

**BEFORE THE HON'BLE 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 “**50 MVAR Reactor along with associated equipment at Chandrapur Sub-station**” under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024.

**Power Grid Corporation of India Ltd.**

**---PETITIONER**

Registered office: B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi. 110 016.

Corporate Centre: 'SAUDAMINI', Plot No-2,  
Sector-29, Gurgaon-122 001 (Haryana).

**Madhya Pradesh Power Management Company Ltd.**

**---RESPONDENTS**

Shakti Bhawan, Rampur

Jabalpur - 482 008

Represented by Its MD

**and Others**

**Place: Gurugram**

**Petitioner**

**Date: 30.11.2024**

**(Zafrul Hasan)**

**General Manager (Commercial)**



**BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION,  
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**FILED BY**  
**POWER GRID CORPORATION OF INDIA LTD.**

**GURGAON**

**DATED: 30.11.2024**

**REPRESENTED BY**

*WA*  
**Zafrul Hasan**  
**General Manager (Commercial)**



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--- **PETITIONER**

**Madhya Pradesh Power Management Company Ltd.**

Shakti Bhawan, Rampur

Jabalpur - 482 008

Represented by Its MD

**and Others**

----- **RESPONDENTS**

To

The Secretary

Central Electricity Regulatory Commission

New Delhi 110001



Sir,

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

**GURGAON**

**FILED BY**

**DATED:30.11.2024**

**POWER GRID CORPORATION OF INDIA LTD.**

**REPRESENTED BY**



**Zafrul Hasan**  
**General Manager (Commercial)**



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**Madhya Pradesh Power Management Company Ltd.**

**----- RESPONDENTS**

Shakti Bhawan, Rampur

Jabalpur - 482 008

Represented by Its MD

**and Others**

**MEMO OF PARTIES**

**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).

**VERSUS**

1. **MADHYA PRADESH POWER MANAGEMENT COMPANY LTD.**

SHAKTI BHAWAN, RAMPUR, JABALPUR - 482 008

EMAIL-ANURAG.NAIK@MPPMCL.COM&COMML.DEPTT@MPPMCL.COM

CONTACT NO- 9425805876



*Handwritten signature*

REPRESENTED BY ITS MD

2. **MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.**

PRAKASHGAD, PLOT NO G-9, A K MARG, BANDRA (EAST), MUMBAI-400 051

EMAIL- [CEPPMSEDCL@GMAIL.COM](mailto:CEPPMSEDCL@GMAIL.COM)

CONTACT NO- 9833387967

REPRESENTED BY ITS MD

3. **GUJARAT URJA VIKAS NIGAM LTD.**

SARDAR PATEL VIDYUT BHAWAN, RACE COURSE ROAD, VADODARA - 390 007

EMAIL- [DECSP.GUVNL@GEBMAIL.COM](mailto:DECSP.GUVNL@GEBMAIL.COM)

CONTACT NO- 7069009628

REPRESENTED BY ITS MD

4. **ELECTRICITY DEPARTMENT**

VIDYUT BHAWAN, GOVT. OF GOA, PANAJI, GOA - 403 001

EMAIL- [CEE-ELEC.GOA@NIC.IN](mailto:CEE-ELEC.GOA@NIC.IN)

CONTACT NO- 7350644000

REPRESENTED BY ITS CHIEF ENGINEER (ELECTRICAL)

5. **DNHDD POWER DISTRIBUTION CORPORATION LIMITED**

VIDYUT BHAWAN, 66KV ROAD, NEAR SECRETARIAT, AMLI, SILVASSA - 396 230

EMAIL- [BHAVIKSHAH@TORRENTPOWER.COM](mailto:BHAVIKSHAH@TORRENTPOWER.COM)

CONTACT NO- 9227758405

REPRESENTED BY ITS SECRETARY (FIN.)

6. **CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED**

P.O. SUNDER NAGAR, DANGANIA, RAIPUR, CHHATTISGARH-492 013

EMAIL- [CECOMCSEB@REDIFFMAIL.COM](mailto:CECOMCSEB@REDIFFMAIL.COM)

CONTACT NO- 982618253

REPRESENTED BY ITS CHAIRMAN

**FILED BY**

**POWER GRID CORPORATION OF INDIA LTD**

**REPRESENTED BY:**

**PLACE: Gurugram**

**DATE: 30.11.2024**

**General Manager (Commercial)**



**BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION,  
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**Madhya Pradesh Power Management Company Ltd.**

**----- RESPONDENTS**

Shakti Bhawan, Rampur

Jabalpur - 482 008

Represented by Its MD

**and Others**

**MEMO OF APPEARANCE**

**POWER GRID CORPORATION OF INDIA LTD.**

**-- PETITIONER**

1. Shri Dilip Nagesh Rozekar, Executive Director (Commercial & RC), POWERGRID
2. Shri Mohd. Mohsin, Chief General Manager, POWERGRID
3. V.C. Sekhar, Senior General Manager, POWERGRID
4. **Shri Zafrul Hasan, General Manager, POWERGRID**
5. Shri Vishal Sagar, Deputy General Manager, POWERGRID
6. Shri Arjun Malhotra, Manager (Law), POWERGRID

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





IN WITNESS WHEREOF I have set and subscribed my hands to this writing on this 30<sup>th</sup> day of November 2024.

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

**GURGAON**

**DATED: 30.11.2024**

  
**Zafrul Hasan**  
**General Manager (Commercial)**



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**Madhya Pradesh Power Management Company Ltd.**

**---- RESPONDENTS**

Shakti Bhawan, Rampur

Jabalpur - 482 008

Represented by Its MD

**and Others**

**A. Executive Summary of the Petition:**

**(i) Brief Background of the Petitioner**

1. The Petitioner herein, Power Grid Corporation of India Ltd. (Hereinafter referred to as **"POWERGRID/Petitioner"**) is a Government Company within the meaning of the Companies Act, 2013. POWERGRID is deemed transmission licensee in terms of Section 14 of the Electricity Act, 2003. POWERGRID by virtue of a transmission licensee is required to inter-alia build, maintain and operate an efficient, coordinated and economical interstate transmission system (**"ISTS"**). POWERGRID operates and functions within the regulatory control of this Hon'ble Central Electricity Regulatory Commission (hereinafter referred to as **"Hon'ble Central Commission"**). Tariff for the transmission system established by POWERGRID is required to be determined by



this Hon'ble Central Commission in accordance with the Tariff Regulations as notified by this Hon'ble Central Commission in exercise of its powers under Section 178 of the Electricity Act, 2003.

**(ii) Brief background of the Respondent(s):**

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

**(iii) Background of Transmission Assets:**

2. POWERGRID has filed the present petition for truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for the following Assets which are implemented under "50 MVAR Reactor along with associated equipment at Chandrapur Sub-station " for the following:

New Asset No.	Asset Name	DOCO	Remark
Asset I	50 MVAR Reactor along with associated equipment at Chandrapur Sub-station	01.04.1997	Earlier covered under Petition No: 322/TT/2020

**(iv) Summary of Claims:**

3. POWERGRID is seeking truing up of transmission tariff for 2019-24 and determination of transmission tariff for 2024-29 tariff block for aforesaid transmission assets on capital cost comprising of capital cost incurred/Admitted upto 31.03.2019/DOCO and additional capital expenditure during 2019-24 & 2024-29 in accordance with terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 ("Tariff Regulations, 2019") and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 ("Tariff Regulations, 2024").



4. The details of FR/RCE approved cost vis-à-vis claimed capital cost as on 31.03.2019 and additional capital expenditure during 2019-24 and 2024-29 tariff block is as under:

**Rs in lakhs**

Approved Cost as per FR/RCE	Admitted cost as on 31.03.2019/ COD	Expenditure during 2019-24 tariff block					Estimated completion Cost as on 31.03.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
<b>630.00</b>	456.66	0.00	0.00	0.00	0.00	0.00	456.66

**Rs in lakhs**

Approved Cost as per FR/ RCE	Expenditure Up to 31.03.2024	Estimated expenditure during 2024-29 tariff block								Estimated completion Cost as on 31.03.2029
		2024-25	2025-26		2026-27		2027-28		2028-29	
			Add cap	De cap	Add cap	De cap	Add cap	De cap		
<b>630.00</b>	456.66	0.00	26.39	-2.64	90.68	-9.07	63.03	-6.30	0.00	618.75

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

6. 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
<b>Asset -I</b>	AFC approved	85.50	86.53	87.61	63.08	64.38
<b>Asset -I (A)</b> (Original Asset)	Revised AFC based on truing up	85.49	86.53	87.60	63.08	64.63
<b>Asset -I (B)</b> (New Equipments)	Revised AFC based on truing up	0.00	0.00	0.00	0.00	0.00
<b>Total Asset-I A+B</b>	Revised AFC based on truing up	<b>85.49</b>	<b>86.53</b>	<b>87.60</b>	<b>63.08</b>	<b>64.63</b>



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Tariff claimed for 2024-29 tariff block:

Rs in Lakhs

Name of the asset	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Asset -I (A)</b> (Original Asset)	AFC	70.58	72.86	74.95	77.09	79.68
<b>Asset -I (B)</b> (New Equipments)	AFC	0.00	2.67	14.99	31.66	37.94
<b>Total Asset (A+B)</b>	AFC	<b>70.58</b>	<b>75.53</b>	<b>89.94</b>	<b>108.75</b>	<b>117.62</b>

**B. Detailed Petition:**

**MOST RESPECTFULLY SHOWETH:**

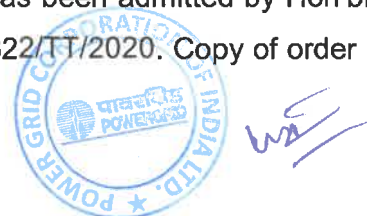
**Issue wise submission(s):**

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

Asset No.	Asset Name	COD / E-COD	Remark
<b>Combined Asset</b>	50 MVAR Reactor along with associated equipment at Chandrapur Sub-station	01.04.1997	Earlier covered under Petition No: 322/TT/2020

**10. Cost detail:**

The capital cost of Rs. 456.66 Lakhs for subject Asset has been admitted by Hon'ble commission vide order dated 27.09.2021 in petition no. 322/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.

**10.1 Capital cost details for 2024-29 tariff block:**

(₹ in Lakhs)

Approved Cost as per FR/ RCE	Expenditure Up to 31.03.2024	Estimated expenditure during 2024-29 tariff block								Estimated completion Cost as on 31.03.2029
		2024-25	2025-26		2026-27		2027-28		2028-29	
			Add cap	De cap	Add cap	De cap	Add cap	De cap		
630.00	456.66	0.00	26.39	-2.64	90.68	-9.07	63.03	-6.30	0.00	618.75

**10.2** Details of the cost claimed in the instant petition w.r.t. Auditor Certificate is as shown below:

Combined Asset							
Expenditure	Land	Building & civil work	Trans. Lines	Sub-Station	Comm. Sys. excluding Fiber Optic	I.T Equipment including software	Total
Capital cost as admitted by CERC vide order dated 27.09.2021 in 322/TT/2020	0.00	0.00	0.00	456.66	0.00	0.00	456.66
Estimated Expenditure from 01.04.2024 to 31.03.2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Expenditure from 01.04.2025 to 31.03.2026	0.00	0.00	0.00	26.39	0.00	0.00	26.39
Estimated De-Capitalization from 01.04.2025 to 31.03.2026	0.00	0.00	0.00	-2.64	0.00	0.00	-2.64
Estimated Expenditure from 01.04.2026 to 31.03.2027	0.00	0.00	0.00	90.68	0.00	0.00	90.68
Estimated De-Capitalization from	0.00	0.00	0.00	-9.07	0.00	0.00	-9.07



*W2*

Combined Asset							
Expenditure	Land	Building & civil work	Trans. Lines	Sub-Station	Comm. Sys. excluding Fiber Optic	I.T Equipment including software	Total
01.04.2026 to 31.03.2027							
Estimated Expenditure from 01.04.2027 to 31.03.2028	0.00	0.00	0.00	63.03	0.00	0.00	63.03
Estimated De-Capitalization from 01.04.2027 to 31.03.2028	0.00	0.00	0.00	6.30	0.00	0.00	6.30
<b>Total estimated completion cost</b>	0.00	0.00	0.00	<b>618.75</b>	0.00	0.00	<b>618.75</b>

Copy of auditor certificate w.r.t. claimed cost in the instant petition is enclosed as **Encl-2**.

### **10.3 Add cap for 2024-29 block:**

The add-cap projected during 2024-29 is on account of the **Replacement of circuit breakers and Old bushings of Reactor at 400kV Bhadrawati SS (Chandrapur)** and covered under clause 25(2) of Tariff regulations, 2024.

#### **Quote:**

*“Additional Capitalization within the original scope and after the cut-off date:*

----

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

- (a) Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;*
- (b) The replacement of the asset or equipment is necessary on account of a change in law or Force Majeure conditions;*



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(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.

(e) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

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

**Unquote:**

Asset	Add cap detail (Rs. Lakhs)									
	2024-25		2025-26		2026-27		2027-28		2028-29	
	Add cap	De cap	Add cap	De cap	Add cap	De cap	Add cap	De cap	Add cap	De cap
	-	-	26.39	-2.64	90.68	-9.07	63.03	-6.30	-	-
Asset-I			Claimed under regulation 25(2) of the 2024 Tariff Regulations		Claimed under regulation 25(2) of the 2024 Tariff Regulations		Claimed under regulation 25(2) of the 2024 Tariff Regulations			

#### **10.7 Justification for the ACE proposed to be incurred during 2024-29 tariff block:**

It is submitted that the circuit breakers and bushings of Reactor at 400kV Bhadravati SS (Chandrapur) of the instant transmission system has completed its useful life and that it has been fully depreciated in accordance with the provisions of these regulations. Accordingly, in line with clause 25 (2) of Tariff regulations, 2024, the following is submitted:



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### **10.7.1 Replacement of 400kV “ABB” make Pneumatic operated circuit breakers at Bhadrawati (Chandrapur) SS (02 Nos.)**

Circuit breakers supplied under this project are of pneumatic operated type. These CBs has completed more than 25 years of useful life. Due to aging, these circuit breakers have frequent maintenance problems such as Pneumatic drive failures, air leakages from the various parts of the mechanism leading to prolonged outages of the breakers causing unstable grid operation. The OEM has stopped providing spare and service support for these type of circuit breakers. As these breakers are outlived its useful life, it is prudent to replace these old circuit breakers with new technologically advanced and simple spring-operated circuit breakers well in time so that failure of these old circuit breakers (in-service) causing consequential damages to the system can be avoided. Hence it is proposed to replace these old circuit breakers to ensure efficient and secure operation of the grid. In view of that it is proposed to replace 02 Nos. CBs at Bhadrawati SS (Chandrapur).

### **10.7.2 Replacement of Old bushings in Reactor at Bhadrawati (Chandrapur) SS (5 Nos):**

POWERGRID is operating and maintaining more than 3800 transformers and reactors. Many of these transformers/ reactors are in service for more than 25 years.

One of the important failure mode in Transformer/Reactor is the failure of Bushings. The following are the major inputs gathered from various CIGRE Technical Brochures (Extracts attached as Annexure-I) as well as industry practices:

- a) As per CIGRE TB642, globally Bushing failure is the third most common reason for failure of transformer after Winding & OLTC failure. In Indian scenario failure due to Bushing is even more prominent due to manufacturing issues observed in certain make bushings.
- b) CIGRE TB 887 (Life extension of oil filled transformers and shunt reactors) recommends strategic replacement of bushings which can have a positive impact on transformer reliability thus potentially increasing life of transformer. It also gives a rule of thumb that bushings need to be replaced once during the life of a transformer.
- c) CIGRE TB 755 (Transformer Bushing Reliability) mentions that incipient bushing fault can quickly (1ms) or slowly (10 years) develop into failure and no diagnostic method exists, on-line or off-line, which can prevent such fast-developing incipient failures.
- d) From 2015 onwards Resin Impregnated Paper/ Synthetic (RIP/RIS) bushings are being specified in POWERGRID instead of Oil Impregnated Paper (OIP) bushings. CEA has also mandated use of RIP/ RIS bushings (HV & IV) for 400kV Transformers & Reactors and OIP/RIP/RIS bushings for LV. This has been done due to lower consequential damage in the event of failure of RIP/ RIS bushings. Domestic manufacturing of RIP/RIS bushings has recently been started under Make in India initiative.



In view of the above, we may conclude that older bushings which are in service for more than 25 years of life and are already approaching the end of useful life are a potential hazard to the transformer/ reactor. Besides, these bushings are all OIP type bushing which can cause failure of transformer/ reactor. In the past also, failure of bushings occurred at many substations of POWERGRID led to failure of Transformers. Therefore, it is advisable to take pre-emptive action for replacement of such bushings. Hence, in view of above it is proposed to replace 5 nos. of bushings at Bhadrawati SS which have already crossed their useful life.

Considering above, it is proposed to upgrade circuit breakers and bushings of Reactor at 400kV Bhadrawati SS (Chandrapur). It is further submitted that the existing system shall be decapped during FY 2025-26, 2026-27 & 2027-28 as detailed in Auditor Certificate and upgradation shall be done during FY 2025-26, 2026-27 & 2027-28.

That the said ACE is claimed under Regulation 25 (2) of 2024 Tariff regulation. Hon'ble Commission is requested to kindly allow the ACE as claimed in the instant petition.

The Debt: Equity ratio of the instant project was 54.47:45.53 as on 31.03.2014. Further, as the useful life is completing during F.Y. 2021-22, equity from 2022-23 onwards is restricted to 30% and modified debt: equity ratio of 54.47: 30.00 has been considered for de-capitalization. The details are included in Form-10B and the same is enclosed hereto as **Encl-3**.

Rs. in lakhs

Financial Year	De-cap amount	Debt	Equity	Cumulative repayment	Cumulative Depreciation
2025-26	2.64	1.44	0.79	1.44	2.38
2026-27	9.07	4.94	2.72	4.94	8.16
2027-28	6.30	3.43	1.89	3.43	5.67

It is submitted that in CERC (Terms & Conditions of Tariff) Regulations 2019, no specific clause was available for timeline within which the depreciation for the Add-cap of existing assets to be recovered. However, in CERC (Terms & Conditions of Tariff) Regulations, 2024, recovery timeline of depreciation for the Add-cap of existing assets is stipulated in Regulation 33 (8) and the same is given here under:

**Quote**

*The generating company or the transmission licensee, as the case may be, shall submit the*



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

**Unquote**

In the subject project, additional capital expenditure (Add-Cap) has been incurred in 2025-26, 2026-27 & 2027-28 during 2024-29 tariff block towards upgradation of circuit breakers and bushings of Reactor at 400kV Bhadrawati SS (Chandrapur). The balance weighted average useful life of the asset/project is 0 years as on 01.04.2024. Accordingly, as per above said Regulation 33(8), proposed additional capital expenditure (Add-Cap) during 2024-29 tariff block, in the instant project, is being recovered equally spread, in 10 years from the first year of add-cap of 2024-29 tariff block i.e. FY 2025-26.

It is further submitted that in the instant project, the tariff has been computed in two parts, first for the existing asset and second for the proposed Add-Cap during 2024-29 tariff block. The de-cap corresponding to Add-cap of 2024-29 is being done in existing asset.

**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 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**

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.



*WA*

Regulation 31 (3) of the Tariff Regulations, 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 & 2023-24.

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))
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	Actual Tax paid	31,32,12,38,737	1,79,26,53,31,597	17.472%	18.782%



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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 FY 2021-22, FY 2022-23 and FY 2023-24 are based on the Income-tax returns filed, for the purpose of grossing up of ROE rate of respective years.

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 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 29.04.2023 in petition no. 196/TT/2022, 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 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:



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Rs in Lakh

Name of the asset	Particular	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Asset -I</b>	AFC approved	85.50	86.53	87.61	63.08	64.38
<b>Asset -I (A)</b> (Original Asset)	Revised AFC based on truing up	85.49	86.53	87.60	63.08	64.63
<b>Asset -I (B)</b> (New Equipments)	Revised AFC based on truing up	0.00	0.00	0.00	0.00	0.00
<b>Total Asset-I A+B</b>	Revised AFC based on truing up	<b>85.49</b>	<b>86.53</b>	<b>87.60</b>	<b>63.08</b>	<b>64.63</b>

Tariff Filing Formats along with the other relevant information and supporting documentation are attached hereto as **Encl-4**.

That in the subject petition, details are provided in various Tariff Forms with respect to Capital Cost as per books / Gross Block amount as per Books. It is submitted that the petitioner has opted for deemed cost exemption as per Para D7 AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Accordingly Carrying value i.e. Gross Block less Accumulated Depreciation is considered as deemed cost as on the date of transition i.e. 1st April 2015. As such, in case of assets commissioned before 01.04.2015, the accumulated depreciation as on 1st April 2015 is added back to the deemed Capital Cost as per books / Gross Block amount as per Books for arriving at the figures to be provided in various Tariff Forms.

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

Rs in Lakh

Name of the asset	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Asset -I (A)</b> (Original Asset)	AFC	70.58	72.86	74.95	77.09	79.68
<b>Asset -I (B)</b> (New Equipments)	AFC	0.00	2.67	14.99	31.66	37.94
<b>Total Asset (A+B)</b>	AFC	<b>70.58</b>	<b>75.53</b>	<b>89.94</b>	<b>108.75</b>	<b>117.62</b>



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Tariff Filing Formats along with the other relevant information and supporting documentation are attached hereto as **Encl-5**.

14. The subject asset is having proposed Add-Cap from FY 2025-26 onwards, hence, the balance life of the subject asset is extended 10 years from FY 2025-26 as per Regulation 33(8) of Tariff Regulations'2024 and depreciation of proposed additional capital expenditure (Add-Cap) during 2024-29 tariff block, in the instant project, is being calculated equally spread, in 10 years from the first year of add-cap of 2024-29 tariff block i.e. FY 2025-26. The details have been computed and are provided in Form-10 A.
15. That, it is submitted that the petitioner is currently liable to pay income tax at MAT rate specified in Income-tax Act,1961. Therefore, ROE has been calculated @ 18.782% after grossing up the ROE with MAT rate of 17.472% (Base Rate 15% + Surcharge 12% + Cess 4%) based on the formula given at regulation 31 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for 2024-29 period. That as per clause 31 (3) of the above regulation, the grossed-up rate of ROE at the end of every financial year shall be trued up based on actual tax paid together with any additional tax demand including interest thereon duly adjusted for any refund of tax including interest received from the IT authorities pertaining to the tariff period 2024-29 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on ROE after truing up shall be recovered or refunded to beneficiaries or the long-term customers, as the case may be on year to year basis. It is further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of tax including interest received from IT authorities shall be recoverable /adjustable during the tariff period 2024-29 on year to year basis on receipt of Income Tax assessment order.
16. Under CGST Act, 2017 implemented w.e.f. 01.07.2017, the Govt. of India has exempted the charges of transmission of electricity vide notification no. 12/2017 – Central Tax (Rate) dated 28.06.2017 at serial no. 25 under the heading 9969 “Transmission or distribution of electricity by an electric transmission or distribution utility” by giving applicable GST rate as NIL. Hence, the Transmission Charges as indicated at para 12 above is exclusive of GST. Further, if GST is levied at any rate



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

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

For the purpose of the supporting documents for rate of interest, a compendium of floating rate of interest of various loans during the tariff period 2019-24 has been submitted along with the truing up petition of **POWERGRID Works associated with Transmission system Strengthening in WR associated with Khargone TPS with Diary No. 716/2024**. These documents/details are also available on our website [WWW.POWERGRID.IN](http://WWW.POWERGRID.IN)

18. The transmission charges at para-12 & 13 above is inclusive of O&M expenses derived for the subject asset based on the norms for O&M expenditure for Transmission System as specified under regulation 36 (3) (a) of the tariff regulations for block 2024-29.
19. That as per Regulation 36(3)(d) of CERC Tariff Regulations, 2024, the Security Expenses, Insurance and Capital Spares more than Rs. 10 Lakh for transmission system shall be allowed separately after prudence check.

#### **Security 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



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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 FY 2023-24 after escalating the same at 5.25% per annum for arriving at the Estimated Insurance Expense for the year 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29.

**Capital Spare:**

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

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

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

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

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



recoverable from the DICs as provided under clause 94 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

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

**23. Sharing of Transmission Charges**

Truing up tariff for Transmission of Electricity (Annual Fixed Cost) for 2019-24 as per para 12 for 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 accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 & 2020 or as amended from time to time.

Tariff for Transmission of Electricity (Annual Fixed Cost) for 2024-29 as per para 13 for 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 accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 or as amended from time 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.-5 may please be treated as integral part of this petition.**



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## 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 assets covered under this petition, as per para 12 and 13 above.
- b) Admit the capital cost claimed, additional capitalization incurred during 2019-24 and 2024-29 and de capitalization incurred during 2024-29 tariff block.
- c) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 and Tariff regulations 2024 as per para 12 and 13 above for respective block.

Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long-term customers / DIC as the case may be, as and when the same is materialized as per regulation 67 of 2019 and regulation 89 of 2024 tariff regulation. The petitioner may be allowed to recover the deferred tax liability materialized directly without making any application before the commission as provided in the regulations.

- d) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.
- e) Allow the petitioner to bill and recover Licensee fee and RLDC fees & charges, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.
- f) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2024-29 period, if any, from the respondents.



- g) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 19 above.
- h) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 19 above.
- i) Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares as mentioned at Para 19 above.
- j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 20 above.
- k) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.

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

**GURGAON**

**DATED: 30.11.2024**

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

**REPRESENTED BY**

**Zafrul Hasan  
General Manager (COMMERCIAL)**



**BEFORE THE HON'BLE 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 “50 MVAR Reactor along with associated equipment at Chandrapur Sub-station” under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2019 and Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024.

**Power Grid Corporation of India Ltd.**

**---PETITIONER**

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

**Madhya Pradesh Power Management Company  
Ltd.**

**---RESPONDENTS**

Shakti Bhawan, Rampur  
Jabalpur - 482 008  
Represented by Its MD  
**and Others**

**AFFIDAVIT VERIFYING THE PETITION**

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



1. That the deponent is the General Manager of Petitioner and is well conversant with the facts and the circumstances of the case and therefore competent to swear this affidavit.
2. That the accompanying Petition under Section 62 of the Electricity Act, 2003, has been filed by my 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



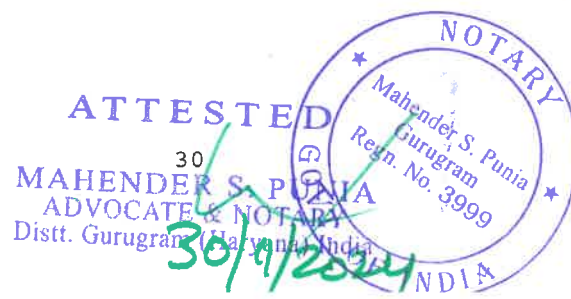
(DEPONENT)

#### VERIFICATION

Solemnly affirmed at Gurgaon on this 30<sup>th</sup> 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)





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 / DILIP ROZEKAR

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. 322/TT/2020**

**Coram:**

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

**Date of Order: 27.09.2021**

**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 the 2001-04, 2004-09 and 2009-14 tariff periods and truing up of transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for 50 MVAR Reactor along with associated equipment at Chandrapur Sub-station in Western Region.

**And in the matter of:**

Power Grid Corporation of India Limited,  
"SAUDAMINI", Plot No-2,  
Sector-29, Gurgaon-122001 (Haryana).

.....Petitioner

**Versus**

1. Madhya Pradesh Power Management Company Limited,  
Shakti Bhawan, Rampur,  
Jabalpur-482008.
2. Madhya Pradesh Power Transmission Company Limited,  
Shakti Bhawan, Rampur,  
Jabalpur-482008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,  
3/54, Press Complex,  
Agra-Bombay Road, Indore-452008.
4. Maharashtra State Electricity Distribution Company Limited,  
Hongkong Bank Building, 3<sup>rd</sup> Floor,  
M.G. Road, Fort, Mumbai-400001.



WA  
/



5. Maharashtra State Electricity Transmission Company Limited,  
Prakashganga, 6<sup>th</sup> Floor, Plot No. C-19, E-Block,  
Bandra Kurla Complex, Bandra (East) Mumbai-400051.
6. Gujarat Urja Vikas Nigam Limited,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara-390007.
7. Gujarat Energy Transmission Corporation Limited,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara-390007.
8. Electricity Department,  
Govt. of Goa,  
Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403001.
9. Electricity Department,  
Administration of Daman & Diu,  
Daman-396210.
10. Electricity Department,  
Administration of Dadra Nagar Haveli,  
U.T., Silvassa-396230.
11. Chhattisgarh State Electricity Board,  
P. O. Sunder Nagar, Dangania,  
Raipur, Chhattisgarh-492013.
12. Chhattisgarh State Power Transmission Company Limited,  
State Load Despatch Building, Dangania, Raipur-492013.
13. Chhattisgarh State Power Distribution Company Limited,  
P. O. Sunder Nagar, Dangania,  
Raipur, Chhattisgarh-492013.

.....Respondent(s)

**For Petitioner** : Shri S. S. Raju, PGCIL  
Shri D. K. Biswal, PGCIL  
Shri A. K. Verma, PGCIL  
Shri V. P. Rastogi, PGCIL

**For Respondent** : Shri Anindya Khare, MPPMCL

## ORDER

The Petitioner, Power Grid Corporation of India Limited, a deemed transmission licensee, has filed the instant petition for revision of transmission tariff of the 2001-04, 2004-09 and 2009-14 tariff periods; truing up of transmission tariff for the period from 1.4.2014 to 31.3.2019 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 transmission tariff for the period from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") of 50 MVAR Reactor along with associated equipment at Chandrapur Sub-station (hereinafter referred to as "the transmission asset") in Western 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 2009-14 block for the assets 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 and 10 above for respective block.*  
*b) Further it is submitted that deferred tax liability before 01.04.2009 shall be recoverable from the beneficiaries or long term transmission customers /Dlc as the case may be, as and when materialized as per regulation 49 of 2014 and regulation 67 of 2019 tariff regulation. The petitioner may be allowed to recover the deferred tax liability materialised 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 beneficiaries 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 beneficiaries.*
- 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 beneficiaries, 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"*

### 3. **Backdrop of the case**

- a) The Petitioner was entrusted with the implementation of the transmission asset. In the 98<sup>th</sup> meeting of Western Regional Electricity Board held on 3.3.1995, the beneficiaries of the Western Region had agreed to share transmission tariff on account of installation, commissioning, operation and maintenance of the transmission asset.
- b) The Board of Directors of the Petitioner's company accorded Investment Approval for installation of the transmission asset in 32<sup>nd</sup> meeting held on 18.3.1994 at an estimated cost of ₹630.00 lakh, including IDC of ₹57.00 lakh. The transmission asset was scheduled to be completed during 1995-96 but it was put under commercial operation on 1.4.1997.
- c) The transmission tariff of the transmission asset for the period from 1997-98 up to 2000-2001 was allowed by the Commission vide order dated



6.6.2002 in Petition No. 52/2001. Based on the terms and conditions of tariff contained in the Commission's notification dated 26.3.2001, the transmission tariff including the Foreign Exchange Rate Variation (FERV) with respect to the transmission asset for the period from 1.4.2001 to 31.3.2004 was allowed vide order dated 31.7.2003 in Petition No. 48/2002.

d) The Appellate Tribunal for Electricity (APTEL) vide judgment dated 4.10.2006 in Appeal No. 135/2005 (against the Commission's order dated 30.6.2006 in Petition No. 40/2002) and other related appeals, *inter-alia*, held that addition of notional equity on account of FERV is not to be considered for computation of Return on Equity (RoE) and as a consequence, the entire amount of FERV shall form part of loan. The said decision was reiterated by the APTEL vide judgment dated 22.12.2006 in Appeal No. 161/2006 (M.P. State Electricity Board vs. Power Grid Corporation of India Limited & Ors.).

e) The APTEL vide judgment dated 31.10.2007 in Appeal No. 159/2005, *inter-alia*, held that Interest on Loan (IoL) capital should be determined based on normative debt repayment formula.

f) The above rulings of the APTEL, on the question of apportionment of FERV and computation of IoL have been considered to be judgments *in rem* and, therefore, based on the implementation of the above-mentioned judgments in the instant case, the revised transmission tariff of the transmission asset for the 2001-04 tariff period was allowed vide order dated 17.1.2008 in Petition No. 48/2002.

g) The transmission tariff of the transmission asset for the period from 1.4.2004 to 31.3.2009 was allowed vide order dated 25.4.2006 in Petition No. 116/2004. While allowing tariff, the Commission adopted capital cost, loan, equity etc. considered for determination of tariff for the 2001-04 tariff period and FERV for the period upto 31.3.2004 was capitalized and apportioned between debt and equity in the same ratio as considered for the 2001-04 period.



h) Based on the above-mentioned judgments of the APTEL, the transmission tariff of the transmission asset for the 2004-09 tariff period was revised vide order dated 29.4.2008 in Petition No. 116/2004.

i) The transmission tariff of the transmission asset for the period from 1.4.2009 to 31.3.2014 was allowed vide order dated 7.10.2010 in Petition No. 54/2010 which was subsequently trued-up with determination of tariff of the transmission asset for the 2014-19 tariff period vide order dated 7.10.2015 in Petition No. 152/TT/2014.

j) The Petitioner has prayed for revision of transmission tariff allowed for the 2001-04 and 2004-09 tariff periods on account of change in IoL and Interest on Working Capital (IWC) to the extent of revision in IoL and in Maintenance Spares in terms of the APTEL judgments dated 22.1.2007 in Appeal No. 81 of 2005 and batch matters and 13.6.2007 in Appeal No. 139 of 2006 and batch matters; consequential revision of transmission tariff allowed for the 2009-14 tariff period; truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for the transmission asset.

k) The APTEL vide 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/ directions are as follows:

Sr. No.	Issue	APTEL's decision/ direction
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 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. The 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

l) The APTEL vide 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 as follows:

Sr. No.	Issue	APTEL's decision/ direction
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	The Commission to consider the issue afresh
III	Treating depreciation available as deemed repayment of loan	The Commission to make a fresh computation of outstanding loan
IV	Admissibility of depreciation up to 90%	The Commission to consider the issue afresh
V	Cost of Maintenance Spares	The Commission to consider the issue afresh
VI	Impact of de-capitalization of the assets on cumulative repayment of loan	The cumulative repayment of the loan proportionate to the assets de-capitalized required to be reduced. The Commission to act accordingly.
VII	Non-consideration of normative transit loss for coal import	The Commission to consider afresh the transit losses for coal imported from coal mines other than the dedicated ones.
VIII	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 Appeals Nos.135 to 140 of 2005. The Commission to act accordingly.
IX	Computation of IoL 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. The Commission shall re-compute the interest accordingly



m) 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.

n) Based on the APTEL's judgments dated 22.1.2007 and 13.6.2007, the Petitioner had sought re-determination of tariff of its transmission assets for the 2001-04 and 2004-09 tariff periods vide 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.

o) The Hon'ble Supreme Court vide judgment dated 10.4.2018, dismissed the said Civil Appeals filed against the APTEL's said judgments. Thus, the judgments of the APTEL have attained finality.

p) Consequent to the Hon'ble Supreme Court order dated 10.4.2018 in NTPC matters, Petition No. 121/2007 was listed for hearing on 8.1.2019. The Commission vide order dated 18.1.2019 in Petition No. 121/2007, directed the Petitioner to submit its claim separately for the assets at the time of filing of truing up petition for the 2014-19 tariff period.

q) The instant petition was heard on 3.8.2021 and in view of the APTEL's judgments dated 22.1.2007 and 13.6.2007 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.



3. The Respondents are distribution licensees, power departments and transmission licensees which are procuring transmission services from the Petitioner, mainly beneficiaries of Western Region.

4. 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 notices published in the newspapers. Madhya Pradesh Power Management Company Limited (MPPMCL), Respondent No. 1, has filed its reply vide affidavit dated 5.6.2020 and has raised the issues of revision of transmission tariff of the 2004-09 and 2009-14 periods and effective tax rates considered for grossing up Return on Equity (RoE). The Petitioner has filed its rejoinder vide affidavit dated 8.6.2021. The issues raised by MPPMCL and the clarifications given by the Petitioner are considered in the relevant portions of this order.

**Re: Interest on Loan**

5. APTEL while dealing with the issue of computation of IoL in judgment dated 22.1.2007 in Appeal No.81 of 2005 and batch matters observed that IoL for the period from 1.4.1998 to 31.3.2001 shall be computed only on normative loan repayment as per its judgement dated 14.11.2006 in Appeal Nos. 94 & 96 of 2005. The APTEL vide judgment dated 14.11.2006 set aside the Commission's methodology of computation of loan on the actual repayment basis or normative repayment whichever is higher and held that the Commission is required to adopt normative debt repayment methodology for working out the IoL liability for the period from 1.4.1998 to 31.3.2001. In view of the





judgment of the APTEL, interest allowed for the 2001-04 and 2004-09 tariff periods is to be revised on the basis of the normative debt repayment methodology.

**Re: Additional Capital Expenditure (ACE)**

6. APTEL in judgment dated 13.6.2007 in Appeal No. 139 of 2006 and batch matters held that ACE after Commercial Operation Date (COD) should also be considered for computation of maintenance spares. In view of the judgment of APTEL, maintenance spares to be considered for computation of working capital for the 2001-04 and 2004-09 tariff periods are also required to be revised taking into consideration ACE after COD.

**Re: Depreciation**

7. As regards depreciation, APTEL in its judgment dated 13.6.2007 in Appeal No. 139 of 2006 observed that depreciation is an expense and it cannot be deployed for deemed repayment of loan and accordingly directed the Commission to compute the outstanding loan afresh. In view of the above directions of the APTEL, the outstanding loan allowed for the transmission asset for the 2001-04 and 2004-09 periods is revised in the instant order.

8. The revision of transmission tariff allowed for the 2001-04 and 2004-09 tariff periods necessitates the revision of transmission tariff allowed for the 2009-14 tariff period, which is also being done 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 matters was kept pending in case of the Petitioner was kept 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 the 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.

9. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 7.1.2020, MPPMCL's reply filed vide affidavit dated 5.6.2020, Petitioner's rejoinder to MPPMCL's reply filed vide affidavit dated 8.6.2021 and Petitioner's affidavit dated 8.7.2021 filed in compliance of the technical validation letter.

10. The hearing in this matter was held on 3.8.2021 through video conference and the order was reserved. Having heard the representatives of the Petitioner, Respondent and after perusal of the materials on record, we proceed to dispose of the petition.

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

**2001-04 Period**

11. The Commission vide orders dated 31.7.2003 and 17.1.2008 in Petition No. 48/2002 had allowed the transmission charges for the transmission asset for the 2001-04 tariff period as follows:



(₹ in lakh)			
Particulars	2001-02	2002-03	2003-04
Depreciation	15.83	15.83	15.83
Interest on Loan	12.44	11.69	10.90
Return on Equity	33.27	33.27	33.27
Advance against Depreciation	0.00	0.00	0.00
O&M Expenses	11.19	11.86	12.57
Interest on Working Capital	2.11	2.15	2.19
<b>Total</b>	<b>74.84</b>	<b>74.79</b>	<b>74.76</b>

12. The Petitioner has claimed the revised transmission charges for the transmission asset for the 2001-04 period in the instant petition as follows:

(₹ in lakh)			
Particulars	2001-02	2002-03	2003-04
Depreciation	15.83	15.83	15.83
Interest on Loan	12.43	11.67	10.88
Return on Equity	33.27	33.27	33.27
Advance against Depreciation	0.00	0.00	0.00
O&M Expenses	11.19	11.86	12.57
Interest on Working Capital	2.11	2.15	2.19
<b>Total</b>	<b>74.83</b>	<b>74.78</b>	<b>74.74</b>

13. We have considered the submissions of the Petitioner. The transmission tariff is allowed for the transmission asset on the basis of the following:

- a) Admitted capital cost as on 1.4.2001 of ₹439.67 lakh including extra rupee liability of ₹48.26 lakh due to FERV for the transmission asset;
- b) Weighted Average Rate of Interest on actual loan, Weighted Average Rate of Depreciation (WAROD) adopted from orders dated 31.7.2003 and 17.1.2008 in Petition No. 48/2002; and
- c) Rate of IWC and O&M Expenses as per orders dated 31.7.2003 and 17.1.2008 in Petition No. 48/2002.

14. In view of the above, the revised transmission charges approved for the transmission asset for the 2001-04 tariff period are as follows:



(₹ in lakh)			
Particulars	2001-02	2002-03	2003-04
Depreciation	15.83	15.83	15.83
Interest on Loan	12.43	11.67	10.88
Return on Equity	33.27	33.27	33.27
Advance against Depreciation	0.00	0.00	0.00
O&M Expenses	11.19	11.86	12.57
Interest on Working Capital	2.11	2.15	2.19
<b>Total</b>	<b>74.83</b>	<b>74.77</b>	<b>74.74</b>

15. The Annual Fixed Charges (AFC) allowed earlier for the 2001-04 tariff period vide orders dated 31.7.2003 and 17.1.2008 in Petition No. 48/2002, revised AFC claimed in the instant petition and revised AFC approved in the instant order are as follows:

(₹ in lakh)			
Particulars	2001-02	2002-03	2003-04
Allowed vide orders dated 31.7.2003 and 17.1.2008 in Petition No. 48/2002.	74.84	74.79	74.76
Claimed by the Petitioner in the instant petition	74.83	74.78	74.74
Approved after true-up in this order	74.83	74.77	74.74

#### **2004-09 Period**

16. The Commission vide orders dated 25.4.2006 and 29.4.2008 in Petition No 116/2004 in Petition No. 116/2004 respectively had allowed the transmission charges for the transmission asset for the 2004-09 tariff period as follows:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	16.44	16.44	16.44	16.44	16.44
Interest on Loan	10.42	9.46	8.51	7.54	6.53
Return on Equity	29.11	29.11	29.11	29.11	29.11
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
O&M Expenses	28.12	29.25	30.42	31.63	32.90
Interest on Working Capital	2.32	2.37	2.42	2.48	2.54
<b>Total</b>	<b>86.40</b>	<b>86.63</b>	<b>86.90</b>	<b>87.20</b>	<b>87.52</b>

17. The Petitioner has claimed the revised transmission charges for the transmission asset for the 2004-09 tariff period in the instant petition as follows:



Particulars	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	16.44	16.44	16.44	16.44	16.44
Interest on Loan	10.58	9.71	8.78	7.78	6.71
Return on Equity	29.11	29.11	29.11	29.11	29.11
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
O&M Expenses	28.12	29.25	30.42	31.63	32.90
Interest on Working Capital	2.32	2.37	2.43	2.48	2.54
<b>Total</b>	<b>86.57</b>	<b>86.88</b>	<b>87.18</b>	<b>87.45</b>	<b>87.70</b>

18. MPPMCL has submitted that the Commission may allow the revision in transmission tariff of the 2004-09 and 2009-14 tariff periods after prudence check of the claim and calculations submitted by the Petitioner. In response, the Petitioner has submitted that the revision of transmission tariff is claimed on account of change in IoL and IWC to the extent of revision in IoL and maintenance spares in terms of judgments of the APTEL dated 22.1.2007 and 13.6.2007 for the 2004-09 period and consequent revised transmission tariff of the 2009-14 period.

19. We have considered the submissions of the Petitioner and MPPMCL. The transmission tariff is approved for the transmission asset on the basis of the following:

- a) Admitted capital cost as on 1.4.2004 of ₹456.66 lakh including extra Rupee liability of ₹16.99 lakh due to FERV for the transmission asset;
- b) Weighted Average Rate of Interest on actual loan and WAROD adopted from orders dated 25.4.2006 and 29.4.2008 in Petition No. 116/2004;
- c) Rate of IWC and O&M Expenses as per orders dated 25.4.2006 and 29.4.2008 in Petition No. 116/2004; and
- d) The addition of ₹0.87 lakh on account of depreciation on FERV as approved vide order dated 25.4.2006 in Petition No. 116/2004 and repayment against FERV of ₹2.12 lakh capitalized during the 2001-04 period as allowed vide order dated 29.4.2008 in Petition No. 116/2004.

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



(₹ in lakh)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	16.44	16.44	16.44	16.44	16.44
Interest on Loan	10.46	9.60	8.69	7.69	6.63
Return on Equity	29.11	29.11	29.11	29.11	29.11
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
O&M Expenses	28.12	29.25	30.42	31.63	32.90
Interest on Working Capital	2.32	2.37	2.42	2.48	2.54
<b>Total</b>	<b>86.45</b>	<b>86.77</b>	<b>87.08</b>	<b>87.35</b>	<b>87.62</b>

21. AFC allowed earlier for the 2004-09 period vide orders dated 25.4.2006 and 29.4.2008 in Petition No. 116/2004, revised AFC claimed in the instant petition and the revised AFC approved in the instant order are as follows:

(₹ in lakh)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Allowed vide orders dated 25.4.2006 and 29.4.2008 in Petition No. 116/2004	86.40	86.63	86.90	87.20	87.52
Claimed by the Petitioner in the instant petition	86.57	86.88	87.18	87.45	87.70
Approved after true-up in this order	86.45	86.77	87.08	87.35	87.62

#### **2009-14 Period**

22. The Commission vide order dated 7.10.2010 in Petition No. 54/2010 had allowed the tariff for the transmission asset for the 2009-14 tariff period which was trued-up vide order dated 7.10.2015 in Petition No. 152/TT/2014. The trued-up tariff approved vide order dated 7.10.2015 is as follows:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	12.13	12.13	12.13	12.13	12.13
Interest on Loan	8.19	7.46	6.55	5.48	4.25
Return on Equity	38.83	40.25	40.29	40.29	40.77
O&M Expenses	52.40	55.40	58.57	61.92	65.46
Interest on Working Capital	3.85	4.02	4.16	4.30	4.47
<b>Total</b>	<b>115.40</b>	<b>119.26</b>	<b>121.70</b>	<b>124.12</b>	<b>127.08</b>

23. The Petitioner has claimed the revised transmission charges for the transmission asset for the 2009-14 tariff period in this petition as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	12.13	12.13	12.13	12.13	12.13
Interest on Loan	8.41	7.69	6.79	5.71	4.47
Return on Equity	38.83	40.25	40.29	40.29	40.77
O&M Expenses	52.40	55.40	58.57	61.92	65.46
Interest on Working Capital	3.86	4.02	4.16	4.31	4.47
<b>Total</b>	<b>115.63</b>	<b>119.49</b>	<b>121.94</b>	<b>124.36</b>	<b>127.30</b>

24. We have considered the submissions of the Petitioner. The revised transmission tariff is allowed for the transmission asset on the basis of the following:

- Admitted capital cost as on 1.4.2009 of ₹456.66 lakh for the transmission asset;
- Weighted Average Rate of Interest on actual loan and WAROD adopted from order dated 7.10.2015 in Petition No. 152/2014.

25. In view of the above, the revised transmission charges approved for the transmission asset for the 2009-14 tariff period are as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	12.13	12.13	12.13	12.13	12.13
Interest on Loan	8.31	7.58	6.68	5.61	4.37
Return on Equity	38.83	40.25	40.29	40.29	40.77
O&M Expenses	52.40	55.40	58.57	61.92	65.46
Interest on Working Capital	3.86	4.02	4.16	4.31	4.47
<b>Total</b>	<b>115.52</b>	<b>119.38</b>	<b>121.82</b>	<b>124.25</b>	<b>127.20</b>

26. AFC allowed for the 2009-14 tariff period vide order dated 7.10.2015 in Petition No. 152/TT/2014, the revised AFC claimed in the instant petition and AFC approved in the instant order are as follows:

Particulars	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	115.40	119.26	121.70	124.12	127.08
Claimed by the Petitioner in the instant petition	115.63	119.49	121.94	124.36	127.30
Approved in the instant order	115.52	119.38	121.82	124.25	127.20

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

27. The details of the trued-up transmission charges claimed by the Petitioner in respect of the transmission asset for the 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	12.13	12.13	12.13	12.13	12.13
Interest on Loan	3.42	2.37	1.32	0.39	0.00
Return on Equity	40.80	40.99	40.97	40.97	41.08
O&M Expenses	60.30	62.30	64.37	66.51	68.71
Interest on Working Capital	4.63	4.72	4.81	4.91	5.02
<b>Total</b>	<b>121.28</b>	<b>122.51</b>	<b>123.60</b>	<b>124.90</b>	<b>126.94</b>

28. The details of the trued-up IWC claimed by the Petitioner in respect of the transmission asset for the 2014-19 tariff period are as follows:

Particular	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	20.21	20.42	20.60	20.82	21.16
<b>Total Working Capital</b>	<b>34.29</b>	<b>34.96</b>	<b>35.62</b>	<b>36.34</b>	<b>37.20</b>
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>4.63</b>	<b>4.72</b>	<b>4.81</b>	<b>4.91</b>	<b>5.02</b>

### Capital Cost

29. The Commission vide order dated 7.10.2015 in Petition No. 152/TT/2014 had allowed capital cost of ₹456.66 lakh as on 1.4.2014 as well as on 1.4.2019 since the Petitioner did not claim ACE during the 2014-19 tariff period. The capital cost of the transmission asset has been calculated in accordance with Regulation 9(3) and it is as follows:

(₹ in lakh)		
Admitted Capital Cost (as on 1.4.2014)	Admitted Net ACE during 2014-19	Admitted Capital Cost (as on 31.3.2019)
456.66	0.00	456.66



30. The Petitioner has not claimed any ACE in the instant petition. Accordingly, the admitted capital cost as on 1.4.2014 of ₹456.66 lakh has been considered for working out the trued-up tariff for the 2014-19 tariff period. The details of the capital cost allowed in the instant order are as follows:

(₹ in lakh)		
Capital Cost (as on 1.4.2014)	ACE (2014-19)	Capital Cost (as on 31.3.2019)
456.66	0.00	456.66

#### **Debt-Equity Ratio**

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

Funding	Capital Cost (as on 1.4.2014) (₹ in lakh)	(in %)	Total Capital Cost (as on 31.3.2019) (₹ in lakh)	(in %)
Debt	248.74	54.47	248.74	54.47
Equity	207.92	45.53	207.92	45.53
<b>Total</b>	<b>456.66</b>	<b>100.00</b>	<b>456.66</b>	<b>100.00</b>

#### **Depreciation**

32. Depreciation has been allowed as per the methodology provided in Regulation 27 of the 2014 Tariff Regulations. The transmission asset has already completed 12 years of life before as on 1.4.2014. Therefore, depreciation has been calculated based on the remaining depreciable value to be recovered over the balance useful life. The trued-up depreciation for the 2014-19 tariff period is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Depreciation</b>					
Opening Gross Block	456.66	456.66	456.66	456.66	456.66

ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	456.66	456.66	456.66	456.66	456.66
Average Gross Block	456.66	456.66	456.66	456.66	456.66
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted average rate of Depreciation (WAROD)(in %)	2.66	2.66	2.66	2.66	2.66
Balance useful life of the asset (Year)	8	7	6	5	4
Lapsed life of the asset (Year)	17	18	19	20	21
Depreciable Value	410.99	410.99	410.99	410.99	410.99
<b>Depreciation during the year</b>	<b>12.13</b>	<b>12.13</b>	<b>12.13</b>	<b>12.13</b>	<b>12.13</b>
Cumulative Depreciation	326.10	338.23	350.35	362.48	374.61
Remaining Depreciable Value	84.90	72.77	60.64	48.51	36.38

33. The details of depreciation allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	12.13	12.13	12.13	12.13	12.13
Claimed by the Petitioner in the instant petition	12.13	12.13	12.13	12.13	12.13
Approved after true-up in this order	12.13	12.13	12.13	12.13	12.13

#### Interest on Loan

34. The Petitioner has claimed the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. We have considered the submissions of the Petitioner. IoL has been calculated based on actual interest rate submitted by the Petitioner in accordance with Regulation 26 of the 2014 Tariff Regulations. The trued-up IoL allowed in respect of the transmission asset is as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	248.74	248.74	248.74	248.74	248.74



Cumulative Repayments up to Previous Year	204.46	216.59	228.72	240.84	248.74
Net Loan-Opening	44.28	32.15	20.03	7.90	0.00
Additions due to ACE	0.00	0.00	0.00	0.00	0.00
Repayment during the year	12.13	12.13	12.13	7.90	0.00
Net Loan-Closing	32.15	20.03	7.90	0.00	0.00
Average Loan	38.22	26.09	13.96	3.95	0.00
Weighted Average Rate of Interest on Loan (in %)	8.6801	8.6801	8.6801	8.6801	8.6801
<b>Interest on Loan</b>	<b>3.32</b>	<b>2.26</b>	<b>1.21</b>	<b>0.34</b>	<b>0.00</b>

35. The details of IoL allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and true-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	3.20	2.14	1.09	0.28	0.00
Claimed by the Petitioner in the instant petition	3.42	2.37	1.32	0.39	0.00
Approved after true-up in this order	3.32	2.26	1.21	0.34	0.00

### Return on Equity

36. The Petitioner has claimed RoE for the transmission asset in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at Minimum Alternate Tax (MAT) rates and has claimed the effective tax rates for the 2014-19 tariff period as follows:

Year	Claimed effective tax rate (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2014-15	21.018	19.625
2015-16	21.382	19.715
2016-17	21.338	19.705
2017-18	21.337	19.705
2018-19	21.549	19.758

37. MPPMCL has submitted that the Petitioner has grossed-up RoE on the basis of actual taxes paid during 2016-17 and 2017-18 and has not placed on record the



assessment orders for 2016-17 and 2017-18. For 2018-19, the Petitioner has grossed-up RoE and has not claimed the effective tax rate based on actual taxes paid for 2018-19 period. MPPMCL has submitted that the Petitioner's Income Tax Assessment Orders for Financial Years 2016-17, 2017-18 and 2018-19 have not been finalized. MPPMCL has further submitted that the Petitioner has neither submitted copy of assessment orders for 2014-15 and 2015-16 periods nor audited accounts in respect of actual taxes paid for 2016-17 and 2017-18 periods and in the absence of these essential documents, it is not possible to scrutinize the claim of the Petitioner in a proper way.

38. In response, the Petitioner has submitted that the assessment orders for years 2014-15, 2015-16 and 2016-17 have been issued by the Income Tax Department and Income Tax returns for years 2017-18 and 2018-19 have been filed. The Petitioner has further submitted that the assessment order for the years 2014-15 and 2015-16 was submitted in response to technical validation letter in Petition No. 20/TT/2020 and a copy of the assessment order for the year 2016-17 has been filed in the instant petition along with the rejoinder.

39. We have considered the submissions of the Petitioner and MPPMCL. The Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 has already dealt with the above issue of MPPMCL observing that the Petitioner has submitted assessment orders issued by the Income Tax Department for the years 2014-15, 2015-16 and 2016-17 and Income Tax Returns have been filed by the Petitioner for the years 2017-18 and 2018-19. The Commission in the said order further observed that the Petitioner has submitted the documents as pointed out by MPPMCL. In view



of our finding given in the order dated 2.2.2021 in Petition No. 312/TT/2020, no fresh consideration on this issue is required.

40. The Commission in order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate for the Petitioner 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

41. The MAT rates considered in order dated 27.4.2020 for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period, in terms of the provisions of the 2014 Tariff Regulations, is considered in the instant case which is as follows:

Year	Notified MAT rates (inclusive of surcharge & cess) (in %)	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

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

Particulars	₹ in lakh				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	207.92	207.92	207.92	207.92	207.92
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	207.92	207.92	207.92	207.92	207.92

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Average Equity	207.92	207.92	207.92	207.92	207.92
Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (in %)	20.961	21.342	21.342	21.342	21.549
Rate of Return on Equity (in %)	19.610	19.705	19.705	19.705	19.758
<b>Return on Equity</b>	<b>40.77</b>	<b>40.97</b>	<b>40.97</b>	<b>40.97</b>	<b>41.08</b>

43. The details of RoE allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	40.77	40.77	40.77	40.77	40.77
Claimed by the Petitioner in the instant petition	40.80	40.99	40.97	40.97	41.08
Approved after true-up in this order	40.77	40.97	40.97	40.97	41.08

#### **Operation & Maintenance Expenses (O&M Expenses)**

44. The total O&M Expenses claimed by the Petitioner for the transmission asset are as follows:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
60.30	62.30	64.37	66.51	68.71

45. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission asset. The norms specified in respect of the elements covered in the transmission asset are as follows:

Element	Norms for 2014-15	Norms for 2015-16	Norms for 2016-17	Norms for 2017-18	Norms for 2018-19
400 kV Sub-station	₹60.30 lakh/bay	₹62.30 lakh/bay	₹64.37 lakh/bay	₹66.51 lakh/bay	₹68.71 lakh/bay

46. The O&M Expenses are allowed for the transmission asset as per the norms specified in Regulation 29(3) of the 2014 Tariff Regulations and are as follows:

(₹ in lakh)					
Details	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Sub-station Bays</b>					
1 Number 50 MVAR Bus Reactor bay at 400 kV Chandrapur Sub-station	60.30	62.30	64.37	66.51	68.71
<b>Total</b>	<b>60.30</b>	<b>62.30</b>	<b>64.37</b>	<b>66.51</b>	<b>68.71</b>

47. The details of O&M Expenses allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	60.30	62.30	64.37	66.51	68.71
Claimed by the Petitioner in the instant petition	60.30	62.30	64.37	66.51	68.71
Approved after true-up in this order	60.30	62.30	64.37	66.51	68.71

#### Interest on Working Capital

48. IWC has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and the trued-up IWC approved for the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Interest on Working Capital</b>					
WC for O&M Expenses (O&M Expenses for 1 month)	5.03	5.19	5.36	5.54	5.73
WC for Maintenance Spares (15% of O&M Expenses)	9.05	9.35	9.66	9.98	10.31
WC for Receivables (Equivalent to 2 months of annual fixed cost)	20.19	20.40	20.58	20.81	21.16
<b>Total Working Capital</b>	<b>34.26</b>	<b>34.93</b>	<b>35.60</b>	<b>36.33</b>	<b>37.19</b>
Rate of Interest (in %)	13.50	13.50	13.50	13.50	13.50
<b>Interest on Working Capital</b>	<b>4.63</b>	<b>4.72</b>	<b>4.81</b>	<b>4.90</b>	<b>5.02</b>

49. The details of IWC allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and trued-up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	4.62	4.71	4.80	4.90	5.01
Claimed by the Petitioner in the instant petition	4.63	4.72	4.81	4.91	5.02
Approved after true-up in this order	4.63	4.72	4.81	4.90	5.02

**Approved Annual Fixed Charges for the 2014-19 Tariff Period**

50. The trued-up AFC approved for the transmission asset for the 2014-19 tariff period are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	12.13	12.13	12.13	12.13	12.13
Interest on Loan	3.32	2.26	1.21	0.34	0.00
Return on Equity	40.77	40.97	40.97	40.97	41.08
O&M Expenses	60.30	62.30	64.37	66.51	68.71
Interest on Working Capital	4.63	4.72	4.81	4.90	5.02
<b>Total</b>	<b>121.14</b>	<b>122.38</b>	<b>123.49</b>	<b>124.86</b>	<b>126.94</b>

51. Accordingly, the Annual Transmission Charges allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014, claimed by the Petitioner in the instant petition and approved after truing up in the instant order are as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Allowed vide order dated 7.10.2015 in Petition No. 152/TT/2014	121.02	122.05	123.16	124.59	126.63
Claimed by the Petitioner in the instant petition	121.28	122.51	123.60	124.91	126.94
Approved after true-up in this order	121.14	122.38	123.49	124.86	126.94



## DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

52. The Petitioner has claimed the transmission charges for the 2019-24 tariff period in respect of the transmission asset as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	12.12	12.13	12.12	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	39.05	39.05	39.05	25.73	25.73
O&M Expenses	32.15	33.28	34.45	35.66	36.91
Interest on Working Capital	2.17	2.22	2.28	1.94	2.00
<b>Total</b>	<b>85.49</b>	<b>86.68</b>	<b>87.90</b>	<b>63.33</b>	<b>64.64</b>

53. The details of IWC claimed by the Petitioner for the 2019-24 tariff period in respect of the transmission asset are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	2.68	2.77	2.87	2.97	3.08
Maintenance Spares	4.82	4.99	5.17	5.35	5.54
Receivables	10.51	10.69	10.84	7.81	7.95
<b>Total Working Capital</b>	<b>18.01</b>	<b>18.45</b>	<b>18.88</b>	<b>16.13</b>	<b>16.57</b>
Rate of Interest (in %)	12.05	12.05	12.05	12.05	12.05
<b>Interest on Working Capital</b>	<b>2.17</b>	<b>2.22</b>	<b>2.28</b>	<b>1.94</b>	<b>2.00</b>

### Capital Cost

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

**“19 Capital Cost:** (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.*

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

(a) *The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*

(b) *Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*

(c) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*



- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

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

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued 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 assets forming part of the project, but not in use, as declared in the tariff petition;  
(b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

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

55. The Petitioner has claimed capital cost of ₹456.66 lakh as on 31.3.2019 for the transmission asset. The same has been worked out by the Commission as on 31.3.2019 and considered as the opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations. .

56. The Petitioner has not projected any ACE during the 2019-24 tariff period for the transmission asset. Accordingly, the capital cost considered for the 2019-24 tariff period is as follows:



(₹ in lakh)		
Capital Cost (as on 1.4.2019)	ACE (2019-24)	Capital Cost (as on 31.3.2024)
456.66	0.00	456.66

### Adjustment in Equity

57. Regulation 18(3) of the 2019 Tariff Regulations provides as follows:

**“18. Debt-Equity Ratio:**

*(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;.....”*

58. The transmission asset was put under commercial operation on 1.4.1997. The Weighted Average Life (WAL) for the transmission asset was determined as 25 years. Thus, the transmission asset shall complete its useful life on 31.3.2022. Proviso to Regulation 18(3) of the 2019 Tariff Regulations provides that if a transmission system completes its useful life on or after 1.4.2019 and if the actual equity deployed is more than 30% of the capital cost, then the equity shall be restricted to 30% of the total capital deployed.

59. The debt-equity ratio as on 31.3.2019 is 54.47:45.53 i.e. the equity deployed is more than 30%. Therefore, as per proviso to Regulation 18(3) of the 2019 Tariff Regulations, equity from 2022-23 onwards has been restricted to 30%. Depreciation has been fully recovered upto 90% of the capital cost by the year 2021-22 and the loan has already been re-paid prior to the 2019-24 period. Accordingly, the capital cost for the 2019-24 tariff period is allowed as follows:



(₹ in lakh)	
Particulars	Amount
Closing equity as on 31.3.2020	207.92
Closing equity as on 31.3.2021	207.92
Closing equity as on 31.3.2022** (a)	207.92
Equity in excess of 30% (b)	70.92
Equity admissible as on 1.4.2022*** (a) – (b)	137.00

\*\*Represents 45.53% of Gross Block of ₹456.66 lakh

\*\*\*Represents 30% of Gross Block of ₹456.66 lakh

### Debt-Equity Ratio

60. 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.”

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

Debt-Equity for Capital Cost as on 1.4.2019

Funding	(₹ in lakh)	
	Capital Cost (as on 1.4.2019) (₹ in lakh)	(in %)
Debt	248.74	54.47
Equity	207.92	45.53
<b>Total</b>	<b>456.66</b>	<b>100.00</b>

Debt-Equity for Capital Cost as on 31.3.2024

Funding	(₹ in lakh)	
	Capital Cost (as on 31.3.2024)	
Debt	248.74	
Equity	207.92**	
<b>Total</b>	<b>456.66</b>	

\*\*Equity to be serviced as on 31.3.2023 is ₹137.00 lakh (₹207.92 lakh - ₹70.92 lakh i.e. Equity in excess of 30% reduced as discussed in Para. 65 above)

## Depreciation

62. Regulations 33(1), 33(2) and 33(5) of the 2019 Tariff Regulations provide as under:

**"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 there of 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"*

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

*Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets."*

63. The transmission asset has already completed more than 12 years before 1.4.2019. Accordingly, depreciation has been calculated based on the remaining depreciable value (upto 90% of existing gross block of assets) to be recovered over the balance useful life upto 31.3.2022 and thereafter no depreciation is allowed. The depreciation allowed for the transmission asset for the 2019-24 period is as follows:



(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	456.66	456.66	456.66	456.66	456.66
ACE	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	456.66	456.66	456.66	456.66	456.66
Average Gross Block	456.66	456.66	456.66	456.66	456.66
Freehold Land	0.00	0.00	0.00	0.00	0.00
Weighted average rate of Depreciation (WAROD) (in %)	2.66	2.66	2.66	0.00	0.00
Balance useful life of the Asset at the beginning of the year (Year)	3	2	1	0	0
Lapsed life at the beginning of the year (Year)	22	23	24	25	26
Depreciable Value	410.99	410.99	410.99	410.99	410.99
<b>Depreciation during the year</b>	<b>12.13</b>	<b>12.13</b>	<b>12.13</b>	<b>0.00</b>	<b>0.00</b>
Cumulative Depreciation at the end of the year	386.74	398.87	410.99	410.99	410.99
Remaining Depreciable Value at the end of the year	24.26	12.13	0.00	0.00	0.00

### Interest on Loan

64. The Petitioner has not claimed any IoL in respect of the transmission asset during 2019-24 tariff period.

### Return on Equity

65. Regulations 30 and 31 of the 2019 Tariff Regulations provide as follows:

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

(2) Return on equity 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 below:

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

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

**Illustration-**

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



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

(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."

66. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. As observed, equity from 2022-23 onwards has been restricted to 30% as per proviso to Regulation 18(3) of the 2019 Tariff Regulations. 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 for the transmission asset for the 2019-24 tariff period is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	207.92	207.92	207.92	207.92	137.00
Adjustment of equity	0.00	0.00	0.00	70.92	0.00
Net Opening Capital	207.92	207.92	207.92	137.00	137.00
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	207.92	207.92	207.92	137.00	137.00
Average Equity	207.92	207.92	207.92	137.00	137.00
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
<b>Return on Equity</b>	<b>39.05</b>	<b>39.05</b>	<b>39.05</b>	<b>25.73</b>	<b>25.73</b>



## Operation & Maintenance Expenses

67. The O&M Expenses claimed by the Petitioner for the transmission asset for the 2019-24 tariff period are as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
32.15	33.28	34.45	35.66	36.91

68. Regulation 35(3)(a) of the 2019 Tariff Regulations provides as follows:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Norms for sub-station Bays (₹ Lakh per bay)</b>					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
<b>Norms for Transformers (₹ Lakh per MVA)</b>					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
<b>Norms for AC and HVDC lines (₹ Lakh per km)</b>					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773

<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Norms for HVDC stations</b>					
<i>HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)</i>	834	864	894	925	958
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)</i>	1,666	1,725	1,785	1,848	1,913
<i>500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)</i>	2,252	2,331	2,413	2,498	2,586
<i>±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	2,563	2,653	2,746	2,842	2,942

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

*Provided further that:*

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

commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three year

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

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

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

69. We have considered the submissions of the Petitioner. The O&M Expenses allowed are as follows:

	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>O&amp;M Expenses</b>					
<b>1 Number 50 MVAR Bus Reactor bay at 400 kV Chandrapur Sub-station</b>					
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
<b>Total O&amp;M expenses allowed (₹ in lakh)</b>	<b>32.15</b>	<b>33.28</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>

#### Interest on Working Capital

70. Regulations 34(1)(c), 34(3), 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;”

71. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The Rate of Interest (RoI) considered is 12.05% (SBI 1 year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 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 from 2021-22 onwards has been considered as 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points). The components of the working capital and interest allowed thereon is as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
WC O&M Expenses (O&M Expenses for 1 month)	2.68	2.77	2.87	2.97	3.08
WC for Maintenance Spares (15% of O&M Expenses)	4.82	4.99	5.17	5.35	5.54
WC for Receivables (Equivalent to 45 days of annual transmission charges)	10.51	10.67	10.80	7.78	7.92
<b>Total Working Capital</b>	<b>18.01</b>	<b>18.43</b>	<b>18.84</b>	<b>16.10</b>	<b>16.53</b>
Rate of Interest (in %)	12.05	11.25	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>2.17</b>	<b>2.07</b>	<b>1.98</b>	<b>1.69</b>	<b>1.74</b>



### **Annual Fixed Charges of the 2019-24 Tariff Period**

72. The transmission charges allowed for the transmission asset for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	12.13	12.13	12.13	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	39.05	39.05	39.05	25.73	25.73
O&M Expenses	32.15	33.28	34.45	35.66	36.91
Interest on Working Capital	2.17	2.07	1.98	1.69	1.74
<b>Total</b>	<b>85.50</b>	<b>86.53</b>	<b>87.61</b>	<b>63.08</b>	<b>64.38</b>

### **Filing Fee and the Publication Expenses**

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

### **Licence Fee & RLDC Fees and Charges**

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

### **Goods and Services Tax**

75. 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, are to be paid



by the Petitioner on account of demand from Government/ Statutory authorities, the same may be allowed to be recovered from the beneficiaries.

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

### **Security Expenses**

77. 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 the consequential IWC.

78. We have considered the submissions of the Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for the 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**

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





### Sharing of Transmission Charges

80. During the tariff periods 2001-04, 2004-09 and 2009-14 (upto to 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 systems is 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 is governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2020 (in short, "the 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. For subsequent period, 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.

81. To summarise:

- a) The revised AFC approved for the transmission asset for the 2001-04 tariff period in terms of the APTEL's judgments are as follows:

(₹ in lakh)		
2001-02	2002-03	2003-04
74.83	74.77	74.74

- b) The revised AFC approved for the transmission asset for the 2004-09 tariff period in terms of the APTEL's judgments are as follows:

(₹ in lakh)				
2004-05	2005-06	2006-07	2007-08	2008-09
86.45	86.77	87.08	87.35	87.62

- c) The consequential revision of AFC approved for the transmission asset for the 2009-14 tariff period are as follows:

(₹ in lakh)				
2009-10	2010-11	2011-12	2012-13	2013-14
115.52	119.38	121.82	124.25	127.20

- d) The trued-up AFC approved for the transmission asset for the 2014-19 tariff period are as follows:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
121.14	122.38	123.49	124.86	126.94

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

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
85.50	86.53	87.61	63.08	64.38

82. This order disposes of Petition No. 322/TT/2020 in terms of the above discussions and findings.

sd/-  
(P.K. Singh)  
Member

sd/-  
(Arun Goyal)  
Member

sd/-  
(I. S. Jha)  
Member

sd/-  
(P. K. Pujari)  
Chairperson



Order in Petition No. 322/TT/2020

CERC Website S. No. 484/2021

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*Handwritten signature*



**SAGAR & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Encl-2

H.O.: H No. 6-3-244/5, Sarada Devi Street  
Prem Nagar, Hyderabad – 500 004  
Phone: 040-2339 5588, 2330 3371  
Website: sagarca.com  
E-Mail: info@sagarca.com  
sagarandassociates@yahoo.co.in  
GST No: TS - 36AAJFS7295N1Z8  
AP - 37AAJFS7295N2Z5

**CERTIFICATE**

This is to certify that we have verified the relevant records and other documents of Power Grid Corporation Of India Limited having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 and on the basis of our verification, we certify that **Capital Cost for 50MVAR Reactor alongwith Associated Equipment at Chandrapur S/s in Western Region-1** of Power Grid Corporation of India Limited, which is detailed as under:

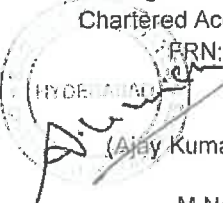
(₹ in Lakh)

S/N	Particulars	Free hold Land	Lease hold Land	Buildin g and Civil Works	Tr. Line	Sub Station	OPG W	Comm unication System excl. OPGW	I. T Equipme nt incl. software	Batteries	Total
1	Admitted Capital Cost as on 31.03.2024 as per CERC Order dated 27.09.2021 in 322/TT/2020	-	-	-	-	456.66	-	-	-	-	456.66
2	Estimated Expenditure from 01.04.2024 to 31.03.2025	-	-	-	-	-	-	-	-	-	-
3	Estimated Expenditure from 01.04.2025 to 31.03.2026	-	-	-	-	26.39	-	-	-	-	26.39
4	Estimated Decap from 01.04.2025 to 31.03.2026	-	-	-	-	(2.64)	-	-	-	-	(2.64)
5	Estimated Expenditure from 01.04.2026 to 31.03.2027	-	-	-	-	90.68	-	-	-	-	90.68
6	Estimated Decap from 01.04.2026 to 31.03.2027	-	-	-	-	(9.07)	-	-	-	-	(9.07)
7	Estimated Expenditure from 01.04.2027 to 31.03.2028	-	-	-	-	63.03	-	-	-	-	63.03
8	Estimated Decap from 01.04.2026 to 31.03.2027	-	-	-	-	(6.30)	-	-	-	-	(6.30)
	<b>Total</b>	-	-	-	-	<b>618.75</b>	-	-	-	-	<b>618.75</b>

We certify that we have verified the expenditure up to 31.03.2024 as referred above on the basis of the information drawn from the audited Statement of Accounts of Power Grid Corporation of India Ltd. (Western Region-1) as on 31.03.2024.

The estimated expenditure is based on Management estimate.

Place: Hyderabad  
Date: 24-09-2024

For Sagar & Associates  
Chartered Accountants  
FRN: 003510S  
  
(Ajay Kumar Mishra)  
Partner  
M.No. 205468  
UDIN:24205468BKGPER5416

B.O.: Flat No. FF-3, H No 40-6-2, Goteti Apartment, Kandari Hotel Street, Krishna Nagar, Vijayawada – 520 010  
B.O.: H. No. 10-1-86, Mehar Nagar, Old Gajuwaka, Visakhapatnam – 530 026  
B.O.: No. 4, Poes Road, 4th Street, Teynampet, Chennai – 600 018  
B.O.: Flat No. 3C, Jeevan Residency, Behind Kalanjali, Renigunta Road, Tirupati - 517 501





Statement of De-capitalisation

Powergrid Corporation of India Ltd  
Western Region-I  
50MVAR Reactor alongwith Associated Equipment at Chandrapur S/s  
50MVAR Reactor alongwith Associated Equipment at Chandrapur S/s

Name of the petitioner  
Name of the Region  
Name of the Project  
Name of the transmission element or communication system

01.04.1997

COD

S. No.	Year of Decapitalisation	Work/Equipment proposed to be decapitalised	Year of capitalisation of asset/equipment being decapitalised	Original book value of asset being decapitalised	Debt Equity ratio at the time of capitalisation	Cumulative Depreciation corresponding to decapitalisation	Cumulative Repayment of Loan corresponding to decapitalisation	Justification	Petition No (Old)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(10)	(11)
1	2025-26	Sub Station	1997-98	2.64	54.47:45.53	2.38	1.44		
2	2026-27	Sub Station	1997-98	9.07	54.47:45.53	8.16	4.94		
3	2027-28	Sub Station	1997-98	6.3	54.47:45.53	5.67	3.43		

Petitioner



**Summary of Tariff**

Form No. - 1

Encl-4

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(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	12.12	12.13	12.12	0.00	0.00
Interest on Loan-Form No. 9E	0.00	0.00	0.00	0.00	0.00
Return on Equity-Form No. 8	39.05	39.05	39.05	25.73	25.73
Int. on Working capital-Form No.11	2.17	2.07	1.98	1.69	1.99
Op. and maintenance-Form No.2	32.15	33.28	34.45	35.66	36.91
Total AFC	85.49	86.53	87.60	63.08	64.63

  
(Petitioner)

Name of the Transmission Licensee		Power Grid Corporation of India Limited	
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCO Date	Apr 1, 1997

**1. Transmission Lines**

(Amount in Rs. Lakh)

**Summary:**




2. Sub Station

Name of Sub-station	Type of Substation	Voltage Level KV	No. of Transformers/ Reactor/ SVC etc. (with capacity)	No. of Bays				MVA/MVAR Capacity				Date of operation	Covered in the present petition	
				765 KV	400 KV	220 KV	132 KV	765 KV	400 KV	220 KV	132 KV			
Bhadrawati:50MVAR BUS REACTOR BAY	Conventional	400 KV			1.000								Apr 1, 1997	Y
Bhadrawati:50 MVAR BUS REACTOR AT BHADRAWATI (CHANDRAPUR)	Conventional	400 KV	1.000							50.000			Apr 1, 1997	Y

Summary:

O&M Expenses For Substations Covered in the instant petition		2019-20	2020-21	2021-22	2022-23	2023-24
<b>400KV SUB-STATION</b>						
Normative Rate of O&M as per Regulation						
No. of Units		32.15	33.28	34.45	35.66	36.91
O&M Claimed		1.00	1.00	1.00	1.00	1.00
<b>400KV Sub-station Reactor</b>						
Normative Rate of O&M as per Regulation						
No. of Units		0.00	0.00	0.00	0.00	0.00
O&M Claimed		0.00	0.00	0.00	0.00	0.00



*[Handwritten signature]*

Summary of O&M Expenses claim

(Amount in Rs. Lakh)

Particular	2019-20	2020-21	2021-22	2022-23	2023-24
<b>A) Normative O&amp;M</b>					
Transmission Line	0.00	0.00	0.00	0.00	0.00
Substation	32.15	33.28	34.45	35.66	36.91
Communication System	0.00	0.00	0.00	0.00	0.00
<b>Total Normative O&amp;M</b>	<b>32.15</b>	<b>33.28</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>
<b>B) O&amp;M Claimed under Regulation 35 (3)(C) (* The same is not being claimed and will be claimed through separate Petition )</b>					
*Security Expenses	0.00	0.00	0.00	0.00	0.00
*Actual Capital Spare consumed	0.00	0.00	0.00	0.00	0.00
*Insurance Premium Paid	0.00	0.00	0.00	0.00	0.00
<b>Total O&amp;M</b>	<b>32.15</b>	<b>33.28</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>

*WPS*

(Petitioner)





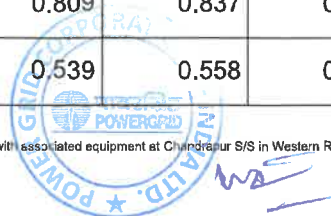
**Normative parameters considered for tariff computations**

Form No. - 3

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Base Rate of Return of Equity (in %)</b>						
Tax Rate (in %)	21.55	17.472	17.472	17.472	17.472	17.472
<b>Effective tax rate (in %)</b>						
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
<b>Norms for sub-station Bays (Rs Lakh per bay)</b>						
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
<b>Norms for Transformers (Rs Lakh per MVA)</b>						
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
<b>Norms for AC and HVDC lines (Rs Lakh per km)</b>						
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
<b>Norms for HVDC stations</b>						
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

*WS*

(Petitioner)



**Financial Package upto COD**

Form No. - 6

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	Financial Package as Approved		Financial Package as on COD 01/04/2019		As Admitted on COD 01/04/2019	
	Currency	Amount	Currency	Amount	Currency	Amount
Loans		0.00		0.00		0.00
Loan-Domestic		0.00		0.00		0.00
Loan-Foreign		0.00		0.00		0.00
Total Loans	INR	0.00		0.00	INR	248.74
Equity		0.00		0.00		0.00
Foreign		0.00		0.00		0.00
Domestic	INR	0.00		0.00	INR	207.92
Total Equity	INR	0.00		0.00	INR	207.92
Debt Equity Ratio						54:46
Total Cost	INR	0.00		0.00	INR	456.66

Particulars	Debt	Equity	Total
Addcap for 2019 - 2020			0.00
Addcap for 2020 - 2021			0.00
Addcap for 2021 - 2022			0.00
Addcap for 2022 - 2023			0.00



Addcap for 2023 - 2024			0.00	
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Particulars	Actual	Normative	
<b>Addcap for 2019 - 2020</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Addcap for 2020 - 2021</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Addcap for 2021 - 2022</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Addcap for 2022 - 2023</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Addcap for 2023 - 2024</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Total Capital cost with Addcap</b>		456.66	

*WA*

(Petitioner)



**Calculation of ROE**

Form No. - 8

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(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	207.92	207.92	207.92	207.92	137.00
Less: Adjustment in Equity*	0.00	0.00	0.00	70.92	0.00
Adjustment during the year	0.00	0.00	0.00	0.00	0.00
Net opening equity (Normal)	207.92	207.92	207.92	137.00	137.00
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	207.92	207.92	207.92	137.00	137.00
Average Normative Equity	207.92	207.92	207.92	137.00	137.00
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	39.05	39.05	39.05	25.73	25.73
Pro rata return on Equity	39.05	39.05	39.05	25.73	25.73

(Petitioner)



**Calculation of WAR of interest on actual loan**

Form No. - 9C

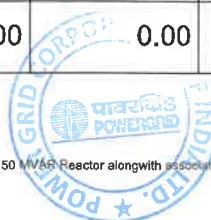
Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOCOC Date	Apr 1, 1997		

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>IBRD I -DOCOC</b>					
Gross Loan- Opening	183.44	183.44	183.44	183.44	183.44
Cumulative repayments of Loans upto previous year	183.44	183.44	183.44	183.44	183.44
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	0.00	0.00	0.00	0.00	0.00
Interest on loan	0.00	0.00	0.00	0.00	0.00

**Summary**

Gross Loan- Opening	183.44	183.44	183.44	183.44	183.44
Cumulative repayments of Loans upto previous year	183.44	183.44	183.44	183.44	183.44
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00



Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	8.6801	8.6801	8.6801	8.6801	8.6801
Interest on loan	0.00	0.00	0.00	0.00	0.00

*WA*

(Petitioner)



**Loans in Foreign Currency**

Form No. - 9D

Name of the Transmission Licensee		Power Grid Corporation of India Limited			
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOCOC Date	Apr 1, 1997		

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>IBRD I -DOCOC -USD</b>					
Gross Loan-Opening	4.14	4.14	4.14	4.14	4.14
Cumulative repayments of loans upto previous year	4.14	4.14	4.14	4.14	4.14
Net Loans-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of interest on Loan on Annual Basis	0.00	0.00	0.00	0.00	0.00
Interest on loan	0.00	0.00	0.00	0.00	0.00

*W.S.*

(Petitioner)





**Calculation of interest on Normative loan**

Form No. - 9E

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
No. of Days in the Year	366.00	365.00	365.00	365.00	366.00
No. of days for which Tariff claimed	366.00	365.00	365.00	365.00	366.00
Gross normative loan-Opening	248.74	248.74	248.74	248.74	248.74
Cumulative repayments of Normative loan upto previous year	248.74	248.74	248.74	248.74	248.74
Net normative loan-Opening	0.00	0.00	0.00	0.00	0.00
Addition in normative loan towards the ACE	0.00	0.00	0.00	0.00	0.00
Adjustment of normative gross loan pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Normative repayments of normative loan during the year	0.00	0.00	0.00	0.00	0.00
Adjustment of cumulative repayment pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Net normative loan - closing	0.00	0.00	0.00	0.00	0.00
Average normative loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of interest on actual loan	8.6801	8.6801	8.6801	8.6801	8.6801
Interest on normative loan	0.00	0.00	0.00	0.00	0.00
Pro rata interest on normative loan	0.00	0.00	0.00	0.00	0.00

*WSE*  
(Petitioner)



**Calculation of Depreciation Rate on Original Project Cost**

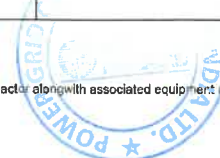
Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCO Date	Apr 1, 1997

(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
<b>2019-20</b>						
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	456.66	0.00	456.66	456.66	5.28	12.12
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/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	5.28	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>12.12</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>2.654053</b>	

<b>2020-21</b>						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00



*WAS*

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	456.66	0.00	456.66	456.66	5.28	12.13
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
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>12.13</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>2.656243</b>	

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	456.66	0.00	456.66	456.66	5.28	12.12
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
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>12.12</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>2.654053</b>	



*Handwritten signature/initials*

<b>2022-23</b>						
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	456.66	0.00	456.66	456.66	5.28	0.00
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
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>0.00</b>	

<b>2023-24</b>						
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	456.66	0.00	456.66	456.66	5.28	0.00
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
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>0.00</b>



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

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**Statement of Depreciation**

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOC Date	Apr 1, 1997		

(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
<b>Life at the beginning of the year</b>					
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)	22.00	23.00	24.00	25.00	26.00
1.3 Balance Weighted Average useful life of the Asset/Project(in completed no. of year)	3.00	2.00	1.00	0.00	0.00
<b>Capital Base</b>					
1.4 Opening capital cost	456.66	456.66	456.66	456.66	456.66
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	456.66	456.66	456.66	456.66	456.66
1.8 Average capital cost	456.66	456.66	456.66	456.66	456.66
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	456.66	456.66	456.66	456.66	456.66
1.12 Depreciable Value(1.10+90% of 1.11)	410.99	410.99	410.99	410.99	410.99
<b>Depreciation for the period and Cum. Depreciation</b>					
1.13 Weighted Average Rate of depreciation	2.654053	2.656243	2.654053	0.00	0.00



1.14 Depreciation(for the period)	12.12	12.13	12.12	0.00	0.00
1.15 Depreciation(Annualised)	12.12	12.13	12.12	0.00	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	374.62	386.74	398.87	410.99	410.99
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	386.74	398.87	410.99	410.99	410.99

*WA*  
(Petitioner)



**Calculation of interest on working Capital**

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCOC Date	Apr 1, 1997

(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	2.68	2.77	2.87	2.97	3.08
Maintenance spares 15% of O&M Expenses	4.82	4.99	5.17	5.35	5.54
Receivables equivalent to 45 days of AFC	10.51	10.67	10.80	7.78	7.95
Total Working capital	18.01	18.43	18.84	16.10	16.57
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	2.17	2.07	1.98	1.69	1.99
Pro rata interest on working capital	2.17	2.07	1.98	1.69	1.99

*WA*  
(Petitioner)





## Summary of Tariff

Form No. - 1

Encl-5

Name of the Transmission Licensee:		Power Grid Corporation of India Limited			
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOC Date	Apr 1, 1997		

(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	0.00	0.01	0.00	0.00	0.01
Interest on Loan-Form No. 9E	0.00	0.00	0.00	0.00	0.00
Return on Equity-Form No. 8	25.73	25.66	25.33	24.90	24.72
Int. on Working capital-Form No.11	2.22	2.31	2.41	2.51	2.62
Op. and maintenance-Form No.2	42.63	44.88	47.21	49.68	52.33
Total AFC	70.58	72.86	74.95	77.09	79.68

*WSE*

(Petitioner)



Name of the Transmission Licensee		Power Grid Corporation of India Limited	
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCO Date	Apr 1, 1997

**1. Transmission Lines**

(Amount in Rs. Lakh)

**Summary:**




2. Sub Station

Name of Sub-station	Type of Substation	Voltage Level KV	No. of Transformers/ Reactor/ SVC etc. (with capacity)	No. of Bays				MVA/MVAR Capacity				Date of Comm. operation	Covered in the present petition Yes/ No	
				765 KV	400 KV	220 KV	132 KV	765 KV	400 KV	220 KV	132 KV			
Bhadrawati:50MVAR BUS REACTOR BAY	Conventional	400 KV		1.000									Apr 1, 1997	Y
Bhadrawati:50 MVAR BUS REACTOR AT BHADRAWATI (CHANDRAPUR)	Conventional	400 KV	1.000					50.000					Apr 1, 1997	Y

Summary:

O&M Expenses For Substations Covered in the instant petition		2024-25	2025-26	2026-27	2027-28	2028-29
<b>400KV SUB-STATION</b>						
Normative Rate of O&M as per Regulation		29.53	31.08	32.71	34.43	36.23
No. of Units		1.00	1.00	1.00	1.00	1.00
O&M Claimed		29.53	31.08	32.71	34.43	36.23
<b>400KV Sub-station Reactor</b>						
Normative Rate of O&M as per Regulation		0.262	0.276	0.29	0.305	0.322
No. of Units		1.00	1.00	1.00	1.00	1.00
O&M Claimed		13.10	13.80	14.50	15.25	16.10



*WSE*

Summary of O&M Expenses claim

(Amount in Rs. Lakh)

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
<b>A) Normative O&amp;M</b>					
Transmission Line	0.00	0.00	0.00	0.00	0.00
Substation	42.63	44.88	47.21	49.68	52.33
Communication System	0.00	0.00	0.00	0.00	0.00
<b>Total Normative O&amp;M</b>	<b>42.63</b>	<b>44.88</b>	<b>47.21</b>	<b>49.68</b>	<b>52.33</b>
<b>B) O&amp;M Claimed under Regulation 35 (3)(C) (* The same is not being claimed and will be claimed through separate Petition )</b>					
*Security Expenses	0.00	0.00	0.00	0.00	0.00
*Actual Capital Spare consumed	0.00	0.00	0.00	0.00	0.00
Insurance Premium Paid	0.00	0.00	0.00	0.00	0.00
<b>Total O&amp;M</b>	<b>42.63</b>	<b>44.88</b>	<b>47.21</b>	<b>49.68</b>	<b>52.33</b>

*[Handwritten Signature]*

(Petitioner)



**Financial Package upto COD**

Form No. - 6

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	Financial Package as Approved		Financial Package as on COD 01/04/2024		As Admitted on COD 01/04/2024	
	Currency	Amount	Currency	Amount	Currency	Amount
Loans		0.00		0.00		0.00
Loan-Domestic		0.00		0.00		0.00
Loan-Foreign		0.00		0.00		0.00
Total Loans	INR	0.00		0.00	INR	248.74
Equity		0.00		0.00		0.00
Foreign		0.00		0.00		0.00
Domestic	INR	0.00		0.00	INR	137.00
Total Equity	INR	0.00		0.00	INR	137.00
Debt Equity Ratio					64:36	
Total Cost	INR	0.00		0.00	INR	385.74

Particulars	Debt	Equity	Total
Addcap for 2024 - 2025			0.00
Addcap for 2025 - 2026			-2.23
Addcap for 2026 - 2027			-7.66
Addcap for 2027 - 2028			-5.32



Addcap for 2028 - 2029			0.00
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Particulars	Actual	Normative	
<b>Addcap for 2024 - 2025</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Addcap for 2025 - 2026</b>			
Equity		-0.79	
Debt		-1.44	
Total		-2.23	
<b>Addcap for 2026 - 2027</b>			
Equity		-2.72	
Debt		-4.94	
Total		-7.66	
<b>Addcap for 2027 - 2028</b>			
Equity		-1.89	
Debt		-3.43	
Total		-5.32	
<b>Addcap for 2028 - 2029</b>			
Equity		0.00	
Debt		0.00	
Total		0.00	
<b>Total Capital cost with Addcap</b>		370.53	

(Petitioner)



**Statement of Additional Capitalisation after COD**

Form No. - 7

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	Addition into Gross Block as per books of Account during the year (2)	De-Cap into Gross Block as per books of Account during the year	Less: Deductions dr. the year towards				Add: Discharge of earlier admitted liability	ACE on cash basis for tariff purpose	Admitted Cost in final tariff (Rs Lakh)
			Grants Received (if any) (3)	Asset pertaining to other businesses (If any) (4)	Other Deduction (if any) (5)	Less: Un-discharged liability included in (2-4-5)			
<b>ACE for the year :2024-25 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ACE for the year :2025-26 (Actual/Projected)</b>									



Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	-2.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/ SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>-2.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ACE for the year :2026-27 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	-9.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/ SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>-9.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ACE for the year :2027-28 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	-6.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>-6.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ACE for the year :2028-29 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

  
 (Petitioner)



**Financing of Additional Capitalisation**

Form No. - 7A

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCO Date	Apr 1, 1997

(Amount in Rs. Lakh)

Financial Year ( Starting of COD)	Actual/Projected						Admitted					
	2024-25	2025-26	2026-27	2027-28	2028-29		2024-25	2025-26	2026-27	2027-28	2028-29	
Amount capitalized in Work/ Equipment												
Financing Details												
Total Loan	0.00	-1.44	-4.94	-3.43	0.00							
Equity	0.00	-0.79	-2.72	-1.89	0.00							
Total	0.00	-2.23	-7.66	-5.32	0.00							



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(Petitioner)

**Calculation of ROE**

Form No. - 8

Name of the Transmission Licensee		Power Grid Corporation of India Limited	
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(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	137.00	137.00	136.21	133.49	131.60
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)	137.00	137.00	136.21	133.49	131.60
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	0.79	2.72	1.89	0.00
Add: Increase due to discharge during the year / period	0.00	0.00	0.00	0.00	0.00
Closing Normative Equity	137.00	136.21	133.49	131.60	131.60
Average Normative Equity	137.00	136.61	134.85	132.55	131.60
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	25.73	25.66	25.33	24.90	24.72
Pro rata return on Equity	25.73	25.66	25.33	24.90	24.72

*MA*

(Petitioner)



**Calculation of WAR of interest on actual loan**

Form No. - 9C

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOC Date	Apr 1, 1997		

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>IBRD I -DOCO</b>					
Gross Loan- Opening	183.44	183.44	183.44	183.44	183.44
Cumulative repayments of Loans upto previous year	183.44	183.44	183.44	183.44	183.44
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	8.68	8.68	8.68	8.68	8.68
Interest on loan	0.00	0.00	0.00	0.00	0.00

**Summary**

Gross Loan- Opening	183.44	183.44	183.44	183.44	183.44
Cumulative repayments of Loans upto previous year	183.44	183.44	183.44	183.44	183.44
Net loan-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of loan during the year	0.00	0.00	0.00	0.00	0.00



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Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest on Loan on Annual Basis	8.6801	8.6801	8.6801	8.6801	8.6801
Interest on loan	0.00	0.00	0.00	0.00	0.00



(Petitioner)



**Loans in Foreign Currency**

Form No. - 9D

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>IBRD I - DOCO - USD</b>					
Gross Loan-Opening	4.14	4.14	4.14	4.14	4.14
Cumulative repayments of loans upto previous year	4.14	4.14	4.14	4.14	4.14
Net Loans-Opening	0.00	0.00	0.00	0.00	0.00
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Net Loan	0.00	0.00	0.00	0.00	0.00
Rate of interest on Loan on Annual Basis	8.68	8.68	8.68	8.68	8.68
Interest on loan	0.00	0.00	0.00	0.00	0.00

(Petitioner)



**Calculation of interest on Normative loan**

Form No. - 9E

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No. of Days in the Year	365.00	365.00	365.00	366.00	365.00
No. of days for which Tariff claimed	365.00	365.00	365.00	366.00	365.00
Gross normative loan-Opening	248.74	248.74	247.30	242.36	238.93
Cumulative repayments of Normative loan upto previous year	248.74	248.74	247.30	242.36	238.93
Net normative loan-Opening	0.00	0.00	0.00	0.00	0.00
Addition in normative loan towards the ACE	0.00	0.00	0.00	0.00	0.00
Adjustment of normative gross loan pertaining to the decapitalised asset	0.00	1.44	4.94	3.43	0.00
Normative repayments of normative loan during the year	0.00	0.00	0.00	0.00	0.00
Adjustment of cumulative repayment pertaining to the decapitalised asset	0.00	1.44	4.94	3.43	0.00
Net normative loan - closing	0.00	0.00	0.00	0.00	0.00
Average normative loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of interest on actual loan	8.6801	8.6801	8.6801	8.6801	8.6801
Interest on normative loan	0.00	0.00	0.00	0.00	0.00
Pro rata interest on normative loan	0.00	0.00	0.00	0.00	0.00

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(Petitioner)



**Calculation of Depreciation Rate on Original Project Cost**

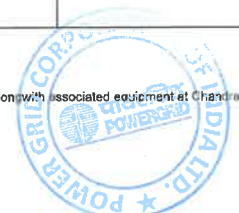
Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCOC Date	Apr 1, 1997

(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
<b>2024-25</b>						
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	456.66	0.00	456.66	456.66	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
<b>TOTAL</b>	<b>456.66</b>	<b>0.00</b>	<b>456.66</b>	<b>456.66</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>0.00</b>	

<b>2025-26</b>						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	0.00



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Civil & Building	0.00	0.00	0.00	0.00	3.34	0.00
Transmission Line	0.00	0.00	0.00	0.00	5.28	0.00
Sub Station	456.66	-2.64	454.02	455.34	5.28	0.01
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/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
<b>TOTAL</b>	<b>456.66</b>	<b>-2.64</b>	<b>454.02</b>	<b>455.34</b>	<b>0.00</b>	<b>0.01</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>0.002196</b>	

<b>2026-27</b>						
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	454.02	-9.07	444.95	449.49	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/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
<b>TOTAL</b>	<b>454.02</b>	<b>-9.07</b>	<b>444.95</b>	<b>449.49</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>0.00</b>	



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<b>2027-28</b>						
Sub Station	444.95	-6.30	438.65	441.80	5.28	0.00
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
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
<b>TOTAL</b>	<b>444.95</b>	<b>-6.30</b>	<b>438.65</b>	<b>441.80</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>0.00</b>	

<b>2028-29</b>						
Sub Station	438.65	0.00	438.65	438.65	5.28	0.01
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
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
<b>TOTAL</b>	<b>438.65</b>	<b>0.00</b>	<b>438.65</b>	<b>438.65</b>	<b>0.00</b>	<b>0.01</b>



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Weighted Average Rate of Depreciation(%)					0.00228	
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(Petitioner)



**Statement of Depreciation**

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited				
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region				
Region	Western Region	DOC Date	Apr 1, 1997		

(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
<b>Life at the beginning of the year</b>					
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)	27.00	28.00	29.00	30.00	31.00
1.3 Balance Weighted Average useful life of the Asset/Project(in completed no. of year)	0.00	0.00	0.00	0.00	0.00
<b>Capital Base</b>					
1.4 Opening capital cost	456.66	456.66	454.02	444.95	438.65
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	2.64	9.07	6.30	0.00
1.7 Closing capital cost	456.66	454.02	444.95	438.65	438.65
1.8 Average capital cost	456.66	455.34	449.49	441.80	438.65
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	456.66	455.34	449.49	441.80	438.65
1.12 Depreciable Value(1.10+90% of 1.11)	410.99	409.81	404.54	397.62	394.79
<b>Depreciation for the period and Cum. Depreciation</b>					
1.13 Weighted Average Rate of depreciation	0.00	0.002196	0.00	0.00	0.00228



1.14 Depreciation(for the period)	0.00	0.01	0.00	0.00	0.01
1.15 Depreciation(Annualised)	0.00	0.01	0.00	0.00	0.01
Unrecovered Depreciation for DECAP	0.00	0.00	0.00	0.00	0.00
1.16 Cumulative depreciation at the beginning of the period	410.99	410.99	408.62	400.46	394.78
1.17 Less:Adj of Cum. Dep pertaining to decapitalised Asset	0.00	2.38	8.16	5.67	0.00
1.18 Cumulative depreciation at the end of the period	410.99	408.62	400.46	394.78	394.79

*WAS*  
(Petitioner)



**Calculation of interest on working Capital**

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Region	Western Region	DOCOC Date	Apr 1, 1997

(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	3.55	3.74	3.93	4.14	4.36
Maintenance spares 15% of O&M Expenses	6.39	6.73	7.08	7.45	7.85
Receivables equivalent to 45 days of AFC	8.70	8.98	9.24	9.48	9.82
Total Working capital	18.64	19.45	20.25	21.07	22.03
Bank Rate as on 01.04.2024 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	2.22	2.31	2.41	2.51	2.62
Pro rata interest on working capital	2.22	2.31	2.41	2.51	2.62

*WSE*  
(Petitioner)



**Summary of Tariff**Form No. - 1  
New Equipment

Name of the Transmission Licensee:	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOCO Date	Apr 1, 1997

(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	0.00	1.19	7.04	15.69	19.74
Interest on Loan-Form No. 9E	0.00	0.70	3.69	7.14	7.49
Return on Equity-Form No. 8	0.00	0.74	4.04	8.37	10.15
Int. on Working capital-Form No.11	0.00	0.04	0.22	0.46	0.56
Op. and maintenance-Form No.2	0.00	0.00	0.00	0.00	0.00
Total AFC	0.00	2.67	14.99	31.66	37.94

  
(Petitioner)

**Statement of Additional Capitalisation after COD**

Form No. - 7

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOCOC Date	Apr 1, 1997

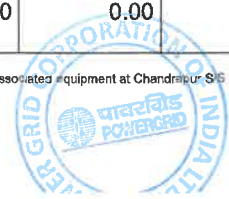
(Amount in Rs. Lakh)

Particulars	Addition into Gross Block as per books of Account during the year (2)	De-Cap into Gross Block as per books of Account during the year	Less: Deductions dr. the year towards				Add: Discharge of earlier admitted liability	ACE on cash basis for tariff purpose	Admitted Cost in final tariff (Rs Lakh)
			Grants Received (if any) (3)	Asset pertaining to other businesses (if any) (4)	Other Deduction (if any) (5)	Less: Undischarged liability included in (2-4-5)			
<b>ACE for the year :2024-25 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ACE for the year :2025-26 (Actual/Projected)</b>									





Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	26.39	0.00	0.00	0.00	0.00	0.00	0.00	26.39	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>26.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.39</b>	<b>0.00</b>
<b>ACE for the year :2026-27 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	90.68	0.00	0.00	0.00	0.00	0.00	0.00	90.68	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>90.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>90.68</b>	<b>0.00</b>
<b>ACE for the year :2027-28 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	63.03	0.00	0.00	0.00	0.00	0.00	0.00	63.03	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>63.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>63.03</b>	<b>0.00</b>
<b>ACE for the year :2028-29 (Actual/Projected)</b>									
Land (Freehold Land)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building & Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transmission Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comm. Sys. excluding Fiber Optic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT/Software/UNMS/URTDSM/SCADA,etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

WA

(Petitioner)



**Financing of Additional Capitalisation**

Form No. - 7A

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOCO Date	Apr 1, 1997

(Amount in Rs. Lakh)

	Actual/Projected						Admitted					
	2024-25	2025-26	2026-27	2027-28	2028-29		2024-25	2025-26	2026-27	2027-28	2028-29	
<b>Financial Year ( Starting of COD)</b>												
<b>Amount capitalized in Work/ Equipment</b>												
<b>Financing Details</b>												
<b>Total Loan</b>	0.00	18.47	63.48	44.12	0.00							
<b>Equity</b>	0.00	7.92	27.20	18.91	0.00							
<b>Total</b>	0.00	26.39	90.68	63.03	0.00							



*[Handwritten Signature]*

(Petitioner)

**Calculation of ROE**

Form No. - 8

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOCO Date	Apr 1, 1997

(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	0.00	0.00	7.92	35.12	54.03
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)	0.00	0.00	7.92	35.12	54.03
Add: Increase in Equity due to addition during the year / period	0.00	7.92	27.20	18.91	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	0.00	7.92	35.12	54.03	54.03
Average Normative Equity	0.00	3.96	21.52	44.58	54.03
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	0.00	0.74	4.04	8.37	10.15
Pro rata return on Equity	0.00	0.74	4.04	8.37	10.15

(Petitioner)



**Calculation of interest on Normative loan**

Form No. - 9E

Name of the Transmission Licensee	Power Grid Corporation of India Limited			
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region			
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)			
Region	Western Region	DOCO Date	Apr 1, 1997	

(Amount in Rs. Lakh)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
No. of Days in the Year	365.00	365.00	365.00	366.00	365.00
No. of days for which Tariff claimed	365.00	365.00	365.00	366.00	365.00
Gross normative loan-Opening	0.00	0.00	18.47	81.95	126.07
Cumulative repayments of Normative loan upto previous year	0.00	0.00	1.19	8.23	23.92
Net normative loan-Opening	0.00	0.00	17.28	73.72	102.15
Addition in normative loan towards the ACE	0.00	18.47	63.48	44.12	0.00
Adjustment of normative gross loan pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Normative repayments of normative loan during the year	0.00	1.19	7.04	15.69	19.74
Adjustment of cumulative repayment pertaining to the decapitalised asset	0.00	0.00	0.00	0.00	0.00
Net normative loan - closing	0.00	17.28	73.72	102.15	82.41
Average normative loan	0.00	8.64	45.50	87.94	92.28
Weighted Average Rate of interest on actual loan	0.00	8.12	8.12	8.12	8.12
Interest on normative loan	0.00	0.70	3.69	7.14	7.49
Pro rata interest on normative loan	0.00	0.70	3.69	7.14	7.49

WD  
(Petitioner)



## Calculation of Depreciation Rate on Original Project Cost

Form No. - 10

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOC Date	Apr 1, 1997

(Amount in Rs. Lakh)

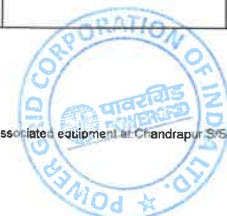
Name of Assets	Gross block at the beginning of the year	Add Cap during the year	Gross block at the end of the year	Average Gross Block	Depreciation Rate as per CERC's Depreciation Rate Schedule	Depreciation Amount for each year upto 31.03.2029
<b>2024-25</b>						
Land(Freehold)	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	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/URTDISM/SCADA,etc	0.00	0.00	0.00	0.00	15.00	0.00
Batteries	0.00	0.00	0.00	0.00	9.50	0.00
Fiber Optic/OPGW	0.00	0.00	0.00	0.00	6.33	0.00
<b>TOTAL</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Weighted Average Rate of Depreciation(%)</b>					0.00	

<b>2025-26</b>						
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	0.00	26.39	26.39	13.20	5.28	1.19
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
<b>TOTAL</b>	0.00	26.39	26.39	13.20	0.00	1.19
<b>Weighted Average Rate of Depreciation(%)</b>					9.015152	

<b>2026-27</b>						
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	26.39	90.68	117.07	71.73	5.28	7.04
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
<b>TOTAL</b>	26.39	90.68	117.07	71.73	0.00	7.04
<b>Weighted Average Rate of Depreciation(%)</b>					9.814582	



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	117.07	63.03	180.10	148.59	5.28	15.69
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
<b>TOTAL</b>	<b>117.07</b>	<b>63.03</b>	<b>180.10</b>	<b>148.59</b>	<b>0.00</b>	<b>15.69</b>
<b>Weighted Average Rate of Depreciation(%)</b>					<b>10.559257</b>	

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	180.10	0.00	180.10	180.10	5.28	19.74
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
<b>TOTAL</b>	<b>180.10</b>	<b>0.00</b>	<b>180.10</b>	<b>180.10</b>	<b>0.00</b>	<b>19.74</b>



*WA*



<b>Weighted Average Rate of Depreciation(%)</b>					10.960577	
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(Petitioner)



**Statement of Depreciation**

Form No. - 10A

Name of the Transmission Licensee	Power Grid Corporation of India Limited			
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region			
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)			
Region	Western Region	DOCO Date	Apr 1, 1997	

(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
<b>Life at the beginning of the year</b>					
1.1 Weighted Average useful life of the Asset/ Project	0.00	0.00	0.00	0.00	0.00
1.2 Lapsed Weighted Average useful life of the Asset/Project(in completed no. of year)	27.00	28.00	29.00	30.00	31.00
1.3 Balance Weighted Average useful life of the Asset/Project(in completed no. of year)	0.00	10.00	9.00	8.00	7.00
<b>Capital Base</b>					
1.4 Opening capital cost	0.00	0.00	26.39	117.07	180.10
1.5 Additional Capital Expenditure dr. the year	0.00	26.39	90.68	63.03	0.00
1.6 De-Capitalisation During the year	0.00	0.00	0.00	0.00	0.00
1.7 Closing capital cost	0.00	26.39	117.07	180.10	180.10
1.8 Average capital cost	0.00	13.20	71.73	148.59	180.10
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	0.00	13.20	71.73	148.59	180.10
1.12 Depreciable Value(1.10+90% of 1.11)	0.00	11.88	64.56	133.73	162.09
<b>Depreciation for the period and Cum. Depreciation</b>					
1.13 Weighted Average Rate of depreciation	0.00	9.015152	9.814582	10.559257	10.960577



*WSE*

1.14 Depreciation(for the period)	0.00	1.19	7.04	15.69	19.74
1.15 Depreciation(Annualised)	0.00	1.19	7.04	15.69	19.74
Unrecovered Depreciation for DECAP	0.00	0.00	0.00	0.00	0.00
1.16 Cumulative depreciation at the beginning of the period	0.00	0.00	1.19	8.23	23.92
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	0.00	1.19	8.23	23.92	43.66

  
 (Petitioner)



**Calculation of interest on working Capital**

Form No. - 11

Name of the Transmission Licensee	Power Grid Corporation of India Limited		
Project	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region		
Element Description	50 MVAR Reactor alongwith associated equipment at Chandrapur S/S in Western Region (NEW EQUIPMENTS)		
Region	Western Region	DOCOC Date	Apr 1, 1997

Particulars	(Amount in Rs. Lakh)				
	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	0.00	0.33	1.85	3.89	4.68
Total Working capital	0.00	0.33	1.85	3.89	4.68
Bank Rate as on 01.04.2024 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	0.00	0.04	0.22	0.46	0.56
Pro rata interest on working capital	0.00	0.04	0.22	0.46	0.56

(Petitioner) 



**Summary of issue involved in the petition**

**PART-III  
FORM- 15**

1. Name of the Petitioner	Power Grid Corporation of India Limited			
2. Petition Category	Transmission			
3. Tariff Period	2019-24			
4. Name of the Project	50 MVAR Reactor along with associated equipment at Chandrapur Sub-station			
5. Investment Approval date	18.03.1994			
6. SCOD of the Project	1995-96			
7. Actual COD/ECOD of the project	01.04.1997			
8. Whether entire scope is covered in the present petition.	Yes			
9. No. of Assets covered in instant petition	1 no			
10. No. of Assets having time over run	1			
11. Estimated Project Cost as per IA	Rs.630 Lakh			
12. Is there any REC? if so, provide the date	NA			
13. Revised Estimated Project Cost (if any)	NA			
14. Completion cost for all the assets covered in the instant petition.	Rs. 456.66 Lakh			
15. No. of Assets covered in instant petition and having cost overrun.	N.A.			
16	<b>Prayer in brief</b>			
17	<b>Key details and any Specific issue involved</b>			
18	<b>Respondents</b>			
	<b>Name of Respondents</b>			
	1	MADHYA PRADESH POWER MANAGEMENT COMPANY LTD	5	DNHDD POWER DISTRIBUTION CORPORATION LIMITED
	2	MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.	6	CHHATTISGARH STATE POWER DISTRIBUTION CO. LTD
	3	GUJARAT URJA VIKAS NIGAM LTD.		
	4	ELECTRICITY DEPARTMENT, GOA		

(Petitioner) *WPS*



PART-III

Summary of Capital Cost & Annual Fixed Cost (AFC) Claimed for ALL the assets covered in the present petition.

Name of the Petitioner	Powergrid Corporation of India Limited
Tariff Period	2019-24
Name of the Transmission Project	50 MVAR Reactor along with associated equipment at Chandrapur Sub-station
COD/E-COD of the Project (if entire scope of project is completed)	30.11.2018

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/E-COD	Cut-off Date	i) Apportioned Approved Cost		ii) Summary of Actual / Projected Capital Cost											Capital Cost as on Cut-off Date
				As per IA	As per RCE	Cost as on COD/ 31.03.2019	2019-20	2020-21	2021-22	2022-23	2023-24	Capital Cost as on cut of date					
1	Asset-1	1995-96	01.04.1997	630.00	-	456.66	0	0	0	0	0	0	0	0	0	456.66	12
				• 630.00	0.00	456.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

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	2019-20	2020-21	2021-22	2022-23	2023-24	Capital Cost as on Cut-off Date
1	1	50 MVAR Reactor along with associated equipment at Chandrapur Sub-station	85.49	86.53	87.6	63.08	64.63	
Total AFC for all the Assets			85.49	86.53	87.60	63.08	64.63	

Note: 1) The purpose of this form is to summarise the Capital cost & AFC claimed for all the assets covered in the instant petition.

(Petitioner)



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

**PART-III**  
**Check List**

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

