

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 100/TT/2025

Coram:

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

Date of Order: 02.02.2026

In the matter of:

Approval under Section 62 read with Section 79 (1) (d) of the Electricity Act, 2003 and under Regulation 15 (1) (a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for truing up of transmission tariff for the 2019-24 and the determination of transmission tariff for the 2024-29 tariff block for Combined Assets under “North Eastern Region Strengthening Scheme-II (NERSS-II) Part-A” in the North Eastern Region.

And in the matter of:

Power Grid Corporation of India Limited,
Registered Office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.
Corporate Centre: ‘Saudamini’, Plot No. 2,
Sector-29, Gurgaon–122001, Haryana.

...Petitioner

Versus

- 1. Assam Power Distribution Company Limited,**
4th Floor, Bijulee Bhawan, Paltan Bazar,
Guwahati – 781001, Assam.
- 2. Meghalaya Energy Corporation Limited,**
Short Round Road, “Lumjingshai”
Shillong – 793001, Meghalaya.
- 3. Government of Arunachal Pradesh,**
Itanagar, Arunachal Pradesh.
- 4. Power and Electricity Department,**
Government of Mizoram
Aizawl, Mizoram.
- 5. Manipur State Power Distribution Corporation Limited,**
Keishampat, Imphal.



6. **Department of Power,**
Government of Nagaland
Kohima, Nagaland.

7. **Tripura State Electricity Corporation Limited,**
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W) – 799001, Tripura.

...Respondents

Parties Present : Shri Zafrul Hasan, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Vijay G., PGCIL
Ms. Anshul Garg, PGCIL
Shri Divyanshu Mishra, PGCIL
Shri Arjun Malhotra, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, has filed this Petition for truing-up of transmission tariff for the 2019-24 period, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”), and for determination of transmission tariff for the 2024-29 period, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”), in respect of the following assets (hereinafter referred to as the “Combined Assets”) under “North Eastern Region Strengthening Scheme-II (NERSS-II) Part-A” in the North Eastern Region (hereinafter referred to as the “transmission project”):

Asset Name	Description of Assets	COD	Remarks
Combined Assets	Asset-1: 132/33 kV, 50 MVA, 3-Ph ICT-I at 132/33 kV Nirjuli Sub-Station (POWERGRID)	14.02.2016	All assets were combined as of 1.4.2019, with effective COD: 5.5.2016 and earlier covered in Petition No. 513/TT/2019
	Asset-2: 132/33 kV, 50 MVA, 3-Ph ICT-II at 132/33 kV Nirjuli Sub-Station (POWERGRID)	29.03.2016	
	Asset-3: 400/220 kV, 315 MVA, 3-Ph	28.05.2016	

	ICT-II (2 nd ICT) along with associated bays at 400/220 kV Balipara Sub-station (POWERGRID)		
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2. The Petitioner has made the following prayers in the instant Petition:

- a) *Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the assets covered under this petition, as per para 14 and 15 above.*
- b) *Admit the capital cost claimed and additional capitalization incurred during 2019-24 and also allow the projected additional capitalization during 2024-29.*
- 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 Regulations 2019 and Tariff Regulations, 2024 as per para 14 and 15 above for respective block.*
- 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 RLDC fees & charges and Licensee fee separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- 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 21 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 21 above.*
- i) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 21 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 22 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."

Background

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

- (a) The Investment Approval (the IA) for the project was accorded by the



Petitioner's Board of Directors vide Memorandum No. C/CP/NERSS-II Part A dated 26.11.2014, with an estimated cost of ₹2871 lakh, including an IDC of ₹180 lakh, based on the August 2014 price levels.

(b) The Petitioner, in its affidavit dated 14.6.2016 in Petition No. 22/TT/2016, had submitted the revised apportioned approved capital cost for Assets-I, II and III.

(c) The scope of work covered under the transmission project is as follows:

Sub-stations:

- i. Asset I: 132/33 kV, 50 MVA, 3-Ph ICT-I at 132/33 kV Nirjuli Sub- station (POWERGRID);
- ii. Asset II: 132/33 kV, 50 MVA, 3-Ph ICT-II at 132/33 kV Nirjuli Sub- station (POWERGRID), and
- iii. Asset III: 400/220 kV, 315 MVA, 3-Ph ICT-II (2nd ICT) along with associated bays at 400/220 kV Balipara Sub-station (POWERGRID)

(d) The entire scope of the work under the transmission project has been completed. The transmission tariff in respect of Assets-I, II and III was approved by the Commission vide order dated 27.6.2016 in Petition No. 22/TT/2016 for the 2014-19 period from their respective CODs to 31.3.2019. The trued-up transmission tariff for the 2014-19 period and the determination of transmission tariff for the 2019-24 period in respect of the Combined Assets were approved by the Commission vide order dated 6.5.2020 in Petition No. 513/TT/2019.

4. The Respondents in the Petition are primarily the beneficiaries in the North Eastern Region, comprising designated Inter-State Transmission Customers (hereinafter referred to as 'DICs'), distribution licensees, transmission licensees, and power departments that procure transmission services from the Petitioner.

5. The Petitioner has served a copy of the Petition on the Respondents and

published notices regarding the filing of this Petition in newspapers, in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as “the Act”). No comments or suggestions have been received from the general public in response to the said notices. None of the Respondents has filed a reply to the Petition.

6. The hearing in this matter was held on 27.11.2025, and the order was reserved. This order is being issued after considering the Petitioner’s submissions in the Petition vide affidavit dated 7.9.2024, and additional affidavits of the Petitioner dated 2.9.2025 and 8.12.2025.

7. Having heard the representatives of the Petitioner and perused the material available on record, we proceed to dispose of the Petition.

TRUING-UP OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

8. The Petitioner has claimed the following transmission charges in respect of the Combined Assets for the 2019-24 tariff period:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	140.95	142.97	143.14	143.14	143.14
Interest on Loan	113.31	100.66	89.65	80.97	71.87
Return on Equity	150.79	153.01	153.19	153.19	153.19
O&M Expenses	14.46	13.67	12.87	13.04	15.08
Interest on Working Capital	191.93	198.85	205.83	213.19	220.42
Total	611.44	609.16	604.68	603.53	603.70

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the Combined Assets are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	15.99	16.57	17.15	17.77	18.37
Maintenance Spares	28.79	29.83	30.87	31.98	33.06
Receivables	75.18	75.10	74.55	74.41	74.23
Total Working Capital	119.96	121.50	122.57	124.16	125.66
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
Interest on Working Capital	14.46	13.67	12.87	13.04	15.08

Capital Cost for the 2019-24 Tariff Period

10. The Commission vide order dated 6.5.2020 in Petition No. 513/TT/2019



approved the capital cost of ₹2640.04 lakh for the Combined Assets as on 31.3.2019. The Petitioner, in this Petition, has claimed the same capital cost of ₹2640.04 lakh as on 1.4.2019 for the Combined Assets as approved by the Commission vide order dated 6.5.2020 in Petition No. 513/TT/2019.

11. Accordingly, ₹2640.04 lakh is considered as the opening capital cost as on 1.4.2019 for the purpose of trueing-up the transmission tariff for the 2019-24 tariff period.

Additional Capital Expenditure (ACE)

12. The Commission, vide order dated 6.5.2020 in Petition No. 513/TT/2019, approved projected ACE of ₹75.86 lakh under Regulation 25(1)(d) of the 2019 Tariff Regulation for the Combined Assets for the 2019-24 tariff period. In the instant Petition, the Petitioner has claimed the following ACE:

ACE claimed	
2019-20	2020-21
72.23	6.54

13. The Petitioner vide affidavit dated 2.9.2025 has submitted that the ACE incurred during the 2019-24 tariff period is claimed under Regulations 25(1)(d) of the 2019 Tariff Regulations. The primary reason for the variations between the approved ACE and the actual ACE is that, at the time of estimating the projected additional capitalization, the relevant contracts were not closed, and liabilities were not finalized. However, in the instant true-up Petition, the Petitioner has claimed ACE on the basis of actual payments made to the vendors, subsequent to the receipt of final invoices, incorporating necessary amendments, and after due reconciliation in accordance with the contractual provisions.

14. The Petitioner has submitted a detailed break-up of the ACE for the Combined Assets, and it is as follows:



Asset	Additional Capital Expenditure (₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Combined Assets	72.23	6.54	-	-	-
Claimed under Regulations	Regulation 25(1)(d) of the 2019 Tariff Regulations.	Regulation 25(1)(d) of the 2019 Tariff Regulations.	-	-	-

15. The Commission, vide order dated 6.5.2020 in Petition No. 513/TT/2019, had directed the Petitioner to submit details of the contracts, scope, original liability and undischarged liability as on 31.3.2019 and the Regulation under which such additional capitalization is claimed at the time of true up of the 2019-24 tariff period.

16. Accordingly, in this Petition, the Petitioner has submitted that ACE claimed beyond the cut-off date, during the 2019-24 tariff period, pertains to undischarged liabilities towards final payment or withheld payment arising due to contractual exigencies for the works executed within the cut-off date and has been claimed as per Regulation 25(1)(d) of the 2019 Tariff Regulations.

17. The Petitioner has submitted the following Liability Flow Statement in respect of the assets forming part of the Combined Assets:

Combined Assets:

(₹ in lakh)

Party Name	Particulars	Undischarged Liability as on 31.03.2019	Discharge of Liability		
			2019-20	2020-21	Total (19-24)
M/s. Toshiba Transmission & Distribution Systems (India) Pvt. Ltd.	Ex-works supply & services contract for substation extension work and other miscellaneous work.	78.77	72.23	6.54	78.77
Total		78.77	72.23	6.54	78.77



18. We have considered the Petitioner's submissions and observe that the E-COD for the Combined Assets was approved as .5.5.2016, and the cut-off date for the Combined Assets was worked out to be 31.3.2019. The ACE claimed by the Petitioner for the Combined Assets after the cut-off date was allowed under Regulation 25(1)(d) of the 2019 Tariff Regulations towards liability payments for works executed prior to the cut-off date.

19. Accordingly, the ACE allowed for the Combined Assets for the 2019-24 tariff period is as follows:

Asset	ACE allowed					Total
	2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets	72.23	6.54	-	-	-	78.77
Claimed under the 2019 Regulations	Regulation 25(1)(d) of the 2019 Tariff Regulations.	Regulation 25(1)(d) of the 2019 Tariff Regulations.	-	-	-	-

20. The capital cost and ACE allowed in respect of the Combined Assets for the 2019-24 period are as follows:

Assets	Admitted Capital cost as on 31.3.2019	Admitted ACE for 2019-24 Tariff Period		Capital Cost as on 31.3.2024
		2019-20	2020-21	
Combined Assets	2640.04	72.23	6.54	2718.81

Debt-Equity Ratio

21. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for computation of tariff in respect of the Combined Assets during the 2019-24 tariff period are as follows:

Funding	Capital Cost as on 1.4.2019		ACE during the 2019-24 tariff period (₹ in lakh)	Capital Cost as on 31.3.2024	
	(₹ in lakh)	(in %)		(₹ in lakh)	(in %)
Debt	1848.04	70.00	55.14	1903.18	70.00
Equity	792.00	30.00	23.63	815.63	30.00
Total	2640.04	100.00	78.77	2718.81	100.00



Depreciation

22. Depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) has been worked out for the Combined Assets in accordance with the depreciation rates specified in the 2019 Tariff Regulations. Accordingly, the depreciation allowed in respect of the Combined Assets for the 2019-24 tariff period is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Gross Block	2640.04	2712.27	2718.81	2718.81	2718.81
B	Addition during the year 2019-24 due to ACE	72.23	6.54	0.00	0.00	0.00
C	Closing Gross Block (A+B)	2712.27	2718.81	2718.81	2718.81	2718.81
D	Average Gross Block (A+C)/2	2676.16	2715.54	2718.81	2718.81	2718.81
E	Average Gross Block (90% depreciable assets)	2676.16	2715.54	2718.81	2718.81	2718.81
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00	0.00	0.00
G	Depreciable Value (excluding IT equipment and software) (E*90%)	2408.54	2443.99	2446.93	2446.93	2446.93
H	Depreciable Value of IT equipment and software (F*100%)	0.00	0.00	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	2408.54	2443.99	2446.93	2446.93	2446.93
J	Weighted Average Rate of Depreciation (WAROD) (in %)	5.27%	5.26%	5.26%	5.26%	5.26%
K	Elapsed useful life at the beginning of the year (Year)	2.00	3.00	4.00	5.00	6.00
L	Balance useful life at the beginning of the year (Year)	23.00	22.00	21.00	20.00	19.00
M	Depreciation during the year (D*J)	140.96	142.97	143.14	143.14	143.14
N	Cumulative Depreciation at the end of the year	511.89	654.86	798.00	941.15	1084.29
O	Remaining Aggregate Depreciable Value at the end of the year	1896.65	1789.13	1648.93	1505.78	1362.64

23. The details of depreciation allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019 in respect of the Combined Assets, depreciation claimed in the instant Petition, and the trued-up depreciation allowed in respect of the Combined Assets in the instant order are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019.	141.05	142.99	142.99	142.99	142.99
Claimed by the Petitioner in the instant Petition.	140.95	142.97	143.14	143.14	143.14
Allowed after truing-up in this order.	140.96	142.97	143.14	143.14	143.14

Interest on Loan (IoL)

24. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on loans based on its actual loan portfolio and prevailing interest rate.

25. We have considered the Petitioner's submissions and perused the records. The IoL is calculated based on the actual interest rates submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL allowed in respect of the Combined Assets is as follows:

(₹ in lakh)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Gross Normative Loan	1848.04	1898.60	1903.18	1903.18	1903.18
B	Cumulative Repayments up to the Previous Year	370.93	511.89	654.86	798.00	941.15
C	Net Loan-Opening (A-B)	1477.11	1386.71	1248.32	1105.18	962.03
D	Addition due to ACE	50.56	4.58	0.00	0.00	0.00
E	Repayment during the year	140.96	142.97	143.14	143.14	143.14
F	Net Loan-Closing (C+D-E)	1386.71	1248.32	1105.18	962.03	818.89
G	Average Loan (C+F)/2	1431.91	1317.52	1176.75	1033.60	890.46
H	Weighted Average Rate of Interest on Loan (in %)	7.913%	7.640%	7.618%	7.834%	8.071%
I	Interest on Loan (G*H)	113.31	100.66	89.65	80.97	71.87

26. The details of IoL allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019 for the Combined Assets, IoL claimed in the instant Petition, and trued-up IoL allowed in the instant order in respect of the Combined Assets for the 2019-2024 tariff period are as follows:

(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019.	114.32	104.96	94.30	83.77	72.10
Claimed by the Petitioner in the instant Petition.	113.31	100.66	89.65	80.97	71.87



Allowed after truing-up in this order	113.31	100.66	89.65	80.97	71.87
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Return on Equity (RoE)

27. The Petitioner has submitted that its Income Tax assessment has been completed, and the assessment orders have been issued by the Income Tax Department for FY 2019-20 and FY 2020-21, and the income has been assessed under MAT [115JB of the Income Tax Act, 1961 (IT Act, 1961)]. The Petitioner has further submitted that the Income Tax Returns (ITRs) have been filed for FYs 2021-22 and 2022-23. Further, Income Tax Returns for the 2023-24 will be filed in due course.

28. The Petitioner has further submitted that it is liable to pay Income Tax at Minimum Alternate Tax (MAT) rates (17.472, i.e., 15% Income Tax + 12% Surcharge on Income Tax + 4% Health and Education Cess on Income Tax and Surcharge). Accordingly, the Petitioner has claimed the following effective tax rates for the 2019-24 tariff period:

Year	Claimed effective tax rate (in %)	Grossed-up RoE (in %) [(Base Rate)/(1-t)]
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

29. According to the Petitioner, the basis of the computation of the effective tax percentage is as follows:

Financial Year	Basis considered	Total Tax and Interest paid (₹)	Assessed MAT Income under Sec 115JB (₹)	Effective Tax Percentage (in %)	Grossed up ROE (Base rate/(1-t) (in %)
2019-20	Assessment Order	24526276991	140374753855	17.472	18.782
2020-21	Assessment Order	26089359008	149320965036	17.472	18.782
2021-22	Actual Tax paid	31814640406	182089288030	17.472	18.782
2022-23	Actual Tax paid	30428820993	174157629306	17.472	18.782
2023-24	Actual Tax paid	31321238737	179265331597	17.472	18.782



30. The Petitioner has requested that it be permitted to recover the differential tariff on account of trued-up RoE, based on the effective tax rate calculated on completion of income tax assessment /re-assessment for FYs 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 directly from the beneficiaries on a year-to-year basis, as provided under the applicable regulations.

31. We have considered the Petitioner's submissions and also perused the record. We note that entities covered under the MAT regime are paying income tax at the MAT rates notified for the respective financial year under the Income Tax Act, 1961 (for short, hereinafter referred to as the "IT Act, 1961"), which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) of the IT Act, 1961, defines book profit as the net profit in the Statement of Profit and Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying the MAT rates for the respective financial years, the notified MAT rates for the respective financial year shall be considered as the effective tax rate for the purpose of grossing up the RoE for the truing up of the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on RoE after truing up shall be recovered or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rate based on the notified MAT rates is considered for the purpose of grossing up the rate of RoE for the 2019-2024 tariff period:

Year	Notified MAT rates (in %) (inclusive of surcharge & cess)	Effective tax 't' (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in%)
2019-20	17.472	17.472	15.50	18.782
2020-21	17.472	17.472	15.50	18.782
2021-22	17.472	17.472	15.50	18.782
2022-23	17.472	17.472	15.50	18.782
2023-24	17.472	17.472	15.50	18.782

32. Accordingly, the trued-up RoE allowed in respect of the Combined Assets for the 2019-24 tariff period is as follows:

(₹ in lakh)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
A	Opening Equity	792.00	813.67	815.63	815.63	815.63
B	Addition due to ACE	21.67	1.96	0.00	0.00	0.00
C	Closing Equity (A+B)	813.67	815.63	815.63	815.63	815.63
D	Average Equity (A+C)/2	802.84	814.65	815.63	815.63	815.63
E	Return on Equity (Base Rate) (in %)	15.50	15.50	15.50	15.50	15.50
F	Tax Rate applicable (in %)	17.47	17.47	17.47	17.47	17.47
G	Rate of Return on Equity (in %)	18.78	18.78	18.78	18.78	18.78
H	Return on Equity (D*G)	150.79	153.01	153.19	153.19	153.19

33. The details of RoE allowed vide order 6.5.2020 in Petition No. 513/TT/2019, RoE claimed in the instant Petition, and trued-up RoE allowed in the instant order in respect of the Combined Assets for the 2019-2024 tariff period are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019.	150.89	153.02	153.02	153.02	153.02
Claimed by the Petitioner in the instant Petition.	150.79	153.01	153.19	153.19	153.19
Allowed after truing-up in this order.	150.79	153.01	153.19	153.19	153.19

Operation and Maintenance Expenses (O&M Expenses)

34. The Commission, vide order dated 6.5.2020 in Petition No. 513/TT/2019, allowed the following O&M Expenses in respect of the Combined Assets for the 2019-24 tariff period:

O&M Expenses	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
	191.93	198.85	205.83	213.19	220.42

35. The Petitioner, in the instant Petition, has claimed the following O&M Expenses for the 2019-24 tariff period:

O&M Expenses	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
	191.93	198.85	205.83	213.19	220.42

36. We have considered the Petitioner's submissions. It is observed that the O&M Expenses claimed by the Petitioner in the instant true-up Petition are as per Regulation 35(3) of the 2019 Tariff Regulations. The O&M Expenses in respect of the Combined Assets for the 2019-24 tariff period have been worked out as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV Substation					
Kameng/Balipara: BALIPARA-400 kV (HV SIDE) BAY of 400/220/33 kV, 315 MVA, 3-Phase ICT-II(2nd ICT)					
Normative rate of O&M as per Regulations	32.15	33.28	34.45	35.66	36.91
No. of bays	1	1	1	1	1
O&M Expenses	32.15	33.28	34.45	35.66	36.91
220 kV Substation					
Kameng/Balipara: BALIPARA-220 kV (LV SIDE) bay of 400/220/33 kV, 315 MVA, 3- Phase ICT-II(2nd ICT)					
Normative rate of O&M as per Regulations	22.51	23.30	24.12	24.96	25.84
No. of bays	1	1	1	1	1
O&M Expenses	22.51	23.30	24.12	24.96	25.84
400 kV Substation-ICT					
Kameng/Balipara: ICT at BALIPARA					
Normative rate of O&M as per Regulations	0.358	0.371	0.384	0.398	0.411
No. of ICTs	1	1	1	1	1
MVA	315	315	315	315	315
O&M Expense	112.77	116.87	120.96	125.37	129.47
132 kV and below ICT					
Nirjuli:ICT-I at Nirjuli (1 x 50 MVA)					
Nirjuli:ICT-II at Nirjuli (1 x 50 MVA)					
Normative rate of O&M as per Regulations	0.245	0.254	0.263	0.272	0.282
No. of ICTs	2	2	2	2	2



MVA	50	50	50	50	50
O&M Expense	24.50	25.40	26.30	27.20	28.20
Total O&M Expenses allowed	191.93	198.85	205.83	213.19	220.42

37. Accordingly, the details of O&M Expenses allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019, O&M Expenses claimed in the instant Petition, and trued-up O&M Expenses allowed in the instant order in respect of the Combined Assets for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019.	191.93	198.85	205.83	213.19	220.42
Claimed by the Petitioner in the instant Petition.	191.93	198.85	205.83	213.19	220.42
Allowed after truing-up in this order.	191.93	198.85	205.83	213.19	220.42

Interest on Working Capital (IWC)

38. The IWC has been 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 FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FY 2021-22 and FY 2022-23 and 12.00% (SBI 1 year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24.

39. The components of the working capital and interest allowed thereon for the Combined Assets for the 2019-24 tariff period are as follows:

Sl. No.	Particulars	(₹ in lakh)				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Working Capital for O&M Expenses (O&M Expenses for one month).	15.99	16.57	17.15	17.77	18.37



B	Working Capital for Maintenance Spares (15% of O&M Expenses).	28.79	29.83	30.87	31.98	33.06
C	Working Capital for Receivables (Equivalent to 45 days of Annual Fixed Cost /Annual Transmission Charges).	75.18	75.10	74.55	74.41	74.23
D	Total Working Capital (A+B+C)	119.96	121.50	122.58	124.15	125.66
E	Rate of Interest for Working Capital (in %)	12.05%	11.25%	10.50%	10.50%	12.00%
F	Interest on Working Capital (D*E)	14.46	13.67	12.87	13.04	15.08

40. The details of IWC allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019, IWC claimed in the instant Petition, and trued-up IWC allowed in the instant order in respect of the Combined Assets for the 2019-24 tariff period are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019.	14.47	14.72	14.86	15.03	15.14
Claimed by the Petitioner in the instant Petition.	14.46	13.67	12.87	13.04	15.08
Allowed after truing-up in this order.	14.46	13.67	12.87	13.04	15.08

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

41. Accordingly, the trued-up Annual Fixed Charges (AFC) allowed for the 2019-24 tariff period in respect of the Combined Assets are as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	140.96	142.97	143.14	143.14	143.14
Interest on Loan	113.31	100.66	89.65	80.97	71.87
Return on Equity	150.79	153.01	153.19	153.19	153.19
Interest on Working Capital	14.46	13.67	12.87	13.04	15.08
O&M Expenses	191.93	198.85	205.83	213.19	220.42
Total	611.44	609.16	604.68	603.53	603.70

42. The details of AFC allowed vide order dated 6.5.2020 in Petition No. 513/TT/2019, AFC claimed in the instant Petition, and trued-up AFC allowed in the instant order in respect of the Combined Assets for the 2019-24 tariff period are