, 2003, has been filed by my authorized 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 24 of the facts as mentioned in the Petition are true and correct based on my personal knowledge, belief and records maintained in the office and the contents of Para 01 to 24 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


(DEPONENT)

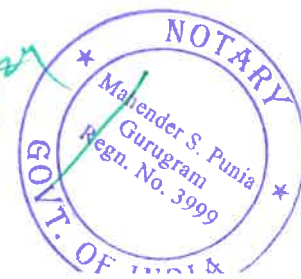
VERIFICATION

Solemnly affirmed at Gurgaon on this 29th day of July' 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.


(DEPONENT)



ATTESTED
25
25
MAHENDER S. PUNIA
ADVOCATE & NOTARY
Distt. Gurugram (Haryana) India



पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
केन्द्रीय वाणिज्यिक विभाग

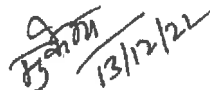
Ref: CC/Commercial/2022

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


Mukesh Khanna
ED (Commercial &RC)



**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 12/TT/2020

Coram:

**Shri P.K. Pujari, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of order: 13.12.2021

In the Matter of

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and revision of transmission tariff of 2001-04, 2004-09 and 2009-14 periods, truing up of transmission tariff of 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for Special Energy Meters in Northern Region.

And in the Matter of:

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

.....Petitioner

Vs.

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur – 302 005, (Rajasthan).
2. Ajmer Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-Station Building,
Caligiri Road, Malviya Nagar,
Jaipur – 302 017, (Rajasthan).
3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-Station Building,
Caligiri Road, Malviya Nagar,
Jaipur – 302 017, (Rajasthan).
4. Jodhpur Vidyut Vitran Nigam Limited,

ATTESTED TRUE COPY
27 to 68
Authorised Signatory
Power Grid Corporation of India Ltd.
Plot No. 2, Sector-29, Gurgaon-122001 (HARYANA)



132 kV GSS RVPNL Sub-Station Building,
Caligiri Road, Malviya Nagar,
Jaipur – 302 017, (Rajasthan).

5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla – 171 004, (Himachal Pradesh).
6. Punjab State Electricity Board,
The Mall,
Patiala – 147 001.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula – 134 109, (Haryana).
8. Power Development Department,
Government of Jammu & Kashmir,
Mini Secretariat,
Jammu.
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226 001, (Uttar Pradesh).
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi – 110 002.
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
13. Tata Power Delhi Distribution Limited,
33 kV Sub-Station, Building,
Hudson Lines Kingsway Camp,
North Delhi – 110009.
14. Chandigarh Administration,
Sector -9, Chandigarh.



15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun.

16. North Central Railway,
Allahabad.

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

...Respondent(s)

For Petitioner : Shri S.S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri A.K. Verma, PGCIL

For Respondents : None

ORDER

The instant petition has been filed by the Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, for revision of transmission tariff of 2001-04, 2004-09, 2009-14 periods and truing up of transmission tariff of 2014-19 period under 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 of 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") in respect of the Special Energy Meters (hereinafter referred to as "the transmission asset") in Northern Region.

2. The Petitioner has made the following prayers in this petition:

"1) Approve the revised Transmission Tariff for 2001-04 block, 2004-09 block and transmission tariff for 2009-14 block for the asset covered under this petition, as per para 8 above.



2) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 9 and 10 above.

3) a) 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 2014 and Tariff regulations 2019 as per para 9.0 and 10 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 49 of 2014 and regulation 67 of 2019 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 regulation.

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 Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 10.5 above.

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 Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”

Backdrop of the case



Order in Petition No.12/TT/2020



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

(a) The Petitioner has installed Special Energy Meters in the Northern Region as agreed in the 114th NREB meeting held on 15.1.1998. NREB agreed for installation of Special Energy Meters at a total estimated cost of ₹904.00 lakh.

(b) The transmission asset was put under commercial operation on 1.5.2002.

(c) The scope of work as per Investment Approval (IA) covered the following elements:

- i. Total Number of special energy meters to be installed : 996
- ii. Number of special energy meters already installed : 883
- iii. Number of special energy meters under installation : 12
- iv. Special energy meters to be kept as spares : 70
- v. Special energy meters to be installed in future : 31

(d) The transmission tariff for the transmission asset from COD to 31.3.2004 was determined vide order dated 9.11.2005 in Petition No. 101/2003.

(e) The transmission tariff for the transmission asset from 1.4.2004 to 31.3.2009 was determined vide order dated 9.5.2006 in Petition No. 2/2006. The tariff of the transmission asset was revised on account of Additional Capital Expenditure (ACE) incurred during the year 2004-05 vide order dated 12.3.2007 in I.A. No. 7/2007 in Petition No. 2/2006.

(f) The transmission tariff for transmission asset from 1.4.2009 to 31.3.2014 was determined vide order dated 12.7.2011 in Petition No. 288/2010. Further, the transmission tariff of 2009-14 tariff period was trued-up and transmission tariff for 2014-19 period in respect of the transmission asset was determined vide order dated 28.1.2016 in Petition No. 360/TT/2014.



(g) The Petitioner has sought revision of transmission tariff approved for 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 the judgements of the Appellate Tribunal for Electricity (“the APTEL”) dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch cases. The Petitioner has sought consequential revision of transmission tariff allowed for 2009-14 period, truing-up of tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of the transmission asset.

(h) The APTEL in its judgment dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters pertaining to generating stations of NTPC had considered 4 (four) issues. The issues considered by the APTEL and its decisions are as given in the following table:

Sl. No.	Issue	APTEL's decisions/ directions
1	Whether APTEL can enquire into the validity of Regulations framed by the Commission.	Challenge to the validity of Regulations framed by the Commission falls outside the purview of APTEL.
2	Computation of IoL	In view of the order of the APTEL dated 14.11.2016 in Appeal Nos. 94 and 96 of 2005 and order dated 24.1.2007 passed in Appeal Nos. 81 to 87, 89 to 93 of 2005, computation of loan has to be based on loan repayment on normative basis. Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis.
3(a)	O&M Expenses: Inadequate provision of employee costs as part of O&M Expenses due to variation in salary and wages	Commission's view upheld.
3(b)	O&M Expenses: Non-inclusion of incentives and ex-gratia payment to employees	Commission's view upheld.
4	Cost of spares for calculation of working capital	Commission's view upheld.

(i) The APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters pertaining to generating stations of NTPC had considered 9



(nine) issues. The issues considered and the decisions/ directions of the APTEL are given in the following table:

Sl. No.	Issue	APTEL's decisions/ directions
I	Computation of outstanding loan at the beginning of the tariff period i.e. 1.4.2004	The Commission is required to recalculate the loan outstanding as on 31.3.2004 based on loan repayment on normative basis.
II	Consequence of refinance of loan	Commission to consider the issue afresh.
III	Treating depreciation available as deemed repayment of loan	Commission to make a fresh computation of outstanding loan.
IV	Admissibility of depreciation up to 90%	Commission to consider the issue afresh.
V	Cost of Maintenance Spares	Commission to consider the issue afresh.
VI	Impact of de-capitalisation of the assets on cumulative repayment of Loan	The cumulative repayment of the loan proportionate to the assets decapitalized required to be reduced. Commission to act accordingly.
VII	Non-consideration of normative transit loss for coal import.	Commission to consider afresh the transit losses for coal imported from coal mines other than the dedicated ones.
VIII	Foreign Exchange rate variation (FERV)	FERV has been kept as pass through to ensure that any liability or gain, if any, arising on account of any variation in foreign exchange rates is passed on to the beneficiary as held in order dated 4.10.2006 in Appeal No.135 to 140 of 2005. Commission to act accordingly.
IX	Computation of interest on loan in Singrauli Station	Net loan closing at the end of a year is reflected as net loan opening on the first day of the next year. Commission shall re-compute the interest accordingly.

(j) The Commission and certain interested parties preferred Civil 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.

(k) Based on the APTEL's judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2007 and batch cases, the Petitioner had sought revision of tariff of its transmission assets for 2001-04 and 2004-09 tariff periods in Petition No. 121/2007. The



Commission, after taking into consideration the pendency of Appeals before the Hon'ble Supreme Court, adjourned the said petition sine die and directed that the same be revived after the disposal of Civil Appeals by the Hon'ble Supreme Court.

(l) The Hon'ble Supreme Court vide its order dated 10.4.2018, dismissed the said Civil Appeals filed against the APTEL's said judgments. Thus, the judgements of APTEL have attained finality.

(m) Consequent to the Hon'ble Supreme Court's order dated 10.4.2018 in NTPC matter, Petition No. 121/2007 was listed for hearing before the Commission 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 true up petitions for 2014-19 tariff period in respect of concerned transmission assets.

(n) The instant petition was heard on 10.9.2021 and in view of the APTEL's judgments dated 22.1.2007 in Appeal No. 81/2005 and batch matters and dated 13.6.2007 in Appeal No. 139/2006 and the order of Hon'ble Supreme Court dated 10.4.2018 tariff is being revised. Period wise transmission tariff is being re-worked based on the Tariff Regulations applicable for the respective tariff periods and suitable assumptions have been made at certain places and applied which are indicated.

4. The Respondents are distribution licensees, power departments and transmission licensees which are procuring transmission service from the Petitioner, mainly beneficiaries of the Northern Region.

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notice published in the



newspapers by the Petitioner. Uttar Pradesh Power Corporation Limited (UPPCL), Respondent No. 9, has filed its reply vide affidavit dated 21.1.2020 and mainly raised the issues of item-wise tariff, items-wise O&M Expenses, item-wise testing, issues of prudence check before revising the tariff, grossing up of RoE by the Petitioner, O&M Expenses for special meters, license fee, loL, security expenses and Interest on Working Capital (IWC). The Petitioner has filed rejoinder affidavit dated 9.9.2021 to the reply of UPPCL. The issues raised by UPPCL and the clarifications given by the Petitioner are dealt in the relevant paragraphs of this order.

Re: Interest on Loan (“loL”)

6. The APTEL while dealing with the issue of computation of loL, in judgment dated 22.1.2007, observed that loL for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgment dated 14.11.2006 in Appeal Nos. 94 and 96 of 2005. The APTEL vide its judgment dated 14.11.2006 had set aside the Commission’s methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher and held that the Commission is required to adopt normative debt repayment methodology for working out loL liability order for the period 1.4.1998 to 31.3.2001. In view of the judgment of APTEL, the interest allowed for 2001-04 and 2004-09 tariff periods is revised on the basis of the normative debt repayment methodology.

Re: Additional Capital Expenditure (“ACE”)

7. The APTEL vide judgment dated 13.6.2007 in Appeal No. 139/2006 and others held that ACE after the date of commercial operation (COD) should also be considered for computation of maintenance spares. In view of the judgment of



APTEL, the maintenance spares to be considered for computation of working capital for 2001-04 and 2004-09 periods are also required to be revised taking into consideration the ACE after COD.

Re: Depreciation

8. As regards depreciation, the APTEL in its judgement dated 13.6.2007 in Appeal No.139 of 2006 and batch matters 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. In view of the above directions of the APTEL, the outstanding loan allowed for the transmission asset for 2001-04 and 2004-09 tariff periods is revised in the instant order.

9. The revision of transmission tariff allowed for 2001-04 and 2004-09 tariff periods necessitates the revision of transmission tariff allowed for 2009-14 tariff period, which is also allowed in the present order. The implementation of the directions of the APTEL vide judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and dated 13.6.2007 in Appeal No. 139 of 2006 and batch cases, in the case of Petitioner was kept pending awaiting 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 2001-04, 2004-09 and 2009-14 tariff periods. Therefore, we direct that the Petitioner will neither claim nor pay any carrying cost from or to the beneficiaries for the difference, if any, in the tariff allowed earlier and the tariff being 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.

10. The hearing in this matter was held on 10.9.2021 through video conference and order was reserved.

11. This order is issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 7.11.2019 and Petitioner's affidavit dated 6.7.2021, UPPCL's reply filed vide affidavit dated 21.1.2020 and Petitioner's rejoinder affidavit dated 9.9.2021 to the reply filed by UPPCL.

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

REVISION OF TRANSMISSION CHARGES ALLOWED FOR 2001-04, 2004-09 AND 2009-14 TARIFF PERIODS

13. UPPCL has prayed that revision of tariff may be allowed only after prudence check. UPPCL has further submitted that the Petitioner cannot claim item-wise tariff, item-wise O&M Expenses and item-wise testing as the Central Electricity Regulatory Commission (Sharing of Inter-State transmission charges and losses) Regulations, 2010 intends to bill the transmission charges of each consumer on the basis of usage of line only. Therefore, the cost of Special Energy Meters must be assigned to the sub-stations pertaining to the particular transmission line. The concept of item-wise tariff, item-wise O&M Expenses and item-wise testing was not mentioned under the 2004 Tariff Regulations, the 2009 Tariff Regulations, the 2014 Tariff Regulations or the 2019 Tariff Regulations which provide for determination of tariff for transmission line and sub-stations. The meter is a minor item and as such it should be covered under O&M Expenses of a particular bay of the concerned sub-



station. UPPCL has submitted that COD of the transmission asset i.e. 1.5.2002 was between 1.4.1999 to 31.3.2011 and as such the Petitioner has no liability to pay Income Tax on the transmission asset in terms of Section 80IA of the Income Tax Act, 1961.

14. UPPCL also submitted that tariff forms submitted along with the instant petition are illegible except for depreciation. UPPCL has requested to direct the Petitioner to submit the copies of the APTEL's judgments on the basis of which the revision of tariff has been claimed as well as legible details for working out the transmission tariff for 2001-2014 period.

15. In response, the Petitioner has submitted that the APTEL's judgments have been submitted in Petition No. 255/TT/2019 as well as vide rejoinder affidavit dated 21.8.2020 in Petition No. 473/TT/2019 in response to reply of UPPCL. With regard to averments of illegible tariff form, the Petitioner has submitted that excel sheet of calculation is attached in the e-filing portal and figures can be verified from there.

2001-04 Tariff Period

16. The Commission vide order dated 9.11.2005 in Petition No. 101/2003 had approved transmission charges in respect of the transmission asset for 2001-04 period based on admitted capital cost of ₹572.89 lakh as on 31.3.2001. Further, the Commission vide order dated 9.5.2006 in Petition No. 2/2006 had allowed ACE of ₹32.35 lakh during 2002-03 and ₹46.59 lakh during 2003-04 periods. As regards contention of UPPCL that item-wise tariff, item-wise O&M expenses and item-wise testing should not be allowed, we note that the tariff during 2001-04 and subsequent tariff periods was allowed on item-wise basis. Therefore, revision of tariff is being done on the same basis.



17. The transmission charges approved for 2001-04 period vide order dated 9.11.2005 in Petition No. 101/2003 are as follows:

Particulars	(₹ in lakh)	
	2002-03	2003-04
Depreciation	31.51	34.37
Return on Equity	62.90	68.62
O&M Expenses	14.18	21.11
Advance against Depreciation	0.00	0.00
Interest on Loan	9.73	12.97
Interest on Working Capital	2.93	3.43
Total	121.25	140.50

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

Particulars	(₹ in lakh)	
	2002-03	2003-04
Depreciation	31.51	34.37
Return on Equity	62.90	68.62
O&M Expenses	14.18	21.11
Advance against Depreciation	0.00	0.00
Interest on Loan	9.73	15.88
Interest on Working Capital	2.95	3.56
Total	121.27	143.54

19. We have considered the submissions of the Petitioner and have perused the order dated 9.11.2005 in Petition No. 101/2003 and order dated 9.5.2016 in Petition No. 2/2006. On perusal of the orders, we find that ACE for the years 2002-03 and 2003-04 in the said orders is limited to IoL only for the financial year 2003-04. The tariff is being allowed in respect of the transmission asset on the basis of following:

- a. Admitted capital cost of ₹572.89 lakh as on 1.4.2001 of the transmission asset;
- b. Weighted Average Rate of Interest (WAROI) on actual loan, Weighted Average Rate of Depreciation (WAROD), Rate of Interest for Working Capital and O&M Expenses as per order dated 9.11.2005 in Petition No. 101/2003.



20. In view of above, the revised transmission charges allowed in respect of the transmission asset for 2001-04 tariff period are as follows:

Particulars	(₹ in lakh)	
	2002-03 (Pro-rata for 11 months)	2003-04
Depreciation	31.51	34.37
Return on Equity	62.90	68.62
O&M Expenses	14.18	21.11
Advance against Depreciation	0.00	0.00
Interest on Loan	9.73	12.96*
Interest on Working Capital	2.93	3.43
Total	121.25	141.50

**In addition to above, IoL of ₹2.91 lakh has been allowed for 2003-04 period as per order dated 9.5.2006 in Petition No. 2/2006 on account of additional equity of ₹32.35 lakh for the year 2002-03 and ₹46.59 lakh for the year 2003-04.*

21. The Annual Fixed Charges (AFC) allowed for 2001-04 tariff period vide order dated 9.11.2005 in Petition No. 101/2003, the revised AFC claimed in the instant petition and AFC allowed in the instant order are as follows:

Particulars	(₹ in lakh)	
	2002-03	2003-04
AFC approved vide order dated 9.11.2005 in Petition No. 01/2003	121.25	140.50
AFC claimed by the Petitioner in the instant petition	121.27	143.54
AFC allowed in the instant order	121.25	141.50*

**In addition to above, IoL of ₹2.91 lakh has been allowed for 2003-04 period as per order dated 9.5.2006 in Petition No. 2/2006 on account of additional equity of ₹32.35 lakh for the year 2002-03 and ₹46.59 lakh for the year 2003-04.*

2004-09 Tariff Period

22. The Commission vide order dated 9.5.2006 in Petition No. 2/2006 had approved transmission charges of the transmission asset for 2004-09 period based on admitted capital cost of ₹651.83 lakh as on 31.3.2004 by considering ACE of ₹78.94 lakh for 2001-04 period. Further, the tariff of the transmission asset was revised vide order dated 12.3.2007 in I.A. No. 7/2007 in Petition No. 2/2006 on account of ACE of ₹16.88 lakh during 2004-05.



23. The transmission charges approved for 2004-09 period vide order dated 9.5.2006 in Petition No. 2/2006 that was revised vide order dated 12.3.2007 in I.A. No. 7/2007 in Petition No. 2/2006 are as follows:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	39.62	40.12	40.12	40.12	40.12
Return on Equity	60.40	60.75	60.75	60.75	60.75
O&M Expenses	20.42	21.24	14.53	15.11	15.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Loan	18.70	15.64	12.04	8.46	4.88
Interest on Working Capital	3.30	3.33	3.14	3.14	3.14
Total	142.44	141.08	130.58	127.58	124.60

24. The Petitioner has claimed the following revised transmission charges in respect of the transmission asset for 2004-09 period in this petition:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	39.62	40.12	40.12	40.12	40.12
Return on Equity	60.40	60.75	60.75	60.75	60.75
O&M Expenses	20.42	21.24	14.53	15.11	15.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Loan	20.31	20.38	19.22	17.47	15.72
Interest on Working Capital	3.39	3.49	3.34	3.38	3.42
Total	144.15	145.98	137.96	136.83	135.72

25. We have considered the submissions of the Petitioner. The tariff is allowed in respect of the transmission asset on the basis of following:

- a) Admitted capital cost of ₹651.83 lakh in respect of the transmission asset as on 1.4.2004;
- b) ACE of ₹16.68 lakh for the period 2004-05;
- c) Weighted Average Rate of Interest on actual loan, Rate of Interest for Working Capital and O&M Expenses as per order dated 12.03.2007 in I.A. No. 7/2007 in Petition No. 2/2006.

26. In view of the above, the revised transmission charges allowed in respect of the transmission asset for 2004-09 tariff period are as follows:



(₹ in lakh)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	39.62	40.12	40.12	40.12	40.12
Return on Equity	60.40	60.75	60.75	60.75	60.75
O&M Expenses	20.42	21.24	14.53	15.11	15.71
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Loan	20.31	20.38	19.22	17.47	15.72
Interest on Working Capital	3.30	3.39	3.24	3.27	3.30
Total	144.05	145.89	137.87	136.72	135.61

27. AFC allowed for 2004-09 tariff period vide order dated 9.5.2006 in Petition No. 2/2006 that was revised vide order dated 12.3.2007 in I.A. No. 7/2007 in Petition No. 2/2006, revised AFC claimed in the instant petition and AFC allowed in the instant order are as follows:

(₹ in lakh)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
AFC approved vide order dated 12.3.2007 in I.A. No. 7/2007 in Petition No. 2/2006.	142.44	141.08	130.58	127.58	124.60
AFC claimed by the Petitioner in the instant petition.	144.15	145.98	137.96	136.83	135.72
AFC allowed in the instant order.	144.05	145.89	137.87	136.72	135.61

2009-14 Tariff Period

28. The Commission vide order dated 12.7.2011 in Petition No. 288/2010 approved the tariff in respect of the transmission asset for 2009-14 period and vide order dated 28.1.2016 in Petition No. 360/TT/2014 trued up the tariff allowed for 2009-14 period and the same is as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	35.31	35.31	35.31	35.31	35.31
Return on Equity	81.03	84.01	84.09	84.09	85.10
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Loan	1.55	0.00	0.00	0.00	0.00
Interest on Working Capital	2.46	2.49	2.49	2.49	2.51
Total	120.35	121.80	121.88	121.88	122.92

29. The Petitioner has claimed the following revised transmission charges in respect of the transmission asset for 2009-14 period in the instant petition:

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	35.31	35.31	35.31	35.31	35.31
Interest on Loan	13.34	10.23	7.17	3.93	1.15
Return on equity	81.03	84.01	84.09	84.09	85.10
Interest on Working Capital	2.70	2.70	2.64	2.57	2.53
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	132.39	132.26	129.21	125.90	124.09

30. We have considered the Petitioner's claim. The tariff is allowed in respect of the transmission asset on the basis of following:

- a) Admitted capital cost of ₹668.71 lakh for transmission asset as on 1.4.2009;
- b) Weighted Average Rate of Interest on actual loan derived/adopted from order dated 28.1.2016 in Petition No. 360/TT/2014; and
- c) Weighted Average Rate of Depreciation as per order 28.1.2016 in Petition No. 360/TT/2014.

31. In view of above, the revised transmission charges allowed in respect of the transmission asset for 2009-14 tariff period are as follows:

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	35.31	35.31	35.31	35.31	35.31
Interest on Loan	13.34	10.24	7.17	3.93	1.15
Return on equity	81.03	84.01	84.09	84.09	85.10
Interest on Working Capital	2.70	2.70	2.64	2.57	2.53
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	132.39	132.26	129.21	125.90	124.09

32. AFC allowed for 2009-14 tariff period vide order dated 28.1.2016 in Petition No. 360/TT/2014, revised AFC claimed in the instant petition and AFC allowed in the instant order are as follows:

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
AFC approved vide order dated 28.1.2016 in Petition No. 360/TT/2014.	120.35	121.80	121.88	121.88	122.92
AFC claimed by the Petitioner in the instant petition.	132.39	132.26	129.21	125.90	124.09
AFC allowed in the instant order.	132.39	132.26	129.21	125.90	124.09



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

33. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	35.31	9.54	9.54	9.54	9.54
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	85.16	85.55	85.51	85.51	85.74
Interest on Working Capital	2.77	2.19	2.19	2.19	2.19
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	123.24	97.28	97.24	97.24	97.47

34. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	20.54	16.21	16.21	16.21	16.25
Total	20.54	16.21	16.21	16.21	16.25
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
Interest	2.77	2.19	2.19	2.19	2.19

Capital Cost as on 1.4.2014

35. The capital cost of the transmission asset has been calculated in accordance with Regulations 9(3) and 9(6) of the 2014 Tariff Regulations. The Commission vide order dated 28.1.2016 in Petition No. 360/TT/2014 approved the transmission tariff in respect of the transmission asset for 2014-19 period based on admitted capital cost of ₹668.71 lakh as on 31.3.2014. Therefore, the admitted capital cost of ₹668.71 lakh as on 31.3.2014 has been considered for working out the trued-up tariff for 2014-19 tariff period.

36. The Petitioner has not claimed any ACE during 2014-19 period.

Capital Cost considered for truing-up of tariff for 2014-19 period



37. The capital cost considered for truing-up of tariff for 2014-19 tariff period is as follows:

(₹ in lakh)		
Capital Cost as on 1.4.2014	ACE during 2014-19 Period	Capital Cost as on 31.3.2019
668.71	0.00	668.71

Debt-Equity Ratio

38. As per Regulation 19(3) of the 2014 Tariff Regulations, debt-equity ratio allowed by the Commission for determination of tariff for the period ending on 31.3.2014 shall be considered. Accordingly, the admitted debt-equity ratio of 35.11:64.89 for the period ending on 31.3.2014 has been considered as opening debt-equity ratio as on 1.4.2014 for the purpose of truing-up of tariff of 2014-19 tariff period in respect of the transmission asset. The details of debt-equity ratio in respect of the transmission asset as on 1.4.2014 and 31.3.2019 are as follows:

Particulars	Capital cost as on 1.4.2014 (₹ in lakh)	(in %)	Total cost as on 31.3.2019 (₹ in lakh)	(in %)
Debt	234.76	35.11	234.76	35.11
Equity	433.95	64.89	433.95	64.89
Total	668.71	100.00	668.71	100.00

Depreciation

39. Depreciation has been worked out as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. Depreciation has been allowed considering capital expenditure as on 1.4.2014 and approved ACE during 2014-19 tariff period. The Gross Block during 2014-19 tariff period with regard to the transmission asset has been depreciated at WAROD and working of WAROD is attached as Annexure-1. The transmission asset has completed 12 years of life as on 31.3.2015. Therefore, the remaining depreciable value of ₹124.00 lakh has been



spread across the balance useful life of 13 years in accordance with Regulation 27(5) of the 2019 Tariff Regulations. WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed during 2014-19 period in respect of the transmission asset is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	668.71	668.71	668.71	668.71	668.71
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	668.71	668.71	668.71	668.71	668.71
Average Gross Block	668.71	668.71	668.71	668.71	668.71
Weighted average Rate of Depreciation (in %)	5.28	1.43	1.43	1.43	1.43
Balance useful life (at the beginning of the year) (Year)	14.00	13.00	12.00	11.00	10.00
Lapsed useful life (at the beginning of the year) (Year)	11.00	12.00	13.00	14.00	15.00
Aggregate Depreciable Value	601.84	601.84	601.84	601.84	601.84
Depreciation during the year	35.31	9.54	9.54	9.54	9.54
Cumulative Depreciation at the end of the year	477.84	487.38	496.91	506.45	515.99
Remaining Aggregate Depreciable Value at the end of the year	124.00	114.46	104.92	95.39	85.85

40. The details of depreciation approved vide order dated 28.1.2016 in Petition No. 360/TT/2014, as claimed in the instant petition and trued-up depreciation allowed in the instant order in respect of the transmission asset is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 28.1.2016 in Petition No. 360/TT/2014.	35.81	10.82	10.82	10.82	10.82
Claimed by the Petitioner in the instant petition.	35.31	9.54	9.54	9.54	9.54
Allowed after true-up in this order.	35.31	9.54	9.54	9.54	9.54

41. The Petitioner has not claimed IoL for 2014-19 tariff period as the entire loan has been repaid prior to 1.4.2014. Accordingly, IoL has not been allowed for 2014-19 tariff period.



Return on Equity ("RoE")

42. The Petitioner has claimed RoE in respect of the transmission asset in terms of Regulations 24 and Regulation 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at MAT rates and has claimed the following effective tax rates for 2014-19 tariff period:

Year	Claimed effective tax rate (in %)	Grossed up RoE (in %) [(Base Rate)/(1-t)]
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. UPPCL has submitted that grossed up RoE from 2016-17 to 2018-19 is not claimed on the MAT rates approved by the Income Tax Authorities and requested to direct the Petitioner to submit figures of RoE based on grossed up rate of RoE derived on the basis of MAT rates approved by the Income Tax Authorities.

44. In response, the Petitioner has submitted that effective rate of tax considered for 2014-15, 2015-16 and 2016-17 is based on assessment order issued by the Income Tax Authorities. Further, the effective rate of tax considered for 2017-18 and 2018-19 are based on the Income Tax returns filed. The Petitioner has further submitted that transmission tariff has already been trued-up for 2014-19 period by the Commission vide order dated 18.4.2020 in Petition No. 247/TT/2019, order dated 27.4.2020 in Petition No. 274/TT/2019, order dated 23.4.2020 in Petition No. 245/TT/2019 and order dated 16.4.2020 in Petition No. 307/TT/2019 for transmission assets under the respective petitions. Same MAT rate has been considered in the instant petition. The Petitioner has requested to allow 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 years



2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 on receipt of the respective assessment orders, directly from the beneficiaries, on year to year basis as provided in the 2014 Tariff Regulations.

45. We have considered the submissions of the Petitioner and UPPCL. The Commission vide order dated 6.7.2021 in Petition No. 358/TT/2019 has already dealt with the issues of UPPCL observing that the Petitioner has submitted the assessment orders issued by the Income Tax Department for the years 2014-15, 2015-16 and 2016- 17 and the Income Tax returns filed by the Petitioner for years 2017-18 and 2018-19. It was further observed by the Commission in the said order that the Petitioner has already submitted the documents as pointed out by UPPCL.

46. In view of above clarification of the Petitioner, the issues raised in the present petition do not require any fresh finding.

47. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate based on the notified MAT rates and the same is as follows:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.549

48. MAT rates as allowed vide order dated 27.4.2020 in Petition No. 274/TT/2019 are considered for the purpose of grossing up of rate of RoE for trueing-up of the tariff of 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations and the same is as follows:



Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Base rate of RoE (in %)	Grossed up RoE (in %) [(Base Rate)/(1-t)]
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

49. Accordingly, RoE allowed in respect of the transmission asset is as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	433.95	433.95	433.95	433.95	433.95
Addition due to ACE	0.00	0.00	0.00	0.00	0.00
Closing Equity	433.95	433.95	433.95	433.95	433.95
Average Equity	433.95	433.95	433.95	433.95	433.95
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (in %)	20.961	21.342	21.342	21.342	21.549
Applicable RoE Rate (in %)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	85.10	85.51	85.51	85.51	85.74

50. The details of RoE approved vide order dated 28.1.2016 in Petition No. 360/TT/2014, as claimed in the instant petition and true-up RoE allowed in the instant order in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 28.1.2016 in Petition No. 360/TT/2014.	85.66	86.22	86.22	86.22	86.22
Claimed by the Petitioner in the instant petition	85.16	85.55	85.51	85.51	85.74
Allowed after true-up in this order	85.10	85.51	85.51	85.51	85.74

Operation & Maintenance Expenses ("O&M Expenses")

51. UPPCL has submitted that for the transmission asset covered in the present petition, there is no norm of O&M expenses as per the 2014 Tariff Regulations.

52. The Petitioner has not claimed any O&M Expenses during 2014-19 tariff period.



53. We have considered the submissions of the Petitioner and UPPCL. Expenditure towards lab testing of the SEMs shall be reimbursed by the Respondents on the basis of actuals as and when incurred, in accordance with order dated 31.10.2005 in Petition No. 132/2004 and order dated 12.7.2011 in Petition No. 288/2010.

Interest on Working Capital (“IWC”)

54. The Petitioner is entitled to IWC as per Regulation 28 of the 2014 Tariff Regulations.

55. The trued-up IWC allowed in respect of the transmission asset for 2014-19 tariff period is as follows:

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Working Capital for O&M Expenses (O&M Expenses for one Month)	0.00	0.00	0.00	0.00	0.00
Working Capital for Maintenance Spares (15% of O&M)	0.00	0.00	0.00	0.00	0.00
Working Capital for Receivables (Equivalent to two months of annual transmission charges)	20.53	16.21	16.21	16.21	16.25
Total Working Capital	20.53	16.21	16.21	16.21	16.25
Rate of Interest of Working Capital (in %)	13.50	13.50	13.50	13.50	13.50
Interest of working capital	2.77	2.19	2.19	2.19	2.19

56. The details of IWC approved vide order dated 28.1.2016 in Petition No. 360/TT/2014, as claimed in the instant petition and trued-up IWC allowed in the instant order in respect of the transmission asset is as follows:

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Approved vide order dated 28.1.2016 in Petition No. 360/TT/2014.	2.80	2.23	2.23	2.23	2.23
Claimed by the Petitioner in the instant petition.	2.77	2.19	2.19	2.19	2.19
Allowed after true-up in this order	2.77	2.19	2.19	2.19	2.19



Approved Annual Fixed Charges for 2014-19 Tariff Period

57. Accordingly, trued-up AFC in respect of the transmission asset for 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	35.31	9.54	9.54	9.54	9.54
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	85.10	85.51	85.51	85.51	85.74
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	2.77	2.19	2.19	2.19	2.19
Total	123.18	97.24	97.24	97.24	97.47

58. The details of Annual Transmission Charges approved in respect of the transmission asset vide order dated 28.1.2016 in Petition No. 360/TT/2014, as claimed in the instant petition and trued-up annual transmission charges allowed in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 28.1.2016 in Petition No. 360/TT/2014.	124.27	99.27	99.27	99.27	99.27
Claimed by the Petitioner in the instant petition.	123.24	97.28	97.24	97.24	97.47
Allowed after true-up in this order.	123.18	97.24	97.24	97.24	97.47

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2019-24 TARIFF PERIOD

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

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	9.54	9.54	9.54	9.54	9.54
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	81.50	81.50	81.50	81.50	81.50
Interest on Working Capital	1.37	1.37	1.37	1.37	1.37
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	92.41	92.41	92.41	92.41	92.41

60. The details of IWC claimed by the Petitioner are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	0.00	0.00	0.00	0.00	0.00



Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	11.36	11.39	11.39	11.39	11.36
Total	11.36	11.39	11.39	11.39	11.36
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
Interest	1.37	1.37	1.37	1.37	1.37

Capital Cost

61. 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 asset before the date of commercial operation;

(i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;

(k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;

(l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;

(m) Expenditure on account of 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 ash disposal and utilization including handling and transportation facility;*
- (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 Jyoti Yojana (DDUGJY) project in the affected area.*

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

- (a) *The asset forming part of the project, but not in use, as declared in the tariff petition;*
- (b) *De-capitalised Asset 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 asset.

- (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.”*



62. Capital cost of ₹668.71 lakh has been considered by the Commission in respect of the transmission asset as on 31.3.2019. Therefore, the capital cost of ₹668.71 lakh as on 31.3.2019 has been considered as the opening capital cost as on 1.4.2019 for the purpose of determination of transmission tariff for 2019-24 period in accordance with Regulation 19 of the 2019 Tariff Regulations.

63. The Petitioner has not claimed any ACE for 2019-24 tariff period in respect of the transmission asset in the instant petition.

Debt-Equity Ratio

64. Regulation 18 of the 2019 Tariff Regulations provides as follows:

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

Provided that:

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

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

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

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019,



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."

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

Particulars	Capital cost as on 1.4.2019 (₹ in lakh)	(in %)	Total cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	234.76	35.11	234.76	35.11
Equity	433.95	64.89	433.95	64.89
Total	668.71	100.00	668.71	100.00

Depreciation

66. Regulation 33 of the 2019 Tariff Regulations provides as follows:

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

(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 up to 31.3.2019 from the gross depreciable value of the asset.

(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 asset in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation



shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.”

67. We have considered the submissions of the Petitioner. Depreciation has been worked out considering ACE as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The transmission asset has already completed 12 years of life as on 31.3.2015 and the remaining depreciable value of ₹124.00 lakh has been spread across the balance useful life of 13 years. Depreciation allowed in respect of the transmission asset for 2019-24 tariff period is as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	668.71	668.71	668.71	668.71	668.71
Addition during 2019-24 due to projected ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	668.71	668.71	668.71	668.71	668.71
Average Gross Block	668.71	668.71	668.71	668.71	668.71
Balance useful life at the beginning of the year (Year)	9.00	8.00	7.00	6.00	5.00
Lapsed useful life at the beginning of the year (Year)	16.00	17.00	18.00	19.00	20.00
Depreciable Value	601.84	601.84	601.84	601.84	601.84
Rate of Depreciation (in %)	1.43	1.43	1.43	1.43	1.43
Depreciation during the year	9.54	9.54	9.54	9.54	9.54
Cumulative Depreciation at the end of the year	525.53	535.07	544.61	554.15	563.68
Remaining Aggregate Depreciable Value at the end of the year	76.31	66.77	57.23	47.69	38.15

68. The Petitioner has not claimed IoL during 2019-24 tariff period. The entire loan has been paid prior to 1.4.2014. Accordingly, no IoL has been allowed for 2019-24 tariff period.

Return on Equity (“RoE”)

69. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations specify as follows:

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

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

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



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.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

Rate of return on equity = $15.50 / (1 - 0.2155) = 19.758\%$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$

(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.”

70. The Petitioner has submitted that MAT rate is applicable to it. We have considered the submissions of the Petitioner. 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. RoE allowed in respect of the transmission asset for 2019-24 tariff period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	433.95	433.95	433.95	433.95	433.95
Additions due to ACE	0.00	0.00	0.00	0.00	0.00
Closing Equity	433.95	433.95	433.95	433.95	433.95
Average Equity	433.95	433.95	433.95	433.95	433.95



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
Return on Equity	81.50	81.50	81.50	81.50	81.50

71. The Petitioner has not claimed any O&M Expenses during 2019-24 tariff period.

Interest on Working Capital (“IWC”)

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

“34. Interest on Working Capital

(1)The working capital shall cover:

.....
.....

(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;”



73. The Petitioner has submitted that it has computed IWC 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%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) 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 2019-20, 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-21 and 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for 2021-24. The components of the working capital and interest allowed thereon in respect of the transmission asset are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Working capital for O&M Expenses (O&M Expenses for one Month)	0.00	0.00	0.00	0.00	0.00
Working capital for Maintenance Spares (15% of O&M)	0.00	0.00	0.00	0.00	0.00
Working capital for Receivables (Equivalent to two months of annual transmission charges)	11.36	11.38	11.37	11.37	11.34
Total Working Capital	11.36	11.38	11.37	11.37	11.34
Rate of Interest of Working Capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest of working capital	1.37	1.28	1.19	1.19	1.19

Annual Fixed Charges for 2019-24 Tariff Period

74. The transmission charges allowed in respect of the transmission asset for 2019-24 period are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	9.54	9.54	9.54	9.54	9.54
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	81.50	81.50	81.50	81.50	81.50
Operation and Maintenance Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	1.37	1.28	1.19	1.19	1.19



Total	92.41	92.32	92.24	92.24	92.23
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Filing Fee and Publication Expenses

75. 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.

Licence Fee & RLDC Fees and Charges

76. UPPCL has submitted that license fee is the onus of the Petitioner.

77. In response, the Petitioner has submitted that license fee may be allowed to be recovered separately from the Respondents in terms of Regulation 70 of the 2019 Tariff Regulations for 2019-24 tariff period.

78. We have considered the submissions of the Petitioner and UPPCL. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for 2019-24 tariff 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 tariff period.

Goods and Services Tax

79. 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 and billed separately by the Petitioner. Further additional taxes, if any, paid by the Petitioner on account of demand from Government/Statutory authorities, may be allowed to be recovered from the beneficiaries.



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

Security Expenses

81. The Petitioner has submitted that security expenses in respect of the transmission asset are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and consequential IWC.

82. UPPCL has submitted that security expenses and consequential IWC may be allowed subject to the Petitioner justifying the increase in security expenses as per the criterion prescribed in DPE vide letter No. W-02/0028/ 2017DPE (WC)-GL-XIII/17 dated 3.8.2017.

83. We have considered the submissions of the Petitioner and UPPCL. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The Commission vide order dated 3.8.2021 in Petition No. 260/MP/2020 approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the order dated 3.8.2021 in Petition No. 260/MP/2020. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares



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

Sharing of Transmission Charges

85. During the tariff periods 2001-04, 2004-09 and 2009-14 (upto 30.6.2011), the transmission charges for inter-State transmission systems were being shared in accordance with the Tariff Regulations for the respective tariff periods. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission system were governed by the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2010. With effect from 1.11.2020, sharing of transmission charges are governed by the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, "2020 Sharing Regulations"). Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC- wise in accordance with the provisions of respective Tariff Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. The billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

86. To summarise:

a. The revised transmission charges allowed in respect of the transmission asset for 2001-04 tariff period as per the APTEL's judgments are as follows:



(₹ in lakh)

Particulars	2002-03 (Pro-rata for 11 months)	2003-04
AFC	121.27	143.54

b. The revised AFC allowed in respect of the transmission asset for 2004-09 tariff period as per the APTEL's judgments are as follows:

(₹ in lakh)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
AFC	144.15	145.98	137.96	136.83	135.72

c. The consequential revision of AFC allowed in respect of the transmission asset for 2009-14 tariff period is as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
AFC	132.39	132.26	129.21	125.90	124.09

d. The trued-up AFC allowed in respect of the transmission asset for 2014-19 tariff period are as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
AFC	123.18	97.24	97.24	97.24	97.47

e. AFC allowed in respect of the transmission asset for 2019-24 tariff period in this order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
AFC	92.41	92.32	92.24	92.24	92.23

87. Annexures-I enclosed hereinafter forms part of the order.

88. This order disposes of Petition No.12/TT/2020 in terms of the above discussions and findings.

sd/-

(P. K. Singh)
Member

sd/

(Arun Goyal)
Member

sd/-

(P. K. Pujari)
Chairperson



Order in Petition No.12/TT/2020



Annexure-I

Asset	Particular	Admitted Capital Cost as on 1.4.2014 (₹ in lakh)	Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations (₹ in lakh)				
					2014-15	2015-16	2016-17	2017-18	2018-19
	Sub Station	668.71	668.71	5.28	35.31				
	TOTAL	668.71	668.71		35.31	Spreading			
			Average Gross Block (₹ in lakh)		668.71	668.71	668.71	668.71	668.71
			Weighted Average Rate of Depreciation (in %)		5.28	1.43	1.43	1.43	1.43



Summary of Tariff

Form No. - 1

Encl-2

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCO 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	9.54	9.54	9.54	9.54	9.54
Interest on Loan-Form No. 9E	0.00	0.00	0.00	0.00	0.00
Return on Equity-Form No. 8	81.50	81.50	81.50	81.50	81.50
Int. on Working capital-Form No.11	1.37	1.28	1.19	1.19	1.36
Op. and maintenance-Form No.2	0.00	0.00	0.00	0.00	0.00
Total AFC	92.41	92.32	92.23	92.23	92.40

(Petitioner)



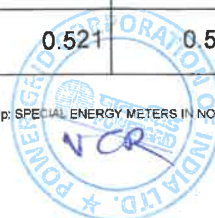
Normative parameters considered for tariff computations

Form No. - 3

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCOC 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	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCU 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	433.95	433.95	433.95	433.95	433.95
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)	433.95	433.95	433.95	433.95	433.95
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	433.95	433.95	433.95	433.95	433.95
Average Normative Equity	433.95	433.95	433.95	433.95	433.95
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	81.50	81.50	81.50	81.50	81.50
Pro rata return on Equity	81.50	81.50	81.50	81.50	81.50



(Petitioner)

Calculation of Depreciation Rate on Original Project Cost

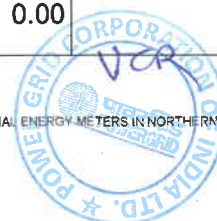
Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCO Date	May 1, 2002

(Amount in Rs. Lakh)

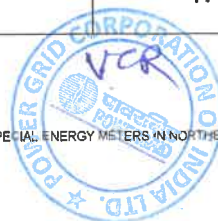
Name of Assets	Gross block at the beginning of the year	Add Cap during the year	Gross block at the end of the year	Average Gross Block	Depreciation Rate as per CERC's Depreciation Rate Schedule	Depreciation Amount for each year upto 31.03.2024
2019-20						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	6.33	0.00
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	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	

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



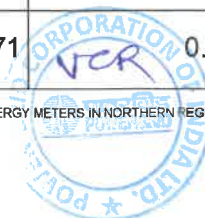
Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	6.33	0.00
Leasehold Land	0.00	0.00	0.00	0.00	3.34	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	

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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	6.33	0.00
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	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	



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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	6.33	0.00
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	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	

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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	6.33	0.00
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	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
TOTAL	668.71	0.00	668.71	668.71	0.00	9.54



Weighted Average Rate of Depreciation(%)					1.426627	
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(Petitioner)



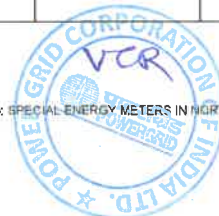
Statement of Depreciation

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern 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	668.71	668.71	668.71	668.71	668.71
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	668.71	668.71	668.71	668.71	668.71
1.8 Average capital cost	668.71	668.71	668.71	668.71	668.71
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	668.71	668.71	668.71	668.71	668.71
1.12 Depreciable Value(1.10+90% of 1.11)	601.84	601.84	601.84	601.84	601.84
Depreciation for the period and Cum. Depreciation					
1.13 Weighted Average Rate of depreciation	1.426627	1.426627	1.426627	1.426627	1.426627



1.14 Depreciation(for the period)	9.54	9.54	9.54	9.54	9.54
1.15 Depreciation(Annualised)	9.54	9.54	9.54	9.54	9.54
Unrecovered Depreciation for DECAP	0.00	0.00	0.00	0.00	0.00
1.16 Cumulative depreciation at the beginning of the period	515.99	525.53	535.07	544.61	554.15
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	525.53	535.07	544.61	554.15	563.69

(Petitioner)



Calculation of interest on working Capital

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern 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	0.00	0.00	0.00	0.00	0.00
Maintenance spares 15% of O&M Expenses	0.00	0.00	0.00	0.00	0.00
Receivables equivalent to 45 days of AFC	11.36	11.38	11.37	11.37	11.36
Total Working capital	11.36	11.38	11.37	11.37	11.36
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	1.37	1.28	1.19	1.19	1.36
Pro rata interest on working capital	1.37	1.28	1.19	1.19	1.36

(Petitioner)



Summary of Tariff

Form No. - 1

Encl-3

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCO 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	9.54	9.54	9.54	9.53	0.00
Interest on Loan-Form No. 9E	0.00	0.00	0.00	0.00	0.00
Return on Equity-Form No. 8	81.50	81.50	81.50	81.50	37.68
Int. on Working capital-Form No.11	1.36	1.36	1.36	1.35	0.56
Op. and maintenance-Form No.2	0.00	0.00	0.00	0.00	0.00
Total AFC	92.40	92.40	92.40	92.38	38.24

(Petitioner)



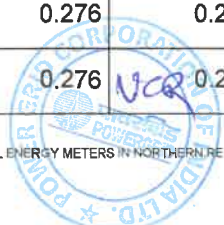
Normative parameters considered for tariff computations

Form No. - 3

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCO 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

(Petitioner)



Calculation of ROE

Form No. - 8

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCU 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	433.95	433.95	433.95	433.95	433.95
Less: Adjustment in Equity*	0.00	0.00	0.00	0.00	233.34
Adjustment during the year	0.00	0.00	0.00	0.00	0.00
Net opening equity (Normal)	433.95	433.95	433.95	433.95	200.61
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	433.95	433.95	433.95	433.95	200.61
Average Normative Equity	433.95	433.95	433.95	433.95	200.61
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	81.50	81.50	81.50	81.50	37.68
Return on Equity	81.50	81.50	81.50	81.50	37.68



(Petitioner)

Calculation of Depreciation Rate on Original Project Cost

Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern Region	DOCY 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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	15.00	0.00
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	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	

2025-26						
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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	15.00	0.00
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	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	

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	668.71	0.00	668.71	668.71	5.28	9.54
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	15.00	0.00
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	668.71	0.00	668.71	668.71	0.00	9.54
Weighted Average Rate of Depreciation(%)					1.426627	



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	668.71	0.00	668.71	668.71	5.28	9.53
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	15.00	0.00
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	668.71	0.00	668.71	668.71	0.00	9.53
Weighted Average Rate of Depreciation(%)					1.425132	

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	668.71	0.00	668.71	668.71	5.28	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	15.00	0.00
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	668.71	0.00	668.71	668.71	0.00	0.00



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



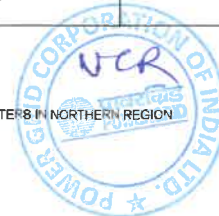
Statement of Depreciation

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	SPECIAL ENERGY METERS IN NORTHERN REGION				
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION				
Region	Northern 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
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	668.71	668.71	668.71	668.71	668.71
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	668.71	668.71	668.71	668.71	668.71
1.8 Average capital cost	668.71	668.71	668.71	668.71	668.71
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	668.71	668.71	668.71	668.71	668.71
1.12 Depreciable Value(1.10+90% of 1.11)	601.84	601.84	601.84	601.84	601.84
Depreciation for the period and Cum. Depreciation					
1.13 Weighted Average Rate of depreciation	1.426627	1.426627	1.426627	1.425132	0.00



1.14 Depreciation(for the period)	9.54	9.54	9.54	9.53	0.00
1.15 Depreciation(Annualised)	9.54	9.54	9.54	9.53	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	563.69	573.23	582.77	592.31	601.84
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	573.23	582.77	592.31	601.84	601.84

(Petitioner)



Calculation of interest on working Capital

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	SPECIAL ENERGY METERS IN NORTHERN REGION		
Element Description	SPECIAL ENERGY METERS IN NORTHERN REGION		
Region	Northern 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
O&M Expenses-one month	0.00	0.00	0.00	0.00	0.00
Maintenance spares 15% of O&M Expenses	0.00	0.00	0.00	0.00	0.00
Receivables equivalent to 45 days of AFC	11.39	11.39	11.39	11.36	4.71
Total Working capital	11.39	11.39	11.39	11.36	4.71
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	1.36	1.36	1.36	1.35	0.56
Pro rata interest on working capital	1.36	1.36	1.36	1.35	0.56

(Petitioner)



Summary of issue involved in the petition

**PART-III
FORM- 15**

1. Name of the Petitioner	Power Grid Corporation of India Ltd
2. Petition Category	Transmission
3. Tariff Period	2024-29
4. Name of the Project	Special Energy Meters in Northern Region
5. Investment Approval date	
6. SCOD of the Project	
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	1
10. No. of Assets having time over run	
11. Estimated Project Cost as per IA	9.04 Crore
12. Is there any REC? if so, provide the date	
13. Revised Estimated Project Cost (if any)	
14. Completion cost for all the assets covered in the instant petition.	6.69 Crore
15. No. of Assets covered in instant petition and having cost overrun.	NIL

16	Prayer in brief
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17	Key details and any Specific issue involved: 1) There is No add-cap in 2019-24 and 2024-29
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18	Respondents
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Name of Respondents

1	AJMER VIDYUT VITRAN NIGAM LTD
2	JAIPUR VIDYUT VITRAN NIGAM LTD
3	JODHPUR VIDYUT VITRAN NIGAM LTD
4	HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD
5	PUNJAB STATE POWER CORPORATION LIMITED
6	HARYANA POWER PURCHASE CENTRE
7	POWER DEVELOPMENT DEPTT
8	UTTAR PRADESH POWER CORPORATION LTD.
9	BSES YAMUNA POWER Ltd
10	BSES RAJDHANI POWER Ltd
11	TATA POWER DELHI DISTRIBUTION LTD
12	CHANDIGARH ADMINISTRATION
13	UTTARAKHAND POWER CORPORATION LTD
14	NORTH CENTRAL RAILWAY
15	NEW DELHI MUNICIPAL COUNCIL

(Petitioner)



Summary of Capital Cost & Annual Fixed Cost (AFC) Claimed for ALL the assets covered in the present petition.	
Name of the Petitioner	Power Grid Corporation of India Ltd
Tariff Period	2024-29
Name of the Transmission Project	Special Energy Meters in Northern Region
COD of the Project (if entire scope of project is completed)	01.05.2002

Rupees in lakh

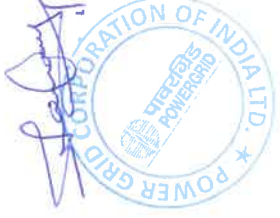
A) Summary of Capital Cost as on COD and Additional Capital Expenditure claimed for all the assets Covered in the instant petition.

S. No.	Asset No.	COD	Cut-off Date	i) Apportioned Approved Cost		ii) Summary of Actual / Projected Capital Cost									
				As per Investment approval	As per RCE	As on COD	2024-25	2025-26	2026-27	2027-28	2028-29	Capital Cost as on 31.03.2029	Capital Cost as on cutoff date		
1	Asset-1	01.05.2002	31.03.2005	904	4	5	6	7	8	9	10	11	12	668.71	668.71
Total Capital Cost Claimed				904		668.71								668.71	668.71

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-1	Special Energy Meters in Northern Region	92.4	92.4	92.4	92.38	38.24
Total AFC for all the Assets			92.4	92.4	92.4	92.38	38.24

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)

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Checklist of Forms and other information/ documents for tariff filing for
Transmission System& Communication System

PART-III

Form No.	Title of Tariff Filing Forms (Transmission& Communication System)	Tick
FORM- 1	Summary of Tariff	✓
FORM- 1A	Summary of Asset level cost	NA
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.	NA
FORM- 4A	Statement of Capital cost	✓
FORM- 4B	Statement of Capital Works in Progress	NA
FORM- 4C	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New Project/Element	NA
FORM-5	Element wise Break-up of Project/Asset/Element Cost for Transmission System or Communication System	NA
FORM-5A	Break-up of Construction/Supply/Service packages	NA
FORM-5B	Details of all the assets covered in the project	NA
FORM- 6	Actual Cash Expenditure and Financial Package up to COD	NA
FORM- 7	Statement of Additional Capitalisation after COD	NA
FORM- 7A	Financing of Additional Capitalisation	NA
FORM- 7B	Statement of Additional Capitalisation during five year before the end of the useful life of the project.	NA
FORM- 8	Calculation of Return on Equity	✓
FORM-8A	Details of Foreign Equity	NA
FORM-9	Details of Allocation of corporate loans to various transmission elements	NA
FORM-9A	Details of Project Specific Loans	NA
FORM-9B	Details of Foreign loans	NA
FORM-9C	Calculation of Weighted Average Rate of Interest on Actual Loans	NA
FORM-9D	Loans in Foreign Currency	NA
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	NA
FORM- 11	Calculation of Interest on Working Capital	✓
FORM- 12	Details of time over run	NA
FORM- 12A	Incidental Expenditure during Construction	NA
FORM- 12B	Calculation of IDC & Financing Charges	NA
FORM- 13	Details of Initial spares	NA
FORM- 14	Non-Tariff Income	NA
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)	NA
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.	NA
3	Copies of relevant loan Agreements	NA
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	Yes
5	Copies of the Equity participation agreements and necessary approval for the foreign equity.	NA
6	Copies of the BPTA/TSA/PPA with the beneficiaries, if any	NA
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	Yes
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.	NA
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.	NA
10.	Any other relevant information, (Please specify)	NA

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.

