

CENTRAL ELECTRICITY REGULATORY COMMISSION

New Delhi

Petition No. 358/TT/2025

Coram:

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

Date of Order: 10.02.2026

In the matter of:

Approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003 read with 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 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and determination of the transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for the Combined Asset under **“Eastern Region Strengthening scheme-XI” in the Eastern Region.**

And in the matter of:

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

...Petitioner

Versus

- 1. Bihar State Power (Holding) Company Limited,
Vidyut Bhawan, Bailey Road,
Patna-800001.**
- 2. West Bengal State Electricity Distribution Company Limited,
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Calcutta-700091.**
- 3. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar-7517001.**
- 4. Damodar Valley Corporation,
DVC Tower, Maniktala,
Civic Centre, VIP Road,
Calcutta-700054.**
- 5. Power Department,
Government of Sikkim,**



- Gangtok-737101.
6. **Jharkhand Bijli Vitran Nigam Limited,**
Engineering Building, H.E.C., Dhurwa,
Ranchi-834004.

...Respondents

Parties Present : Shri Zafrul Hasan, PGCIL
Ms. Supriya Singh, PGCIL
Ms. Suchitra, PGCIL

ORDER

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL), 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 for the determination of the transmission tariff for the 2024-29 period under 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 transmission assets (hereinafter referred to as the “transmission assets/Combined Asset”) **under Eastern Region Strengthening scheme-XI** (hereinafter referred to as the “transmission project”) in the Eastern Region:

| Asset | Asset Name | COD | Remarks |
|-----------------------|---|------------|---|
| Combined Asset | Asset-I: STATCOM System (+/-) 300 MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc. at Rourkela Sub-station | 30.3.2018 | All assets were merged during the 2019-24 tariff period with Effective-COD (E-COD) 12.8.2018 |
| | Asset-II: STATCOM System (+/-) 200 MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor and 2x125 MVAR Capacitor), cooling system & STATCOM protection / controller etc. at Jeypore Sub-station | 1.7.2018 | |
| | Asset-III: STATCOM System (+/-) 300 MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc. at Ranchi Sub- | 16.7.2018 | |



| | | |
|---|-----------|--|
| station | | |
| Asset-IV: STATCOM System (+/-) 200 MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc. at Kishanganj Sub-station | 16.3.2019 | |

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 15 & 18 above.*
- b) *Admit the capital cost claimed and additional capitalization incurred during 2019-24 tariff block and 24-29 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 Regulations 2019 and Tariff Regulations, 2024 as per para 15&18 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 and when the same 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 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 the 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 the 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 the Commission for claiming the overall capital spares 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 the 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) An Enquiry Committee was constituted by the Ministry of Power (MoP) to analyze the causes of the grid disturbances in NEW Grid in July 2012 under the Chairmanship of Chairperson, CEA. The Committee, *inter-alia*, recommended the installation of adequate static and dynamic reactive power compensators to provide the voltage support under the steady state and dynamic conditions.
- (b) In view of the above, system studies were carried out jointly by the CEA and the Petitioner to identify/ estimate the dynamic reactive power support requirement. The study results were discussed in various Standing Committee Meetings on Power System Planning of Eastern Region (SCM), TCC and ERPC, wherein, it was decided to provide dynamic reactive compensation at 4 (four) Sub-stations in the Eastern Region viz. Rourkela, Ranchi (New), Kishanganj and Jeypore in the Eastern Region.
- (c) The scope of the transmission project was discussed and agreed in the 14th and 15th SCM held on 5.1.2013 and 27.8.2013, respectively, and 25th



meeting of TCC and ERPC held on 20.9.2013 and 21.9.2013, respectively. Further, the transmission project was also discussed and agreed in 28th meeting of TCC and ERPC held on 12.9.2014 and 13.9.2014, respectively.

- (d) The Investment Approval (the IA) for implementation of the transmission project was accorded by the Board of Directors of the Petitioner Company vide Memorandum No. C/CP/ERSS-XI dated 9.5.2016 in 328th meeting held on 5.5.2016 for ₹76621.00 lakh having 'Nil' IDC component (based on October 2015 price level).
- (e) The scope of the work covered under the transmission project is as follows:

| Sub-station | Mechanically Switched Compensation | | Dynamic Compensation(STATCOM) |
|--------------|------------------------------------|----------------------|-------------------------------|
| | Reactor x 125 MVAR | Capacitor x 125 MVAR | +/- MVAR |
| Rourkela | 2 | 0 | ±300 |
| Ranchi (new) | 2 | 0 | ±300 |
| Kishanganj | 2 | 2 | ±200 |
| Jeypore | 2 | 2 | ±200 |

- (f) As per the IA, the Scheduled Commercial Operation Date (SCOD) of the transmission project was 5.11.2018, against which the actual COD of Asset-I, Asset-II, Asset-III, and Asset-IV were 30.3.2018, 1.7.2018, 16.7.2018, and 16.3.2019, respectively.
- (g) The entire scope of the work under the transmission project has been completed. The transmission tariff for (Asset-I and Asset-II) and (Asset-III and Asset-IV) for the period from their respective CODs to 31.3.2019 was allowed vide orders dated 1.11.2019 and 29.3.2020 in Petition No. 173/TT/2018 and Petition No. 272/TT/2018, respectively. The Commission vide order dated 18.10.2021 in Petition No. 658/TT/2020, had trued-up the tariff for the transmission assets for the 2014-19 tariff period

and determined the tariff in respect of the Combined Asset (Asset-I, Asset-II, Asset-III and Asset-IV were combined during the 2019-24 tariff period) for the 2019-24 tariff period.

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

5. The Petitioner has served a copy of the Petition on the Respondents, and notice regarding the filing of this Petition has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (the Act). However, no comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers. None of the Respondents has filed their reply in the Petition.

6. The hearing in the matter was held on 6.11.2025 and the was reserved. This order is being issued after considering the Petitioner's submissions in the Petition vide affidavit dated 22.10.2024, and additional affidavits of the Petitioner dated 9.9.2025 and 13.11.2025.

7. Having heard the parties 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 Asset for the 2019-24 tariff period:

| Particulars | (₹ in lakh) | | | | |
|------------------|-------------|---------|---------|---------|---------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Depreciation | 350.40 | 368.82 | 378.98 | 381.56 | 382.69 |
| Interest on Loan | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Return on Equity | 1157.60 | 1223.23 | 1254.94 | 1257.82 | 1259.24 |



| | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| O&M Expenses | 928.78 | 961.41 | 995.10 | 1030.08 | 1066.18 |
| Interest on Working Capital | 63.15 | 61.51 | 59.18 | 60.58 | 70.86 |
| Total | 2499.93 | 2614.97 | 2688.20 | 2730.04 | 2778.97 |

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

| (₹ in lakh) | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| O&M Expenses | 77.40 | 80.12 | 82.93 | 85.84 | 88.85 |
| Maintenance Spares | 139.32 | 144.21 | 149.27 | 154.51 | 159.93 |
| Receivables | 307.37 | 322.29 | 331.42 | 336.58 | 341.68 |
| Total Working Capital | 524.09 | 546.72 | 563.62 | 576.93 | 590.46 |
| Rate of Interest (in %) | 12.05 | 11.25 | 10.50 | 10.50 | 12.00 |
| Interest on Working Capital | 63.15 | 61.51 | 59.18 | 60.58 | 70.86 |

Capital Cost for the 2019-24 Tariff Period

10. The Commission, vide order dated 18.10.2021 in Petition No. 658/TT/2020, has allowed the capital cost and ACE in respect of the Combined Asset for the 2019-24 tariff period and the details of same are as under:

| (₹ in lakh) | | | | | | | |
|----------------|--------------------------------------|---|---------|---------|---------|---------|--------------------------------------|
| Asset | Capital Cost admitted as on 1.4.2019 | ACE allowed for the 2019-24 tariff period | | | | | Capital Cost allowed as on 31.3.2024 |
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| Combined Asset | 5972.06 | 1449.38 | 283.46 | 34.07 | 0.00 | 0.00 | 7738.97 |

11. In the instant true-up Petition, the Petitioner has claimed the following capital cost and ACE for the 2019-24 tariff period in respect of the Combined Asset:

| (₹ in lakh) | | | | | | | |
|----------------|--------------------------------------|---|---------|---------|---------|---------|------------------------------|
| Asset | Capital Cost allowed as on 31.3.2019 | ACE claimed for the 2019-24 tariff period | | | | | Capital Cost as on 31.3.2024 |
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| Combined Asset | 5972.06 | 382.59 | #316.27 | 71.23 | 30.99 | 19.61 | 6792.75 |

Note: #Capital cost considered for tariff calculation after adjustment of 90% grant. However, total grant received is utilized by the year 2020-21,
The grant for the year 2020-21 is 74.37%.



12. We have considered the Petitioner's submission. It has been observed that the Commission vide order dated 18.10.2021 in Petition No. 658/TT/2020 had approved the capital cost as ₹5972.06 lakh as on 31.3.2019 in respect of the Combined Asset.

Treatment of PSDF Grant

13. The Petitioner has submitted that it has received PSDF grant amounting to ₹58112 lakh (including interest) as on 22.1.2021 and has utilized the grant completely with zero balance. The details of the same are as follows:

| Year | (₹ in lakh) | | |
|--------------|------------------------------|-----------------|----------------------|
| | PSDF Grant received upto COD | Interest earned | Total to be adjusted |
| 2016-17 | 6303.00 | - | 6303.00 |
| 2017-18 | 10335.00 | - | 10335.00 |
| 2018-19 | 40531.00 | - | 40531.00 |
| 2019-20 | 00 | 302.00 | 302.00 |
| 2020-21 | 595.00 | 043.00 | 638.00 |
| 2021-22 | 00 | 2.00 | 2.00 |
| 2022-23 | 00 | 1.00 | 1.00 |
| 2023-24 | 00 | 00 | 000 |
| Total | 57764.00 | 348.00 | 58112.00 |

14. The Petitioner has further submitted that capital cost has been considered after adjustment of the grant up to 90%. However, total grant received was utilized by year 2020-21. During FY 2020-21, the grant was 74.63% only resulting in a shortfall, which was funded through equity. From 2021-22 onwards, the net expenditure was funded through normative loan and equity in the ratio of 70:30. The grant will be adjusted up to 90% of the actual expenditure, to the extent of grant received, and the balance amount, if any, shall be funded through the equity only.

15. We have considered the Petitioner's submissions and it has been observed that the Commission, vide order dated 18.10.2021 in Petition No. 658/TT/2020, had approved the capital cost of ₹5972.06 lakh as on 31.3.2019 after the adjustment of PSDF grant ₹53751.05 lakh received by the Petitioner. The details of same are as

follows:

| (₹ in lakh) | | | |
|--------------|-------------------------|---------------------------|-------------------------------------|
| Assets | Grant adjusted upto COD | Grant adjusted in 2018-19 | Total Grant adjusted upto 31.3.2019 |
| Asset-I | 9461.83 | 3587.54 | 13049.37 |
| Asset-II | 7969.26 | 5419.44 | 13388.70 |
| Asset-III | 8847.04 | 5678.11 | 14525.15 |
| Asset-IV | 10854.60 | 1933.23 | 12787.83 |
| Total | 37132.73 | 16618.32 | 53751.05 |

16. However, in the instant Petition, the Petitioner has submitted the details of the PSDF grant received in the successive years. It is observed that, as per details submitted by the Petitioner, the total PSDF grant received by the Petitioner up to 31.3.2019 amounts to ₹57169.00 lakhs. The detail of same is as follows:

| (₹ in lakh) | |
|--------------|----------------------------------|
| Particulars | PSDF Grant received upto the COD |
| 2016-17 | 6303.00 |
| 2017-18 | 10335.00 |
| 2018-19 | 40531.00 |
| Total | 57169.00 |

17. Accordingly, it has been observed that the Commission vide order dated 18.10.2021 in Petition No. 658/TT/2020 had adjusted the PSDF grant amounting to ₹53751.05 lakh up to 31.3.2019. However, as per the details submitted in the instant Petition, the Petitioner has actually received PSDF grant of ₹57169.00 lakh up to 31.3.2019, which is higher by ₹3417.95 lakh (₹57169.00 lakh - ₹53751.05 lakh) than the grant amount already adjusted by the Commission.

18. Regulation 19(5)(e) of the 2019 Tariff Regulation provides as follows:

“19(5) The Following shall be excluded from the capital cost of the existing and new Projects:

.....

(e) Any grant received from the Central and State Government or any statutory body or authority for the execution of the project which does not carry any liabilities of repayment.”



19. Therefore, in view of the above and as per Regulation 19(5)(e) of 2019 Tariff Regulations, the differential amount of actual PSDF grant received by the Petitioner upto 31.3.2019 i.e. ₹3417.95 lakh shall be deducted from the opening capital cost of the Combined Asset.

20. Therefore, the details of the capital cost as on 1.4.2019 in respect of Combined Asset is as follows:

(₹ in lakh)

| Asset | Capital Cost as on 31.3.2019 | Adjustment of differential amount of PSDF grant | Capital Cost as on 1.4.2019 |
|----------------|------------------------------|---|-----------------------------|
| Combined Asset | 5972.06 | 3417.95 | 2554.11 |

Additional Capital Expenditure (ACE)

21. The Commission vide order dated 18.10.2021 in Petition No. 658/TT/2020 had approved the following ACE under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations for the Combined Asset for 2019-24 tariff period:

(₹ in lakh)

| Particulars | ACE allowed for the 2019-24 tariff period | | | | |
|---|---|---------|---------|---------|---------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Undischarged liabilities recognized to be payable at a future date and Works deferred for execution within the cut-off date | 1449.38 | 283.46 | 34.07 | 0.00 | 0.00 |

22. In the instant Petition, the Petitioner has claimed the following ACE with respect to the Combined Asset based on the actual expenditure in accordance with Regulations 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations:

(₹ in lakh)

| Asset | Particulars | ACE claimed for 2019-24 | Claimed under Regulation |
|----------------|--|-------------------------|--------------------------|
| Combined Asset | Expenditure as per Auditor's Certificate | 3825.87 | |
| | Less: Grant received during the year | 3443.28 | |
| | Total ACE claimed (2019-20) | 382.59 | 24(1)(a) |
| | Expenditure as per Auditor's | 1233.94 | |



| | | |
|--|---------------|-----------------|
| Certificate | | |
| Less: Grant received during the year | 917.67 | |
| Total ACE claimed (2020-21) | 316.27 | 24(1)(a) |
| Expenditure as per Auditor's Certificate | 71.23 | |
| Less: Grant received during the year | 0.00 | |
| Total ACE claimed (2021-22) | 71.23 | 25(1)(d) |
| Expenditure as per Auditor's Certificate | 30.99 | |
| Less: Grant received during the year | 0.00 | |
| Total ACE claimed (2022-23) | 30.99 | 25(1)(d) |
| Expenditure as per Auditor's Certificate | 19.61 | |
| Less: Grant received during the year | 0.00 | |
| Total ACE claimed (2023-24) | 19.61 | 25(1)(d) |

23. The Petitioner has submitted that the primary reason for variations in the approved ACE and actual ACE is that while projecting the estimated ACE, the contracts were not closed and the 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 vendor, after receipt of the final invoices, incorporating the amendments, and after due reconciliation in accordance with the contractual provisions.

24. The Petitioner in the instant true-up Petition has also submitted the following Liability Flow Statement in respect of the transmission assets:

Asset-I

(₹ in lakh)

| Party | Particulars | Outstanding Liability as on 31.3.2019 | Discharge of Liability | | | | | | Outstanding Liability as on 31.3.2024 |
|-----------------------------------|-------------|---------------------------------------|------------------------|---------------|-------------|-------------|-------------|---------------|---------------------------------------|
| | | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total (19-24) | |
| SIEMENS | Sub-station | 871.45 | 628.82 | 242.63 | 0 | 0 | 0 | 871.45 | - |
| 3d Fire & Safety Pvt. Ltd. | Sub-station | 58.71 | 28.62 | 29.95 | 0.14 | 0 | 0 | 58.71 | - |
| GE T&D | Sub-station | 9.85 | 4.70 | 3.11 | 1.37 | 0 | 0.67 | 9.85 | - |
| Omicron Energy Solutions Pvt. Ltd | Sub-station | 7.99 | 7.99 | - | 0 | 0 | 0 | 7.99 | - |
| Radiant Agencies | Sub-station | 0.15 | 0.15 | - | 0 | 0 | 0 | 0.15 | - |
| Total | | 948.15 | 670.28 | 275.69 | 1.51 | 0.00 | 0.67 | 948.15 | 0.00 |

Asset-II

(₹ in lakh)

| Party | Particulars | Outstanding Liability as on 31.3.2019 | Discharge of Liability | | | | | | Outstanding Liability as on 31.3.2024 |
|-------|-------------|---------------------------------------|------------------------|---------|---------|---------|---------|---------------|---------------------------------------|
| | | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total (19-24) | |
| | | | | | | | | | |



| Party | Particulars | Outstanding Liability as on 31.3.2019 | Discharge of Liability | | | | | Outstanding Liability as on 31.3.2024 | |
|-----------------------------------|-------------|---------------------------------------|------------------------|---------------|--------------|--------------|--------------|---------------------------------------|-------------|
| | | | | | | | | | |
| SIEMENS | Sub-station | 1645.12 | 1378.60 | 266.52 | 0.00 | 0.00 | 0.00 | 1645.12 | - |
| Ganesh Patanaik | Sub-station | 38.26 | 13.48 | 0.00 | 19.29 | 5.49 | 0.00 | 38.26 | - |
| GE T&D | Sub-station | 9.75 | 4.70 | 3.11 | 1.38 | 0.00 | 0.56 | 9.75 | - |
| Omicron Energy Solutions Pvt. Ltd | Sub-station | 7.96 | 7.96 | 0.00 | 0.00 | 0.00 | 0.00 | 7.96 | - |
| K V Ramana Reddy | Sub-station | 37.99 | 0.00 | 37.99 | 0.00 | 0.00 | 0.00 | 37.99 | - |
| Gouranga Panigrahi | Sub-station | 28.23 | 0.00 | 0.00 | 7.24 | 6.21 | 14.78 | 28.23 | - |
| Total | | 1767.31 | 1404.74 | 307.62 | 27.91 | 11.70 | 15.34 | 1767.31 | 0.00 |

Asset-III

(₹ in lakh)

| Particulars | Outstanding Liability as on 31.3.2019 | Discharge of Liability | | | | | Outstanding Liability as on 31.3.2024 | |
|-------------|---------------------------------------|------------------------|---------|---------|---------|---------|---------------------------------------|---------------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | | Total (19-24) |
| Sub-station | 467.94 | 590.02 | 431.01 | 40.50 | 18.45 | 3.60 | 460.04 | 7.90 |

Asset-IV

(₹ in lakh)

| Particulars | Outstanding Liability as on 31.3.2019 | Discharge of Liability | | | | | Outstanding Liability as on 31.3.2024 | |
|-------------|---------------------------------------|------------------------|---------|---------|---------|---------|---------------------------------------|---------------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | | Total (19-24) |
| Sub-station | 1382.60 | 1160.83 | 219.62 | 1.31 | 0.84 | - | 1382.60 | - |

25. In response to the Commission's queries, the Petitioner vide affidavit dated 9.9.2025 has reiterated its submission made in the instant Petition and further submitted that the variation in the cost is on the account of price difference from the time of approval of project till award of various contracts, based on competitive prices discovered through competitive bidding. The Petitioner has submitted that, through an open competitive bidding process, the lowest possible market prices for required product and services based on detailed design, were obtained and contracts were awarded to the lowest evaluated eligible bidder on overall basis. The Petitioner has further submitted that the best competitive bid prices against tenders may vary as compared to the cost estimate depending upon prevailing market condition, design and site requirements, whereas, the estimates are prepared by the Petitioner as per well-defined procedures. The FR cost estimate is a broad indicative cost, worked out generally on the basis of average unit rates of recently awarded contracts.

26. The Petitioner has also submitted that no amount has been recovered as liquidated damages (LD) and requested to allow the actual ACE incurred during the



2019-24 tariff period for the Combined Asset.

27. We have considered the submissions of the Petitioner and it has been observed that the Commission vide order dated 18.10.2021 in Petition No. 658/TT/2020, had approved the capital cost of ₹5972.06 lakh as on 31.3.2019 after the adjustment of PSDF grant of ₹53751.05 lakh received by the Petitioner and had allowed only 30% of ACE for the 2019-24 tariff period due to the absence of relevant information regarding PSDF grant received. The details of the same are as under:

| Capital Cost admitted as on 1.4.2019 | ACE Claimed during 2019-24 tariff period | | | Capital Cost allowed as on 31.3.2024 |
|--------------------------------------|--|---------|---------|--------------------------------------|
| | 2019-20 | 2020-21 | 2021-22 | |
| 5972.06 | 1449.38 | 283.46 | 34.07 | 7738.97 |

28. However, in the instant Petition, the Petitioner has submitted that the actual grant received is ₹57169.00 lakh, i.e., Rs.3417.95 lakh more than the already adjusted grant value by the Commission vide the aforesaid order. Therefore, the differential amount of PSDF grant received of ₹3417.95 lakh shall be deducted from the opening capital cost and the same differential amount shall be adjusted in the ACE for 2019-24 tariff period in respect of the Combined Asset.

29. Accordingly, the ACE for the 2019-24 tariff period as per the actual PSDF grant received as submitted by the Petitioner in the instant Petition, are as follows:

| Asset | Particulars | ACE Claimed | ACE as per actual grant received | Adjusted in ACE (Allowed / Claimed) |
|----------------|--|---------------|----------------------------------|-------------------------------------|
| | | | | (₹ in lakh) |
| Combined Asset | Expenditure as per Auditor's Certificate | 3825.87 | 3825.87 | |
| | Less: Grant received during the year | 3443.28 | 302.00 | |
| | Total ACE (2019-20) | 382.59 | 3523.87 | 3141.28 |
| | Expenditure as per Auditor's Certificate | 1233.94 | 1233.94 | |
| | Less: Grant received during the year | 917.67 | 638.00 | |



| | | | | |
|--|--|---------------|----------------|----------------|
| | Total ACE (2020-21) | 316.27 | 595.94 | 279.67 |
| | Expenditure as per Auditor's Certificate | 71.23 | 71.23 | |
| | Less: Grant received during the year | 0.00 | 2.00 | |
| | Total ACE (2021-22) | 71.23 | 69.23 | (2.00) |
| | Expenditure as per Auditor's Certificate | 30.99 | 30.99 | |
| | Less: Grant received during the year | 0.00 | 1.00 | |
| | Total ACE (2022-23) | 30.99 | 29.99 | (1.00) |
| | Expenditure as per Auditor's Certificate | 19.61 | 19.61 | |
| | Less: Grant received during the year | 0.00 | 0.00 | |
| | Total ACE (2023-24) | 19.61 | 19.61 | 0.00 |
| | Total | 820.69 | 4238.64 | 3417.95 |

30. The E-COD of the Combined Asset is approved as 12.8.2018 vide order dated.18.10.2021 in the Petition No. 658/TT/2020 and the cut-off date works out to be 31.3.2022. The ACE claimed by the Petitioner for the Combined Asset upto the cut-off date is allowed under Regulation 24(1)(a) of the 2019 Tariff Regulations on undischarged liabilities recognized to be payable at a future date. The ACE claimed by the Petitioner in case of the Combined Asset after the cut-off date is allowed under Regulation 25(1)(d) of the 2019 Tariff Regulations for liability of works executed prior to the cut-off date. The ACE allowed is as under:

| Asset | ACE allowed for (2019-24) | | | | | Total ACE |
|----------------|---------------------------|---------|---------|---------|---------|-----------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| Combined Asset | 3523.87 | 595.94 | 69.23 | 29.99 | 19.61 | 4238.64 |

31. Accordingly, the capital cost and ACE allowed with respect to the Combined Asset for the 2019-24 tariff period is as follows:

| (₹ in lakh) | | | | |
|-------------|------------------------------|---|--|---|
| Assets | FR Apportioned Approved Cost | Expenditure as on 31.3.2019 on the basis received on actual basis of PSDF Grant | Admitted ACE after the adjustment of PSDF Grant received on actual basis | Actual Capital Cost as on 31.3.2024 net of PSDF Grant |
| | | | | |



| | | | | |
|----------------|----------|---------|----------------|---------|
| | | | 2019-24 | |
| Combined Asset | 76621.00 | 2554.11 | 4238.64 | 6792.75 |

Debt-Equity Ratio

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

| Funding | Capital Cost as on 1.4.2019 net of PSDF Grant | | ACE during the 2019-24 tariff period net of PSDF Grant | Capital Cost as on 31.3.2024 net of PSDF Grant | |
|---------------|---|---------------|--|--|---------------|
| | (₹ in lakh) | (in %) | (₹ in lakh) | (₹ in lakh) | (in %) |
| Debt | 0.00 | 0.00 | 13.73 | 13.73 | 0.20 |
| Equity | 2554.11 | 100.00 | 4224.91 | 6779.02 | 99.80 |
| Total | 2554.11 | 100.00 | 4238.64 | 6792.75 | 100.00 |

Depreciation

33. The 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 Asset as per the rates of depreciation specified in the 2019 Tariff Regulations. Accordingly, the depreciation allowed in respect of the Combined Asset is as follows:

| (₹ in lakh) | | | | | | |
|-------------|---|---------|---------|---------|---------|---------|
| Sl. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| A | Opening Gross Block | 2554.11 | 6077.98 | 6673.92 | 6743.15 | 6773.14 |
| B | Addition during the year 2019-24 due to ACE | 3523.87 | 595.94 | 69.23 | 29.99 | 19.61 |
| C | Closing Gross Block (A+B) | 6077.98 | 6673.92 | 6743.15 | 6773.14 | 6792.75 |
| D | Average Gross Block (A+C)/2 | 4316.05 | 6375.95 | 6708.54 | 6758.15 | 6782.95 |
| E | Average Gross Block (90% depreciable assets) | 4197.87 | 6257.77 | 6590.36 | 6639.97 | 6664.77 |
| F | Average Gross Block (100% depreciable assets) | 118.18 | 118.18 | 118.18 | 118.18 | 118.18 |
| G | Depreciable value (excluding IT equipment and software) (E*90%) | 3778.08 | 5632.00 | 5931.32 | 5975.97 | 5998.29 |
| H | Depreciable value of IT equipment and software (F*100%) | 118.18 | 118.18 | 118.18 | 118.18 | 118.18 |
| I | Total Depreciable Value (G+H) | 3896.26 | 5750.17 | 6049.50 | 6094.15 | 6116.47 |
| J | Weighted average rate of Depreciation (WAROD) (in %) | 5.52 | 5.44 | 5.43 | 5.43 | 5.43 |
| K | Lapsed useful life at the beginning | 0.00 | 1.00 | 2.00 | 3.00 | 4.00 |

| Sl. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------|--|---------------|---------------|---------------|---------------|---------------|
| | of the year (Year) | | | | | |
| L | Balance useful life at the beginning of the year (Year) | 24.00 | 23.00 | 22.00 | 21.00 | 20.00 |
| M | Depreciation during the year (D*J) | 238.36 | 346.91 | 364.41 | 366.90 | 368.01 |
| N | Cumulative Depreciation at the end of the year | 402.06 | 748.98 | 1113.39 | 1480.29 | 1848.29 |
| O | Remaining Aggregate Depreciable Value at the end of the year | 3494.19 | 5001.19 | 4936.11 | 4613.86 | 4268.18 |

34. The details of the depreciation allowed vide order dated 18.10.2021 in Petition No. 658/TT/2020 for the Combined Asset, depreciation claimed in the instant Petition, and trued-up depreciation approved in respect of the Combined Asset in the instant order are as follows:

| Particulars | (₹ in lakh) | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Allowed vide order dated 18.10.2021 in Petition No. 658/TT/2020 | 378.56 | 424.28 | 432.66 | 433.56 | 433.56 |
| Claimed by the Petitioner in the instant Petition | 350.40 | 368.82 | 378.98 | 381.56 | 382.69 |
| Approved after truing-up in this order | 238.36 | 346.91 | 364.41 | 366.90 | 368.01 |

Interest on Loan (IoL)

35. The Petitioner has not claimed IoL considering PSDF grant. As the balance amount after reducing the grant is being treated as equity, hence, there is no IoL for the Combined Asset.

Return on Equity (RoE)

36. 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, 2022-23 and the Income Tax Return for FY 2023-24 will be filed in due course.

