

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 520/TT/2025**

**Coram:**

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

**Date of Order: 02.03.2026**

**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 for the 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 for determination of transmission tariff for the 2024-29 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for Asset-1: 01 No. 230 KV line Bay at Tuticorin-II GIS PS under "Implementation of 1 No. 230 KV Bay at Tuticorin-II GIS PS" in the Southern Region.

**And in the matter of:**

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

..... **Petitioner**

**Versus**

- 1. Tamil Nadu Generation and Distribution Corporation Limited,**  
NPKRR Maaligai, 800, Anna Salai,  
Chennai – 600 002.
- 2. Kerala State Electricity Board Limited,**  
Vaidyuthi Bhavanam, Pattom – 695 004  
Thiruvananthapuram.
- 3. Electricity Department,**  
Government of Goa, Vidyuti Bhawan,  
Panaji – 403 001, Goa.
- 4. Electricity Department,**  
Government of Pondicherry, 137, Netaji,  
Subash Chandra Bose, Salai – 605 001,  
Pondicherry.



- 5. Eastern Power Distribution Company of Andhra Pradesh Limited,**  
APEPDCL, P&T Colony, Seethmmadhara,  
Vishakhapatnam, Andhra Pradesh.
- 6. Southern Power Distribution Company of Andhra Pradesh Limited,**  
19-13-65/A, Srinivasapuram, Tiruchanoor Road,  
Tirupati – 517 503, Andhra Pradesh.
- 7. Andhra Pradesh Central Power Distribution Company Limited,**  
Corporate Office, Beside Polytechnic College, ITI Road,  
Vijayawada – 520 008, Krishna District, Andhra Pradesh.
- 8. Southern Power Distribution Company of Telangana Limited,**  
6-1-50, Corporate Office, Mint Compound,  
Hyderabad – 500 063, Telangana.
- 9. Northern Power Distribution Company of Telangana Limited,**  
H.No. 2-5-3 ½, Vidyut Bhawan, Corporate Office, Nakkal,  
Gutta, Hanamkonda, Warangal – 506 001, Telangana.
- 10. Bangalore Electricity Supply Company Limited,**  
Corporate Office, K. R. Circle,  
Bangalore – 560 001, Karnataka.
- 11. Gulbarga Electricity Supply Company Limited,**  
Corporate Office, Station Main Road, Opp. Parivar Hotel,  
Gulbarga (Kalburgi) – 585 102, Karnataka.
- 12. Hubli Electricity Supply Company Limited,**  
Navanagar, PB Road, Hubli – 580 025, Karnataka.
- 13. Mangalore Electricity Supply Company Limited,**  
Corporate Office, 1st Floor, MESCOM Bhavan,  
Kavoor Cross Road, Bejai,  
Mangalore – 575 004, Karnataka.
- 14. Chamundeswari Electricity Supply Company Limited,**  
Corporate Office, 29, Vijayanagara 2nd Stage, Hinkal,  
Mysuru – 570 017, Karnataka.
- 15. NTPC Limited,**  
NTPC Bhawan, SCOPE Complex, Institutional Area,  
Lodhi Road, New Delhi – 110 003.
- 16. NTPC Green Energy Limited (NGEL),**  
E-3, Ecotech-I, Udyog Vihar,



Greater Noida – 201 306,  
Uttar Pradesh.

..... Respondent(s)

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

### **ORDER**

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as “the Petitioner”) 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 (hereinafter referred to as “the 2019 Tariff Regulations”) and the determination of the transmission tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 period (hereinafter referred to as “the 2024 Tariff Regulations”) for the 2024-29 tariff period in respect to the following transmission asset under “Implementation of 1 No. 230 KV Bay at Tuticorin-II GIS PS” in the Southern Region (hereinafter referred to as “the transmission asset” for the 2019-24 and 2024-29 tariff period) :

<b>Asset</b>	<b>Asset Name</b>	<b>COD</b>
<b>Asset-1</b>	01 No. 230 KV line Bay at Tuticorin-II GIS PS	19.8.2022*

\* COD was approved under Regulation 5(2) of the 2019 Tariff Regulations.

2. The Petitioner has made the following prayers in the instant Petition:
- “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 20 and 21 above.*
  - Admit the capital cost claimed, and additional capitalization incurred during 2019-24 and projected 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 20 and 21 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 the Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 27 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 27 above.*
- i) *Allow the petitioner to file a separate petition before the Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 27 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 28 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 under:
  - a. Investment Approval (the IA) for the transmission project was accorded by the Petitioner’s Competent Authority on 26.10.2021, vide Memorandum No. C/CP/PA2122-07-0T-IA019, at an estimated cost of ₹765 lakh, including the



Interest During Construction (IDC) of ₹17 lakh, based on the June 2021 price level.

- b. The transmission project was agreed upon in the 2<sup>nd</sup> meeting of SRPC (TP) held on 1.10.2020. The transmission project was recommended for implementation through the TBCB/RTM route in the 4<sup>th</sup> meeting of the National Committee on Transmission (NCT) held on 20.1.2021 and on 28.1.2021. Subsequently, the Ministry of Power (MoP), Government of India (GoI), vide Office Memorandum (OM) dated 16.7.2021, awarded the transmission project to the Central Transmission Utility of India Limited (CTUIL) for implementation under the Regulated Tariff Mechanism by the Petitioner (implementing agency).
- c. The entire scope of the transmission project is covered in the instant Petition.
- d. The Commission, vide Order dated 2.8.2024 in Petition No. 67/TT2023 had determined the transmission tariff in respect of the transmission asset, from the COD to 31.3.2024.

**Time overrun:**

- e. The Commission, vide its Order dated 2.8.2024 in Petition No. 67/TT/2023, did not condone the entire time overrun of 26 days in commissioning of the instant transmission asset. The details of the same are as follows:

<b>Asset</b>	<b>SCOD</b>	<b>COD</b>	<b>Time Overrun</b>	<b>Time over-run condoned (in days)</b>	<b>Time over-run not condoned (in days)</b>
Asset-1	24.07.2022	19.08.2022	26 days	Nil	26 days

4. The Respondents are the Distribution Licensees, Transmission Licensees, and Power Departments, mainly beneficiaries of the Southern Region, which are procuring transmission services from the Petitioner.



5. The Petitioner has served a copy of the Petition on the Respondents, and the 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, including NGEL, have filed reply in the matter despite notice.

6. The hearings in this matter were held on 30.10.2025 and 11.12.2025, and the Order was reserved. This Order is being passed after considering the Petition filed vide affidavit dated 7.11.2024. The Petitioner has filed submissions vide affidavits dated 18.8.2025, 12.11.2025, and 29.12.2025.

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

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

8. The details of the trued-up transmission charges claimed by the Petitioner with respect to the transmission asset are as follows:

Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 225 days)	2023-24
Depreciation	15.36	26.51
Interest on Loan	11.61	19.19
Return on Equity	12.92	22.42
Interest on Working Capital	0.93	1.80
O&M Expenses	10.77	18.09
<b>Total</b>	<b>51.59</b>	<b>88.01</b>

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner with respect to the transmission asset are as follows:



Particulars	(₹ in lakh)	
	2022-23 (pro-rata for 225 days)	2023-24
O&M Expenses	1.46	1.51
Maintenance Spares	2.62	2.71
Receivables	10.32	10.82
<b>Total Working Capital</b>	<b>14.40</b>	<b>15.04</b>
Rate of Interest (in %)	10.50	12.00
<b>Interest on Working Capital</b>	<b>0.93</b>	<b>1.80</b>

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

10. The Capital Cost of the transmission project has been calculated in accordance with Regulation 19(1) and 19(3) of the 2019 Tariff Regulations.

11. The Commission, vide its Order dated 2.8.2024 in Petition No. 67/TT/2023 had allowed the capital cost as on COD of ₹ 356.82 lakh in respect of the transmission asset.

12. The Petitioner in the instant true-up Petition has claimed the capital cost as on COD of ₹ 357.95 lakh in respect to the transmission asset. The Petitioner has submitted that the IDC of ₹1.13 lakh was disallowed vide Order dated 2.8.2024 in Petition No. 67/TT/2023 has been reduced from the ACE of 2022-23 instead from capital cost as on COD.

13. We have considered the submissions of the Petitioner. We proceed with the computation of IDC and IEDC in respect of the transmission asset.

### **Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)**

14. As the time over-run, in case of the transmission asset has not been condoned, the IDC up to the COD has been worked out based on the loan details provided in the statement showing discharge of IDC and Form-9C for the transmission asset. The IDC claimed and considered as on COD, along with a summary of the discharge of IDC



liability up to COD and thereafter for tariff determination purposes of the transmission asset, subject to revision at the time of trueing up, is as follows:

(₹ in lakh)

Asset	IDC as per Auditor's Certificate (A)	IDC admissible (B)	Less: Disallowed at COD (C) =(A)-(B)	Less: IDC undischarged as on COD (D)
Asset-1	3.43	2.61	0.82	1.46

15. The Commission, vide Order dated 2.8.2024 in Petition No. 67/TT/2023 had disallowed the IEDC of ₹4.36 lakh due to time over-run not condoned and the same has been retained.

16. Accordingly, the details of the trueed-up capital cost in respect to the transmission asset for the 2019-24 tariff period are as under:

(₹ in lakh)

Asset	Capital Cost as on COD as per Auditor Certificate	Less: IDC Disallow ed	Less: IEDC Disallow ed	Less: un-discharge d IDC as on COD	Capital Cost Allowed as on COD
Asset-1	363.77	0.82	4.36	1.46	357.13

**Additional Capital Expenditure (ACE)**

17. The Commission, vide its Order dated 2.8.2024 in Petition No. 67/TT/2023, had allowed the ACE with respect to the transmission asset under Regulation 24(1) (a) & (b) of the 2019 Tariff Regulations for the 2019-24 tariff period, and the details of the same are as under:

(₹ in lakh)

ACE allowed					Regulation
2019-20	2020-21	2021-22	2022-23	2023-24	
-	-	-	219.87	80.38	Regulation 24(1) (a) & (b) of the 2019 Tariff Regulation.

18. The Petitioner in the instant true-up Petition has claimed the ACE for the 2019-24 tariff period in respect of the transmission asset based on Actual Expenditure and



the details of same are as under:

ACE claimed					Regulation
2019-20	2020-21	2021-22	2022-23	2023-24	
-	-	-	27.62	24.01	Regulation 24(1) (a) & (b) of the 2019 Tariff Regulation.
			0.33 (1.46-1.13)	0.00	Un-discharged IDC and IDC disallowed
			<b>27.95</b>	<b>24.01</b>	<b>Total</b>

19. The Petitioner, vide affidavit dated 7.11.2024, has also submitted the Liability Flow Statement for claiming the discharge of liabilities under 24(1) (a) & (b) of 2019 Tariff Regulations for the 2019-24 tariff period. The details are as under:

Asset	Party-Wise	Particulars	Outstanding Liability as on 31.3.2019	Liability Discharge			Additional liability (Unexecuted work)			Outstanding Liability as on 31.3.2024
				2022-23	2023-24	Total (19-24)	2022-23	2023-24	Total (19-24)	
Asset-1	M/s Linxon India Pvt Ltd.	S/s Work	269.65			0.00	23.49	24.01	47.50	222.15
	M/s Linxon India Pvt Ltd.	IT Equipment	4.13		4.13	4.13			0.00	0.00
	Misc Civil work	Building and Civil Works	50.00			0.00			0.00	50.00
		<b>Total</b>	<b>323.78</b>	<b>0.00</b>	<b>4.13</b>	<b>4.13</b>	<b>23.49</b>	<b>24.01</b>	<b>47.50</b>	<b>272.15</b>

20. We have considered the Petitioner's submissions. We observe that the Petitioner has claimed the ACE on account of the discharge of liability and unexecuted work on actual payments made to the contractor after receipt of invoices from the contractor and incorporating the amendments till the end of tariff period 2019-24. The add-cap approved by the Commission during the 2019-24 tariff period, was based on projections. In this regard, it may be noted that projecting the estimated ACE, contracts were not closed, and hence liabilities could not be finalized. Therefore, ACE claimed by the

