

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 537/TT/2025**

**Coram:**

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

**Date of Order: 02.02.2026**

**In the matter of:**

Petition for 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 for truing up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Assets under "Provision of Series Reactors" in the Northern Region.

**And in the matter of:**

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

**...Petitioner**

**Versus**

- 1. Uttar Pradesh Power Corporation Limited,  
Shakti Bhawan, 14, Ashok Marg,  
Lucknow - 226001.**
- 2. Ajmer Vidyut Vitran Nigam Limited,  
Corporate Office, Vidyut Bhawan,  
Panchsheel Nagar, Makarwali Road,  
Ajmer-305004 (Rajasthan).**
- 3. Jaipur Vidyut Vitran Nigam Limited,  
132 kV, GSS RVPNL Substation Building,  
Caligiri Road, Malviya Nagar,  
Jaipur-302017 (Rajasthan).**
- 4. Jodhpur Vidyut Vitran Nigam Limited,  
New Power House, Industrial Area,  
Jodhpur – 342003 (Rajasthan).**



- 5. Himachal Pradesh State Electricity Board,**  
Vidyut Bhawan,  
Kumar House Complex Building II,  
Shimla-171004.
- 6. Punjab State Power Corporation Limited,**  
The Mall, PSEB Head Office,  
Patiala - 147001.
- 7. Haryana Power Purchase Centre,**  
Shakti Bhawan, Sector-6,  
Panchkula -134109 (Haryana).
- 8. Jammu Kashmir Power Corporation Limited,**  
220/66/33 kV Gladni SS SLDC Building,  
Narwal, Jammu.
- 9. BSES Yamuna Power Limited,**  
B-Block, Shakti Kiran Building,  
Near Karkadooma Court, 2<sup>nd</sup> Floor,  
Karkadooma, New Delhi-110092.
- 10. BSES Rajdhani Power Limited,**  
BSES Bhawan, Nehru Place,  
New Delhi.
- 11. Tata Power Delhi Distribution Limited,**  
33 kV Substation Building,  
Hudson Lane, Kingsway Camp,  
North Delhi – 110009.
- 12. Chandigarh Electricity Department,**  
Chandigarh Administration,  
Sector - 9, Chandigarh.
- 13. Uttarakhand Power Corporation Limited,**  
Urja Bhawan, Kanwali Road, Dehradun.
- 14. North Central Railway,**  
Allahabad.
- 15. New Delhi Municipal Council,**  
Palika Kendra, Sansad Marg,  
New Delhi-110002.

**...Respondents**



**For Petitioner** : Shri Zafrul Hasan, PGCIL  
Shri Angaru Naresh Kumar, PGCIL  
Shri Vijay G., PGCIL  
Shri Piyush Awasthi, PGCIL  
Shri Arjun Malhotra, PGCIL  
Shri Mukesh Bhakar, PGCIL

**For Respondents** : None

### **ORDER**

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for truing up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) and determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 period for the following assets (hereinafter referred to as “the Combined Assets”) under “Provision of Series Reactors” in the Northern Region (hereinafter referred to as “the transmission project”):

**Asset-I:** 1 Number of 12 $\Omega$  Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Substation along with associated bays; and

**Asset-II:** 1 Number of 12 $\Omega$  Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Substation along with associated bays, 1 Number Series Line Reactor of 12 $\Omega$  in Dadri-Mandola 400 kV, Ckt.-I and 1 Number Series Line Reactor of 12 $\Omega$  in Dadri-Mandola 400 kV, Ckt.-II.

Assets I and II were combined at the time of the determination of the transmission tariff for the 2019-24 period.

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 asset covered under this petition, as per para 17 and 18 above.*



b) Admit the capital cost claimed and additional capitalization incurred during 2019-24 and projected to be incurred 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 17 and 18 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 24 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 24 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 24 above.

j) Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 25 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 scope of the transmission project was discussed and agreed in the 32<sup>nd</sup> Standing Committee Meeting on Transmission System Planning of Northern Region held on 31.8.2013 at NRPC, Delhi. Subsequently, the transmission



project was discussed and agreed upon for implementation in the 27<sup>th</sup> TCC Meeting and the 30<sup>th</sup> NRPC Meeting held on 27<sup>th</sup> and 28<sup>th</sup> February, 2014 respectively at Agra;

- b. The Investment Approval (IA) for the implementation of the transmission project was accorded by the Board of Directors of the Petitioner in the 332<sup>nd</sup> Meeting held on 19.8.2016 and communicated vide Memorandum dated 29.8.2016 with an estimated cost of ₹17752 lakh, including an Interest During Construction (IDC) of ₹1067 lakh (based on April 2016 price level);
- c. The scope of work covered under the transmission project is as under:

**Substation:**

- i. 1 Number of 12Ω Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Substation along with associated bays; and
- ii. 1 Number of 12Ω Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Substation along with associated bays.

**Transmission Line:**

- i. 1 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-I; and
- ii. 1 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-II.

The entire scope of work under the transmission project is complete and covered in the present Petition.

- d. The details of the Dates of Commercial Operation (COD) in respect of the Combined Assets are as follows:

| <b>Asset</b>    | <b>Asset Name</b>   | <b>COD</b>        |
|-----------------|---|-------------------|
| <b>Asset-I</b>  | 1 Number of 12Ω Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Substation along with associated bays  | 4.11.2018         |
| <b>Asset-II</b> | 1 Number of 12Ω Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Substation along with associated bays, 1 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-I and 1 Number Series Line Reactor of 12Ω in Dadri-Mandola 400 kV, Ckt.-II | 7.12.2018         |
|                 | <b>Combined Assets (Effective COD)</b>  | <b>26.11.2018</b> |



4. The Commission, vide order dated 4.9.2019 in Petition No. 312/TT/2018, determined the transmission tariff for Assets-I and II from the COD till 31.3.2019. Subsequently, the Commission, vide order dated 28.9.2021 in Petition No. 581/TT/2018, trued-up the transmission tariff for the 2014-19 period in respect of Assets-I and II and determined the transmission tariff for the 2019-24 period for the Combined Assets.

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

6. The Petitioner has served a copy of the Petition on the Respondents and notices regarding the filing of this Petition have been published in the 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 aforesaid notices published in the newspapers by the Petitioner. None of the Respondents have filed their reply to the instant Petition.

7. The hearing in the matter was held on 11.12.2025, and the order was reserved.

8. This order is issued considering the submissions made by the Petitioner vide affidavits dated 4.11.2024, 18.8.2025 and 22.12.2025.

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

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

10. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Assets are as follows:



| (₹ in lakh)                 |                |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Particulars                 | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
| Depreciation                | 562.40         | 581.74         | 604.06         | 620.07         | 621.71         |
| Interest on Loan            | 544.25         | 497.65         | 469.44         | 450.93         | 418.35         |
| Return on Equity            | 600.17         | 620.81         | 644.63         | 661.72         | 663.47         |
| Interest on Working Capital | 31.27          | 29.33          | 27.76          | 28.14          | 31.92          |
| O&M Expenses                | 128.60         | 133.12         | 137.80         | 142.64         | 147.64         |
| <b>Total</b>                | <b>1866.69</b> | <b>1862.65</b> | <b>1883.69</b> | <b>1903.50</b> | <b>1883.09</b> |

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

| (₹ in lakh)                        |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Particulars                        | 2019-20       | 2020-21       | 2021-22       | 2022-23       | 2023-24       |
| O&M Expenses                       | 10.72         | 11.09         | 11.48         | 11.89         | 12.30         |
| Maintenance Spares                 | 19.29         | 19.97         | 20.67         | 21.40         | 22.15         |
| Receivables                        | 229.51        | 229.64        | 232.24        | 234.68        | 231.53        |
| <b>Total Working Capital</b>       | <b>259.52</b> | <b>260.70</b> | <b>264.39</b> | <b>267.97</b> | <b>265.98</b> |
| Rate of Interest (in %)            | 12.05         | 11.25         | 10.50         | 10.50         | 12.00         |
| <b>Interest on Working Capital</b> | <b>31.27</b>  | <b>29.33</b>  | <b>27.76</b>  | <b>28.14</b>  | <b>31.92</b>  |

### **Capital Cost for the 2019-24 Tariff Period**

12. The capital cost of the transmission project has been calculated in accordance with Regulations 19(1) and 19(3) of the 2019 Tariff Regulations.

13. The Commission, vide order dated 28.9.2021 in Petition No. 581/TT/2020, allowed the capital cost as on COD for the Combined Assets and the Additional Capital Expenditure (ACE) for the 2019-24 tariff period. The details of the capital cost as allowed by the Commission vide order 28.9.2021 are as follows:

| (₹ in lakh)            |                            |                              |  |                |                              |
|------------------------|----------------------------|------------------------------|--|----------------|------------------------------|
| Asset                  | Apportioned cost as per FR | Capital cost as on 31.3.2019 | ACE allowed during the 2019-24 tariff period |                | Capital cost as on 31.3.2024 |
|                        |                            |                              | 2019-20                                      | 2020-21        |                              |
| Asset-I                | 4957.83                    | 3399.78                      | 78.96  | 400.00         | 3878.74                      |
| Asset-II               | 12794.18                   | 7040.16                      | 367.79                                       | 900.00         | 8307.95                      |
| <b>Combined Assets</b> | <b>17752.01</b>            | <b>10439.94*</b>             | <b>446.75</b>                                | <b>1300.00</b> | <b>12186.69</b>              |

\*The Commission, vide order dated 28.9.2021 in Petition No. 581/TT/2020, disallowed the IDC of ₹ 0.80 lakh due to computation difference and the excess Initial Spares of ₹ 0.70 lakh as on 31.3.2019 and ₹ 70.82 lakh in the year 2019-20.



14. The Petitioner in the instant true-up Petition has claimed the following capital cost and actual ACE incurred for the 2019-24 tariff period:

| Asset           | FR Apportioned Approved Cost | Capital Cost claimed as on 1.4.2019 | ACE Claimed |         |         |         | Capital Cost claimed as on 31.3.2024 |
|-----------------|------------------------------|-------------------------------------|-------------|---------|---------|---------|--------------------------------------|
|                 |                              |                                     | 2019-20     | 2020-21 | 2021-22 | 2022-23 | (₹ in lakh)                          |
| Combined Assets | 17752.01                     | 10435.45                            | 432.01      | 300.83  | 544.43  | 62.18   | 11774.90                             |

15. We have considered the Petitioner's submissions. The capital cost of ₹10439.94 lakh as on 31.3.2019 as approved by the Commission vide order dated 28.9.2021 in Petition No. 581/TT/2020 for the Combined Assets is being considered as the opening capital cost as on 1.4.2019 for the purpose of truing up of the transmission tariff for the 2019-24 period in accordance with Regulation 19(3)(a) of the 2019 Tariff Regulations.

### **Initial Spares**

16. The Petitioner has submitted that the Initial Spares for the transmission project have been calculated as per the limit specified under Regulation 13 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations"), and on the revised Auditor's Certificate. The detailed calculation of the Initial Spares, at the project level as per Regulation 13 of 2014 Tariff Regulations, is as follows:

| Assets       | Particulars          | Cost for Spare Calculation (A) | Initial Spares Claimed (B) | Ceiling Limit (in %) (C) | Initial Spares Allowable      | Excess Initial Spares |
|--------------|----------------------|--------------------------------|----------------------------|--------------------------|-------------------------------|-----------------------|
|              |                      |                                |                            |                          | $D = \frac{[(A-B)*C]}{100-C}$ | [B-D]                 |
| Asset-I      | Series               | 3659.34                        | 175.02                     | 4.0                      | 145.18                        | 29.84                 |
| Asset-II     | Compensation devices | 7795.95                        | 365.98                     | 4.0                      | 309.58                        | 56.40                 |
| <b>Total</b> |                      | <b>11455.29</b>                | <b>541.00</b>              | <b>4.0</b>               | <b>454.76</b>                 | <b>86.24</b>          |

17. It is submitted that the excess Initial Spares of ₹5.19 lakh towards Substation head have been restricted from the capital cost as on 31.3.2019 {excess Initial Spares



of ₹0.70 lakh of excess Initial Spares were already disallowed vide order dated 28.9.2021 in Petition No. 581/TT/2020 and the remaining ₹4.49 lakh are also deducted from the admitted cost as on 31.3.2019}. The details of discharge of Initial Spares are as follows:

| (₹ in lakh)  |                      |   |  |  |  |
|--------------|----------------------|---|--|--|--|
| Asset        | Total spares Claimed | Expenditure on Initial Spares upto COD and included in Auditor's Certificate upto the COD | Expenditure on Initial Spares in 2018-19 | Expenditure on Initial Spares in 2019-20 | Expenditure on Initial Spares in 2020-21 |
| Asset-I      | 175.02               | 145.22  | 5.15                                     | 24.65                                    | 0.00                                     |
| Asset-II     | 365.98               | 303.68  | 5.15                                     | 46.17                                    | 10.98                                    |
| <b>Total</b> | <b>541.00</b>        | <b>448.90</b>   | <b>10.30</b>                             | <b>70.82</b>                             | <b>10.98</b>                             |

18. The Commission, vide Record of Proceedings (RoP) dated 11.12.2025, directed the Petitioner to provide Form-5 and a detailed reconciliation of the Initial Spares claimed in both Form-5 and Form-13.

19. Accordingly, the Petitioner, vide affidavit dated 22.12.2025, has submitted that Assets-I and II forming part of the present Petition were commissioned during the year 2018-19 as per the following details:

| Asset    | Asset Name  | COD       |
|----------|---|-----------|
| Asset-I  | 1 Number of 12 $\Omega$ Series Bus Reactor at Mandola 400/220 kV (POWERGRID) Substation along with associated bays.   | 4.11.2018 |
| Asset-II | 1 Number of 12 $\Omega$ Series Bus Reactor at Ballabgarh 400/220 kV (POWERGRID) Substation along with associated bays, 01 Number Series Line Reactor of 12 $\Omega$ in Dadri-Mandola 400 kV, Ckt.-I and 1 Number Series Line Reactor of 12 $\Omega$ in Dadri-Mandola 400 kV, Ckt.-II. | 7.12.2018 |

20. It is submitted that Form-5 contains the details of the item-wise expenditure incurred as on the COD as well as the ACE for all the equipment capitalized in an asset. Since, Assets-I and II were commissioned in the 2014-19 tariff period, they have already

