

BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. ___ /TT/ ___

IN THE MATTER OF: -

Petition for truing up of fees and charges for 2019-24 for **Sub-Load Dispatch Centre at Modipuram under UPPCL 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.

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

--- RESPONDENT

FILED BY

. POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED: 27.11.2024

REPRESENTED BY

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



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

GURGAON

DATED: 27.11.2024

REPRESENTED BY


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



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--- RESPONDENT

Uttar Pradesh Power Corporation Ltd.

Shakti Bhawan, 14, Ashok Marg

Lucknow - 226 001

Represented by Its Chairman

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 same may please be registered and taken on record by the Hon'ble Commission.

GURGAON

FILED BY

DATED:- 27.11.2024

POWER GRID CORPORATION OF INDIA LTD.

REPRESENTED BY



(V.C. Sekhar)

Sr. General Manager (Regulatory Cell)



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THE CENTRAL ELECTRICITY REGULATORY COMMISSION
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--- RESPONDENT

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

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



GURGAON

DATED: 27.11.2024

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


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



**BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

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--- RESPONDENT

Uttar Pradesh Power Corporation Ltd.

Shakti Bhawan, 14, Ashok Marg

Lucknow - 226 001

Represented by Its Chairman

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. **Shri V.C. Sekhar, Sr. GM (Commercial-RC), POWERGRID**
4. Shri Zafrul Hasan, GM (Comml- Petition), POWERGRID
5. Shri Angaru Naresh Kumar, DGM, POWERGRID
6. Smt Suchitra Gautam, DGM, POWERGRID
7. Shri Vishal Sagar, DGM, POWERGRID
8. Shri G. Vijay, DGM, POWERGRID



9. Shri Vivek Kumar Singh, DGM, POWERGRID
10. Shri Amit Kumar Chachan, DGM, POWERGRID
11. Smt. Supriya Singh, CM (Law), POWERGRID
12. Shri Arjun Malhotra, Manager (Law), POWERGRID
13. Smt. Tanushree Rao, DM (Law), 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 27th day of November 2024.

PETITIONER
POWER GRID CORPORATION OF INDIA LTD.

GURGAON

DATED:-27.11.2024


Sr. General Manager (Regulatory Cell)



BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

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IN THE MATTER OF: -

Petition for truing up of fees and charges for 2019-24 for **Sub-Load Dispatch Centre at Modipuram under UPPCL 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.

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Sector-29, Gurgaon-122 001 (Haryana).

--- RESPONDENT

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

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):

2. POWERGRID has impleaded M/s UPPCL which is the sole beneficiary of the Communication system.

(iii) Background of Transmission Assets:

3. POWERGRID has filed the present petition for truing up of fees and charges for 2019-24 for Sub-Load Dispatch Centre at Modipuram under UPPCL in Northern Region.

(iv) Summary of Claims:

4. POWERGRID is seeking truing up of transmission fees and charges for 2019-24 for aforesaid transmission asset on capital cost comprising of expenditure incurred/Admitted upto 31.03.2019 in accordance with provisions of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (“**Tariff Regulations, 2019**”).
5. There is no additional capital expenditure in 2019-24 block. The details of capital cost claimed is as below:

Rs. in lakhs

| | | |
|---|--------------|---------------|
| | | TOTAL |
| Capital Cost as on 31.03.2019 | LOAN | 152.76 |
| | EQUITY | 75.71 |
| | TOTAL | 228.47 |
| Capital Recovered during 1.4.2014 to 31.3.2019 | LOAN | 92.19 |
| | EQUITY | 41.15 |
| | TOTAL | 133.34 |
| Retained Net Capital cost as on 01.04.2019 | LOAN | 60.58 |
| | EQUITY | 34.55 |
| | TOTAL | 95.13 |

6. It is relevant to mention here that the instant Scheme in Northern Region was commissioned on 01.09.2006 and hence the instant asset has completed its 15 years on 31.08.2021. The entire recovery of the instant scheme has been completed by 31.08.2021 i.e. during 2021-22 and since the O&M of instant asset is being carried out by the state itself, there are no fees & charges claimed after 01.09.2021 onwards.



7. Details of tariff claimed are as under:

True up annual transmission fees and charges for 2019-24 tariff block:

Rs in Lakhs

| Name of the asset | Particular | 2019-20 | 2020-21 | 2021-22 (pro-rata up to 31.8.2021) |
|-------------------|---|---------|---------|---------------------------------------|
| Asset-1 | Fees and Charges approved | 45.74 | 45.73 | 19.06 |
| | Revised Fees and Charges based on truing up | 45.74 | 45.73 | 19.05 |

8. 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):

9. 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.
10. 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.
11. That the subject project/petition covers approval of transmission tariff for following Asset:

| Asset No | Asset Name | DOCO | Remarks |
|----------|---------------------------------------|------------|---|
| Asset-1 | Sub-Load Dispatch Centre at Modipuram | 01.09.2006 | Earlier covered under petition no. 510/TT/2019 now covered under instant petition |



12. Cost details:

There is no additional capital expenditure incurred during the 2019-24 tariff block and fees and charges have been computed based on capital cost admitted by Hon'ble commission vide order dated 25.01.2021 in petition no. 510/TT/2019. The details of capital cost claimed is as below:

Rs. in lakhs

| | | TOTAL |
|---|--------------|---------------|
| Capital Cost as on 31.03.2019 | LOAN | 152.76 |
| | EQUITY | 75.71 |
| | TOTAL | 228.47 |
| Capital Recovered during 1.4.2014 to 31.3.2019 | LOAN | 92.19 |
| | EQUITY | 41.15 |
| | TOTAL | 133.34 |
| Retained Net Capital cost as on 01.04.2019 | LOAN | 60.58 |
| | EQUITY | 34.55 |
| | TOTAL | 95.13 |

Copy of order is enclosed hereto as **Encl-1**.

13. Fees and Charges:

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 Regulations, 2019.

Regulation 13 of Tariff Regulations, 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

Levelized tariff have been claimed in instant petition as per Regulation 8(iii) of Tariff Regulation, 2019.

Quote

“Tariff of the associated communication system forming part of transmission system which has achieved commercial operation prior to 1.4.2014 shall be as per the methodology approved by the Commission prior to 1.4.2014.”

Unquote



Further, CERC vide order dated 24.12.2013 regarding recovery of income tax has mentioned:

Quote

The concept of grossing up linked with the tariff determination for ordinary assets cannot per se be applied for calculating fees and charges in accordance with the Capital Recovery Factor (CRF) concept. By considering the grossed-up value of RoE, CRF gets distorted because of factoring of tax component. Therefore, in departure from the provisions for recovery of RoE specified under the tariff regulations presently applicable, post-tax RoE of 15.50% per annum, converted to monthly rates, has been considered. As RoE has been considered post-tax, the petitioner shall be entitled to recover income-tax from the respondents in proportion of the fees and charges shared by them in accordance with this order.

Unquote

Accordingly, the applicable income tax will be recovered separately from the beneficiaries.

In instant Petition, truing up of transmission tariff for the tariff block 2019-24 is being carried out on account of change in rate of interest for working Capital.

14. The fees and charges for the tariff period 2019-24 is summarized as below:

Rs in Lakh

| Name of the asset | Particular | 2019-20 | 2020-21 | 2021-22 (pro-rata up to 31.8.2021) |
|-------------------|---|---------|---------|--|
| Asset-1 | Fees and Charges approved | 45.74 | 45.73 | 19.06 |
| | Revised Fees and Charges based on truing up | 45.74 | 45.73 | 19.05 |

Tariff filing forms is attached hereto as **Encl-2**.

15. It is relevant to mention here that the instant Scheme in Northern Region completed its 15 years on 31.08.2021. The entire recovery of the instant scheme has been completed by 31.08.2021 i.e. during 2021-22. Since the O&M of instant asset is being carried out by the state itself, there are no fees & charges claimed after 01.09.2021 onwards.



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 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. That as per Regulation 35(3)(c) of CERC Tariff Regulations, 2019, the Security Expenses and Capital Spares 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.

Capital Spare:

With regard to Capital Spares, the Petitioner has filed a separate Petition bearing No 45/MP/2024 for claiming the capital spares under Tariff Regulations, 2019 for 2019-24 period.

Accordingly, these expenses are not claimed in the subject petition through the relevant Tariff Forms and are being claimed separately.

18. 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 70(1) and Regulation 70(4) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019. 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 70(3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

19. The Transmission Charges and other related Charges indicated at para 14 above, is exclusive of incentive, late payment surcharge, FERV, any statutory taxes, levies, duties, cess, filing fees, license fee, RLDC fees and charges, capital spares, security expenses 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.

20. **Sharing of Transmission Charges**

Tariff for Transmission of Electricity (Annual Fixed Cost) for 2019-24 as per para 13 above shall be borne M/s UPPCL, i.e. the sole beneficiary of the system.

21. 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.**

C. PRAYER

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

- a) Approve the trued-up fees and charges for 2019-24 block for the asset covered under this petition, as per para 14 above.
- b) Allow to recover income tax directly from the beneficiaries.
- 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 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.

- d) Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.
- e) 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 16 above.
- f) 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 16 above.
- g) 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:- 27.11.2024

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

REPRESENTED BY

Sr. General Manager (Regulatory Cell)



**BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. ___ /TT/ ___

IN THE MATTER OF: -

Petition for truing up of fees and charges for 2019-24 for **Sub-Load Dispatch Centre at Modipuram under UPPCL 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.

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

Uttar Pradesh Power Corporation Ltd.

Shakti Bhawan, 14, Ashok Marg

Lucknow - 226 001

Represented by Its Chairman

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.



18



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 21 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 21 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 27th day of November 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

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



Ref: CC/Commercial/2024

Date: 28.08.2024

LETTER OF AUTHORIZATION

In reference to the POWER OF ATTORNEY dated 14.08.2024 and in supersession of letter of authorization dated 13.12.2022 I hereby authorize following executives to sign Petitions, Appeals, Vakalatnama, Affidavits, etc. and to represent POWERGRID before various forums/ courts / tribunals i.e Central Electricity Regulatory Commission, State Electricity Regulatory Commission, Appellate Tribunal for Electricity, High courts and Supreme Court etc. :

1. Sh. Mohd. Mohsin, Chief General Manager
2. Sh. V. C. Sekhar, Senior General Manager
3. Sh. Zafrul Hasan, General Manager

Further, following executives are authorised to represent cases before Central Electricity Regulatory Commission and Appellate Tribunal for Electricity

1. Sh. Angaru Naresh Kumar, Deputy General Manager
2. Smt. Suchitra Gautam, Deputy General Manager
3. Sh. Vishal Sagar, Deputy General Manager
4. Sh. G. Vijay, Deputy General Manager
5. Sh. Vivek Kumar Singh, Deputy General Manager
6. Sh. Amit Kumar Chachan, Deputy General Manager
7. Smt. Supriya Singh, Chief Manager (Law)
8. Sh. Arjun Malhotra, Manager (Law)
9. Smt. Tanushree Rao, Deputy Manager (Law)


28/08/2024

Dilip Nagesh Rozekar
Executive Director (Commercial & RC)

दिलीप रोजेकर / DILIPROZEKAR
Executive Director (Commercial & Regulatory Cell)
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.
(भारत सरकार का उद्यम)/(A Govt. of India Enterprise)
Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)



CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 510/TT/2019

Coram:

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

Date of Order: 25.01.2021

In the matter of

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and truing up of fee and charges of 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of fee and charges for 2019-24 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2019 of Sub-Load Dispatch Centre at Modipuram under UPPCL in Northern Region.

And in the matter of

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

.... Petitioner

Versus

Uttar Pradesh Power Corporation Limited (UPPCL),
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14-Ashok Marg,
Lucknow-226 001

ATTESTED TRUE COPY
Page :- 21 to 43
Authorised Signatory
Power Grid Corporation of India Ltd.
Plot No. 2, Sector-29, Gurgaon-122001 (HARYANA)

...Respondent

Parties present:

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

For Respondent: None



ORDER

The instant petition has been filed by Power Grid Corporation of India Limited ("the Petitioner") for truing up of fees and charges 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 fees and charges for 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") of the Sub-Load Dispatch Centre at Modipuram under UPPCL (hereinafter referred to as "the SLDC asset").

2. The Petitioner has made the following prayers:

"(1) Approve the trued up fee & charges for 2014-19 block and fee & charges for 2019-24 block for the assets covered under this petition, as per para 6 and 7 above.

(2) Allow the petitioner to recover the tax from the beneficiaries separately.

(3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff regulations 2014 and tariff regulation'19 as per para 6 & 7 above for respective block.

(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 fee 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 bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is withdrawn from negative list at any time 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."



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

(a) Consequent to carving out of the State of Uttarakhand from the erstwhile State of Uttar Pradesh, Rishikesh Sub-Load Despatch Centre became a part of Uttarakhand. Thereupon, the Respondent, UPPCL, requested the Petitioner to take up implementation of a sub-load despatch centre at 220 kV Modipuram sub-station. Accordingly, the Board of Directors of the Petitioner accorded Investment Approval for establishment of SLDC at Modipuram, *vide* Memorandum dated 10.8.2004, at an estimated cost of ₹336 lakh including IDC of ₹9 lakh.

(b) The Sub-Load Despatch Centre (SLDC) at Modipuram under UPPCL was put under commercial operation on 1.9.2006. The Commission, based on the capital cost of ₹353.21 lakh as on 31.3.2009, determined the fee and charges for SLDC Modipuram in its order dated 18.3.2009 in Petition No. 87/2007 for the period from COD to 31.3.2009. Later, the Commission, *vide* order dated 21.2.2014 in Petition No. 73/TT/2012, approved the fee and charges for the period 2009-14. As there was no change in the capital cost or the interest rates, true-up of fees and charges for 2009-14 period was not required. Thereafter, *vide* order dated 16.5.2016 in Petition No. 427/TT/2014, fees and charges for 2014-19 period were approved by the Commission.

(c) The Commission, in its orders, has approved the recovery of loan and equity based on the weighted average rate of interest & Return on Equity using the monthly Capital Recovery Factor concept. The Commission in its order dated 18.3.2009 in Petition No. 87/2007, approved the fee and charges for the SLDC Asset in the same manner as in the case of the assets under the Unified Load Despatch and Communication Scheme. The monthly Capital Recovery Factor for loan and equity for 15 years (180 months) is as under:

$$\text{Recovery Factor} = \frac{i \times (1+i)^n}{(1+i)^n - 1}$$

Where n = period of recovery, and i = rate of recovery

(d) Further, the Commission *vide* order dated 8.12.2011 in Petition No. 68/2010, specified the guidelines for fixation of tariff for recovery of cost of the assets comprising communication systems and SLDC systems retained by the



Petitioner after formation of Power System Operation Corporation (POSOCO). The Commission had decided to continue with the levelised tariff for the existing assets in the absence of any provision in the 2009 Tariff Regulations regarding determination of tariff of communication system and ULDC system of the Petitioner. The relevant extract of the order is given below:-

"9. We have considered the submissions of the petitioner and objections of the respondents. The ULDC schemes were introduced in different regions between 2002 and 2006. The Commission had not specified any regulations as required under section 28(4) of the Act for determination of fee and charges for the assets under ULDC scheme during 2004-09 period. Therefore, the Commission determined the tariff of ULDC schemes in exercise of its powers under section 28(4) of the Act by adopting certain parameters modelled on the basis of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004....."

However, the assets retained with the CTU consequent to creation of POSOCO, particularly the communication system and SLDC system are neither covered under the RLDC regulations nor under the 2009 regulations. Since the communication system and SLDC system form part of the assets of the CTU, there is a requirement to specify regulations for determination of tariff of these assets. We direct the staff of the Commission to undertake the exercise separately and include these assets of CTU in the tariff regulations applicable for the next tariff period i.e. 2014-19. As regards the tariff of these assets for the period 2009-14, we are not inclined to determine the tariff of these assets by exercising our power to relaxation under Regulation 44 of the 2009 regulations since there is no provision for determination of tariff for the assets covered under the communication system and ULDC system. We are of the view that the tariff of these assets shall be determined under our general power of determination of tariff for inter-State transmission system under section 79(1)(d) of the Act....."

".....It clearly emerges from the above judgment that the Central Commission can specify the terms and conditions of tariff even in the absence of the regulations. Since no regulation was specified for determination of tariff of the communication system and the ULDC system, the Commission determined the tariff of these assets during the period 2004-09 on levelised basis by adopting some of the parameters of 2004 tariff regulations. We have decided to continue with the levelised tariff for the existing assets in the absence of any provision in 2009 regulations regarding determination of tariff of communication system and ULDC system of the petitioner. For the new assets, the tariff will be decided as per the regulations for communication systems to be framed. Accordingly we direct the staff of the Commission to take necessary action to prepare draft regulations for determination of tariff for the communication system and ULDC system of the petitioner."

Xxxxxx

Xxxxxx

"21. We have considered the submission of the petitioner and the respondents. We are of the view that replacement of microwave links with fibre optic links should be implemented as agreed by the beneficiaries to ensure safe and reliable operation of the power system. Moreover, the petitioner has submitted that surrender of the microwave frequencies would save substantial cost and the fibre optic system



would be beneficial in the long run as the fibre optic communication network is required for implementation of new technologies like Wide Area Measurement System (WAMS), Special Protection Schemes (SPS) etc. in view of fast development and complexity of the power system in the country. As regards the regulatory approval, we are of the view that since the project has been agreed to be implemented by the constituents of each of the regions, regulatory approval is not considered necessary. The petitioner is granted liberty to approach the Commission for determination of tariff for the fibre optic network being installed in lieu of microwave links for each of the region separately. As regards the submission of UPPTCL, it is clarified that if the state portion is not being implemented by it separately as proposed earlier, the same shall be implemented by the petitioner and UPPTCL would be required to share the tariff in proportion to the assets being utilised by it. It is however made clear that the timeline for replacement of the digital microwave by optical fibre should be strictly complied with."

(e) The Commission, vide order dated 21.2.2014 in Petition No. 73/TT/2012, considered the following capital cost for the purpose of calculation of fees and charges for 2009-14 period in respect of the SLDC asset:

| (₹ in lakh) | | | |
|--|--------------|---------------|---------------|
| Outstanding/ Net capital cost as on 1.4.2009 | Microwave | Non Microwave | Total |
| Loan | 11.22 | 213.41 | 224.63 |
| Equity | 4.98 | 94.76 | 99.74 |
| Total | 16.20 | 308.17 | 324.37 |

(f) As per directions of Ministry of Communications & Information Technology, the digital microwave links were replaced with optic fibre on 31.3.2012 wherein the Commission, vide aforesaid order dated 21.2.2014, allowed accelerated depreciation for the microwave links and the corresponding capital cost was recovered completely up to 31.3.2012. Capital cost of the non-microwave portion was recovered in the usual manner for the 2009-14 period.

(g) Later, while determining fees and charges for fibre optic communication system in lieu of existing Unified Load Despatch and Communication (ULDC) Microwave links in Northern Region, the Commission vide order dated 1.9.2015 in Petition No. 240/TT/2013 decided that the annual fee and charges of optic fibre needs to be determined as per the principles approved by the Commission vide order dated 8.12.2011 in Petition No 68/2010. The relevant extract of the order dated 1.9.2015 is given below:-

"9. As held in our order dated 8.12.2011 in Petition No.68/2010, we would like to continue with the levelised tariff for the existing assets in the absence of any provision in the 2009 Tariff Regulations regarding determination of tariff of communication system and ULDC system of the petitioner. Accordingly, the annual fee and charges of the optic fibre need to be determined as per the principles approved by the Commission vide order dated 8.12.2011 in Petition No 68/2010".



(h) In Petition No. 427/TT/2014, the Petitioner had claimed annual fees and charges for 2014-19 period in respect of 'Non-Microwave Portion' for the SLDC Asset. Further, the Petitioner vide affidavit dated 24.2.2016 submitted that there was no additional capital expenditure as well as no change in rate of interest during 2009-14 period and, therefore, truing up was not required for 2009-14 period.

(i) The Commission in its order dated 16.5.2016 in Petition No. 427/TT/2014 has admitted the following capital cost for the SLDC Asset:

| (₹ in lakh) | | | |
|---|--------|--------|---------------|
| Particulars (Non-Microwave) | Loan | Equity | Total |
| Capital cost as on 1.4.2014 | 152.76 | 75.71 | 228.47 |
| Capital cost recovered during 1.4.2014 to 31.3.2019 | 92.21 | 41.15 | 133.36 |
| Outstanding/ Net capital cost as on 1.4.2019 | 60.55 | 34.55 | 95.11 |

4. In the instant petition, the fees and charges allowed for the period from 1.4.2014 to 31.3.2019 are being trued-up as provided under Regulation 8(1) of the 2014 Tariff Regulations, and the fees and charges for the 2019-24 period are being determined under Regulation 8 of the 2019 Tariff Regulations.

5. The Respondent, UPPCL, is a distribution licensee in Northern Region and is procuring transmission service from the Petitioner.

6. The Petitioner has served the petition on the respondent and notice of this application has been published in newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments/ objections have been received from the public in response to the notice in newspapers. Notice dated 14.1.2020 directing the beneficiaries/ Respondents to file reply in the matter was also published on the Commission's website. Reply to the petition has been filed by the Respondent, UPPCL, vide affidavit dated 21.7.2020 wherein the issue of prudence check of the true up figures submitted by the Petitioner, submission of Auditor's certificate in support of



additional capital expenditure, pass through of floating rate of interest and reimbursement of license fee to the Petitioner etc., has been raised. In response, the Petitioner vide its affidavit dated 30.7.2020 filed its rejoinder to the reply of UPPCL. The issues raised by UPPCL and the clarifications given by the Petitioner are dealt with in relevant paragraphs of this order.

7. The hearing in this matter was held on 31.7.2020 and the order was reserved.

8. This order is being issued after considering the main petition dated 11.10.2019, reply to the petition submitted by the Respondent, UPPCL, vide affidavit dated 21.7.2020 and rejoinder submitted by the Petitioner vide affidavit dated 30.7.2020.

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

TRUING-UP OF SUB-LDC FEES AND CHARGES FOR THE 2014-19 PERIOD

10. Clause (iii) of Regulation 6(1) of the 2014 Tariff Regulations provides as follows:-

“(iii) the tariff of the existing communication system forming part of transmission system shall be as per the methodology followed by the Commission prior to 1.4.2014.”

11. The methodology adopted by the Commission in its order dated 21.2.2014 in Petition No. 73/TT/2012 was similar to the guidelines given by the Commission vide order dated 8.12.2011 in Petition No. 68/2010, and that applied in orders related with fees and charges of ULDC of various regions during 2009-14 and earlier periods. Accordingly, the same methodology with associated assumptions has been continued to determine annual fee and charges for 2014-19 period in respect of 'Non-Microwave Portion' for the SLDC asset.

12. The Petitioner has submitted the information as required under the 2014 Tariff Regulations for truing up of fees and charges for the SLDC Asset for 2014-19 period.



The fees and charges for the SLDC Asset for 2014-19 period have been trued up as discussed in the subsequent paragraphs.

13. The Commission vide order dated 16.5.2016 in Petition No 427/TT/2014 had approved the fees and charges for the 2014-19 period for the SLDC Asset as under:

(₹ in lakh)

| Particulars | State Portion | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Annual capital Recovery charge-Loan | 27.79 | 27.79 | 27.79 | 27.79 | 27.79 |
| Annual capital Recovery charge-Equity | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 |
| Annual capital recovery charges | 45.02 | 45.02 | 45.02 | 45.02 | 45.02 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on working capital | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |
| Total Fee and charges | 46.06 | 46.06 | 46.06 | 46.06 | 46.06 |

14. The trued-up fees and charges claimed by the Petitioner for the SLDC Asset are as under:

(₹ in lakh)

| Particulars | State Portion (Non-Microwave Assets) | | | | |
|--|--------------------------------------|--------------|--------------|--------------|--------------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Annual capital Recovery charge-Loan | 27.79 | 27.79 | 27.80 | 27.80 | 27.81 |
| Annual capital Recovery charge-Equity | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 |
| Annual capital recovery charges | 45.02 | 45.02 | 45.03 | 45.04 | 45.05 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on working capital | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |
| Total Fee and charges | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

Capital Cost as on 1.4.2014

15. The Commission, vide order dated 21.2.2014 in Petition No. 73/TT/2012, has admitted the following capital cost for 'Non-Microwave Portion' as on 1.4.2009 and 31.3.2014:

(₹ in lakh)

| Particulars | Capital Cost as on 1.4.2009 | Capital Recovered during 1.4.2009 to 31.3.2014 | Net Capital Cost as on 31.3.2014 |
|-------------|-----------------------------|--|----------------------------------|
| Loan | 213.41 | 60.65 | 152.76 |

| | | | |
|--------------|---------------|--------------|---------------|
| Equity | 94.76 | 19.05 | 75.71 |
| Total | 308.17 | 79.70 | 228.47 |

16. The net capital cost of ₹228.47 lakh as on 31.3.2014, has been considered for working out the fee and charges for 'Non-Microwave Portion' of the SLDC Asset for 2014-19 period. Accordingly, the capital recovered in respect of capital cost for 'Non-Microwave Portion' for the period from 1.4.2014 to 31.3.2019 has been worked out by considering the recovery of loan and equity based on the weighted average rate of interest and rate of Return on Equity using the monthly Capital Recovery Factor concept.

Additional Capital Expenditure

17. UPPCL has submitted that the Petitioner has not submitted Auditor's certificate in support of additional capital expenditure. In response, the Petitioner has submitted that no additional capital expenditure is claimed during 2014-19 and 2019-24.

Rates for Recovery of Loan and Equity

18. Respondent UPPCL has submitted that the Petitioner has already negotiated loan portfolio bearing fixed rate of interest. Therefore, apprehension of the Petitioner regarding imposition of floating rate of interest is premature. In response, the Petitioner, vide rejoinder dated 30.7.2020, has submitted that the prayer of the Petitioner regarding floating rate of interest has been placed inadvertently and all loans with fixed rate of interest have been deployed in the instant case.

19. We have considered the submissions of the Petitioner and the Respondent UPPCL. The year-wise monthly Capital Recovery Factor (CRF) for loan and equity have been calculated by using the following formula:

$$\text{Recovery Factor} = \frac{i \times (1+i)^n}{(1+i)^n - 1}$$



Where, n = period of recovery is 7.42 years (rounded off) as on 1.4.2014

and i = weighted average rate of interest on loan/ Rate of return on equity

The interest rates considered on annual basis, have been converted to monthly rates.

The details of weighted average rate of interest are attached at Annexure-II to this order.

20. Referring to order dated 21.2.2014 in petition no. 73/TT/2012, the Commission in the Order dated 16.5.2016 in Petition No. 427/TT/2014 observed that the grossing up concept applied on base rate of ROE was basically linked with the Tariff Regulations and these cannot be applied in toto for working out the fee and charges which are based on CRF concept. The relevant extract of order is given below:-

"21. The Commission in its order dated 18.3.2009 approved the fee and charges for the period up to 31.3.2009 by considering RoE at the rate of 14% per annum (post-tax) in accordance with the terms and conditions for determination of tariff applicable during 2004- 09 period. The tariff regulations applicable for the period 2009-14 provide for recovery of RoE (pre-tax), calculated by grossing up the base rate (normally @15.5% per annum) with the Corporate Tax/MAT rate for the year 2008-09 and is to be trued up subsequently with reference to the actual tax rate applicable under the provisions of the relevant Finance Act each year during the tariff period. The grossing up concept is basically linked with the 2009- 14 Tariff Regulations and these cannot be applied in toto for working out the fee and charges, which are based on CRF concept. A grossed-up value of RoE in working out the CRF would further distort the recovery factor because of tax component. Therefore, deviating from the practice of directly relating the CRF (corresponding to equity portion) to the RoE being allowed in the current tariff regulations, it is considered prudent to work out the CRF based on post-tax RoE of 15.50%, i.e. dispensing with the concept of grossing-up of RoE with the applicable tax rate. The rate of return on equity of 15.50% has been applied for calculating the Capital Recovery Factor for equity. The above rates being on annual basis, have been converted to monthly rates. While the base Order in Petition No 73/TT/2012 is as per 2009 Tariff Regulations, the post- tax philosophy, for working out fee and charges, is as per the 2004-09 control period. Hence, return on equity @ 15.50% has been applied for calculating the Capital Recovery Factor for equity. This would mean that tax on the income streams shall be recovered from the beneficiaries separately."

21. Accordingly, in the instant petition, rate of return on equity of 15.50% has been applied for calculating the monthly Capital Recovery Factor (CRF) for equity without grossing up of RoE with the applicable tax rate. This is in line with the approach adopted while working on ULDC petitions of 2009-14 period. The above rates being on annual basis, have been converted to monthly rates.



Monthly Capital Recovery Charges

22. Monthly Capital Recovery Factors, for 'Non-Microwave portion', have been worked out as under:

| Year | Monthly Capital Recovery Factor | |
|---------|---------------------------------|----------|
| | Loan | Equity |
| 2014-15 | 0.015159 | 0.018970 |
| 2015-16 | 0.016871 | 0.020576 |
| 2016-17 | 0.019231 | 0.022830 |
| 2017-18 | 0.022683 | 0.026174 |
| 2018-19 | 0.028185 | 0.031570 |

23. In view of above, the monthly capital recovery charges for loan and equity for the SLDC Asset have been arrived at by using respective monthly Capital Recovery Factors and are as follows:

(₹ in lakh)

| Year | Monthly Capital Recovery Charge | |
|---------|---------------------------------|--------|
| | Loan | Equity |
| 2014-15 | 2.3158 | 1.4362 |
| 2015-16 | 2.3161 | 1.4362 |
| 2016-17 | 2.3166 | 1.4362 |
| 2017-18 | 2.3171 | 1.4362 |
| 2018-19 | 2.3179 | 1.4362 |

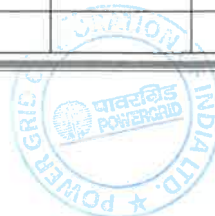
24. Accordingly, recovery of capital during 2014-19 has been worked out as under:

(₹ in lakh)

| Particulars (Non-Microwave) | Loan | Equity | Total |
|---|--------|--------|--------|
| Capital cost as on 1.4.2014 | 152.76 | 75.71 | 228.47 |
| Capital cost recovered during 1.4.2014 to 31.3.2019 | 92.19 | 41.15 | 133.34 |
| Outstanding/ Net capital cost as on 1.4.2019 | 60.58 | 34.55 | 95.13 |

(₹ in lakh)

| Particulars | Capital Cost as on 1.4.2014 | Capital cost recovered from 1.4.2014 to 31.3.2019 | | | | | Net Capital Cost as on 1.4.2019 |
|--------------------|-----------------------------|---|-------------------|-------------------|-------------------|-------------------|---------------------------------|
| | | During FY 2014-15 | During FY 2015-16 | During FY 2016-17 | During FY 2017-18 | During FY 2018-19 | |
| Loan | 152.76 | 15.47 | 16.83 | 18.31 | 19.91 | 21.66 | 60.58 |
| Equity | 75.71 | 5.91 | 6.89 | 8.04 | 9.38 | 10.94 | 34.55 |
| Total | 228.47 | 21.38 | 23.72 | 26.35 | 29.29 | 32.60 | 95.13 |
| Debt-Equity | | | | | | | |



| | | | |
|--------------|----------------|----------------|---------|
| Debt | 66.86 % | Not Applicable | 63.68 % |
| Equity | 33.14 % | Not Applicable | 36.32 % |
| Total | 100.00% | Not Applicable | 100.00% |

Operation and Maintenance Expenses (O&M Expenses)

25. The Petitioner has not claimed O&M component for the SLDC asset.

Interest on Working capital (IWC)

26. The components of the working capital and the interest thereon are discussed hereinafter:

a) Maintenance spares:

Maintenance spares @15% of operation and maintenance expenses specified in Regulation 29 of the 2014 Tariff Regulations. The Petitioner has not claimed O&M expenses. Therefore 'NIL' maintenance spares have been considered.

b) O & M expenses:

Operation and maintenance expenses for one month of the yearly O&M expenses claimed are to be included in IWC. The Petitioner has not claimed O&M expenses. Therefore 'NIL' O&M expenses have been considered.

c) Receivables:

The receivables have been worked out on the basis of 2 months of annual fixed cost as worked out above.

d) Rate of interest on working capital:

In line with the 2014 Tariff Regulations, the SBI PLR as on 1.4.2014 (10.00%) plus 350 bps i.e. 13.50% has been considered as the rate of interest on working capital for Non-Micro Wave System.

27. Accordingly, the interest on working capital is summarized as under:

| Particulars | State Portion (Non-Microwave Assets) | | | | |
|------------------------------------|--------------------------------------|-------------|-------------|-------------|-------------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Receivables | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |
| Total | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |
| Rate of Interest (%) | 13.50 | 13.50 | 13.50 | 13.50 | 13.50 |
| Interest on working Capital | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |

APPROVED Sub-LDC FEE AND CHARGES FOR 2014-19 PERIOD

28. The trued up annual fees and charges allowed for the SLDC Asset for 2014-19 tariff period is summarized below:

(₹ in lakh)

| Particulars | State Portion (Non-Microwave Assets) | | | | |
|--|--------------------------------------|--------------|--------------|--------------|--------------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Annual capital Recovery charge-Loan | 27.79 | 27.79 | 27.80 | 27.81 | 27.81 |
| Annual capital Recovery charge-Equity | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 |
| Annual capital recovery charges | 45.02 | 45.03 | 45.03 | 45.04 | 45.05 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on working capital | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |
| Total Fee and charges | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

29. The details of trued up annual fees and charges allowed for the SLDC Asset for 2014-19 tariff period are attached at Annexure-I to this Order.

30. The fees and charges approved earlier, claimed by the Petitioner in the instant petition and trued up for the 2014-19 period are shown as under: -

(₹ in lakh)

| Particulars (IWC) | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|---------|---------|---------|---------|---------|
| Approved vide order dated 16.5.2016 in 427/TT/2014 | 46.06 | 46.06 | 46.06 | 46.06 | 46.06 |
| Claimed by the Petitioner in the instant petition | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |
| Allowed after true-up in this order | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

SUB-LDC FEES AND CHARGES FOR 2019-24 PERIOD

31. The Petitioner has claimed annual fees and charges for the SLDC Asset for control period 2019-24 (up to 31.8.2021), as under:

(₹ in lakh)



| Particulars | State Portion (Non-Microwave Assets) | | | | |
|---------------------------------|--------------------------------------|--------------|-----------------------|-------------|-------------|
| | 2019-20 | 2020-21 | 2021-22 (pro-rata) | 2022-23 | 2023-24 |
| Annual capital recovery charges | 45.06 | 45.09 | 18.81 | 0.00 | 0.00 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on working capital | 0.68 | 0.68 | 0.28 | 0.00 | 0.00 |
| Total Fee and charges | 45.74 | 45.77 | 19.09 | 0.00 | 0.00 |

32. The tariff for 2019-24 period, up to 31.8.2021, is allowed as discussed in the subsequent paragraphs.

Capital Cost as on 1.4.2019

33. The Commission, has considered the following capital cost for 'Non-Microwave Portion' as on 1.4.2014 and 1.4.2019:

| Particulars | (₹ in lakh) | | |
|--------------|-----------------------------|--|---------------------------------|
| | Capital Cost as on 1.4.2014 | Capital Recovered during 1.4.2014 to 31.3.2019 | Net Capital Cost as on 1.4.2019 |
| Loan | 152.76 | 92.19 | 60.58 |
| Equity | 75.71 | 41.15 | 34.55 |
| Total | 228.47 | 133.34 | 95.13 |

Additional Capital Expenditure

34. Petitioner has not claimed additional capital expenditure during 2019-24.

Rates for Recovery of Loan and Equity

35. The net/ outstanding capital cost of ₹95.13 lakh as on 1.4.2019, has been considered for working out the fee and charges for 'Non-Microwave Portion' of the SLDC Asset for 2019-24 period. The capital recovery has been worked out by considering the recovery of loan and equity based on the year wise weighted average rate of interest and rate of Return on Equity using the monthly Capital Recovery Factor concept. The interest rates considered on annual basis, have been converted to monthly rates. The details of weighted average rate of interest are attached at Annexure-IV to this order.

36. As explained earlier in this Order, for calculating the Capital Recovery Factor (CRF) for equity for 2019-24 period too, rate of return on equity of 15.50% has been considered without grossing up of RoE with tax rates.

Monthly Capital Recovery Charges

37. Monthly Recovery factors, for 2019-24 period, have been worked out as under:

| Year | Monthly Capital Recovery Factor | |
|---------|---------------------------------|----------|
| | Loan | Equity |
| 2019-20 | 0.038283 | 0.041563 |
| 2020-21 | 0.062732 | 0.065896 |
| 2021-22 | 0.204649 | 0.207816 |

38. In view of above, the monthly capital recovery charges for loan and equity for instant asset have been arrived at by using respective monthly Capital Recovery Factors and are as follows:

(₹ in lakh)

| Year | Monthly Capital Recovery Charge | |
|---------|---------------------------------|--------|
| | Loan | Equity |
| 2019-20 | 2.3191 | 1.4362 |
| 2020-21 | 2.3217 | 1.4362 |
| 2021-22 | 2.3250 | 1.4362 |

39. The capital cost will be fully recovered by 31.8.2021, i.e. during 2020-21 as per the following details:

(₹ in lakh)

| Particulars | Capital Cost as on 1.4.2019 | Capital cost recovered from 1.4.2019 to 31.3.2024 | | | | | Outstanding Capital Cost as on 1.4.2024 |
|--------------------|-----------------------------|---|-------------------|-------------------|-------------------|-------------------|---|
| | | During FY 2019-20 | During FY 2020-21 | During FY 2021-22 | During FY 2022-23 | During FY 2023-24 | |
| Loan | 60.58 | 23.57 | 25.65 | 11.36 | 0.00 | 0.00 | 0.00 |
| Equity | 34.55 | 12.76 | 14.88 | 6.91 | 0.00 | 0.00 | 0.00 |
| Total | 95.13 | 36.33 | 40.53 | 18.27 | 0.00 | 0.00 | 0.00 |
| Debt-Equity | | | | | | | |
| Debt (%) | 63.68 | Not Applicable | | | | | 00.00 |
| Equity (%) | 36.32 | Not Applicable | | | | | 00.00 |
| Total | 100.00 | Not Applicable | | | | | 00.00 |



Operation and Maintenance Expenses (O&M Expenses)

40. The Petitioner has not claimed O&M component for 'Non-Micro-wave System'. The Fee & Charges for 'Non-Micro-wave System' has, thus, O&M component as NIL.

Interest on Working capital (IWC)

41. The components of the working capital and the interest thereon are discussed are discussed hereinafter:

a) Maintenance spares:

Maintenance spares @15% Operation and maintenance expenses including security expenses. The Petitioner has not claimed O&M expenses. Therefore 'NIL' maintenance spares has been considered.

b) O & M expenses:

Operation and maintenance expenses including security expenses for one month of the O&M expenses claimed is to be included in IWC. The Petitioner has not claimed O&M expenses. Therefore 'NIL' O&M expenses has been considered.

c) Receivables:

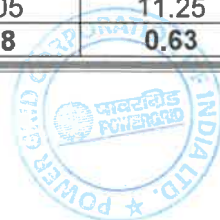
The receivables have been worked out on the basis of 45 days of fixed cost as worked out above.

d) Rate of interest on working capital:

In line with 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, whereas, ROI for 2020-21 onwards has been considered as 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for Non-Micro Wave System.

42. The components of the working capital and interest thereon allowed is as under:

| Particulars | 2019-20 | 2020-21 | (₹ in lakh) |
|---|-------------|-------------|---|
| | | | 2021-22 (pro-rata up to 31.8.2021) |
| Maintenance Spares | 0.00 | 0.00 | 0.00 |
| O&M expenses | 0.00 | 0.00 | 0.00 |
| Receivables | 5.62 | 5.64 | 2.35 |
| Total | 5.62 | 5.64 | 2.35 |
| Rate of Interest on working capital (%) | 12.05 | 11.25 | 11.25 |
| Interest on Working Capital | 0.68 | 0.63 | 0.26 |



APPROVED Sub- LDC FEES AND CHARGES FOR 2019-24 PERIOD

43. The annual fees and charges allowed for the SLDC Asset for control period 2019-24 (up to 31.8.2021) is summarized below:

(₹ in lakh)

| Particulars | State Portion (Non-Microwave Assets) | | |
|--|--------------------------------------|--------------|--|
| | 2019-20 | 2020-21 | 2021-22 (pro-rata up to 31.8.2021) |
| Annual capital Recovery charge-Loan | 27.83 | 27.86 | 11.62 |
| Annual capital Recovery charge-Equity | 17.23 | 17.23 | 7.18 |
| Annual capital recovery charges | 45.06 | 45.10 | 18.80 |
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Interest on working capital | 0.68 | 0.63 | 0.26 |
| Total Fee and charges | 45.74 | 45.73 | 19.06 |

44. The details of trued-up annual fee and charges allowed for the SLDC Asset for 2019-24 tariff period are attached at Annexure-III to this Order.

45. The Commission, vide Order dated 21.2.2014 in Petition No.73/TT/2012 had directed as below:

"29. In compliance with the directions of the Appellate Tribunal in the appeal filed by HVPNL referred to above, recovery of loan and equity has been recalculated by adopting monthly recovery charge method. The monthly recovery charges, earlier considered on annualized basis, have been worked out for the period from 1.9.2006 to 31.3.2009. It is noted that the excess loan recovered ₹10.85 lakh and excess equity recovered was ₹6.27 lakh. The computations in support of excess recovery during 1.9.2006 to 31.3.2009 are given overleaf:-

Xxxxx
Xxxxx
Xxxxx

30. The excess amounts recovered by the petitioner shall be adjusted in future installments, beyond 2009-14 periods, by reducing the number of instalments"

46. The Petitioner is directed to comply with the above advice and furnish its status to the Commission.

Filing Fee and the Publication Expenses



47. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 70(1) of the 2019 Tariff Regulations. The Petitioner shall be entitled for reimbursement of the filing fee 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 and RLDC fee and Charges

48. The Respondent, UPPCL, has submitted that the license fee is the onus of the Petitioner. The Petitioner has requested to allow to bill and recover License fee and RLDC fee and charges, separately from the respondents in terms of Regulation 70 of the 2019 Tariff Regulations.

49. We have considered the submissions of Petitioner and Respondent. The Petitioner shall be entitled for reimbursement of licence fee and RLDC fee and charges in accordance with Clauses (3) and (4) of Regulation 70 of the 2019 Tariff Regulations.

Goods and Services Tax

50. The Petitioner has sought to recover GST on transmission charges separately from the Respondent, if at any time GST on transmission is withdrawn from negative list in future. 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 UPPCL.

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

Sharing of Annual Transmission (Communication) Charges



52. The Petitioner has submitted during the hearing in the matter on 31.7.2020 that, since the life of asset is 15 years, the tariff is being claimed up to 31.8.2021. The Petitioner further submitted that the instant asset will be functional even after 31.8.2021 and it will be transferred to UPPCL, which will take care of instant asset's operation and maintenance.

53. The fee and charges allowed in this order for the SLDC Asset shall be borne by Uttar Pradesh Power Corporation Limited (UPPCL), till 31.8.2021.

54. To summarise, the trued-up fees and charges allowed for the SLDC Asset for the 2014-19 tariff period are as under:

| (₹ in lakh) | | | | | |
|-----------------------|---------|---------|---------|---------|---------|
| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Total Fee and Charges | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

55. The fees and charges allowed for the SLDC Asset for the tariff period 2019-24 (up to 31.8.2021) in this order are as under:

| (₹ in lakh) | | | | | |
|-----------------------|---------|---------|---|---------|---------|
| Particulars | 2019-20 | 2020-21 | 2021-22 (pro-rata up to 31.8.2021) | 2022-23 | 2023-24 |
| Total Fee and Charges | 45.74 | 45.73 | 19.06 | - | - |

56. This order disposes of Petition No. 510/TT/2019.

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member



| Particulars | Values as on 1.4.2014 | Year wise Particulars (Amount in Rs Lakh) | | | | |
|--|--------------------------|---|----------|----------|----------|----------|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Capital Cost as on 1.4.2009 | 308.17 | | | | | |
| Capital cost recovered during 2009-14 | 79.70 | | | | | |
| O/S Capital Cost | 228.47 | 228.47 | 207.09 | 183.37 | 157.02 | 127.73 |
| O/S Notional Loan | 152.76 | 152.76 | 137.29 | 120.46 | 102.15 | 82.24 |
| O/S Equity | 75.71 | 75.71 | 69.80 | 62.91 | 54.87 | 45.49 |
| Years | 7.42 | 7.42 | 6.42 | 5.42 | 4.42 | 3.42 |
| Months | 89.00 | 89.00 | 77.00 | 65.00 | 53.00 | 41.00 |
| Weighted Average Rate of Interest p.a. | 8.4478% | 8.4478% | 8.4531% | 8.4606% | 8.4721% | 8.4920% |
| Weighted Average Rate of Interest p.m. | 0.7040% | 0.7040% | 0.7044% | 0.7050% | 0.7060% | 0.7077% |
| Monthly Recovery Factors -Loan | 0.015159 | 0.015159 | 0.016871 | 0.019231 | 0.022683 | 0.028185 |
| Monthly Capital Recovery Charge - Loan | 2.3158 | 2.3158 | 2.3161 | 2.3166 | 2.3171 | 2.3179 |
| Annual Capital Recovery Charge - Loan | 27.79 | 27.79 | 27.79 | 27.80 | 27.81 | 27.81 |
| Rate of Return on Equity p.a. | 15.500% | 15.500% | 15.500% | 15.500% | 15.500% | 15.500% |
| Rate of Return on Equity p.m. | 1.292% | 1.292% | 1.292% | 1.292% | 1.292% | 1.292% |
| Monthly Recovery Factors -Equity | 0.018970 | 0.018970 | 0.020576 | 0.022830 | 0.026174 | 0.031570 |
| Monthly Capital Recovery Charge - Equity | 1.4362 | 1.4362 | 1.4362 | 1.4362 | 1.4362 | 1.4362 |
| Annual Capital Recovery Charge - Equity | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 |
| Monthly Capital Recovery Charge - Total | 3.7520 | 3.7520 | 3.7523 | 3.7528 | 3.7533 | 3.7541 |
| Annual Capital Recovery Charge - Total | 45.02 | 45.02 | 45.03 | 45.03 | 45.04 | 45.05 |
| (i) Annual Capital Recovery Charge - Total | | 45.02 | 45.03 | 45.03 | 45.04 | 45.05 |
| (ii) Annual O&M Expenses (As per claim of the petitioner) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iii) Annual Interest on Working Capital ¹ | | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |
| Total Annual Fee & Charges (i+ii+iii) | | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

Interest on Working Capital¹

| Particular | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|-------------|-------------|-------------|-------------|-------------|
| Maintenance Spares (As per claim of the petitioner) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| O&M Expenses (1 Month) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Receivables (2 Months) | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |
| Total | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |
| Rate of Interest on Working Capital | 13.50% | 13.50% | 13.50% | 13.50% | 13.50% |
| Interest on Working Capital | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |

Total Fee&Charges (2014-19)**Non-Microwave: State Portion - Charges**

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|--------------|--------------|--------------|--------------|--------------|
| Annual Capital Recovery Charge - Loan | 27.79 | 27.79 | 27.80 | 27.81 | 27.81 |
| Annual Capital Recovery Charge - Equity | 17.23 | 17.23 | 17.23 | 17.23 | 17.23 |
| Annual Capital Recovery Charge - Total | 45.02 | 45.03 | 45.03 | 45.04 | 45.05 |
| O&M Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital ¹ | 1.04 | 1.04 | 1.04 | 1.04 | 1.04 |
| Total Fee&Charges | 46.06 | 46.06 | 46.07 | 46.08 | 46.09 |

| Wt. Average Rate of Interest | | | | | | | |
|------------------------------|---------------|--------------|--------------|---------------|-----------------------------------|-------------|-----------------------------------|
| (Rs. in Lakh) | | | | | | | |
| (2014-15) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 83.42 | 11.92 | 71.50 | 77.46 | 8.15% | 6.31 | |
| Bond XIX | 30.67 | 3.83 | 26.84 | 28.76 | 9.25% | 2.66 | |
| Total Loan | 114.09 | 15.75 | 98.34 | 106.22 | | 8.97 | 8.4478% |
| (2015-16) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 71.50 | 11.92 | 59.58 | 65.54 | 8.15% | 5.34 | |
| Bond XIX | 26.84 | 3.83 | 23.01 | 24.93 | 9.25% | 2.31 | |
| Total Loan | 98.34 | 15.75 | 82.59 | 90.47 | | 7.65 | 8.4531% |
| (2016-17) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 59.58 | 11.92 | 47.66 | 53.62 | 8.15% | 4.37 | |
| Bond XIX | 23.01 | 3.83 | 19.18 | 21.10 | 9.25% | 1.95 | |
| Total Loan | 82.59 | 15.75 | 66.84 | 74.72 | | 6.32 | 8.4606% |
| (2017-18) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 47.66 | 11.92 | 35.74 | 41.70 | 8.15% | 3.40 | |
| Bond XIX | 19.18 | 3.83 | 15.35 | 17.27 | 9.25% | 1.60 | |
| Total Loan | 66.84 | 15.75 | 51.09 | 58.97 | | 5.00 | 8.4721% |
| (2018-19) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 35.74 | 11.92 | 23.82 | 29.78 | 8.15% | 2.43 | |
| Bond XIX | 15.35 | 3.83 | 11.52 | 13.44 | 9.25% | 1.24 | |
| Total Loan | 51.09 | 15.75 | 35.34 | 43.22 | | 3.67 | 8.4920% |

| Particulars | Values as on 1.4.2019 | Year wise Particulars (Amount in Rs lakh) | | |
|--|--------------------------|---|----------|----------|
| | | 2019-20 | 2020-21 | 2021-22 |
| Capital Cost as on 1.4.2009 | 308.17 | | | |
| Capital cost recovered during 2009-14 | 79.70 | | | |
| Capital cost recovered during 2014-19 | 133.34 | | | |
| O/S Capital Cost | 95.13 | 95.13 | 58.81 | 18.27 |
| O/S Notional Loan | 60.58 | 60.58 | 37.01 | 11.36 |
| O/S Equity | 34.55 | 34.55 | 21.79 | 6.91 |
| Years | 2.41667 | 2.41667 | 1.41667 | 0.41667 |
| Months | 29.00 | 29.00 | 17.00 | 5.00 |
| Weighted Average Rate of Interest p.a. | 8.5347% | 8.5347% | 8.6918% | 9.2500% |
| Weighted Average Rate of Interest p.m. | 0.7112% | 0.7112% | 0.7243% | 0.7708% |
| Monthly Recovery Factors -Loan | 0.038283 | 0.038283 | 0.062732 | 0.204649 |
| Monthly Capital Recovery Charge - Loan | 2.3191 | 2.3191 | 2.3217 | 2.3250 |
| Annual Capital Recovery Charge - Loan | 27.83 | 27.83 | 27.86 | 11.62 |
| Rate of Return on Equity p.a. | 15.500% | 15.500% | 15.500% | 15.500% |
| Rate of Return on Equity p.m. | 1.292% | 1.292% | 1.292% | 1.292% |
| Monthly Recovery Factors -Equity | 0.041563 | 0.041563 | 0.065896 | 0.207816 |
| Monthly Capital Recovery Charge - Equity | 1.4362 | 1.4362 | 1.4362 | 1.4362 |
| Annual Capital Recovery Charge - Equity | 17.23 | 17.23 | 17.23 | 7.18 |
| Monthly Capital Recovery Charge - Total | 3.7553 | 3.7553 | 3.7579 | 3.7611 |
| Annual Capital Recovery Charge - Total | 45.06 | 45.06 | 45.10 | 18.80 |
| (i) Annual Capital Recovery Charge - Total | | 45.06 | 45.10 | 18.80 |
| (ii) Annual O&M Expenses (As per claim of the petitioner) | | 0.00 | 0.00 | 0.00 |
| (iii) Annual Interest on Working Capital ¹ | | 0.68 | 0.63 | 0.26 |
| Total Annual Fee & Charges (i+ii+iii) | | 45.74 | 45.73 | 19.06 |

Interest on Working Capital¹

| Particular | 2019-20 | 2020-21 | 2021-22 |
|--|-------------|-------------|-------------|
| Maintenance Spares (As per claim of the petitioner) | 0.00 | 0.00 | 0.00 |
| O&M Expenses (1 Month) | 0.00 | 0.00 | 0.00 |
| Receivables (45 days) | 5.62 | 5.64 | 2.35 |
| Total | 5.62 | 5.64 | 2.35 |
| Rate of Interest on Working Capital | 12.05% | 11.25% | 11.25% |
| Interest on Working Capital | 0.68 | 0.63 | 0.26 |

Total Fee&Charges (2014-19)**Non-Microwave: State Portion - Charges**

| Particulars | 2019-20 | 2020-21 | 2021-22 |
|--|--------------|--------------|--------------|
| Annual Capital Recovery Charge - Loan | 27.83 | 27.86 | 11.62 |
| Annual Capital Recovery Charge - Equity | 17.23 | 17.23 | 7.18 |
| Annual Capital Recovery Charge - Total | 45.06 | 45.10 | 18.80 |
| O&M Expenses | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital ¹ | 0.68 | 0.63 | 0.26 |
| Total Fee&Charges | 45.74 | 45.73 | 19.06 |

| Wt. Average Rate of Interest | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|-----------------------------------|-------------|-----------------------------------|
| (Rs. in Lacs) | | | | | | | |
| (2019-20) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 23.82 | 11.92 | 11.90 | 17.86 | 8.15% | 1.46 | |
| Bond XIX | 11.52 | 3.83 | 7.69 | 9.61 | 9.25% | 0.89 | |
| Total Loan | 35.34 | 15.75 | 19.59 | 27.47 | | 2.34 | 8.5347% |
| (2020-21) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 11.90 | 11.90 | 0.00 | 5.95 | 8.15% | 0.48 | |
| Bond XIX | 7.69 | 3.83 | 3.86 | 5.78 | 9.25% | 0.53 | |
| Total Loan | 19.59 | 15.73 | 3.86 | 11.73 | | 1.02 | 8.6918% |
| (2021-22) | | | | | | | |
| Loan | Opening | Repayment | Closing | Average | Rate of interest as on 01.04.2014 | Interest | Weighted Average Rate of Interest |
| Bond XVIII | 0.00 | 0.00 | 0.00 | 0.00 | 8.15% | 0.00 | |
| Bond XIX | 3.86 | 3.83 | 0.00 | 1.93 | 9.25% | 0.18 | |
| Total Loan | 3.86 | 3.83 | 0.00 | 1.93 | | 0.18 | 9.2500% |

| CALCULATION FOR NORTHERN REGION SLDC MODIPURAM - STATE PORTION | |
|---|-------------------|
| 2019-20 | Rs in Lac |
| STATE PORTION | RATE |
| CAPITAL COST | |
| Gross Loan | 95.13 |
| Gross equity | 60.58 |
| O/S Loan (as on 1.4.2019 for expenditure upto 31.03.2019) | 34.55 |
| O/S Equity (as on 1.4.2019 for expenditure upto 31.03.2019) | 34.55 |
| No. of years | 2.42 |
| Recovery factor - Loan | 8.5339% |
| Monthly Capital Recovery Charges - Loan | 2.32 |
| Recovery factor - Equity | 15.500% |
| Monthly Capital Recovery Charges - Equity | 1.44 |
| Annual Capital Recovery Charges - Total | 45.06 |
| CALCULATION OF YEARLY INTEREST ON WORKING CAPITAL | |
| YEAR | 2019-20 |
| MAINTENANCE SPARES | 0.00 |
| O&M EXPENSES | 0.00 |
| RECEIVABLES | 5.62 |
| TOTAL WC | 5.62 |
| IWC | 12.05% |
| CALCULATION OF YEARLY ANNUAL CHARGES - STATE PORTION | |
| YEAR | 2019-20 |
| ANNUAL CAPITAL RECOVERY CHARGES | 45.06 |
| O&M EXPENSES | 0.00 |
| INTEREST ON WORKING CAPITAL | 0.68 |
| TOTAL CHARGES | 45.74 |
| | Petitioner |



| CALCULATION FOR NORTHERN REGION SLDC MODIPURAM - STATE PORTION | | |
|--|---|----------------------------------|
| 2020-21 | | Rs in Lac |
| | STATE PORTION | For expenditure as on 31.03.2021 |
| | CAPITAL COST | |
| | Gross Loan | 95.13 |
| | Gross equity | 60.58 |
| | | 34.55 |
| | O/S Loan (as on 1.4.2020 for expenditure upto 31.03.2021) | 37.01 |
| | O/S Equity (as on 1.4.2020 for expenditure upto 31.03.2021) | 21.79 |
| | No. of years | 1.42 |
| | Recovery factor - Loan | 8.6902% |
| | Monthly Capital Recovery Charges - Loan | 0.062731 |
| | Recovery factor - Equity | 8.6902% |
| | Monthly Capital Recovery Charges - Equity | 2.32 |
| | Annual Capital Recovery Charges - Total | 0.065896 |
| | | 1.44 |
| | | 45.09 |
| | CALCULATION OF YEARLY INTEREST ON WORKING CAPITAL | |
| | | |
| | | |
| | YEAR | 2020-21 |
| | MAINTENANCE SPARES | 0.00 |
| | O&M EXPENSES | 0.00 |
| | RECEIVABLES | 5.64 |
| | TOTAL WC | 5.64 |
| | IWC | 11.25% |
| | | 0.63 |
| | CALCULATION OF YEARLY ANNUAL CHARGES - STATE PORTION | |
| | | |
| | YEAR | 2020-21 |
| | ANNUAL CAPITAL RECOVERY CHARGES | 45.09 |
| | O&M EXPENSES | 0.00 |
| | INTEREST ON WORKING CAPITAL | 0.63 |
| | TOTAL CHARGES | 45.73 |
| | | Petitioner |



| CALCULATION FOR NORTHERN REGION SLDC MODIPURAM - STATE PORTION | | Rs in Lac |
|---|-------------|---|
| 2021-22 | | |
| STATE PORTION | RATE | For expenditure as on 31.08.2021 |
| CAPITAL COST | | |
| Gross Loan | | 95.13 |
| Gross equity | | 60.58 |
| | | 34.55 |
| O/S Loan (as on 1.4.2021 for expenditure upto 31.08.2021) | | 11.36 |
| O/S Equity (as on 1.4.2021 for expenditure upto 31.08.2021) | | 6.91 |
| No. of years | | 0.42 |
| Recovery factor - Loan | 9.2500% | 0.204649 |
| Monthly Capital Recovery Charges - Loan | 9.2500% | 2.33 |
| Recovery factor - Equity | 15.500% | 0.207816 |
| Monthly Capital Recovery Charges - Equity | 15.500% | 1.44 |
| Annual Capital Recovery Charges - Total (Pro-rata) | | 18.81 |
| CALCULATION OF YEARLY INTEREST ON WORKING CAPITAL | | |
| YEAR | | 2021-22 |
| MAINTENANCE SPARES | | 0.00 |
| O&M EXPENSES | | 0.00 |
| RECEIVABLES | | 2.35 |
| TOTAL WC | | 2.35 |
| IWC | 10.50% | 0.25 |
| CALCULATION OF YEARLY ANNUAL CHARGES - STATE PORTION | | |
| YEAR | | 2021-22 |
| ANNUAL CAPITAL RECOVERY CHARGES | | 18.81 |
| O&M EXPENSES | | 0.00 |
| INTEREST ON WORKING CAPITAL | | 0.25 |
| TOTAL CHARGES | | 19.05 |
| | | Petitioner |



STATE SECTOR LOAN

| Loans | 2019-20 | | | | 2020-21 | | | | 2021-22 | | | | | | | | | |
|------------|-------------|---------------|---------|---------|---------------|----------|---------|---------------|---------|---------|---------------|----------|---------|---------------|---------|-------------|---------------|--------------|
| | Openin g | Repay ment | Closing | Average | Interest Rate | Interest | Opening | Repayme nt | Closing | Average | Interest Rate | Interest | Opening | Repaym ent | Closing | Averag e | Interest Rate | Interes t |
| BOND XVIII | 23.83 | 11.92 | 11.92 | 17.88 | 8.15% | 1.46 | 11.92 | 11.92 | 0.00 | 5.96 | 8.15% | 0.49 | 0.00 | 0.00 | 0.00 | 0.00 | 8.15% | 0.00 |
| BOND XIX | 11.50 | 3.83 | 7.67 | 9.58 | 9.25% | 0.89 | 7.67 | 3.83 | 3.83 | 5.75 | 9.25% | 0.53 | 3.83 | 3.83 | 0.00 | 1.92 | 9.25% | 0.18 |
| Total | 35.33 | 15.75 | 19.58 | 27.46 | 8.5339% | 2.34 | 19.58 | 15.75 | 3.83 | 11.71 | 8.6902% | 1.02 | 3.83 | 3.83 | 0.00 | 1.92 | 9.2500% | 0.18 |

| | 2019-20 | 2020-21 | 2021-22 |
|-------|----------|----------|----------|
| DOCO | 8.5339% | 8.6902% | 9.2500% |
| DOCO | 15.5000% | 15.5000% | 15.5000% |
| | 60.58 | 37.01 | 11.36 |
| | 29.00 | 17.00 | 5.00 |
| 1 | 1.89 | 2.05 | 1.15 |
| 2 | 1.90 | 2.07 | 1.17 |
| 3 | 1.92 | 2.08 | 1.18 |
| 4 | 1.93 | 2.10 | 1.20 |
| 5 | 1.94 | 2.11 | 1.22 |
| 6 | 1.96 | 2.13 | 1.23 |
| 7 | 1.97 | 2.14 | 1.25 |
| 8 | 1.98 | 2.16 | 1.26 |
| 9 | 2.00 | 2.18 | 1.28 |
| 10 | 2.01 | 2.19 | 1.30 |
| 11 | 2.03 | 2.21 | 1.31 |
| 12 | 2.04 | 2.22 | 1.33 |
| Total | 23.57 | 25.65 | 14.88 |
| | | | 11.36 |
| | | | 6.91 |



INDEX
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 | NA |
| 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 | NA |
| FORM-3 | Normative parameters considered for tariff computations | NA |
| 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 | NA |
| 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 | NA |
| 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 | NA |
| FORM- 10 | Calculation of Depreciation Rate on original project cost | NA |
| FORM- 10A | Statement of Depreciation | NA |
| FORM- 10B | Statement of De-capitalisation | NA |
| FORM- 11 | Calculation of Interest on Working Capital | NA |
| 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.

