

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400 005
Tel. No. 022 22163964/65/69 – Fax 022 22163976
E-mail: mercindia@merc.gov.in
Website: www.merc.gov.in**

CASE No. 217 of 2022

**In the matter of
Case of The Tata Power Company Ltd. (Transmission) for approval of True-up of
Aggregate Revenue Requirement (ARR) for FY 2019-20, FY 2020-21 and FY 2021-22,
Provisional True-up of FY 2022-23 and Revised Projections of ARR for FY 2023-24 and
FY 2024-25**

**Coram
Sanjay Kumar, Chairperson
I.M. Bohari, Member
Mukesh Khullar, Member**

Date: 31 March, 2023

ORDER

The Tata Power Company Limited (Transmission Business) (TPC-T), 24, Homi Mody Street, Fort, Mumbai, has filed a Mid-Term Review (MTR) Petition for the approval of final Truing-up of Aggregate Revenue Requirement (ARR) for FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing-up of ARR for FY 2022-23, and approval of revised ARR for FY 2023-24 and FY 2024-25.

The Petition has been filed in accordance with the MERC (Multi Year Tariff) Regulations, 2015 (“MYT Regulations, 2015”) and its amendment for Truing-up of FY 2019-20, and in accordance with the MERC (Multi Year Tariff) Regulations, 2019 (“MYT Regulations, 2019”) for final Truing up of ARR for FY 2020-21 and FY 2021-22, Provisional Truing-up of ARR for FY 2022-23, and approval of Revised ARR for FY 2023-24 and FY 2024-25.

In exercise of its powers under Sections 62 (read with Section 61) and 86 of the Electricity Act (EA), 2003 and all other powers enabling it in this behalf, and after taking into consideration the submissions made by TPC-T, the public and stakeholders and all other relevant material, the Commission issues the following Order.

TABLE OF CONTENTS

<u>1 BACKGROUND AND BRIEF HISTORY</u>	<u>10</u>
1.1 Background.....	10
1.2 MYT Regulations	10
1.3 Petition and Main Prayers of TPC-T	11
1.4 Admission of the Petition and Public Consultation Process.....	11
1.5 Organisation of the Order	12
<u>2 SUGGESTIONS/OBJECTIONS, TPC-T'S RESPONSES AND COMMISSION'S RULINGS</u>	<u>13</u>
2.1 Prudence Check of Various Expenses	13
2.2 Disallowance of Capitalisation	14
2.3 Disallowance of Expenditure Written Off.....	15
2.4 Deemed Put To Use Bays For Computation Of Normative O&M Expenses.....	16
2.5 Capitalisation Projected For Fy 2023-24 And Fy 2024-25	16
<u>3 TRUING-UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20, FY 2020-21 and FY 2021-22</u>	<u>18</u>
3.1 Background.....	18
3.2 Capital Expenditure and Capitalisation	18
3.3 Operation and Maintenance Expenses.....	38
3.4 Depreciation.....	71
3.5 Interest on loan capital.....	72
3.6 Refinancing and Other Finance Charges	74
3.7 Interest on Working Capital (IoWC)	76
3.8 Return on Equity (RoE).....	77
3.9 Income Tax (IT).....	81
3.10 Contribution to Contingency Reserves	84
3.11 Non-Tariff Income (NTI)	85
3.12 Income from Other Business	86
3.13 Incentive on Transmission Availability.....	87
3.14 Sharing of Gains and (Losses) on O&M expenses.....	88
3.15 Sharing of Gains and (Losses) on Interest on Working Capital (IoWC).....	89
3.16 Revenue from Transmission Business.....	90
3.17 Summary of Truing up.....	92
<u>4 PROVISIONAL TRUING-UP OF ARR FOR FY 2022-23</u>	<u>96</u>
4.1 Background for Provisional Truing-up for FY 2022-23.....	96
4.2 Capitalisation	96
4.3 Operation and Maintenance Expenses.....	99
4.4 Depreciation.....	101
4.5 Interest on loan capital.....	102

4.6	Interest on Working Capital (IoWC)	103
4.7	Other Finance Charges	104
4.8	Return on Equity (RoE)	104
4.9	Contribution to Contingency Reserves	106
4.10	Non-Tariff Income	107
4.11	Revenue from Transmission Charges	107
4.12	Summary of Provisional Truing up for FY 2022-23	108

5 REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24 AND FY 2024-25 **110**

5.1	Background	110
5.2	Capitalisation	110
5.3	Operation and Maintenance Expenses	113
5.4	Depreciation	117
5.5	Interest on loan capital	118
5.6	Interest on Working Capital	120
5.7	Return on Equity (RoE)	121
5.8	Contribution to Contingency Reserves	124
5.9	Non-Tariff Income	126
5.10	Past Recoveries	126
5.11	Impact of Review Order in Case No. 95 of 2020	129
5.12	Deemed Closure of 400 kV Vikhroli Project – Balance Claims	134
5.13	Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25	147

6 RECOVERY OF TRANSMISSION CHARGES **151**

7 APPLICABILITY OF THE ORDER **151**

Appendix-1: List of persons who attended the Technical Validation Session held on 13 December, 2022	152
Appendix-2: List of individuals who attended the Public Hearing held on 25 January, 2023	152
Appendix-3: Allowed capitalisation against in-principle approved DPR schemes (Rs. Crore)	153
Appendix-4: Disallowed capitalisation against in-principle approved DPR schemes (Rs. Crore)	166
Appendix-5: Non-DPR reclassified as Capex or R&M by the Commission for FY 2019-20 to FY 2024-25 (Rs. Crore)	168

List of Tables

Table 1: Capitalization for FY 2019-20, FY 2020-21 and FY 2021-22 as submitted by TPC-T (Rs. Crore).....	19
Table 2: DPR and Non-DPR Schemes considered for capitalisation for FY 2019-20, FY 2020-21, and FY 2021-22	20
Table 3: Cost Benefit Analysis of Major Schemes undertaken by TPC-T in FY 2019-20, FY 2020-21, and FY 2021-22	21
Table 4: Capitalisation considered by TPC-T in FY 2020-21 against Disallowance in earlier Tariff Orders (Rs. Crore).....	28
Table 5: Capitalisation allowed by the Commission against Disallowed Capitalisation claimed by TPC-T (Rs. Crore)	29
Table 6: Capitalisation claimed by TPC-T and approved by the Commission against past disallowed capitalisation of DPR (Rs. Crore)	30
Table 7: Capitalisation allowed by the Commission against Antop Hill Receiving station Capex Scheme.....	34
Table 8: O&M Work Claimed in non-DPR work which has been allowed in O&M expenses under normative limit (Rs. Crore).....	35
Table 9: O&M Work Claimed in non-DPR work which is allowed in O&M expense over and above Norms (Rs. Crore).....	35
Table 10: Summary of Capitalisation approved by the Commission after truing-up (Rs. Crore)	37
Table 11: Capitalisation approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	38
Table 12: Bays and Transmission Lines for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T	43
Table 13: Normative O&M Expenses calculated by TPC-T for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)	43
Table 14: Bays considered by TPC-T and approved by the Commission for FY 2019-20	46
Table 15: Bays considered by TPC-T and approved by the Commission for FY 2020-21	47
Table 16: Bays considered by TPC-T and approved by the Commission for FY 2021-22	50
Table 17: Bays for Normative O&M expenditure, as approved by the Commission	52
Table 18: Approved Normative O&M expenses for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	53
Table 19: Summary of Actual O&M Expenses for FY 2019-20, FY 2020-21, and FY 2021-22.....	55
Table 20: Comparison of Employee Expense in FY 2018-19 and FY 2019-20 (Rs. Crore)	56
Table 21: Comparison of Employee Expenses in FY 2019-20 and FY 2020-21 (Rs. Crore).....	57
Table 22: Comparison of Employee Expense in FY 2020-21 and FY 2021-22 (Rs. Crore)	58

Table 23: Employee Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)	59
Table 24: Comparison of A&G Expenses in FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	60
Table 25: A&G Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)	65
Table 26: Actual R&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, submitted by TPC-T (Rs. Crore).....	66
Table 27: R&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)	66
Table 28: Non-DPR work to be allowed in O&M expense as a one-time expense (Rs. Crore)	67
Table 29: Actual O&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)	69
Table 30: Actual O&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)	70
Table 31: Depreciation approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Cr.).....	72
Table 32: Interest on Long Term Loans approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	74
Table 33: Other Finance Charges approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)	76
Table 34: IoWC approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)	77
Table 35: RoE claimed by TPC-T for FY 2020-21 and FY 2021-22 (Rs. Crore)	78
Table 36: RoE approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	80
Table 37: Income Tax approved for FY 2019-20 (Rs. Crore)	83
Table 38: Contribution to Contingency Reserves approved for FY 2019-20, FY 2020-21 and FY 2021-22	84
Table 39: NTI approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)	86
Table 40: Transmission Availability Incentive approved for FY 2019-20 (Rs. Crore)	88
Table 41: Sharing of Gains and (Losses) on O&M Expenses claimed by TPC-T for FY 2019-20 to FY 2021-22 (Rs. Crore)	88
Table 42: Sharing of Gains and (Losses) on O&M Expenses Approved by Commission for FY 2019-20 to FY 2021-22 (Rs. Crore)	89
Table 43: Revenue from Transmission Charges for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	91
Table 44: Approved Revenue from Transmission Charges for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore).....	91

Table 45: Summary of Truing up including sharing of Efficiency Gains for FY 2019-20, as submitted by TPC-T (Rs. Crore)	92
Table 46: Summary of Truing up including sharing of Efficiency Gains for FY 2020-21, as submitted by TPC-T (Rs. Crore)	93
Table 47: Summary of Truing up including sharing of Efficiency Gains for FY 2021-22, as submitted by TPC-T (Rs. Crore)	93
Table 48: Summary of Truing up including net entitlement after sharing of Efficiency Gains/(Loss) for FY 2019-20 to FY 2021-22, as approved by the Commission (Rs. Crore).....	94
Table 49: Capitalisation as submitted by TPC-T for FY 2022-23 (Rs. Crore)	96
Table 50: Capitalisation Disallowed for FY 2022-23 (Rs. Crore).....	97
Table 51: Capitalisation transferred from FY 2021-22 to FY 2022-23 (Rs. Crore)	98
Table 52: Capitalisation approved for FY 2022-23 (Rs. Crore)	98
Table 53: Bays and Transmission Lines as submitted by TPC-T for FY 2022-23	99
Table 54: Normative Expense submitted by TPC-T for FY 2022-23 (Rs. Crore).....	100
Table 55: Approved Transmission Line Length for FY 2022-23	100
Table 56: Approved Number of Transmission Bays for FY 2022-23.....	101
Table 57: Approved Normative O&M Expenses for FY 2022-23.....	101
Table 58: Depreciation approved for FY 2022-23 (Rs. Crore).....	102
Table 59: Interest on Loan Capital approved for FY 2022-23 (Rs. Crore).....	103
Table 60: IoWC approved for FY 2022-23 (Rs. Crore).....	104
Table 61: Return on Equity for FY 2022-23, as approved by the Commission (Rs. Crore).....	105
Table 62: Contribution to Contingency Reserves approved for FY 2022-23 (Rs. Crore)	106
Table 63: Non-Tariff Income approved for FY 2022-23 (Rs. Crore).....	107
Table 64: Revenue from Transmission Charges for FY 2022-23, as approved by the Commission (Rs. Crore).....	108
Table 65: Provisional Truing up for FY 2022-23, as submitted by TPC-T (Rs. Crore)	108
Table 66: Provisional Truing up for FY 2022-23, as approved by the Commission (Rs. Crore)	109
Table 67: Capitalization for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore).....	110
Table 68: Past Trend of Capitalisation for TPC-T (Rs. Crore)	112
Table 69: Summary of Capitalisation approved by the Commission (Rs. Crore).....	112
Table 70: Projection of Bays and Transmission Line Length for FY 2023-24 to FY 2024-25, as submitted by TPC-T.....	113
Table 71: Normative O&M Expense for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore).....	114
Table 72: Scheme-wise Disallowed Bays and Lines	115
Table 73: Bays and Transmission Line Length approved for FY 2023-24 and FY 2024-25.....	115
Table 74: Normative O&M Expenditure approved for FY 2023-24 and FY 2024-25 (Rs. Crore)	116

Table 75: O&M expenses approved for FY 2023-24 and FY 2024-25 (Rs. Crore)	117
Table 76: Depreciation for FY 2023-24 to FY 2024-25, as submitted by TPC-T (Rs. Crore)	117
Table 77: Depreciation approved for FY 2023-24 and FY 2024-25 (Rs. Crore).....	118
Table 78: Interest on Loan for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore) ...	119
Table 79: Interest on Loan approved for FY 2023-24 to FY 2024-25 (Rs. Crore).....	119
Table 80: IoWC for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)	120
Table 81: IoWC approved for FY 2023-24 and FY 2024-25 (Rs. Crore).....	121
Table 82: RoE for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore).....	122
Table 83: RoE approved for FY 2023-24 and FY 2024-25 (Rs. Crore)	124
Table 84: Contribution of Contingency Reserves for FY 2023-24 and FY 2024-25 as submitted by TPC-T (Rs. Crore)	125
Table 85: Contribution of Contingency Reserves approved for FY 2023-24 and FY 2024-25	125
Table 86: Non-Tariff Income approved for FY 2023-24 and FY 2024-25 (Rs. Crore).....	126
Table 87: Past Recovery Computation for Gap Recovery in FY 2023-24, as submitted by TPC-T (Rs. Crore).....	128
Table 88: Holding Cost - Interest Computation for Gap Recovery in FY 2023-24, as submitted by TPC-T (Rs. Crore)	128
Table 89: Carrying/(Holding) Cost approved for Gap/(Surplus) Recovery till FY 2023-24.....	129
Table 90: Past Gap/(Surplus) Recovery approved till FY 2023-24 (Rs. Crore)	129
Table 91: Revised Non-Tariff Income for FY 2017-18 (Rs. Crore).....	130
Table 92: Impact on Income Tax of FY 2017-18 (Rs. Crore)	131
Table 93: Total Impact due to Revised Non-Tariff Income of FY 2017-18 (Rs. Crore).....	132
Table 94: Revised Non-Tariff Income for FY 2018-19 (Rs. Crore).....	132
Table 95: Impact on Income Tax of FY 2018-19 (Rs. Crore)	132
Table 96: Total Impact due to Revised Non-Tariff Income of FY 2018-19 (Rs. Crore).....	133
Table 97: Amounts paid by TPC-T towards Lease process of Plot-B	137
Table 98: One-time premium for Vikhroli Plot-B	138
Table 99: Amounts paid by TPC-T towards RoW.....	139
Table 100: Amounts paid by TPC-T towards CIDCO plot Transfer	141
Table 101: Total Balance claim w.r.t. deemed closure of 400 kV Vikhroli Project (Rs. Crore).....	143
Table 102: Approved Balance claim w.r.t. deemed closure of 400 kV Vikhroli Project (Rs. Crore).	146
Table 103: Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore).....	148
Table 104: Revised Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)	150

List of Abbreviations

A&G	Administrative and General
AEML-T	Adani Electricity Mumbai Limited-Transmission
AIS	Air-Insulated Switchgear
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
BKC	Bandra Kurla Complex
Capex	Capital Expenditure
CSR	Corporate Social Responsibility
DPC	Delayed Payment Charges
DPR	Detailed Project Report
EHV	Extra High Voltage
FY	Financial Year
GFA	Gross Fixed Assets
GIS	Gas-Insulated Switchgear
GoM	Government of Maharashtra
HO & SS	Head Office and Support Services
IDC	Interest During Construction
InSTS	Intra-State Transmission System
IoWC	Interest on Working Capital
LA	Licensed Area
LCC	Load Control Centre
MAT	Minimum Alternate Tax
MBPT	Mumbai Port Trust, India
MCGM	Municipal Corporation of Greater Mumbai
MCLR	Marginal Cost of Funds based Lending Rate
MERC/Commission	Maharashtra Electricity Regulatory Commission
MSETCL	Maharashtra State Electricity Transmission Company Ltd.
MSLDC	Maharashtra State Load Despatch Centre
MTR	Mid-Term Review
MVA	Mega Volt Ampere
MYT	Multi Year Tariff

NFA	Net Fixed Assets
NPV	Net Present Value
NTI	Non-Tariff Income
O&M	Operation and Maintenance
PBT	Profit Before Tax
PSCC	Power System Control Centre
R&M	Repair and Maintenance
R/S	Receiving Station
RoE	Return on Equity
RoW	Right of Way
SLDC	State Load Despatch Centre
STU	State Transmission Utility
TBCB	Tariff Based Competitive Bidding
TPC	The Tata Power Company Limited
TPC-D	The Tata Power Company-Distribution Business
TPC-G	The Tata Power Company-Generation Business
TPC-T	The Tata Power Company-Transmission Business

1 BACKGROUND AND BRIEF HISTORY

1.1 Background

- 1.1.1 The Tata Power Company Limited (TPC) is a vertically integrated utility carrying out the functions of generation, transmission, wheeling and retail supply of electricity in the suburbs of Mumbai. TPC has been granted Transmission Licence No. 1 of 2014 vide Order dated 14 August 2014 in Case No. 112 of 2014. TPC is a Transmission Licensee under Alternative 2 as per the MERC (Transmission Licence Conditions) Regulations, 2004. The Transmission License granted to TPC-T is an asset-specific Licence, which includes existing and proposed Transmission Lines as well as Transmission Bays.
- 1.1.2 The Commission has granted Transmission Licence No.1 of 2014, which was amended vide Order dated 01 August 2018 in Case No. 137 of 2016. Further, TPC-T had filed a Petition on 30 August 2019 in Case No. 249 of 2019 seeking second amendment to the Transmission Licence on account of changes in the Transmission system in Case No. 249 of 2019.
- 1.1.3 The Commission subsequently issued its Order in Case No. 249 of 2019 on 11 March, 2021 approving the 2nd Amendment to the Transmission Licence No. 1 of 2014. In the same Order, the Commission directed TPC-T to file the Petition of amendment of its Licence, 6 months prior to filing the next ARR Petition. TPC-T has accordingly filed its Application for 3rd Amendment to its Transmission Licence on 29 April 2022 in Case No. 89 / AL / 2022. Public Notice in this Case was also published on 7 October 2022. Further, STU has also carried the asset verification and has submitted its report to the Commission on 23 November 2022 validating all the amendments proposed by TPC-T in its Application for Licence Amendment. The Commission has also issued its Public Notice on 1 March 2023. The Public hearing is scheduled on 23 March 2023.

1.2 MYT Regulations

- 1.2.1 The Commission notified the MYT Regulations, 2015 on 8 December 2015 which were amended vide notification dated 29 November, 2017. These Regulations are applicable for the 3rd Control Period from FY 2016-17 to FY 2019-20.
- 1.2.2 Subsequently, the Commission notified the MYT Regulations, 2019 on 1 August 2019. These Regulations are applicable for the 4th Control Period from FY 2020-21 to FY 2024-25, and as may be extended by the Commission.

1.3 Petition and Main Prayers of TPC-T

1.3.1 TPC-T has filed its MTR Petition on 1 November 2022 for Truing-up of FY 2019-20 in accordance with the MYT Regulations, 2015 and its amendments, and final truing up of ARR for FY 2020-21 and FY 2021-22, Provisional Truing-up of ARR for FY 2022-23 and approval of Revised ARR for FY 2023-24 and FY 2024-25, in accordance with the MYT Regulations, 2019. The Commission sought replies on the preliminary data gaps vide email dated 11 November 2022 . TPC-T submitted its replies on 22, 25, 26 and 29 November, 2022.

1.3.2 The Technical Validation Session (TVS) was held on 13 December, 2022. The list of persons who attended the TVS is at **Appendix-1**. The Commission asked TPC-T to provide additional information and clarifications on the issues raised at the TVS. TPC-T furnished its replies on 20 December, 2022, 21 December 2022 etc., to data gaps and additional information sought by the Commission.

1.3.3 TPC-T filed the revised Petition on 21 December, 2022, incorporating replies to the queries raised in preliminary data gaps and clarifications on the issues raised during the TVS. The main prayers of TPC-T in its revised Petition are as below:

- *“Approve the Truing-up of FY 2019-20 as worked out in this Petition in accordance with the guidelines & principles outlined in MYT Regulations, 2015 and its First Amendment dated 29th November, 2017;*
- *Approve the Truing-up of FY 2020-21, FY 2021-22, Provisional Truing-up of FY 2022-23 and past Gap / (Surplus) as worked out in this Petition in accordance with the guidelines & principles outlined in MYT Regulations, 2019;*
- *Approve the Revised Projections of Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25 as worked out in this Petition in accordance with the guidelines & principles outlined in MYT Regulations, 2019;*
- *Allow the past recovery as worked out in the Petition on account of*
 - *Deemed closure of 440 kV Vikhroli capex scheme;*
 - *Review Order dated 17th June 2020 in Case No. 95 of 2020;*
 - *Capitalisation disallowed in previous Tariff Orders but reinstated in this Petition; ...”*

1.4 Admission of the Petition and Public Consultation Process

1.4.1 The Commission admitted the Petition on 23 December, 2022 and directed TPC-T to publish a Public Notice in accordance with Section 64 of the EA, 2003 in the prescribed form and manner and to reply expeditiously to any suggestions and objections received.

- 1.4.2 TPC-T published the Public Notice inviting suggestions and objections in the daily newspapers Financial Express and Indian Express (English), and Loksatta and Saamna (Marathi) on 28 December, 2022. The Petition and its Executive Summary were made available for inspection/purchase at TPC's offices and website (www.tatapower.com). The Public Notice and Executive Summary of the Petition were also made available on the website of the Commission (www.merc.gov.in) in downloadable format.
- 1.4.3 The Commission received written suggestions and objections on the MTR Petition. The e-Public Hearing was held on 25 January, 2023. Oral submissions made at the Public Hearing have been summarised in Section 2 of this Order. The list of persons who attended the e-Public Hearing is at **Appendix-2**.
- 1.4.4 The Commission has ensured that the due process contemplated under the law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to all to express their views.
- 1.4.5 The suggestions and objections made in writing as well as during the Public Hearing, along with TPC-T's responses and the Commission's rulings have been summarised in Section 2 of this Order.

1.5 Organisation of the Order

1.5.1 This Order is organized in the following Sections:

- **Section 1** of the Order provides a brief history of the quasi-judicial regulatory process undertaken by the Commission.
- **Section 2** of the Order deals with suggestions/objections, TPC-T's responses and Commission's rulings.
- **Section 3** of the Order details the Truing up of expenses and revenue of TPC-T for FY 2019-20 as per MYT Regulations, 2015, and Truing-up of expenses and revenue of FY 2020-21 and FY 2021-22 as per MYT Regulations, 2019.
- **Section 4** of the Order details the Provisional True up of ARR for FY 2022-23 as per MYT Regulations, 2019.
- **Section 5** of the Order details the Revised Projection of ARR for FY 2023-24 and FY 2024-25 as per MYT Regulations, 2019 and Applicability of this Order.

2 SUGGESTIONS/OBJECTIONS, TPC-T'S RESPONSES AND COMMISSION'S RULINGS

2.1 Prudence Check of Various Expenses

2.1.1 The Maharashtra State Electricity Distribution Company Ltd (MSEDCL) requested the Commission to carry out prudence check before allowing various claims made by TPC-T in its MTR Petition as under:

- a) Apportionment of common expenses for transmission business;
- b) Consequential impact on account of revision of Non-Tariff Income for FY 2017-18 and FY 2018-19 in accordance with the Review Order in Case No. 95 of 2020;
- c) Allowance of Revenue Gap for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23;
- d) Actual O&M expenditure and IoWC claimed by TPC-T for FY 2020-21;
- e) Capitalisation claimed by TPC-T for FY 2020-21, which is higher than the capitalization approved for FY 2020-21 due to deferment of capitalization approved for FY 2019-20;
- f) Capitalisation claimed by TPC-T towards earlier disallowed capitalisation in FY 2020-21 as the assets are put to use;
- g) Total GFA transferred w.e.f. 1 April 2021 to TPC-T from TPC-G and TPC-D;
- h) Payment of lease rent for Sarsola Plot for past period;
- i) Significantly higher R&M expenses as compared to approved R&M expenses;
- j) Capitalisation claimed by TPC-T for FY 2021-22, which is higher than the capitalization approved for FY 2021-22, purportedly due to capitalisation being approved by the Commission based on 50% of the average capitalization of past 5 years;
- k) Higher capitalisation projected by TPC-T for FY 2022-23;
- l) Allow ROE of 14% for FY 2023-24 and FY 2024-25;
- m) TPC-T's claim of higher Transmission Charges for FY 2023-24 and FY 2024-25;
- n) TPC-T's claim of additional expenditure towards deemed closed Vikhroli project.

TPC-T's Response

- 2.1.2 TPC-T submitted that it has claimed all the amounts as per the provisions of the applicable MYT Regulations along with necessary justification detailed in the Main Petition as well as responses provided to the Data Gaps.
- 2.1.3 As regards additional expenditure towards deemed closed Vikhroli project, TPC-T has claimed Rs. 78.28 Crore towards all the expenditures to be reimbursed to TPC-T, including applicable carrying cost on the expenses incurred. TPC-T submitted that it has claimed all the amounts as per the directions of the Commission in its Order in Case No. 237 of 2020 along with necessary justification in the Main Petition as well as responses provided to the Data Gaps.

Commission's Analysis and Ruling

- 2.1.4 The Commission notes the submission of MSEDCL. The Commission's analysis of prudence check of the various heads of expenses and capitalisation claimed by TPC-T is detailed in the respective Sections of this Order for the respective years.

2.2 Disallowance of Capitalisation

- 2.2.1 MSEDCL submitted that the Petitioner has mentioned the details of appeals pending before the Hon'ble Appellate Tribunal for Electricity (APTEL), and stated that these amounts shall be claimed as and when the decision is received in its favour. However, the Petitioner has considered the impact of Rs. 7.89 Crore towards the reinstatement of capitalisation including carrying cost in the ARR for FY 2023-24. MSEDCL submitted that claims towards capitalization for appeals pending before the Hon'ble APTEL should not be allowed at this stage.

TPC-T's Response

- 2.2.2 TPC-T submitted that the claim of Rs. 7.89 Crore is on account of schemes wherein the capitalisation was restricted to the approved DPR values in the MYT Order in Case No. 299 of 2019 on account of impact of time overrun and cost overrun and were kept open by the Commission for the purpose of taking final view on the additional capitalisation during MTR process. The Appeals pending before the Hon'ble APTEL are against the issue of allowing the capitalisation at a depreciated cost for assets put to use in a delayed manner. Hence, the appeals pending before the Hon'ble APTEL do not have any co-relation with the claim of Rs. 7.89 Crore made towards reinstatement of disallowed capitalisation in the MTR Petition.

Commission's Analysis and Ruling

2.2.3 The Commission's analysis of TPC-T's claim on account of capitalisation disallowed in the MYT Order is detailed in the respective Sections of this Order for the respective years.

2.3 Disallowance of Expenditure Written Off

2.3.1 MSEDCL submitted that TPC-T has claimed write off of expenditure to the tune of Rs. 6.45 Crore pertaining to the capex schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand-Nagothane Transmission line, which were cancelled by the Commission. However, such expenses should not be allowed in the MTR.

TPC-T's Response

2.3.2 TPC-T submitted that the justification for the above claim has already been submitted to the Commission in the response to Data Gaps on this issue.

2.3.3 TPC-T submitted that these Capex schemes were approved by the Commission for Transmission lines from Dehrand to Vikhroli and Dehrand to Nagothane with the proposed objective of establishing interconnection between MSETCL's 400 kV Network and TPC-T's network to evacuate power from TPC's proposed 1200 MW Dehrand power project,. Since, TPC-T had not proposed any expenditure in the Tariff Petitions in Case No. 22 of 2016 and Case No. 204 of 2017 for future years, the schemes were cancelled / deemed cancelled by the Commission with a view that TPC-T may submit revised DPRs for these schemes in case it intends to implement them in future.

2.3.4 Accordingly, the expenses incurred in these schemes towards preliminary works were lying in the capital work in progress (CWIP) account. Subsequently, the APTEL in its Judgment dated 23 September 2019 in Appeal No. 88 of 2019 upheld the direction issued by the Commission regarding deemed closure of 400 kV Vikhroli project. With this decision, there being no possibility of reviving the schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand-Nagothane lines, TPC-T had no other option but to write off these expenses incurred against approved DPR schemes under O&M during FY 2019-20 as per IND AS, as the same cannot be capitalised without asset being put to use.

Commission's Analysis and Ruling

2.3.5 The Commission's analysis of TPC-T's claim for write-off of preliminary expenses incurred on capex schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand-

Nagothane Transmission line, is detailed in Section 3 of this Order on True-up for FY 2019-20.

2.4 DEEMED PUT TO USE BAYS FOR COMPUTATION OF NORMATIVE O&M EXPENSES

2.4.1 TPC-T has requested the Commission to consider 13 numbers (*11 numbers*) of unutilised 33 kV as deemed put to use as it is beyond the reasonable control of TPC-T to put them to use, comprising 4 nos. of 110 kV Bays (2 Nos. each at Mahalaxmi and Versova RSS) which have been allotted to Metro and even after constant follow up with them, they are yet to be charged by Metro; and 7 nos. of 33 kV Bays at 220 kV Antop Hill RSS, which have been commissioned for BEST in line with the STU's allotment and they are yet to be charged by BEST even after regular follow up. MSEDCL submitted that the bays should be considered for deriving normative O&M expenses, only after they are actually put to use.

TPC-T's Response

2.4.2 TPC-T submitted that the request has been made in accordance with the provisions of the MYT Regulations, 2015 and MYT Regulations, 2019. Further, TPC-T has made such request only for those bays where TPC-T has done constant follow-up with respective entities for utilisation of the bays.

Commission's Analysis and Ruling

2.4.3 The Commission's analysis of TPC-T's request for considering deemed capitalisation of bays for computation of normative O&M expenses is detailed in the respective Sections of this Order for the respective years.

2.5 CAPITALISATION PROJECTED FOR FY 2023-24 AND FY 2024-25

2.5.1 MSEDCL has submitted that TPC-T has proposed Capital Expenditure of Rs. 796.57 Crore in FY 2023-24 and Rs. 507.16 Crore in FY 2024-25. MSEDCL requested the Commission to take cognizance of the fact that the actual capitalisation is usually less than proposed and accordingly, approve capitalisation for ensuing years. Proposing huge capitalisation for ensuing years puts unnecessary burden on the end consumers and should be avoided.

TPC-T's Response

- 2.5.2 TPC-T submitted that for FY 2023-24, out of total proposed Capex of Rs. 796.57 Crore, Capex of Rs. 642.27 Crore, i.e., more than 80% is on account of schemes already approved by the Commission and Rs. 123 Crore, i.e., more than 15% is on account of schemes already approved by STU and Maharashtra Transmission Committee (MTC) as per State Grid Code Regulations, 2020.
- 2.5.3 Further, for FY 2024-25, out of total proposed Capex of Rs. 507.16 Crore, Capex of Rs. 115.34 Crore, i.e., more than 23% is on account of schemes already approved by the Commission and Rs. 370 Crore, i.e., more than 73% is on account of schemes already recommended by MTC as per State Grid Code Regulations, 2020.
- 2.5.4 Hence, TPC-T has proposed the Capex for FY 2023-24 and FY 2024-25 which is required for transmission infrastructure development as approved by the Commission and the STU, i.e., planning authority for Maharashtra State and hence, requested the Commission to consider the same while issuing its Order.

Commission's Analysis and Ruling

- 2.5.5 The Commission's analysis of the capitalisation projected by TPC-T for FY 2023-24 and FY 2024-25, is detailed in Section 5 of this Order on Revised ARR for the respective years.

3 TRUING-UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20, FY 2020-21 and FY 2021-22

3.1 Background

- 3.1.1 TPC-T has sought approval for Truing up of ARR for FY 2019-20 in accordance with MYT Regulations, 2015 and Truing up of ARR for FY 2020-21 and FY 2021-22 in accordance with MYT Regulations, 2019 based on actual expenditure and revenue as per the Audited Accounts for the respective years. The Commission, in the MYT Order dated 30 March 2020 in Case No. 299 of 2019 had approved the provisional True up of FY 2019-20 and the ARR for FY 2020-21 and FY 2021-22.
- 3.1.2 In this Section, the Commission has analysed all the elements of actual expenditure and revenue for FY 2019-20, FY 2020-21 and FY 2021-22 and the deviations with respect to the MYT Order, and has accordingly undertaken the truing-up of expenses and revenue after prudence check under the MYT Regulations, 2015 and MYT Regulations, 2019, as applicable.
- 3.1.3 The Commission notes that TPC-T has revised some its claims in replies to the queries post filing of the revised Petition. Hence, to that extent the numbers worked out in excel model are different from the revised Petition. The Commission has considered the amount claimed by TPC-T in its latest financial model to be TPC-T's claim for the purpose of this Order.

3.2 Capital Expenditure and Capitalisation

TPC-T's Submission

- 3.2.1 TPC-T submitted that the actual capital expenditure in FY 2019-20 was Rs. 536.18 Crore and actual capitalisation along with Interest During Construction (IDC) was Rs. 406.17 Crore. The actual capital expenditure for FY 2020-21 was Rs. 462.15 Crore and actual capitalisation along with IDC was Rs. 689 Crore. The actual capital expenditure for FY 2021-22 was Rs. 634.80 Crore and actual capitalisation along with IDC was Rs. 424.93 Crore.
- 3.2.2 The capitalisation on account of DPR schemes and Non-DPR schemes during FY 2019-20 is to the extent of Rs. 368.54 Crore and Rs. 37.63 Crore, respectively. The amount of capitalisation against Non-DPR schemes is within the limit of 20% of DPR schemes set by the Commission.
- 3.2.3 The capitalisation on account of DPR schemes and Non-DPR schemes during FY 2020-

21 is to the extent of Rs. 650.88 Crore and Rs. 38.12 Crore, respectively. Along with this, TPC-T has claimed past disallowed capitalisation of Rs. 11.34 Crore during FY 2020-21 as these assets have been put to use now.

- 3.2.4 The capitalisation on account of DPR schemes and Non-DPR schemes during FY 2021-22 is to the extent of Rs. 365.29 Crore and Rs. 62.15 Crore, respectively.

Table 1: Capitalization for FY 2019-20, FY 2020-21 and FY 2021-22 as submitted by TPC-T (Rs. Crore)

Sl. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
		MYT Approved	TPC-T Petition	MYT Approved	TPC-T Petition	MYT Approved	TPC-T Petition
1	DPR Capitalisation	589.61	368.54	407.92	650.88	126.10	365.29
2	Non-DPR Capitalisation	33.46	37.63	31.84	38.12	25.22	62.15
3	Past Disallowed DPR Capitalisation				11.34		
3	Total Capitalisation	623.07	406.17	439.76	700.34	151.32	427.44

Commission's Analysis and Ruling

- 3.2.5 The Commission has examined the capital expenditure and actual capitalisation claimed against the various approved schemes. As against capitalisation of Rs. 623.07 Crore for FY 2019-20 approved in the MYT Order; actual capitalisation claimed is Rs. 406.17 Crore. For FY 2020-21, actual capitalisation claimed by TPC-T is Rs. 700.34 Crore as compared to capitalisation of Rs. 439.76 Crore approved in the MYT Order. For FY 2021-22, actual capitalisation claimed by TPC-T is Rs. 427.44 Crore as compared to capitalisation of Rs. 151.32 Crore approved in the MYT Order. The Commission has analysed the year-wise cumulative expenditure as against the approved cost and year-wise capitalisation under the corresponding schemes.

- 3.2.6 The Commission asked TPC-T to submit details of the Capex schemes where the actual capitalisation for any scheme exceeds 10% of the approved capitalisation for FY 2019-20, FY 2020-21 and FY 2021-22. In reply, TPC-T submitted that there was no cost over-run in any DPR beyond 10% of the approved capitalisation for the true-up years.

- 3.2.7 The Commission sought details from TPC-T of approved DPR approval, physical and financial progress of schemes, details of assets put to use, benefits achieved after completion of the schemes, initiatives taken to optimise the project cost, reasons and justification for time over-run and cost over-run of schemes etc. TPC-T has submitted the replies with relevant documents justifying the claim of capitalisation.

3.2.8 TPC-T submitted that it follows a systematic procurement process that ensures competition resulting in procurement of material and services at competitive prices. TPC-T has clarified that for procurement of the material as well as availing the services has been carried out through competitive bidding to optimise the project cost.

3.2.9 While approving the capitalisation against DPR schemes, the Commission has considered the schemes actually put to use in FY 2019-20, FY 2020-21 and FY 2021-22, in respect of which in-principle approval has been granted. The approved DPR schemes were scrutinized based on in-principle approval of DPR schemes and Cost Benefit Analysis (CBA) submitted by TPC-T in response to queries raised by the Commission. Also the relevant documents such as loading of the assets, Electrical Inspector Certificate, log book, photos, STU's assets verification report, etc., have been examined for verifying the putting to use of these assets. If the asset(s) are not put to use thereby not benefiting the consumers, then the capitalisation as well as O&M of such assets has been disallowed.

3.2.10 The details of DPR and Non-DPR Schemes considered for total capitalisation as against TPC-T claim from FY 2019-20 to FY 2021-22 are as under:

Table 2: DPR and Non-DPR Schemes considered for capitalisation for FY 2019-20, FY 2020-21, and FY 2021-22

Year	FY 2019-20		FY 2020-21		FY 2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
No. of DPR Schemes	38	38	31	31	39	38
Capitalisation Amount (Rs. Crore)	368.54	368.54	662.22	650.40	365.29	350.12
No. of Non-DPR Schemes	65	42	59	43	100	82
Capitalisation Amount (Rs. Crore)	37.63	18.98	38.12	29.46	62.15	48.79
Total Capitalisation amount (Rs. Crore)	406.17	387.52	700.34	679.86	427.44	398.90

3.2.11 As indicated above, the Commission has approved total capitalization (including IDC) of Rs. 387.52 Crore, Rs. 679.86 Crore, and Rs. 398.90 Crore for FY 2019-20, FY 2020-21 and FY 2021-22, respectively, against TPC-T's submission of Rs. 406.17 Crore, Rs. 700.34 Crore, and Rs. 427.44 Crore for FY 2019-20, FY 2020-21 and FY 2021-22, respectively.

3.2.12 Details of the DPR Schemes analysed and considered for approval are included in [Appendix 3](#). Details such as approved cost, approved year, approved phasing of the capitalisation, scope of work completed, Year of completion/commissioning/COD are summarised in the **Appendix 3** attached. The cost benefit analysis of some of the major

schemes are summarised in the Table below:

Table 3: Cost Benefit Analysis of Major Schemes undertaken by TPC-T in FY 2019-20, FY 2020-21, and FY 2021-22

Sl. No.	Name of Scheme	Cost Benefit Analysis of Scheme and Remarks
1	Construction of 220 kV Trombay - Dharavi – Salsette Transmission Line	The third 220 kV feed has been established between Trombay and Dharavi and taken in service in FY2021-22. This has improved system reliability and continuity of power supply to South Mumbai. The approximate loading of the line is about @ 250 MW. Compensation to be paid to Ulhasnagar Society as per Order of the Commission and accordingly scheme will be closed. Scheme closure report to be submitted.
2	245 kV GIS at Saki	500 MVA Transformation capacity and 33 kV outlets have been commissioned in 2018-19 and taken in load service along with associated station auxiliaries, to meet load requirement of existing and prospective customers in Saki area. Commissioning of 220 kV lines have established 220 kV source for Saki and Sahar receiving station and enhanced reliable Power supply. The approximate loading of 245 kV S/s is about 290 MW. Scheme completed technically and financial reconciliation needs to be completed. Scheme closure report to be submitted.
3	145 kV GIS at BKC	250 MVA Transformation capacity and 33 kV outlets have been commissioned and taken in load service along with associated station auxiliaries in 2019-20, to meet load requirement of existing and prospective customers in BKC area. Scheme completed subject to third party verification.
4	145 kV GIS at Versova	Commissioning of 145 kV GIS (2019-20) at Versova Receiving Station has improved system reliability due to conversion from AIS to GIS, the facility of transfer bus is added thereby improving operational reliability and flexibility. The approximate loading of 145 kV S/s is about 100 MW. Scheme is completed.

Sl. No.	Name of Scheme	Cost Benefit Analysis of Scheme and Remarks
5	Installation of 220 kV GIS at Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation	Mahalaxmi RSS is now (2019-20) being fed through two 220 kV Cables (220 kV Dharavi-Mahalaxmi and 220 kV Mahalaxmi-back bay) in addition to existing 110 kV cables. Thus, the redundancy and reliability of power infeed to Mahalaxmi Substation has enhanced. Additional capacities have been created to cater to present and future load demand in and around Mahalaxmi area. With installation of 2 x 250 MVA ICTs, additional capacity is available at 33 kV for Distribution Companies and additional capacity at 110 kV is available to supply to BEST and Railways. After installation of new capacity, there is no overloading at Mahalaxmi Substation. The approximate loading of 220 kV Mahalaxmi S/s is about 150 MW. Scheme completed subject to third party verification.
6	220 kV Receiving Station at Antop Hill Wadala	Installation of 220 kV GIS Substation at Antop Hill along with 33 kV GIS commissioned in June/August 2020. 33kV Bays (13 nos) providing additional outlets to BEST commissioned in Mar 2022 which is catering the increasing load demand of existing and the prospective customers. Further, the T&D losses will be reduced, and reliability will be improved. The approximate loading of 220 kV Antop Hill S/s is about 400 MW. Scheme closure report to be submitted.
7	Power Supply to HDIL Kurla	<ol style="list-style-type: none"> 1. With the commissioning of 145 kV GIS at HDIL, Kurla RSS the increasing load in the vicinity is catered. 2. Indirect savings in terms of less land required for GIS. 3. It improved voltage profile and reduced the transmission system losses. Scheme is closed as per report submitted.
8	220 kV GIS at Versova	Commissioning of 220kV GIS at Versova Receiving Station (Mar 2020) has improved system reliability and helped to meet additional load requirement of MCGM, AEML and Railways at 33 kV Levels and future load demand of western suburb of Mumbai. It has also increased reliability of system. The

Sl. No.	Name of Scheme	Cost Benefit Analysis of Scheme and Remarks
		approximate loading of 220 kV Versova S/s is about 60 MW. Scheme closure report to be submitted.
9	220 kV switching station at Navi Mumbai International Airport (NMIA)	Conversion and Diversion of 220/110 kV O/H lines to U/G Cables and erection of switching stations in March 2020 for NMIA project has led to resolution of the aviation issues of proposed Airport. Also ensured and enhanced reliability. Improved voltage profile and reduced transmission losses. The approximate loading of lines is about 300 MW. Scheme closure report to be submitted.

3.2.13 Details of DPR Schemes are analysed in detail subsequently and summary of Scheme-wise analysis and disallowance are provided in [Appendix-4](#).

3.2.14 It is observed that some of the schemes are still work-in-progress, while capitalisation has been claimed based on assets partly put to use in respective years or technical completion of works. However, certain miscellaneous works are yet to be completed and the scheme need to be completed financially. The Commission has scrutinized the details of assets put to use against each scheme and allowed capitalisation against them based on the respective year of capitalisation.

3.2.15 The major capex schemes have been analysed under the following categories:

I. DPR Scheme of FY 2019-20 to FY 2021-22

- a) Schemes approved by the Commission, but there is cost overrun;
- b) Schemes approved by the Commission, but claim of capitalisation is against pre-development expense of DPRs;
- c) Claim against past disallowed capitalisation of DPRs;
- d) Unutilised Bays;

II. Non-DPR Scheme of FY 2019-20 to FY 2021-22

III. 145 kV GIS at BKC DPR Scheme

I. DPR Scheme of FY 2019-20 to FY 2021-22

- a) **Schemes approved by the Commission, but there is cost overrun**

3.2.16 There has been cost overrun in the following 3 Schemes:

- I. Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation (Rs. 0.07 Crore Cost Overrun)
- II. 33 kV GIS for replacing AIS at Dharavi (Rs. 0.09 Crore Cost Overrun)
- III. Replacement installation of protective equipment in Transmission (Rs. 0.06 Crore Cost Overrun)

Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No. 5 and 33 kV GIS at Mahalaxmi substation

3.2.17 TPC-T sought revised approval from the Commission for Merged DPR of 'Installation of 220/33 kV GIS and ICT at Mahalaxmi', which was accorded on 15 November 2017 with revised cost of Rs. 132.76 Crore and revised timelines for completion as FY 2017-18, subject to third party asset verification after completion of the scheme.

3.2.18 The Commission has approved a total of Rs. 132.76 Crore against TPC-T's claim of Rs. 155.50 Crore. The Commission has disallowed Rs. 22.74 Crore against IDC, Cost of 1 Spare 220 kV Bay (Rs. 5.76 Crore) and consultancy services (Rs. 0.45 Crore) and restricted the cost of the scheme to the revised in-principle approval cost subject to third party asset verification.

3.2.19 In this Petition, TPC-T has claimed Rs. 0.07 Crore in FY 2019-20 for capitalisation of balance payment to vendors after reconciliation. Further, TPC-T has claimed past disallowed capitalisation separately.

3.2.20 The Commission notes that TPC-T has claimed its Capitalisation to close the project's account with its vendor. The Capitalisation makes the scheme cost overrun by an amount of Rs. 0.07 Crore. Hence, the total cost of the scheme claimed by TPC-T becomes Rs. 155.57 Crore against revised approval of Rs. 132.76 Crore. Hence, there is about 17 % cost overrun as against approved cost.

3.2.21 The Commission also notes that the major disallowance by the Commission during the revised approval is towards IDC, spare bays cost, consultancy services, etc. Further, the spare bay of 220 kV is still unutilised. TPC-T has proposed the spare bay to be utilised for the proposed reactor at Mahalaxmi. The Commission shall approve the project cost of Rs. 5.76 Crore towards spare bay as and when it is utilised for the proposed reactor as per planned utilisation by TPC-T.

3.2.22 It was observed that the main reason for increase in IDC is because of purchase and delivery of GIS equipment, though building for erection of equipment was not ready and the various statutory approvals were not in place. This is the main cause for increase in IDC of Rs. 16.77 Crore from Rs. 4.75 Crore to Rs. 21.52 Crore. TPC-T also failed to produce any new justification in relation to increase in cost for Consultancy services

as the Commission has already ruled that additional cost for consultancy in view of delay of execution of project is not justifiable.

3.2.23 The Commission notes that the third party verification could not be undertaken due to COVID-19 restrictions. However, to verify the cost incurred vis-a-vis that claimed by TPC-T, the Commission intends to undertake the third party asset verification before allowing the past disallowed capitalisation. Based on the third party verification report, the Commission will take appropriate view regarding past disallowed capitalisation under next tariff proceedings of the Petitioner.

3.2.24 Hence, the Commission approves the present Capitalisation claim of Rs. 0.07 Crore and disallows the prayer for past capitalisation of Rs. 22.74 Crore for this Scheme.

33 kV GIS for replacing AIS at Dharavi

3.2.25 DPR Scheme “33 kV GIS for replacing AIS at Dharavi” was approved by the Commission on in-principle basis on 18 May 2011. TPC-T actually started work on this scheme in FY 2013-14 with approved cost of Rs. 45.20 Crore. TPC-T has claimed Capitalisation of Rs. 45.29 Crore against DPR Scheme (Rs. 30.97 Crore till FY 2018-19, Rs. 14.34 Crore in FY 2020-21 and Rs. (0.02) Crore in FY 2021-22).

3.2.26 TPC-T submitted that it has already commissioned 3 Bus sections (BS 1, 2 and 5) in FY 2018-19. In the year FY 2020-21 it has commissioned the remaining Bus sections 3 and 4 and the assets have been put to use. TPC-T has submitted that the major reasons for time overrun in this DPR Scheme are:

a. Difficulty in arranging outages for load shifting due to involvement of multiple utilities and network condition;

b. The replacement activity of an existing AIS switchgear in phased manner typically requires around 5-6 years for completion, which includes 1-year time for engineering and procurement activities and 4-5 years' time for shifting of existing cables/vacating the space and installation / commissioning of switchgear;

c. Project could have been completed in FY 2019-20 but the project got delayed as the material could not be delivered due to Force Majeure invoked by the Supplier due to COVID-19 and subsequent delay in the commissioning schedule due to restrictions on account of COVID-19.

3.2.27 TPC-T has claimed Rs. 14.32 Crore for FY 2020-21 and FY 2021-22. The total cumulative cost of the project thus stands at Rs. 45.29 Crore. TPC-T has claimed cost overrun of Rs. 0.09 Crore because of additional expenses incurred due to electrical services.

- 3.2.28 TPC-T's Dharavi SS is one of the bulk load catering S/s of Mumbai. Replacement of the existing AIS by GIS for feeding the load requires co-ordination between the Distribution Licensees, Consumers, Railways, etc., for availing the outages. The replacement needs to be carried out without hampering the existing loads. Hence, non-availability of outages results in delay in execution of the scheme. Further, during COVID 19 pandemic, TPC-T has faced difficulty in execution of scheme.
- 3.2.29 The Commission notes that the scheme has been successfully completed and the bus sections erected are put to use in March 2019. TPC-T has also submitted scheme completion report on 28 October 2022. The commissioning of 33 kV GIS at Dharavi RSS has saved the space by creating additional outlets (3 nos of 22kV) to meet the future load growth requirement. It has also helped in providing reliable power supply to existing and new consumers in the vicinity of Dharavi Area. It has also saved requirement of spares at exorbitant cost quoted by OEM of existing/obsolete AIS.
- 3.2.30 The Commission also notes that the cost overrun claimed is also very less (Rs. 0.09 Cr) compared to the Scheme cost. Hence, the Commission approves the entire capitalisation claimed by TPC-T on this Scheme.

Replacement and installation of protective equipment in Transmission (Rs. 0.06 Crore- Cost Overrun)

- 3.2.31 DPR Scheme of "Replacement and installation of protective equipment in Transmission" was approved by the Commission on 3 August, 2018 with cost of Rs. 20.15 Crore. The Scheme was initiated by TPC-T in FY 2018-19. TPC-T has claimed Capitalisation of Rs. 8.92 Crore till FY 2018-19, Rs. 8.21 Crore in FY 2019-20, Rs. 2.66 Crore in FY 2020-21 and Rs. 0.42 Crore in FY 2021-22. These capitalisations claimed against installation of CTs/PTs/RTU and protection /control /charger panel /batteries and safety equipments procurement at receiving stations of TPC-T and these equipments are put to use.
- 3.2.32 The Commission observes that this DPR Scheme has a cost overrun of Rs. 0.06 Crore. On reply to the Commission's query, TPC-T submitted that the cost discovered through competitive bidding was higher for 220 kV and 110 kV PT and CT Replacement than estimates in DPR hence, the capitalisation amount is justified.
- 3.2.33 The Commission has analysed the other details of schemes and reasons provided by TPC-T such as increasing trend of cost of material, offer received through bidding etc., for cost over-run and observes that the reasons provided by TPC-T are justified. Hence, the Commission allows the entire capitalisation claimed by TPC-T against this Scheme.

b) Schemes in-principle approved by the Commission, but claim of capitalisation is against pre-development expense of DPRs:

3.2.34 As elaborated above, the Commission approved the capitalisation against the scheme if the assets has been put to use benefiting the consumers/system. The Commission notes that TPC-T has claimed part-capitalisation against the incomplete/ work in progress schemes. The part-capitalisation has been claimed against assets that have been put to use, though the Scheme is yet to be completed and scheme competition report yet to be submitted. The Commission has allowed such part-capitalisation as the particular asset has been charged and put to use.

3.2.35 Further, there are schemes wherein TPC-T has claimed the part capitalisation against pre-development expenses without putting to use any asset and consequential benefits. The details of the same are discussed below:

Replacement of 110 kV AIS by GIS at Dharavi

3.2.36 DPR scheme of 'Replacement of 110 kV AIS by GIS at Dharavi was approved by the Commission on 11 January, 2021 at cost of Rs. 164.20 Crore and the scheme was initiated by TPC-T in FY 2020-21. TPC-T has claimed capitalisation of Rs. 10.66 Crore in FY 2021-22.

3.2.37 The Commission sought details of actual capitalisation against the scheme and scope of work of the same. TPC-T replied that the work capitalised is against pre-requisite works for commencement of GIS Works. The Commission notes that no asset has actually been put to use in this case and as GIS works are projected to be put to use in FY 2022-23. Hence, the Commission has considered the capitalisation against this Scheme in FY 2022-23. In future, TPC-T shall not claim the capitalisation without asset being put to use. On completion of the scheme, TPC-T needs to submit the scheme completion report.

c) Claim against past disallowed capitalisation of DPRs (Appendix-4)

3.2.38 In the MYT Order in Case No. 22 of 2016 and MYT Order in Case No. 299 of 2019, the Commission had disallowed certain capitalisation claimed by TPC-T due to assets not being put to use. TPC-T has considered capitalisation against such disallowed amount in the capitalisation for FY 2020-21 on account of assets being put to use, along with IDC for intervening years, as shown in the Tables below:

Table 4: Capitalisation considered by TPC-T in FY 2020-21 against Disallowance in earlier Tariff Orders (Rs. Crore)

Particulars	Interest Rate	Construction of New 220 kV bays (3 nos.) at Trombay for Dharavi Salsette - Saki Lines			33 kV Bays at Parel	Total
		FY 2014-15	FY 2015-16	Total	FY 2014-15	
MERC Order Reference		299 of 2019			22 of 2016	
Disallowance in Capitalization (Trombay and Parel Bays)		4.03	3.26	7.29	0.23	7.52
IDC for FY 2014-15	10.86%	0.31	0	0.31	0.02	0.33
IDC for FY 2015-16	10.75%	0.33	0.25	0.57	0.02	0.59
IDC for FY 2016-17	9.47%	0.31	0.23	0.54	0.02	0.56
IDC for FY 2017-18	9.26%	0.32	0.24	0.56	0.02	0.58
IDC for FY 2018-19	8.64%	0.32	0.24	0.56	0.02	0.58
IDC for FY 2019-20	8.41%	0.33	0.25	0.58	0.02	0.6
IDC for FY 2020-21	7.80%	0.32	0.24	0.57	0.02	0.59
Total capitalization claimed in FY 2020-21		6.27	4.71	10.98	0.36	11.34

3.2.39 The Commission, in its MYT Order in Case No. 299 of 2019 had disallowed the capitalisation of Rs.7.29 Crore towards 'Construction of New 220 kV bays at Trombay (3 nos.) for Trombay- Dharavi , Salsette Saki lines' as the bays were not put in use. TPC-T has submitted that 3 nos. of 220 kV unutilized bays at Trombay Generating Station have now been put to use in FY 2020-21. TPC-T has also claimed that project completion for 220 kV Trombay Dharavi Salsette Transmission Lines got delayed due to the reasons not attributable to TPC-T.

3.2.40 Further, in the MYT Order for the previous Control Period in Case No. 22 of 2016, the Commission had not considered the capitalisation of Rs. 1.83 Crore towards 8 nos. 33 kV AIS bays at Parel S/s due to unutilised bays. Out of 8 nos. of unutilized bays, TPC-T had utilized 3 nos. of bays in FY 2017-18 and capitalization of the same was allowed by the Commission in the Order in Case No. 299 of 2019. Out of balance 5 nos. of 33 kV unutilized bays, TPC-T has put to use one more 33 kV AIS bay in FY 2020-21. Accordingly, TPC-T has claimed capitalization of Rs. 0.23 Crore towards one 33 kV bay utilized and put to use at Parel Receiving station in FY 2020-21 along with IDC as shown in the Table above.

3.2.41 TPC-T has submitted that transmission schemes require long-term planning in anticipation of the load growth in a particular area. Since, the reasons for delay in

putting assets to use is beyond the control of TPC-T, it should not be penalised by allowing the capitalisation at depreciated cost wherein the installation of the bays in the receiving station is as per planned requirements and executed after due approvals from all statutory authorities. In view of the above, TPC-T requested the Commission to not consider the capitalisation at depreciated value and allow the full capitalisation with applicable IDC.

3.2.42 The Commission, in the MTR Order in Case No. 204 of 2017, had noted the schemes against which TPC-T had claimed capitalisation in the past, but the asset was not 'put to use', thereby not benefitting the consumers. Therefore, the Commission had allowed capitalisation against such schemes at depreciated cost till the year in which it is actually put to use. **The Commission is of the opinion that it is the responsibility of TPC-T to construct the bays as per requirement and use of such bays to extend the benefits to the consumers. However, these bays were constructed but not put to use. Hence, the Commission has considered capitalisation as shown in the Table below on Net Fixed Assets (NFA) basis. Further, the claim of additional IDC from year of initial disallowance to year of capitalisation approved in this Order has not been accepted, as the asset has been put to use in a delayed manner, and allowance of IDC will defeat the purpose of disallowing capitalisation in the first place. Therefore, the net capitalisation is considered for approval in the respective year in which the asset is finally put to use.**

3.2.43 In view of the above, the Commission approves Rs.5.30 Crore against Rs.11.34 Crore proposed by TPC-T in FY 2020-21 for capitalisation against past disallowance. The summary of the Commission's approval is given in the Table below:

Table 5: Capitalisation allowed by the Commission against Disallowed Capitalisation claimed by TPC-T (Rs. Crore)

Particulars	Depreciation Rate	Construction of New 220 kV bays (3 nos.) for Trombay Dharavi Salsette Saki			33 kV Bays at Parel	Total
		FY 2014-15	FY 2015-16	Total	FY 2014-15	
MERC Order Reference		299 of 2019			22 of 2016	
Disallowance in Capitalization		4.03	3.26	7.29	0.23	7.52
Depreciation for FY 2014-15	5.28%	0.11		0.11	0.01	0.12
Depreciation for FY 2015-16	5.28%	0.21	0.09	0.30	0.01	0.31
Depreciation for FY 2016-17	5.28%	0.21	0.17	0.38	0.01	0.40
Depreciation for FY 2017-18	5.28%	0.21	0.17	0.38	0.01	0.40
Depreciation for FY 2018-19	5.28%	0.21	0.17	0.38	0.01	0.40

Particulars	Depreciation Rate	Construction of New 220 kV bays (3 nos.) for Trombay Dharavi Salsette Saki			33 kV Bays at Parel	Total
		FY 2014-15	FY 2015-16	Total	FY 2014-15	
Depreciation for FY 2019-20	5.28%	0.21	0.17	0.38	0.01	0.40
Depreciation for FY 2020-21	5.28%	0.11	0.09	0.19	0.01	0.20
Total capitalization allowed in FY 2020-21		2.75	2.40	5.15	0.15	5.30

3.2.44 The Capitalisation claimed by TPC-T and approved by the Commission is summarised as below:

Table 6: Capitalisation claimed by TPC-T and approved by the Commission against past disallowed capitalisation of DPR (Rs. Crore)

Particulars	Claimed By TPC-T	Approved by the Commission
Disallowance in Capitalization	7.52	7.52
Add: IDC	3.82	0.00
Less: Depreciation	0.00	2.22
Total capitalization Claimed/allowed in FY 2020-21 against disallowed capitalisation in the past	11.34	5.30

3.2.45 The Commission approves the capitalisation of Rs. 5.30 Crore as against TPC-T's claim of Rs. 11.34 Crore.

d) Capitalization of Unutilised Bays (Appendix-4)

3.2.46 The Commission sought details from TPC-T on station-wise and voltage-wise bays utilised with loading details, Bays allotted by STU to Distribution Licensee/individual consumers but not utilised (zero loading), unutilised Bays, and prospective plan for utilisation of Bays against the schemes completed in the past.

3.2.47 The Commission in the MYT Order in Case No. 22 of 2016 had taken a view that when the addition of unutilised assets financially burdens consumers without any assured benefit to them in a reasonable time, capitalisation of such assets should generally not be considered. The relevant paras of this Order are reproduced below:

“4.3.24 In this context, the Commission’s observations in the Order dated 18 May 2012 in Case No. 169 of 2011 relating to MSETCL are relevant:

“5.1.2. The Commission feels that the above reasons do not justify the non-utilization of assets commissioned by the utilities, as these have associated costs which are borne by the consumers through Tariff. It is also true that the utilities undertaking the electricity business need to do forward planning. Investments in assets need to be planned keeping in mind the long term requirement, for example

*a horizon of 5-10 years, instead of short term requirements. This need is greater for transmission utilities which has to plan for huge network expansion arising out of the generation evacuation and supply to the load centres. However, it is necessary to create a balance between long term planned investments and burdening the consumers with the associated cost of that planning. **The consumer doesn't get benefit out of these unutilized bays/ assets, though they are required to pay for it....***

4.3.25 The Commission had accordingly disallowed capitalisation of unutilised Bays in MSETCL's MTR Order in Case No. 207 of 2014. The Commission has been of the view that, when the addition of unutilised assets financially burdens consumers without any assured benefit to them in a reasonable time, capitalisation of such assets should generally not be considered."

3.2.48 In MYT Order, the Commission had not considered disallowance for unutilised GIS Bays in view of difficulties that may arise later in the availability of matching configurations of GIS bus and inter-connection, compatibility of GIS switchgear, structural stability of additional Bays, additional spares of the same make, etc. However, the Commission had disallowed capitalisation against AIS Bays. The relevant paras of this Order are reproduced below:

"4.3.28 The Commission notes the reasons cited by TPC-T for erection of additional Bays at the beginning of execution of the GIS Sub-station. They include difficulties that may arise later in the availability of matching configurations of GIS bus and inter-connection, compatibility of GIS switchgear, structural stability of additional Bays, additional spares of the same make, etc. Hence, the Commission is not disallowing the capitalisation against these GIS Bays. However, these constraints do not apply to Air Insulated Sub-station (AIS) Bays, including 33 kV Bays, which are dealt with at para. 4.3.31 below.

.....

4.3. 31 However, the Commission is of the view that the claim for O&M expenses against the unutilised AIS and GIS Bays is not justified. Even though the capitalisation for the unutilised GIS Bays has been allowed, these Bays are not in use or remain idle in the network. Hence, allowing O&M expenses on these Bays would amount to approving expenditure without any benefit to consumers. Therefore, the Commission has considered the impact of unutilised GIS as well as AIS Bays while calculating the normative O&M expenses for FY 2014-15. The normative O&M expenses for FY 2014-15 have been worked out by reducing two 220 kV Bays, three 110 kV Bays and thirteen 33 kV Bays, and explained at para. 4.2 while approving O&M expenses.

4.3.32 The Commission has also excluded Rs 1.83 Crore as the cost of 8 AIS Bays of 33 kV at Parel from the total capitalisation in FY 2014-15, which have been idle since commissioning in FY 2014-15, and disallowed the O&M expenses on these Bays."

3.2.49 Further, the Commission in MYT Order dated 30 March 2020 in Case No. 299 of 2019 on the issue of disallowance of unutilised GIS bay has ruled that if the GIS bays are not put to use, the Commission will disallow the capitalisation of such bays from FY 2020-21 onwards. The relevant ruling of the Commission is as follows:

*“ 3.3.66 -----On one hand TPC-T is proposing the GIS on the pretext that it requires less space and time for construction and on other hand the said asset is being kept idle years together, which is not in the interest of consumers. **If such trend of unutilized bays continues, there is possibility that some bays even get retired without any utilisation during their regulated life. It is a fact that load on the EHV substations do not get diverted at a time. It takes time to reorient the existing load and feed the upcoming load gradually. Hence, it is imperative to develop the Bays and installed capacity of the EHV substations and lines in the phased manner considering the trend of load growth and the system requirement to avoid the non utilisation of Bays like in the present case. Further, if there is no plan to utilise these Bays in the near future, TPC-T may explore the option of utilising these Bays/assets for other proposed projects, so that the assets are put to use. Therefore, though the Commission has not considered disallowance against unutilised GIS Bays for FY 2017-18 to FY 2019-20, disallowance shall be considered for unutilised GIS Bays, in addition to AIS Bays, from FY 2020-21 onwards.**”*

3.2.50 From the data submitted by TPC-T, the Commission observes that there are 7 no. of 33 kV GIS Bays at Antop Hill station, which are unutilised since their commissioning in FY 2021-22 and TPC-T has submitted that these Bays will be put to use in FY 2022-23. **Therefore, the Commission, in line with the approach adopted in the earlier MYT Order, has disallowed capitalisation against 7 no. of 33 kV unutilised GIS Bays at Antop Hill station. For disallowance, the cumulative Capitalisation of 33 kV bays (considered as per in-principle approved cost of 17 nos. of 33 kV bay system for 25 Crore) has been considered for Antop Hill Station (Rs. 24.77 Crore in FY 2020-21 and Rs. 19.35 Crore in FY 2021-22) totalling to Rs. 44.12 Crore for 30 Nos. of Bays. So, the per Bay cost works out to Rs. 1.47 Crore, which has been considered for 33 kV GIS Bays at Antop Hill station and the total disallowance has been worked out as Rs. 10.29 Crore for 7 Nos. of 33 kV unutilised GIS Bays at Antop Hill (Rs. 5.78 crore in FY 2020-21 and Rs. 4.52 Crore in FY 2021-22).**

3.2.51 It is to be noted that once the unutilised Bays are put to use by TPC-T, the Commission shall take a view on approving the disallowed cost appropriately as per the provisions of the Regulations.

3.2.52 The Commission also observes that there are 4 no. of 33 kV AIS Bays at Parel station, which are unutilised since their commissioning in FY 2014-15 and TPC-T has submitted that these Bays are allocated to BEST and BEST is yet to utilise the same. In the MYT Order in Case No. 22 of 2016, capitalisation of Rs.1.83 Crore was disallowed for FY 2014-15 for 8 no. of unutilised AIS bays of Parel station. TPC-T has utilised 3

no. of Bays in FY 2017-18, and 1 no. Bay in FY 2020-21, which has now been allowed by the Commission. Therefore, no further disallowance has been considered for remaining 4 no. of 33 kV unutilised AIS Bays at Parel station, as the same have already been disallowed in the past.

3.2.53 The Commission has adopted the procedure for approval of capital cost for the Utilities in the State of Maharashtra in accordance with the “Guidelines for in-principle clearance of proposed investment schemes 2005” for projects before FY 2021-22 and the applicable MYT Regulations for respective Control Period. After the notification of “MERC (Approval of Capital Investment Schemes) Regulations, 2022, the Commission is adopting the procedure for approval of capital cost for the utilities from the said Regulation. Both the Guidelines and Regulations stipulate the capital cost approval through a two-stage process, i.e., in-principle approval prior to initiating the capital expenditure scheme; and during Tariff determination/ARR review process after completion of the capital expenditure scheme. A key factor for evaluating these schemes as specified in the Guidelines is to assess the benefits that have accrued to the consumers who are to pay for these schemes through tariffs. Further, Regulation 23 of MYT Regulations, 2015 provides as follows:

“23 Capital Cost and capital structure

23.1 Capital cost for a capital investment Project shall include:

- (a)*
-*
- (e)*

Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost.

...

Provided also that the following shall be excluded from the capital cost of the existing and new projects:

- (a) The assets forming part of the project, but not in use, as declared in the tariff petition;*
- (b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project...” (emphasis added)*

3.2.54 In view of the above, the Commission has disallowed the capitalization of assets, which are not put to use.

s

Table 7: Capitalisation allowed by the Commission against Antop Hill Receiving station Capex Scheme

Sl. No.	Scheme Name	Capitalisation Claimed by TPC-T		Approved Capitalisation	
		FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22
1	220 KV Receiving Station at Antop Hill Wadala	153.56	19.35	147.78	14.84

3.2.55 The Commission approves Capitalisation of Rs. 147.78 Crore and Rs. 14.84 Crore for FY 2020-21 and FY 2021-22, respectively.

II. Non-DPR schemes for FY 2019-20 to FY 2021-22

3.2.56 The Commission notes that the ratio of Non-DPR to DPR Capitalisation for each year from FY 2019-20 to FY 2021-22 is lower than the limit of 20%. The Commission sought details of capitalisation and cost benefit analysis of these Non-DPR Schemes. After analysing the replies of TPC-T, the Commission has found a number of Non-DPR Schemes to be O&M in nature. TPC-T has claimed that these schemes are essential for continued operation of the System.

3.2.57 The Commission after analysing the replies of TPC-T, has decided that these Schemes should not be undertaken under Non-DPR Schemes as they are actually work to be done under O&M expenses. The Commission has included some Non-DPR schemes claimed by TPC-T under the normative O&M expenses as these Schemes are clearly O&M in nature. The Scheme-wise analysis of Non-DPR Schemes' Capitalisation and reclassification of them in O&M/Capex is provided in [Appendix – 5](#). Also, such Non-DPR Scheme which are classified as O&M are given below:

Table 8: O&M Work Claimed in non-DPR work which has been allowed in O&M expenses under normative limit (Rs. Crore)

Particulars of the Scheme	FY 2019-20	FY 2020-21	FY 2021-22
Feasibility studies for future		0.04	-
Feasibility study 400/220/110KV lines & R.S.	-	-	-
Procurement of spares for EHV Cables	0.50	-	-
Refurbishment of Canteen, Transmission office	0.64	-	0.56
Refurbishment of boundary wall at North Zone	1.46	-	-
Renovation of Garage for Kalyan Nodal office	-	-	0.03
Stability enhancement of station building	0.02	-	-
Strengthening life and stability of boundary wall	0.30	-	-
Strengthening of RCC foundations for Trans. Towers	0.69	0.34	0.15
Rehabilitation of Carnac Station building	0.26	0.34	0.31
Refurbishment of emulsifier system Dharavi	(0.04)	0.01	-
Power transformer life enhancement in Kalyan	(0.00)	-	0.05
Establishing Auditorium at Carnac	1.07	0.05	-
Renovation works at Colonies	0.92	0.51	-
Renovation of EMD workshop/Maintenance office	0.63	-	-
T&D Admin projects	1.02	0.44	0.10
Strengthen life and stability of bldg. in Dharavi	0.38	-	0.45
Renovation of PSCC Building	-	0.40	-
Renovation works in offices	2.01	0.07	-
Employee welfare schemes common locations	-	-	1.90
Ho-SS Non DPR Schemes	5.88	3.53	4.00
Total	15.75	5.70	7.56

3.2.58 The Commission has considered some Non-DPR Schemes claimed by TPC-T under O&M expenses over and above normative O&M expenses, as these Schemes were not part of the O&M expenditure based on which the O&M norms have been derived. The list of such schemes is given below:

Table 9: O&M Work Claimed in non-DPR work which is allowed in O&M expense over and above Norms (Rs. Crore)

Particulars of the Scheme	FY 2019-20	FY 2020-21	FY 2021-22
Upgradation of communication networks	-	0.04	-
Installation of ladders on Trans. Tower	-	0.78	-
Raising height of OH Trans lines at various locations	1.25	-	0.03
Turbo Bird Reflector (TBR) Installation on 110 kV Transmission Line	0.30	0.31	0.16
Power Trf- 1 & 2 Cooler Cabinet, OLTC	0.14	-	-
Replacement of Air Handling Unit at Parel 5 Transformer	0.56	0.01	-
Numerical relays replacement at Carnac	0.42	-	-

Particulars of the Scheme	FY 2019-20	FY 2020-21	FY 2021-22
Aviation Markers for Transmission	0.23	-	0.02
Installation of Day-Night & Aviation Warning markers	-	1.65	-
Replacement of HVAC Units at Salsette	-	0.17	0.27
Replace Plant Air Conditioning at Borivali	-	-	0.33
Hydraulic cylinder replacement Back Bay 2			3.96
AHU replacement at Carnac and backpay R/S			0.35
Power Transformer # 4 Radiator replacement			0.47
Procurement of spares for Trans. SCADA			0.23
Total	2.90	2.96	5.82

3.2.59 In this regard, the Commission vide its letter dated 30 October 2018 and 24 July 2020 has returned the following DPRs to the TPC-T of O&M nature scope of work :

- a) Installation of bird fault preventive equipment on Transmission Towers,
- b) Installation of safety ladder on Transmission Towers
- c) Rehabilitation of Transmission tower foundations.
- d) Raising height of Transmission Lines towers of transmission lines.
- e) Replacement of old Conductors of Transmission Lines, few spans.

3.2.60 Also, the Commission vide its letter dated 20 November 2020 and 8 January 2021 has directed TPC-T to execute the scheme of upgradation of SCADA and associated work under O&M budget. Also, TPC-T has followed it and claimed the expenditure of SCADA scheme under R&M budget in this Petition in FY 2021-22. Also, the Commission has taken the similar stand in case of other Transmission Licensees.

145 kV GIS at BKC Scheme

3.2.61 The TPC-T has claimed that “145 kV GIS at BKC” has been completed. DPR of ‘145 kV GIS at BKC’ was approved by the Commission on 9 May, 2008 and the scheme was initiated by TPC-T in FY 2008-09. TPC-T sought revised approval from the Commission, which was accorded on 12 October, 2017 with revised cost of Rs. 280.20 Crore and revised timeline for completion as FY 2017-18.

3.2.62 The Commission has allowed a cumulative Capitalisation of Rs. 280.20 against Rs 285.38 Crore claimed by TPC-T. (Rs. 273.05 Crore till FY 2016-17, Rs. 1.51 Crore in FY 2017-18, Rs. 6.44 Crore in FY 2018-19 and Rs. 4.38 Crore in FY 2019-20). The Commission had allowed Nil Capitalisation in FY 2017-18 and Rs. 2.77 Crore in FY

2018-19. The Commission also ruled that it may conduct third-party verification after the scheme is closed. TPC-T has claimed only 0.04 Crore in true up of FY 2019-20 against its provisional True up figure of Rs. 4.38 Crore.

3.2.63 The Commission has gone through the submissions of TPC-T and notes that it has revised its claim towards Capitalisation of FY 2019-20 in true up as compared to that claimed in the provisional True up of FY 2019-20. (Rs. 0.04 Crore against Rs. 4.38 Crore). The Commission also observes that all unutilised Bays have been put to use against this Scheme except 2 nos. of 33 kV bays, which are allocated for Bullet train project and are actually yet to be utilised.

3.2.64 The Commission in this Petition allowed the additional claim of Rs. 0.04 Crore against this DPR Scheme as the same is within the revised In-principle Approval amount(excluding disallowed amount) .

3.2.65 However, TPC-T's claim of past disallowed capitalisation of Rs. 1.51 Crore and Rs. 3.67 Crore in FY 2017-18 and FY 2018-19, respectively , is not considered , as the third-party verification is yet to completed.

3.2.66 The Commission notes that the third party verification could not be undertaken due to Covid-19 restrictions. However, to verify the cost incurred vis a vis claimed by TPC-T, the Commission intends to undertake the third party asset verification before allowing the past disallowed capitalisation. Based view on the third party verification report, the Commission will take appropriate view regarding past disallowed capitalisation under next tariff proceedings of the Petitioner.

3.2.67 Hence, TPC-T's claim of Rs. 0.04 Cr capitalisation against this Scheme is allowed.

3.2.68 In view of the above, the summary of the capitalisation considered by the Commission in this Order is as shown in the Table below:

Table 10: Summary of Capitalisation approved by the Commission after truing-up (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T	Approved	TPC-T	Approved	TPC-T	Approved
DPR Capitalisation	368.54	368.54	650.88	645.10	365.29	350.12
DPR past capitalised	-	-	11.34	5.30	-	-
Non-DPR Capitalisation	37.63	18.98	38.12	29.46	62.15	48.79
Total Capitalisation	406.17	387.52	700.34	679.86	427.44	398.9
Non-DPR to DPR Ratio	10.21%	5.15%	5.76%	4.53%	17.02%	13.93%

3.2.69 The capitalisation approved by the Commission for FY 2019-20, FY 2020-21 and FY 2021-22 after prudence check is summarised in the Table below:

Table 11: Capitalisation approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
		MYT Approved	TPC-T Petition	Approved after Truing up	MYT Approved	TPC-T Petition	Approved after Truing up	MYT Approved	TPC-T Petition	Approved after Truing up
1	DPR Capitalisation	589.61	368.54	368.54	407.92	662.22	650.40	126.10	365.29	350.12
2	Non-DPR Capitalisation	33.46	37.63	18.98	31.84	38.12	29.46	25.22	62.15	48.79
3	Total Capitalisation	623.07	406.17	387.52	439.76	700.34	679.86	151.32	427.44	398.90

3.2.70 The Commission approves Capitalisation of Rs. 387.52 Crore, Rs. 679.86 Crore and Rs. 398.90 Crore for FY 2019-20, FY 2020-21, and FY 2021-22, respectively.

3.3 Operation and Maintenance Expenses

Normative O&M expenses

TPC-T's Submission

3.3.1 TPC-T has categorized various heads of expenditure as controllable and uncontrollable, and computed the Efficiency Gains/Losses for the controllable expenditure and proposed sharing of the same with the Distribution Licensees/ users of Transmission System.

3.3.2 As regards normative O&M expenditure, TPC-T submitted that it has considered the closing ckt. km. for Transmission Lines and closing no. of Bays as approved in the truing up of FY 2018-19 in the Order in Case No. 299 of 2019 dated 30 March 2020, as the opening ckt. km. for Transmission Lines and no. of Bays for FY 2019-20. TPC-T submitted that during FY 2019-20, the following Bays and ckt. km was put to use:

a) Less than 66 kV : (Addition of 19 GIS Bays)

19 nos. of GIS Bays have been commissioned and capitalised in FY 2019-20 as given below:

- i. 5 nos. of 220 kV GIS Bays at 220 kV Carnac RSS
- ii. 7 nos. of 220 kV GIS Bays at 220 kV Versova RSS
- iii. 7 nos. of 110 kV GIS Bays at 220 kV Karanjade Switching Station

b) Between 66 kV and 400 kV: (Addition of 14 GIS Bays)

14 nos. of GIS Bays have been commissioned and capitalised in FY 2019-20 as given below:

- i.** Net addition of 12 nos. of GIS Bays at 22 kV level in Borivali as a result of replacement of AIS to GIS.
- ii.** 2 nos. of PT Bays at Carnac RSS have been considered as submitted in the Application for 3rd amendment of Licence, which were missed out earlier in the 2nd amendment of Transmission Licence. The same has verified by STU in its Asset Verification Report.

c) Addition to Transmission Line Length

In the case of Transmission Lines, 17.83 ckt. km. has been added during FY 2019-20.

3.3.3 As regards utilisation of unutilised bays, TPC-T submitted that it has been regularly following up with the DISCOMs for utilising the bays allocated to them. However, the DISCOMs are yet to utilise the bays, and hence, the Commission is requested to consider these bays as deemed put to use, as it is beyond the reasonable control of TPC-T to put them to use. Accordingly, TPC-T has considered such 13 nos. of Bays (110 kV: 2 nos. at Dharavi, 33 kV Bays: 02 nos. each at Kurla, BKC and Bhokarpada RSS, 04 nos. at Parel RSS and 01 no. at Sahar RSS) in the opening bays for FY 2019-20 for the purpose of computation of normative O&M expenses for FY 2019-20.

3.3.4 TPC-T submitted that during FY 2020-21, the following Bays and ckt. km were put to use:

a) Between 66 kV and 400 kV: (Net 40 Bays addition(37 GIS and 3 AIS Bays)

- 34 nos. of GIS Bays have been commissioned and capitalised in FY 2020-21 as given below:
 - i.** Waghivali Switching Station (14 Bays)
 - ii.** Karanjade Switching Station (7 Bays)
 - iii.** Mahalaxmi Receiving Station (2 Bays)
 - iv.** Antop Hill Receiving Station (7 Bays)
 - v.** Versova Receiving Station (2 Bays)
 - vi.** Malad Receiving Station (2 Bays)

- 3 nos. of 110 kV GIS Bays have been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Backbay (1 Bay), BKC (1 Bay), and Versova (1 Bay) Receiving Stations.
 - 3 nos. of 220 kV AIS Bays have been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Trombay (3 Bays) Generating Station.
- b) **66 kV and Below: (Net Addition of 49 Bays [Addition of 103 GIS Bays and Reduction of 54 AIS bays])**
- 25 nos. of GIS Bays have been commissioned and capitalised in FY 2020-21 as given below:
 - i. Antop Hill Receiving Station (17 bays)
 - ii. Dharavi Receiving Station (3 bays)
 - iii. Malad Receiving Station (5 bays)
 - 55 nos. of AIS bays were converted from AIS to GIS as per approved DPR in the category at Dharavi (31 bays) and Malad (24 bays) Receiving Stations.
 - 23 nos. of 33 kV GIS Bays have been put to use (which were earlier disallowed for O&M entitlement in MYT order in Case No. 299 of 2019 as not put to use) as given below:
 - i. Backbay Receiving Station (3 Bays)
 - ii. Kurla Receiving Station (4 Bays)
 - iii. Mahalaxmi Receiving Station (8 Bays)
 - iv. Powai Receiving Station (2 Bays)
 - v. Sahar Receiving Station (3 Bays)
 - vi. Saki Receiving Station (1 Bay)
 - vii. Versova Receiving Station (2 Bays)
 - 1 no. of 33 kV AIS Bay has been put to use (which was earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Parel Receiving Station according to para [3.2.36](#). Accordingly, as explained above at point no. (b) 2nd sub-section, there is reduction of 55 no. of AIS bays

due to conversion of bays from AIS to GIS resulting into net reduction of 54 nos. of AIS Bays considering the 1 no. 33 kV AIS bay put to use.

- c) In case of Transmission Lines, net line length of 18.63 ckt. km. has been added during FY 2020-21 after splitting of 220 kV Bhira Dharavi 7 and 8 lines, splitting of 110 kV Khopoli Chembur and Khopoli-Bhokarpada-Mankhurd lines, commissioning of 220 kV Trombay Antop Hill 1 and 2 lines, changes in ckt km of Trombay Dharavi 1 line and Commissioning of 110 kV Carnac Backbay 3 lines as per approved DPR.

3.3.5 TPC-T submitted that during FY 2021-22, the following Bays and ckt. km were put to use:

a) Between 66 kV and 400 kV: (Net Addition of 13 GIS and 23 AIS Bays)

- 9 nos. of GIS Bays have been commissioned and capitalised in FY 2021-22 as given below:
 - i. Karanjade Switching Station 4 Nos. (2 nos. each of 220 kV and 110 kV)
 - ii. BKC Receiving Station (1 nos. of 110 kV Bays),
 - iii. Carnac Receiving Station (4 nos. of 110 kV Bays)
- 3 nos. of 110 kV bays were converted from AIS to GIS as per approved DPR at Carnac Receiving Station.
- 1 no. of 110 kV AIS Bay was decommissioned at Ambernath Receiving Station as per the approved DPR for Transformer replacement.
- 2 nos. of 110 kV GIS Bays have been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Saki Receiving Station.
- 1 no. of 110 kV GIS Bay has been put to use (which was earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at BKC Receiving Station.
- 2 nos. of 220 kV GIS bays have reduced as a part of DPR for replacement of 220 kV GIS at Borivali Receiving Station.

- Further, 27 nos. of AIS Bays at Trombay Receiving Station have been added in the opening balance out of total 29 bays as per the Asset Transfer approved by the Commission in its Order in Case No. 249 of 2019. Accordingly, there is reduction of 4 no. of AIS bays in FY 2021-22 due to conversion from AIS to GIS (3 Nos) at Carnac SS and reduction of 1 Bay at Ambernath as explained above. Hence, net addition of 23 Nos. of 110 kV AIS Bays.

b) 66 kV and Below: (Addition of 75 GIS Bays)

- 13 nos. of 33 kV GIS Bays have been commissioned and capitalised in FY 2021-22 at Antop Hill Receiving Station.
- Further, 4 nos. of 22 kV GIS Bays at Trombay Receiving Station have been included in line with the submission made by TPC-T in its Licence Amendment Application in Case No. 89/AL/2022, which were not included by STU in its Asset Verification Report.
- Further, 48 nos. of GIS Bays comprising 19 nos. of bays at BKC Receiving Station and 29 nos. of Bays at Trombay Receiving Station (as against transfer of 30 nos. of bays) have been added in the opening balance as per the Asset Transfer approved by the Commission in its Order in Case No. 249 of 2019.
- In total, 10 nos. of 22 / 33 kV GIS Bays have been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at the following Receiving Stations:
 - i. BKC Receiving Station (01 Bay);
 - ii. Carnac Receiving Station (01 Bay);
 - iii. Dharavi Receiving Station (02 Bay);
 - iv. Powai Receiving Station (01 Bay).
 - v. Sahar Receiving Station (02 Bay).
 - vi. Saki Receiving Station (03 Bay)

c) Transmission Line: (Addition of 4.34 Ckt. km.)

- In case of Transmission Lines, net line length of 4.34 ckt. Kms. has been added during FY 2021-22 on account of commissioning of new 110 kV Tata Backbay - BEST Nariman Point (Sakhar Bhavan) 1 and 2 lines (0.75 ckt. km.) and

addition of 3.39 ckt. km. due to loop-in-loop-out of 110 kV Dharavi-BKC Line 1 at Kurla for providing additional source to BKC Receiving station as per approved DPR.

3.3.6 Out of total bays commissioned during FY 2021-22, 7 nos. of 33 kV Bays at 220 kV Antop Hill RSS have been commissioned for BEST in line with the STU's allotment and they are yet to be used by BEST even after regular follow up.

3.3.7 Details of the bays (including those capitalised in previous years but put to use in FY 2019-20, FY 2020-21 and FY 2021-22) and ckt. km. of transmission lines considered by TPC-T for arriving at the normative O&M expenditure for FY 2019-20, FY 2020-21 and FY 2021-22, are shown in the Table below:

Table 12: Bays and Transmission Lines for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T

Sr. No.	Category	FY 2019-20	FY 2020-21	FY 2021-22
Bays (between 66 kV and 400 kV)				
1	Opening	362	381	448
2	Addition	19	40	9
3	Closing	381	421	457
4	Average	372	401	453
Bays (<66 kV)				
5	Opening	935	949	1046
6	Addition	14	49	27
7	Closing	949	998	1073
8	Average	942	974	1060
Line ckt. km (between 66 kV and 400 kV)				
9	Opening	1199.81	1217.64	1236.26
10	Addition	17.83	18.63	4.34
11	Closing	1217.64	1236.26	1240.60
12	Average	1208.72	1226.95	1238.43

3.3.8 TPC-T has computed the normative O&M Expenses as shown in the following Table:

Table 13: Normative O&M Expenses calculated by TPC-T for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Sr. No	Average No. of Bays	FY 2019-20			FY 2020-21			FY 2021-22		
		Norm (Rs. Lakh/ Bay)	No. of Bays	Normative O&M (Rs. Crore)	Norm (Rs. Lakh/ Bay)	No. of Bays	Normative O&M (Rs. Crore)	Norm (Rs. Lakh/ Bay)	No. of Bays	Normative O&M (Rs. Crore)
1	Between 66 kV and 400 kV	36.03	371.50	133.85	32.38	401	108.33	33.63	453	127.31

2	Less than 66 kV	7.53	942.00	70.93	6.77	974	53.77	7.03	1060	59.50
Sr. No	Average Length of Lines	Norm (Rs. Lakh/ ckt. km.)	No of ckt. km.	Normative O&M (Rs. Crore)	Norm (Rs. Lakh/ ckt. km.)	No of ckt. km.	Normative O&M (Rs. Crore)	Norm (Rs. Lakh/ ckt. km.)	No of ckt. km.	Normative O&M (Rs. Crore)
1	Between 66 kV and 400 kV	1.38	1208.72	16.68	1.24	1226.95	15.21	1.29	1238.43	15.98
Normative O&M (Rs. Crore)		221.46			177.31			202.78		

3.3.9 TPC-T submitted that while computing the normative O&M expenses, it has considered only those Transmission Lines and Bays, which have been 'put to use' in FY 2019-20, FY 2020-21 and FY 2021-22, respectively. TPC-T has mentioned that the above submission is without prejudice to its submission made in the Appeal against the issue of 'put to use'.

Commission's Analysis and Ruling

3.3.10 Regulation 58.3 of the MYT Regulations, 2015 and Regulation 61.3 of the MYT Regulations, 2019 specifies the norms for O&M expenses on voltage basis, considering length of the Transmission Lines in ckt. km. and number of Bays in the Sub-stations of the Transmission Licensee.

3.3.11 The Commission notes that TPC-T has considered the closing balance approved by the Commission after truing up of FY 2018-19 in the MYT Order in Case No. 299 of 2019 as the opening balance for FY 2019-20. Further, TPC-T has not considered the bays, which have been disallowed by the Commission in the MYT Order in Case No. 299 of 2019 and still to be put to use.

3.3.12 TPC-T has claimed it has added assets (Transmission Line length in ckt. km. and Bays) during FY 2019-20 according to the Application for 3rd Amendment of its Transmission Licence in Case No. 89 / AL / 2022.

3.3.13 The Commission notes that TPC-T has added back some bays, which had been disallowed in MYT Order in Case No. 299 of 2019, even though such bays are yet to be put to use. The Commission disallows such adding back bays as these bays are not put to use.

3.3.14 TPC-T has claimed addition in opening balance of FY 2019-20. The details of such bays are:

- I. 2 nos. of 110 kV Bays in Dharavi allocated to Metro-3 Project. As, Metro-3 Project has not utilised the same yet, TPC-T has considered these bays as 'Deemed put to use'.
- II. 11 nos. 33 kV Bay (02 nos. each at Kurla, BKC and Bhokarpada RSS, 04 nos. at Parel RSS and 01 no. at Sahar RSS) have been allocated to Distribution Licensees. The Licensees have not utilised the same yet. Hence, TPC-T has considered these Bays as 'Deemed put to use'.

The Commission notes that these bays have not been put to use still by TPC-T. Hence, the Commission is not allowing capitalisation of these bays.

- 3.3.15 The Commission, in the MTR Order in Case No. 204 of 2017, has not considered the Bays which are not 'put to use' for normative O&M expenses. The relevant para of this Order is reproduced below:

"4.14.13 The Commission notes that the basic purpose of construction of new substations, lines along with the bays is to provide improved services to the consumers in order to avail quality supply with certain redundancy. The construction of transmission assets requires sizeable capital investment which is to be recovered through the consumers through intra-state transmission tariff. In this case, TPC-T has constructed the bays but not actually put to use for benefit of the consumers. Hence, the Commission is of the view that allowing unutilized capitalisation of these assets will not serve any purpose and will increase burden on consumers. Hence, the Commission has not considered 41 nos. of 33 kV bays as 'put to use' as TPC-T has considered them as put to use only due to allocation to Distribution Licensees by STU. TPC-T may claim O&M Expense for these assets when they are actually 'put-to-use', not just 'allocated to the distribution licensees'."

- 3.3.16 TPC-T has claimed 6 nos. of Metro Bays in FY 2020-21, which have been allocated to Metro but 4 among them are still unutilised.
- 3.3.17 TPC-T has claimed that 7 nos. of 33 kV Bay in Antop Hill remain unutilised after they have been allocated to BEST. TPC-T has stated that these Bays would be put to use in FY 2022-23.
- 3.3.18 TPC-T has considered addition of number of bays in opening number of Bays and addition during the year. The details of such bay addition in FY 2019-20 and corresponding analysis are given in the Table below:

Table 14: Bays considered by TPC-T and approved by the Commission for FY 2019-20

Category	FY 2019-20		
	TPC-T Petition	Approved after Truing Up	Remarks
Bays (between 66 kV and 400 kV)			
Closing balance approved for previous year	360	360	
Addition in Opening	2	0	TPC-T has claimed 2 Nos of 110 kV Bays (1 GIS and 1 AIS) are ready to be used. They are allocated to Metro – 3 Project. (As they are yet to be put to use hence, this addition is disallowed)
Opening considered for the year	362	360	
Addition	19	19	i. 5 nos. of 220 kV GIS Bays at 220 kV Carnac RSS ii. 7 nos. of 220 kV GIS Bays at 220 kV Versova RSS iii. 7 nos. of 110 kV GIS Bays at 220 kV Karanjade Switching Station All bays have been put to use and verified from TPC-T loading statement
Closing	381	379	
Average	372	370	
Bays (<66 kV)			
Opening balance approved in previous MYT order	924	924	
Addition in Opening	11	0	“33 kV Bays: Kurla (2), Bhokarpada RSS(2) , Parel RSS(4) , BKC(2), Sahar RSS(1) . These 11 bays are not actually put to use. TPC-T treated them as deemed put to use as allocated to Licensee and consumer, hence, not allowed.
Opening considered for the year	935	924	
Addition	14	14	i. Net addition of 12 nos. of GIS Bays at 22 kV level at Borivali as a result of replacement of AIS to GIS. ii. 2 nos. of PT Bays at Carnac RSS have been considered as submitted in the Application for 3 rd amendment of Licence, which were missed out earlier in the 2 nd amendment of Transmission

Category	FY 2019-20		Remarks
	TPC-T Petition	Approved after Truing Up	
			Licence. The same has verified by STU in its Asset Verification Report. Verified from statement of unutilised bays and loading statement provided by TPC-T
Closing	949	938	
Average	942	931	

3.3.19 TPC-T has considered a number of bay addition during FY 2020-21. The details of such bay addition in FY 2020-21 and corresponding analysis are given in the Table below:

Table 15: Bays considered by TPC-T and approved by the Commission for FY 2020-21

Category	FY 2020-21		Remarks
	TPC-T Petition	Approved after Truing Up	
Bays (between 66 kV and 400 kV)			
Closing balance approved for previous year	381	379	
Addition in Opening	0	0	
Opening considered for the year	381	379	
Addition	40	36	<ul style="list-style-type: none"> • 34 nos. of GIS Bays claimed by TPC-T as commissioned and capitalised in FY 2020-21 as given below: <ol style="list-style-type: none"> i. Waghivali Switching Station (14 Bays) ii. Karanjade Switching Station (7 Bays) iii. Mahalaxmi Receiving Station (2 Bays) (Metro Bays not put to use yet) iv. Antop Hill Receiving Station (7 Bays) v. Versova Receiving Station (2 Bays) (Metro Bays not put to use) vi. Malad Receiving Station (2 Bays) Rest all Bays are put to use as per Loading statement provided by TPC-T. $(14+7+2+7+2+2=34-4)=30$ • 3 nos. of 110 kV GIS Bays have been claimed by TPC-T to have been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Backbay (1 Bay), BKC (1 Bay), and

Category	FY 2020-21		Remarks
	TPC-T Petition	Approved after Truing Up	
			<p>Versova (1 Bay) Receiving Stations. (All Bays are verified as put to use by Loading statement provided by TPC-T)</p> <ul style="list-style-type: none"> • 3 nos. of 220 kV AIS Bays claimed by TPC-T as having been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Trombay (3 Bays) Generating Station. (Verified from Loading statement) <p>Total (30+3+3)=36</p>
Closing	421	415	
Average	401	397	
Bays (<66 kV)			
Closing balance approved for previous year	949	938	
Addition in Opening	0	0	
Opening considered for the year	949	938	
Addition	49	49	<ul style="list-style-type: none"> • 25 nos. of GIS Bays have been claimed by TPC-T as commissioned and capitalised in FY 2020-21 as given below: <ul style="list-style-type: none"> i. Antop Hill Receiving Station (17 bays) ii. Dharavi Receiving Station (3 bays) iii. Malad Receiving Station (5 bays) All 25 Bays are verified as put to use from Loading statement of TPC-T • 55 nos. of AIS bays claimed by TPC-T as converted from AIS to GIS as per approved DPR in the category at Dharavi (31 bays) and Malad (24 bays) Receiving Stations. (Replacement Scheme - Loading statement shows all relevant bays are loaded) • 23 nos. of 33 kV GIS Bays claimed by TPC-T as having been put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) as given below: <ul style="list-style-type: none"> i. Backbay Receiving Station (3 Bays) ii. Kurla Receiving Station (4 Bays) iii. Mahalaxmi Receiving Station (8 Bays) iv. Powai Receiving Station (2 Bays) v. Sahar Receiving Station (3 Bays)

Category	FY 2020-21		Remarks
	TPC-T Petition	Approved after Truing Up	
			vi. Saki Receiving Station (1 Bay) vii. Versova Receiving Station (2 Bays) • 1 no. of 33 kV AIS Bay has been put to use (which was earlier disallowed for O&M entitlement in MYT order in Case No. 299 of 2019 as not put to use) at Parel Receiving Station. All Bays are verified from Loading statement Total (25+55-55+23+1)=49
Closing	998	987	
Average	974	963	

3.3.20 TPC-T has considered a number of bay additions in opening number of Bays and as addition during FY 2021-22. The details of such bay additions in FY 2021-22 and corresponding analysis are given in the Table below:

Table 16: Bays considered by TPC-T and approved by the Commission for FY 2021-22

Category	FY 2021-22		
	TPC-T Petition	Approved after Truing Up	Remarks
Bays (between 66 kV and 400 kV)			
Closing balance approved for previous year	421	415	
Addition in Opening	27	24	TPC-T has claimed addition of 27 Nos. of >66 kV bay in opening balance out of 29 Bays as per Transfer Agreement approved by the Commission in its Order in Case No. 249 of 2019. However, TPC-T has also stated that 3 nos. of 110 kV bays are lying unutilised in Trombay at present. TPC-T has claimed that these 3 bays are spare at the moment and one among it is being considered to be utilised in future for segregation of three terminal Trombay Parel-4/Trombay Wadala-1. As these 3 bays are unutilised at this point, only 24 bays are considered for addition in opening balance.
Opening considered for the year	448	439	
Addition	9	9	<ul style="list-style-type: none"> • 9 nos. of GIS Bays have been claimed as commissioned and capitalised in FY 2021-22 as given below: <ol style="list-style-type: none"> i. Karanjade Switching Station 4 Nos. (2 nos. each of 220 kV and 110 kV) ii. BKC Receiving Station (1 nos. of 110 kV Bays), iii. Carnac Receiving Station (4 nos. of 110 kV Bays) (Verified from Loading statement) • 3 nos. of 110 kV bays have been claimed by TPC-T as converted from AIS to GIS as per approved DPR at Carnac Receiving Stations and 1 no. of 110 kV Bay as decommissioned at Ambernath Receiving Station as per the approved DPR for Transformer replacement. (+3-3-1=-1) • 2 nos. of 110 kV GIS Bays have been claimed by TPC-T as put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at Saki Receiving

Category	FY 2021-22		
	TPC-T Petition	Approved after Truing Up	Remarks
			<p>Station (Verified from Loading statement)</p> <ul style="list-style-type: none"> • 1 no. of 110 kV GIS Bay has been claimed to be put to use (which was earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at BKC Receiving Station. (Verified from Loading statement) • 02 nos. of 220 kV GIS bays have been reduced as a part of DPR for replacement of 220 kV GIS at Borivali Receiving Station. <p>Total (9-1+2+1-2)=9 bays addition</p>
Closing	457	448	
Average	453	444	
Bays (<66 kV)			
Closing balance approved for previous year	998	987	
Addition in Opening	48	42	<p>48 nos. of GIS Bays claimed by TPC-T comprising 19 nos. of bays at BKC Receiving Station and 29 nos. of Bays at Trombay Receiving Station (as against transfer of 30 nos. of bays) have been added in the opening balance as per the Asset Transfer approved by the Commission in its Order in Case No. 249 of 2019. (Verified from loading statement, it was found 6 bays are unutilised in Trombay, accordingly reduced addition in opening) (19+29-6)=42</p>
Opening balance considered for the year	1046	1029	

Category	FY 2021-22		
	TPC-T Petition	Approved after Truing Up	Remarks
Addition during the year	27	20	<ul style="list-style-type: none"> • 13 nos. of 33 kV GIS Bays claimed by TPC-T to have been commissioned and capitalised in FY 2021-22 at Antop Hill Receiving Station. (out of these, 7 Bays remain unutilised as per Loading statement.) out of 13 only 6 are utilised. • 4 nos. of 22 kV GIS Bays at Trombay Receiving Station have been included by TPC-T in line with the submission made by TPC-T in its Licence Amendment Application in Case No. 89/AL/2022. (Verified as per loading statement)+4 • In total, 10 nos. of 22 / 33 kV GIS Bays have been claimed to be put to use (which were earlier disallowed for O&M entitlement in MYT Order in Case No. 299 of 2019 as not put to use) at the following Receiving Stations: <ul style="list-style-type: none"> i. BKC Receiving Station (01 Bay); ii. Carnac Receiving Station (01 Bay); iii. Dharavi Receiving Station (02 Bay); iv. Powai Receiving Station (01 Bay). v. Sahar Receiving Station (02 Bay). vi. Saki Receiving Station (03 Bay) (Verified from Loading statement)+10 Total (+6+4+10)=20
Closing	1073	1049	
Average	1060	1039	

3.3.21 Based on the above, the Bays considered by the Commission for computation of normative O&M expenses for FY 2019-20, FY 2020-21 and FY 2021-22 are shown in the Table below:

Table 17: Bays for Normative O&M expenditure, as approved by the Commission

Category	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Bays (between 66 kV and 400 kV)						
Opening	362	360	381	379	448	439
Addition	19	19	40	36	9	9

Category	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Closing	381	379	421	415	457	448
Average	372	370	401	397	453	444
Bays (<66 kV)						
Opening	935	924	949	938	1046	1029
Addition	14	14	49	49	27	20
Closing	949	938	998	987	1073	1049
Average	942	931	974	963	1060	1039

3.3.22 The Commission notes that application of TPC-T for the third amendment of Transmission Licence is still pending. The Commission has considered capitalisation, Transmission Line and Bays addition, which have been approved by Commission and are already part of existing Licence of TPC-T. No capitalisation and Transmission Line and bay addition has been considered in case the same is not part of the existing Licence.

3.3.23 The Commission obtained the network parameters in terms of Transmission Lines in ckt. km. and number of Bays in Sub-stations and verified them based on the STU asset verification report and capitalisation approved in this Order. Based on the approved bays and ckt. km., the normative O&M expenses approved by the Commission after truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is summarised in the Table below:

Table 18: Approved Normative O&M expenses for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Length in Ckt Km (above 66 kV and less than 400 kV)	1212.54	1208.72	1208.71	1250.15	1226.95	1226.94	1275.01	1238.43	1238.42
Applicable O&M Norm for Transmission Lines (Rs Lakh / Ckt Km)	1.38	1.38	1.38	1.24	1.24	1.24	1.29	1.29	1.29
Normative O&M expenses for Transmission	16.73	16.68	16.68	15.50	15.21	15.21	16.45	15.98	15.98

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Lines (Rs. Crore)									
Average Number of Bays- above 66 kV and less than 400 kV	360	372	370	370	401	397	379	453	444
Average Number of Bays- 66 kV and below	925	942	931	928	974	963	930	1060	1039
Applicable O&M Norm for Bays above 66 kV and less than 400 kV (Rs. Lakh / Bay)	36.03	36.03	36.03	32.38	32.38	32.38	33.63	33.63	33.63
Applicable O&M Norm for 66 kV and below Bays (Rs. Lakh / Bay)	7.53	7.53	7.53	6.77	6.77	6.77	7.03	7.03	7.03
Normative O&M Expenses for Bays (Rs. Crore)	199.36	204.78	203.24	156.44	162.10	159.89	162.44	186.80	182.57
Total Normative O&M expenses	216.09	221.46	219.92	171.94	177.31	175.11	178.88	202.78	198.54

3.3.24 The Commission notes the submission of TPC-T that it has constructed the bays which have been allocated by STU to the Transmission System User (BEST, METRO). However, they have not been utilised. Hence, the Commission directs TSUs to provide their utilisation plan of the Bays to TPC-T and reasons for delay in utilisation of the Bays within three months from the date of this Order. TPC-T to co-ordinate with the TSUs for the same.

3.3.25 The Commission approves the normative O&M expenses of Rs. 219.92 Crore, Rs. 175.11 Crore and Rs. 198.54 Crore on Truing-up of ARR for FY 2019-20, FY 2020-21 and FY 2021-22 respectively.

Actual Operation and Maintenance Expenses

3.3.26 Operation and Maintenance (O&M) expenditure comprises Employee related costs, Administrative and General (A&G) expenditure, and Repair and Maintenance (R&M) expenditure.

Table 19: Summary of Actual O&M Expenses for FY 2019-20, FY 2020-21, and FY 2021-22 as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Employee Expenses (a)		109.24		121.79		124.33
A&G Expenses (excluding Brand Equity) (b)		88.15		82.24		98.48
R&M Expenses (c)		37.71		41.92		47.14
Total (d=a+b+c)	216.09	235.09	171.94	245.95	178.88	269.95
<i>Add</i>						
Expenses for SCADA DPR (e)						43.93
IT Expenses (f)						0.13
Energy Charges (g)	14.03	12.13	14.02	7.84	14.02	13.47
Total (h=d+e+f+g)	230.12	247.22	185.97	253.79	192.91	327.49

Employee Expenses

TPC-T's Submission

3.3.27 TPC-T has submitted that the employee cost for FY 2019-20, FY 2020-21 and FY 2021-22 after considering allocated corporate expenses, was Rs. 109.24 Crore, Rs. 121.79 Crore and Rs. 124.33 Crore, respectively. In comparison with the Employee Cost for FY 2019-20 (Rs. 109.24 Crore), the employee cost for FY 2020-21 is higher at Rs. 121.79 Crore. The increase is primarily due to increase in expenses towards medical reimbursements due to introduction of Group Term Life Insurance policy, pension payments, Bonus/Ex-Gratia Payments.

3.3.28 In comparison with the Employee Cost for FY 2020-21 (Rs. 121.79 Crore), the employee cost for FY 2021-22 is marginally higher by 2% at Rs. 124.33 Crore. The increase is mainly on account of increase in leave encashment due to higher actuarial valuation, pension payments.

Commission's Analysis and Ruling

3.3.29 The Commission has verified the actual employee expenses for FY 2019-20, FY 2020-21 and FY 2021-22 from the audited accounts. The Commission notes that though the overall expense in all the true up years are same, there is mismatch in amount related to what has been claimed in the Petition and what is presented in the audited accounts. TPC-T has submitted that the mismatch is due to HO-SS allocation, which is claimed in the respective head in the Petition but in audited accounts it has been represented as a separate head.

3.3.30 The Commission notes the TPC-T submission that the increase in employee cost by as much as 11.49% (in FY 2020-21 as compared to FY 2019-20) is primarily due to increase in expenses towards medical reimbursements due to introduction of Group Term Life Insurance policy, pension payments, and Bonus/Ex-Gratia Payments.

3.3.31 The Commission observes that the actual employee expenses for FY 2019-20 have marginally decreased from Rs. 110.38 Crore in FY 2018-19 to Rs. 109.24 Crore in FY 2019-20 by an amount of Rs. 1.15 Crore, i.e., 1.04% increase as shown in the following Table.

Table 20: Comparison of Employee Expense in FY 2018-19 and FY 2019-20 (Rs. Crore)

Particulars	FY 2018-19	FY 2019-20	% Change
Number of Employees	405	433	6.91%
Officer/ Managerial Cadre-Technical	122	126	3.28%
Staff Cadre	246	260	5.69%
Other Employees	37	47	27.03%
Employee Expenses			
Salary, wages & other expenses	77.60	90.86	17.09%
Bonus/Ex-Gratia Payments	13.31	14.90	11.96%
Interim Relief / Wage Revision	5.69	-6.84	-220.20%
Staff welfare expenses	10.56	13.01	23.16%
Commission to Directors	1.66	-0.10	-105.87%
VRS Expenses/Retrenchment Compensation	0.06	0.35	472.34%
Terminal Benefits	10.38	12.55	20.82%
Remeasurement of Defined Benefit Plan	4.68	2.68	-42.66%
Less: Expenses Capitalised	-13.57	-18.18	34.00%
Net Employee Expenses	110.38	109.24	-1.04%

3.3.32 The above Table shows that the total number of employees in FY 2019-20 has increased by 6.9% vis-à-vis that in FY 2018-19. The number of employees in Staff cadre-Technical has increased by 5.69% compared to the previous year, while there is a reduction in the number of employees in Officer/Managerial Cadre-Technical (3.28% increase) and Other employees (27.03% increase).

3.3.33 The marginal decrease in Employee Expenses is attributable to decrease in Interim Relief / Wage Revision and Re-measurement of defined benefit plan and increase in salary, wages and other expenses, terminal benefits. On one hand, Interim relief/ wage revision has gone from Rs. 5.69 Crore to -6.84 Crore and on the other salary has

increased from Rs. 77.6 Crore to Rs. 90.86 crore. Hence, the Commission approves the actual employee expenses of TPC-T after prudence check.

3.3.34 For FY 2020-21, the Commission observes that actual employee expense has increased from Rs. 109.24 Crore to 121.79 Crore, an increase of 11.49%.

Table 21: Comparison of Employee Expenses in FY 2019-20 and FY 2020-21 (Rs. Crore)

Particular	FY 2019-20	FY 2020-21	% Change
Number of Employees	433	427	-1.39%
Officer/ Managerial Cadre-Technical	126	127	0.79%
Staff Cadre	260	246	-5.38%
Other Employees	47	54	14.89%
Employee expense			
Salary, wages & other expenses	90.86	91.51	0.71%
Bonus/Ex-Gratia Payments	14.90	22.33	49.89%
Interim Relief / Wage Revision	-6.84	0.00	-100.00%
Staff welfare expenses	13.01	13.88	6.70%
Commission to Directors	-0.10	0.57	-687.07%
VRS Expenses/Retrenchment Compensation	0.35	0.34	-2.33%
Terminal Benefits	12.55	12.73	1.51%
Remeasurement of Defined Benefit Plan	2.68	-4.58	-270.50%
Less: Expenses Capitalised	-18.18	-15.01	-17.47%
Net Employee Expenses	109.24	121.79	11.49%

3.3.35 The above table shows reduction in total employee numbers by 1.39% vis-a-vis that in that in FY 2019-20. The major categories where employees have been reduced are in the staff cadre (5.38% reduction).

3.3.36 However, Employee expenses have increased by 11.49% on account of increase in Bonus/Ex-gratia payments, which has increased by 49.89% and interim wage relief changing from Rs. (6.84) Crore to Nil. Hence, the Commission approves the actual employee expenses of TPC-T for FY 2020-21, after prudence check.

3.3.37 For FY 2021-22, the Commission observes that the actual employee expenses have increased by 2.09%, i.e., Rs. 2.54 Crore as shown the following table:

Table 22: Comparison of Employee Expense in FY 2020-21 and FY 2021-22 (Rs. Crore)

Particular	FY 2020-21	FY 2021-22	% Change
Number of Employees	427	437	2.34%
Officer/ Managerial Cadre-Technical	127	143	12.60%
Staff Cadre	246	231	-6.10%
Other Employees	54	63	16.67%
Employee expense			
Salary, wages & other expenses	91.51	91.03	-0.52%
Bonus/Ex-Gratia Payments	22.33	24.32	8.90%
Interim Relief / Wage Revision	0.00	0.00	-
Staff welfare expenses	13.88	14.73	6.14%
Commission to Directors	0.57	1.74	203.19%
VRS Expenses/Retrenchment Compensation	0.34	0.13	-61.32%
Terminal Benefits	12.73	11.54	-9.36%
Remeasurement of Defined Benefit Plan	-4.58	-2.29	-50.03%
Less: Expenses Capitalised	-15.01	-16.88	12.50%
Net Employee Expenses	121.79	124.33	2.09%

3.3.38 The above Table shows that the number of employees has increased by 2.37% vis-à-vis that in FY 2020-21. The major categories where the number of employee have increased is in Officer/Managerial cadre-Technical (12.60% increase) and other employees (16.67% increase), while there is a reduction in the staff cadre (-6.10%).

3.3.39 However, Employee expenses have increased by 2.09% on account of 8.90% increase in Bonus/ex-gratia payment, 6.14% increment in staff welfare expenses, and increase in commission to directors.

3.3.40 The Commission notes that commission to the Directors is on similar levels which has been previously drawn.

3.3.41 In view of the above, the actual Employee Expenses approved by the Commission after truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 23: Employee Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Employee Expenses	109.24	109.23	121.79	121.80	124.33	124.33

Administration & General (A&G) Expenses

TPC-T's Submission

3.3.42 TPC-T submitted that the actual A&G expenditure for FY 2019-20, FY 2020-21 and FY 2021-22 was Rs. 88.15 Crore, Rs. 82.24 Crore and Rs. 98.48 Crore, respectively. The A&G expenses for FY 2019-20 are higher as compared to the A&G expenses approved for FY 2018-19 (Rs. 65.46 Crore), primarily due higher expenditure on rents & taxes and loss on sale of assets.

3.3.43 With respect to increase in the expenditure towards rents and taxes in FY 2019-20, TPC-T submitted that the same was on account of one-time payment of Rs. 10.53 Crore made to the Collector of Mumbai towards final settlement of lease rental for Backbay plot. Increase in loss on sale of assets is due to write off of expenditure to the tune of Rs. 6.45 Crore pertaining to the capex schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand -Nagothane Transmission line. The same were cancelled/deemed cancelled by the Commission in its Order dated 30th June 2016 in Case No. 22 of 2016 and Order dated 12th September 2018 in Case No. 204 of 2017, respectively, and are now closed from the point of view of any reconsideration in future, as a consequential impact of cancellation of 400 kV Vikhroli Capex scheme of TPC-T by the Commission and the Hon'ble APTEL's Judgment in Appeal No. 88 of 2019 on this issue.

3.3.44 The A&G expenses for FY 2020-21 are lower than the A&G expenses for FY 2019-20 (Rs. 88.15 Crore). In comparison with the A&G expenses for FY 2020-21 (Rs. 82.24 Crore), the A&G expenses for FY 2021-22 are higher by 20 %. The A&G expenses were higher in comparison with that of FY 2020-21 mainly on account of expenses of Rs. 13.51 Crore towards lease rent for Sarsola plot for past period raised cumulatively in FY 2021-22, increase in loss on account of retirement of assets, increase in V-SAT, Internet and related charges due to higher allocation of SAP expenses.

Commission's Analysis and Ruling

3.3.45 Actual A&G expenses include rent, rates & taxes, professional, consultancy and technical fees, fees and subscription, insurance, legal & consulting charges, conveyance & travel, electricity & water charges, training, cost of services procured, V-sat, internet

and related charges, brand equity, etc.

3.3.46 A comparison of major component-wise actual A&G Expense claimed by TPC-T in FY 2019-20 against 2018-19 is shown in the Table below:

Table 24: Comparison of A&G Expenses in FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2018-19	FY 2019-20	%change	FY 2020-21	%change	FY 2021-22	%change
Rent Rates & Taxes	16.93	33.58	98.37%	27.41	-18.38%	32.60	18.92%
Insurance	2.40	2.40	0.01%	6.25	160.56%	5.60	-10.35%
Telephone & Postage, etc.	0.45	0.21	-53.50%	0.21	0.90%	0.23	6.67%
Legal charges & Audit fee	6.26	7.42	18.51%	5.69	-23.24%	6.45	13.35%
Professional, Consultancy, Technical fee	3.30	2.12	-35.77%	2.68	26.78%	3.40	26.77%
Conveyance & Travel	3.84	3.32	-13.49%	4.61	38.79%	4.84	4.92%
Electricity charges	0.52	1.09	110.56%	0.67	-38.27%	0.66	-2.05%
Water charges	-	-	0.00%	-	0.00%	0.05	100.00%
Security arrangements	-	-	0.00%	-	0.00%	-	0.00%
Fees & subscription	0.20	0.20	-1.48%	0.24	17.73%	0.47	100.55%
Books & periodicals	-	-	0.00%	-	0.00%	0.00	-
Computer Stationery	-	-	0.00%	-	0.00%	-	0.00%
Printing & Stationery	0.31	0.36	17.34%	0.22	-40.54%	0.24	12.99%
Advertisements	0.04	0.12	184.17%	0.15	25.14%	0.36	141.27%
Purchase Related Advertisement Expenses	-	-	0.00%	-	0.00%	-	0.00%
Contribution/Donations	-	-	0.00%	-	0.00%	-	0.00%
Other Operation Expenses	-	1.04	100.00%	1.10	5.93%	1.76	59.78%
Vehicle Hiring Expenses Truck / Delivery Van	-	-	0.00%	-	0.00%	-	0.00%
Cost of services procured	16.21	15.37	-5.18%	18.94	23.24%	21.48	13.39%
Freight On Capital Equipments	-	-	0.00%	-	0.00%	-	0.00%
V-sat, Internet and related charges	7.90	7.91	0.10%	7.40	-6.40%	9.52	28.56%
Training	0.59	0.88	50.46%	1.05	18.61%	1.22	16.50%

Particulars	FY 2018-19	FY 2019-20	%change	FY 2020-21	%change	FY 2021-22	%change
Amount written off - Miscellaneous Expense	-	(0.46)	0.00%	(0.35)	-23.00%	(0.16)	-53.10%
Miscellaneous Expenses	(0.03)	0.06	-297.26%	0.01	-89.17%	-	-100.00%
Office Expenses	0.01	0.14	1273.87%	0.28	104.53%	0.23	-18.47%
Tata Brand Equity	(0.04)	0.09	-316.14%	2.16	2398.37%	2.51	16.15%
Doubtful Debts	(0.85)	(0.10)	-88.49%	(0.89)	808.51%	0.26	-128.66%
Loss/(Profit) on sale /Retirement of Assets	2.39	9.03	277.47%	2.92	-67.69%	5.88	101.70%
Commission & Brokerage	0.08	0.09	25.46%	0.08	-20.32%	0.16	108.34%
Commission to Non-executive Directors	0.43	1.03	138.84%	0.78	-23.99%	1.23	56.55%
Others - A&G	3.64	2.24	-38.50%	1.90	-14.95%	2.28	19.80%
Gross A&G Expenses (A)	64.57	88.14	36.51%	83.51	-5.25%	101.25	21.25%
Add: Cost of Fuel	-	0.00	0.00%	0.00	0.00%	0.00	0.00%
Less: Expenses Capitalised	-	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total A&G Expenses (B)	64.57	88.14	36.51%	83.51	-5.25%	101.25	21.25%
Less: Provision for Doubtful Debts (C) \$	0.85	0.10	-88.49%	0.89	808.51%	-0.26	-128.66%
Less: Actual Brand Equity (D)	0.04	-0.09	-316.14%	-2.16	2398.37%	-2.51	16.15%
Add: Allocation of Brand Equity Expenses to Tata Power-T as per MERC methodology (E)**	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
Net A&G Expenses claimed	65.46	88.15	34.66%	82.24	-6.71%	98.48	19.76%

3.3.47 The Commission has verified the actual A&G expenses of FY 2019-20, FY 2020-21 and FY 2021-22 from the audited accounts. The Commission had observed that the figures submitted against various heads of A&G expenses in the Petition Formats were not matching with the figures in the Audited Accounts for FY 2019-20, FY 2020-21 and FY 2021-22. Upon query raised by the Commission, TPC-T submitted the reconciliation statement for A&G expenses.

3.3.48 As can be seen from the above Table, there has been a steep increase of around 35% in actual A&G expenses in FY 2019-20 over FY 2018-19 levels, while there is a reduction of around 7% in FY 2020-21 over FY 2019-20 levels, with A&G expenses again increasing by around 20% in FY 2021-22 over FY 2020-21 levels. **It is observed that**

the primary contributors of the steep increase in A&G expenses are increase in Rents, rates & taxes, Insurance expenses and cost of services procured. Further, TPC-T has not claimed any expenses against Corporate Social Responsibility, Donations, and Brand Equity expenses, in accordance with the Commission's philosophy in this regard in previous Orders.

- 3.3.49 The Commission asked TPC-T to submit details and justification for the cost of services procured (Rs. 15.37 Crore), Loss on sale/retirement of assets (Rs. 9.03 Crore) and Others – A&G (Rs. 2.24 Crore). TPC-T replied that the expenditure against the activities such as housekeeping, pest control services, security expenses and engineering consultancy services are included in 'cost of services procured'. Under 'Loss on sale/retirement of assets', increase in FY 2019-20 is mainly due to write-off of assets pertaining to the preliminary expenses incurred in the schemes, which are closed on account of deemed closure of 400 kV Vikhroli Scheme by the Commission in its Tariff Order in Case No. 204 of 2017. The expenses under the head of 'Other A&G' mainly includes the amounts incurred towards the fees such as annual Transmission Licence fees, Petition filing fees, tender fees, licence renewal fees, etc. The break-up of these heads has been submitted by TPC-T.
- 3.3.50 As regards the expense of Rs. 10.53 Crore paid to the Collector of Mumbai in FY 2019-20, which is included under Rents, rates and taxes, the Commission asked TPC-T to clarify whether this amount includes any delayed payment charges, interest, penalty, etc. TPC-T clarified that the expenses of Rs. 10.53 Crore paid to Collector of Mumbai does not include any penal charges. TPC-T also submitted the 2019 document, wherein the Collector proposed the revised amount of Rs. 10.53 Crore.
- 3.3.51 TPC-T submitted that the lease rental for Backbay RSS plot pertained to the period from FY 2004-05 to FY 2018-19 and raised during FY 2019-20. The lease period for Backbay plot was for 30 years starting from 1995 and it contained a clause for revision every 10 years. In 2017, the Collector claimed Rs. 153 Crore, which was remanded back by Maharashtra Revenue Tribunal for reconsideration. The Collector, finally in 2019, proposed to revise it by 10% in 2005 and 2015 wherein the amount worked out to be Rs.10.53 Cr., which has been paid by TPC-T. TPC-T has claimed this expense as uncontrollable as the same was not factored while specifying the Norms for FY 2019-20 and as TPC-T has reduced the impact by around Rs. 143 Crore after rigorous efforts.
- 3.3.52 The Commission has observed that TPC-T has claimed write off of expenditure to the tune of Rs. 6.45 Crore pertaining to the Capex schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand-Nagothane Transmission line, which were cancelled. Capex schemes were approved by the Commission for Transmission lines from Dehrand to

Vikhroli and Dehrand to Nagothane with the proposed objective of establishing interconnection between MSETCL's 400 kV Network and TPC-T's network to evacuate power from the proposed TPC 1200 MW Dehrand power project. Since, TPC-T had not proposed any expenditure in the Tariff Petitions in Case No. 22 of 2016 and Case No. 204 of 2017 for future years, the schemes were cancelled / deemed cancelled by the Commission with a view that TPC-T may submit revised DPRs for these schemes in case it intends to implement them in future.

3.3.53 Accordingly, the expenses incurred in these schemes towards preliminary works were lying in the capital work in progress account. TPC-T has submitted that subsequent to the Hon'ble APTEL Judgement dated 23 September 2019 in Appeal No. 88 of 2019 upholding the direction issued by the Commission regarding deemed closure of 400 kV Vikhroli project. There was no possibility of reviving the schemes for 400 kV Dehrand-Vikhroli and 400 kV Dehrand-Nagothane lines, and hence TPC-T had no other option but to write off these expenses incurred against approved DPR schemes under O&M during FY 2019-20 as per IND AS, as the same cannot be capitalised without asset being put to use. Since, these expenses were incurred against approved DPRs, TPC-T requested the Commission to approve the write-off of Rs. 6.45 Crore under O&M for FY 2019-20.

3.3.54 In this regard the Commission in its Order dated 30 June 2016 in Case No. 22 of 2016 has ruled as follows :

“

Cancellation of certain DPR Schemes

6.3.17 There are five schemes approved in or before FY 2012-13 on which no capital expenditure has been incurred till FY 2015-16. TPC-T has also not proposed capitalisation in these schemes from FY 2016-17 to FY 2019-20 either. Vide letter dated 25 May, 2016, TPC-T has withdrawn two out of these five schemes. The Commission is cancelling them accordingly. The Commission is also cancelling the remaining three schemes on which no capital expenditure has been incurred in the past or projected in the 3rd Control Period. TPC-T may submit revised DPRs for these schemes in case it intends to implement them in future. The schemes are as shown in the Table below:

Table 53: Cancelled DPR Schemes

	<i>Scheme</i>	<i>MERC Approval Date</i>	<i>Approved Date of Completion</i>	<i>Actual Capitalisation till FY 2015-16</i>	<i>Proposed Capitalisation till FY 2019-20</i>
1	<i>Land for New</i>	<i>28/12/2007</i>	<i>2009-10</i>	-	-

	<i>Scheme</i>	<i>MERC Approval Date</i>	<i>Approved Date of Completion</i>	<i>Actual Capitalisation till FY 2015-16</i>	<i>Proposed Capitalisation till FY 2019-20</i>
	<i>Receiving Sub-stations</i>				
2	<i>400kV Dherand - Vikhroli Line</i>	<i>31/10/2011</i>	<i>2016-17</i>	-	-
3	<i>Establishment of power System Main Control Centre at Vikhroli</i>	<i>05/10/2012</i>	<i>2014-15</i>	-	-
<i>DPRs withdrawn by TPC-T</i>					
4	<i>145v kV GIS at Chembur Tapping Structure</i>	<i>10/02/2011</i>	<i>2012-13</i>	-	-
5	<i>145 kV GIS at Worli</i>	<i>10/02/2011</i>	<i>2012-13</i>	-	-

3.3.55 The above rulings of the Commission clarify that the 400 kV Dehrand-Vikhroli line scheme was approved way back in the year 2011 and was to be completed in the year 2017. Further, till year 2016, TPC-T has not claimed any capitalization and hence, the scheme was cancelled. Even post cancellation of the scheme in the year 2016, TPC-T had never claimed any expenditure in the past. All of sudden, TPC-T in this Petition has claimed expenses against this Scheme.

3.3.56 Further, the Commission is of the view that the two schemes (Dehrand- Vikhroli and Dehrand – Nagothane) were planned with the proposed objective of establishing interconnection between MSETCL's 400 kV Network and TPC-T's network to evacuate power from the proposed TPC 1200 MW Dehrand power project. The Dehrand power project has not fructified based on decisions taken by TPC-G, and there is no linkage of these two Schemes to the 400 kV Kharghar Vikhroli Project, which has its own separate in-feed. The cancellation of these two Schemes is thus, not linked to the deemed cancellation of the 400 kV Kharghar Vikhroli Project. The Commission further notes that these expenses are for preliminary works for assets, which have not been

capitalised and put to use. The Commission notes that these expenses have not helped the consumers in any way and holds that the consumers should not be burdened for assets or expenses, which are not helping the consumers in any way. Hence, the Commission disallows this expense of Rs. 6.45 crore as part of actual A&G Expenses as claimed.

3.3.57 In view of the above, the actual A&G Expenses approved by the Commission after truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 25: A&G Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Net A&G Expenses	88.15	81.70	82.24	82.24	98.48	98.49

Repair and Maintenance (R&M) Expenses

TPC-T's Submission

3.3.58 TPC-T submitted that total R&M expenditure for FY 2019-20, FY 2020-21 and FY 2021-22 was Rs. 37.71 Crore, Rs. 41.92 Crore and Rs. 91.07 Crore, respectively.

3.3.59 In comparison with the R&M expenses for FY 2019-20 (Rs. 37.71 Crore), the R&M expenses for FY 2020-21 are higher by Rs. 4.21 Crore primarily due to execution of schemes pertaining to replacement of old conductors on transmission lines using R&M budget post rejection of Capex DPR for similar type of expenses by the Commission (Rs. 1.81 Crore). The increased expenses towards procurement of Personal Protective Equipment for Covid-19 protection (Rs. 0.14 Crore) and Cable patrolling expenses due to increase in infrastructure activities in FY 2020-21 all over Mumbai by Trans-harbour, MMRDA, BMC, MCGM and SWD, etc. (Rs. 0.55 Crore) and other miscellaneous R&M jobs.

3.3.60 The R&M expenses for FY 2021-22 are higher by Rs. 49.16 Crore as compared to FY 2020-21 (Rs. 41.92 Crore). Out of the total increase of Rs. 49.16 Crore, an amount of Rs. 43.93 Crore was spent towards the Replacement/Upgradation of existing Supervisory Control and Data Acquisition (SCADA) system and communication system. As this expense was to be claimed as an additional amount and being an one-time expenditure, TPC-T has presented the R&M expenses excluding the same for fair comparison with FY 2020-21 below.

3.3.61 From the above, the R&M expenses for FY 2021-22 are higher by 12% over FY 2020-21. This increase is mainly on account of expenses incurred for repair and maintenance of assets transferred to TPC-T from TPC-G and TPC-D at the start of FY 2021-22.

3.3.62 The component-wise breakup of R&M expenses is provided in the Table below:

Table 26: Actual R&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Building & Civil Works	19.05	19.12	22.04
Machinery & Hydraulic Works	14.16	16.32	17.03
Other R&M / Furniture, Vehicles, etc.	0.77	0.73	0.64
Stores, oil consumed	3.72	5.75	7.43
Net R&M Expenses	37.71	41.92	47.14

Commission's Analysis and Ruling

3.3.63 Actual R&M expenses include building & civil works, machinery & hydraulics, furniture & vehicles, store, oil consumed, etc. The Commission has verified the actual R&M expenses for FY 2019-20, FY 2020-21 and FY 2021-22 from the audited accounts.

3.3.64 The Commission observes that the R&M Expenses have increased by Rs. 0.5 Crore, Rs. 4.21 Crore, and Rs. 5.20 Crore in FY 2019-20, FY 2020-21 and FY 2021-22, respectively. The Commission has also noted the justification provided by TPC-T for increase of R&M Expenses year on year.

3.3.65 As per para no. [3.2.53](#), the Commission has considered some expenses claimed under Non-DPR Scheme capex to be included under R&M Expenses.

3.3.66 In view of the above, the Commission has approved the actual R&M expenses after true-up for FY 2019-20, FY 2020-21 and FY 2021-22, as shown in the Table below:

Table 27: R&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Actual R&M Expense	37.71	37.71	41.92	41.92	47.14	47.14
Non-DPR Scheme allowed under normative limit of O&M expenses		15.75		5.66		7.56

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up	TPC-T Petition	Approved after Truing Up
Revised Actual R&M Expense for sharing		53.46		47.58		54.69

3.3.67 As discussed earlier, the Commission has also allowed some non-DPR work under O&M expenses as a one-time additional expense as shown in the Table below:

Table 28: Non-DPR work to be allowed in O&M expense as a one-time expense (Rs. Crore)

Particular	FY 2019-20	FY 2020-21	FY 2021-22
Non-DPR Work allowed in O&M Expense as an additional expense	2.90	2.96	5.82

Brand Equity Expenditure

TPC-T's Submission

3.3.68 TPC-T submitted that in the MYT Order, the Commission had disallowed the expenses towards Brand Equity payment for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19. However, TPC-T has approached Hon'ble APTEL in an Appeal (DFR) No. 198 of 2020 against the said issue along with the other issues of the MYT Order. Accordingly, TPC-T has reduced the expenditure of Rs. 0.09 Crore for FY 2019-20, Rs. 2.16 Crore for FY 2020-21 and Rs. 2.51 Crore for FY 2021-22 booked in the accounts from the total amount claimed under A&G head.

Commission's Analysis and Ruling

3.3.69 The Commission notes that TPC-T has not claimed brand equity expense in A&G Expenses, pending the Appeal before the Hon'ble APTEL. Hence, pending the Order from Hon'ble APTEL, the Brand Equity expenses of TPC-T have not been considered.

Provision for doubtful debts

TPC-T's Submission

3.3.70 TPC-T submitted that it has not considered Provision for Doubtful debts as the same is only allowed in Distribution Business in accordance with the MYT Regulations. Accordingly, TPC-T has not considered Rs. (0.10 Crore), Rs. (0.89 Crore) and Rs. 0.26 Crore in FY 2019-20, FY 2020-21 and FY 2021-22, respectively.

Commission's Analysis and Ruling

3.3.71 The Commission has not considered Provision for doubtful debts as part of O&M expenses.

Sharing of Load Control Centre Expenditure

TPC-T's Submission

3.3.72 The expenditure on TPC's Power System Control Centre (PSCC) (the erstwhile Load Control Centre (LCC)) was allocated to Generation, Transmission and Distribution business of TPC in a certain ratio till FY 2013-14. Since, the LCC expenditure is allocated to all the three Businesses, PSCC expenditure has not been considered separately for FY 2019-20, FY 2020-21 and FY 2021-22, and the allocated PSCC expenditure for FY 2019-20, FY 2020-21 and FY 2021-22 is part of the O&M expenditure explained above.

Commission's Analysis and Ruling

3.3.73 The Commission approves the sharing of LCC expenditure as proposed by TPC-T, which is already included in the O&M expenses and is in line with the philosophy adopted in previous Orders.

Expenditure related to Corporate Social Responsibility

TPC-T's Submission

3.3.74 TPC-T submitted that due to disallowance of previous years' Corporate Social Responsibility (CSR), the CSR expenses incurred by TPC-T as per Section 135 of Companies Act are not allocated to regulated business and are not part of the O&M expenditure submitted above. Hence, no separate deduction towards CSR is required for FY 2019-20 to FY 2021-22.

Commission's Analysis and Ruling

3.3.75 The Commission has verified that TPC-T has not allocated any CSR expenses to the regulated business.

Energy Charges for Auxiliary Consumption

TPC-T's Submission

3.3.76 TPC-T submitted an expense of Rs. 12.13 Crore, Rs. 7.84 Crore and Rs. 13.47 Crore towards auxiliary consumption of its EHV Receiving Stations as part of its O&M expenditure for FY 2019-20, FY 2020-21 and FY 2021-22, respectively.

Commission's Analysis and Ruling

3.3.77 The Commission have verified the energy charges from the audited accounts. Therefore, the Commission approves the Energy Charges of Rs. 12.13 Crore, Rs. 7.84 Crore and Rs. 13.47 Crore towards auxiliary consumption of its EHV Receiving Stations as part of its O&M expenditure for FY 2019-20, FY 2020-21 and FY 2021-22, respectively as proposed by TPC-T. The same have been allowed over and above the normative O&M expenses, while computing the sharing of efficiency gains and losses, in accordance with the philosophy adopted in the MYT Order, as these expenses were not included in the base O&M expenses at the time of determining the norms for O&M expenses.

IT Expenses

3.3.78 TPC-T has submitted it has incurred an IT Expense of Rs. 0.13 Crore relating to cyber security and IT Infrastructure related expense. As this is a one-time expense, TPC-T has claimed this expense over and above the normative expenses.

Commission's Analysis and Ruling

The Commission has considered the IT Expenses as part of O&M Expense as a one-time expenditure.

Total O&M Expenditure

TPC-T's Submission

3.3.79 The O&M expenditure including energy charges for TPC-T for FY 2019-20 works out to Rs. 247.22 Crore, Rs. 253.79 Crore for FY 2020-21, and Rs. 327.36 Crore for FY 2021-22.

3.3.80 The summary of the actual O&M expenditure claimed by TPC-T is tabulated below:

Table 29: Actual O&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)

Sr. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
		MYT Order	Actual	MYT Order	Actual	MYT Order	Actual
1	Normative O & M Expenses	216.09	221.46	171.94	177.31	178.88	202.78
2	Employee Expenses		109.24		121.79		124.33
3	A&G Expenses		88.15		82.24		98.48
4	R&M Expenses		37.71		41.92		47.14
5	Actual Operation & Maintenance Expenses	216.09	235.09	171.94	245.95	178.88	269.95
6	Add: Energy charges	14.03	12.13	14.02	7.84	14.02	13.47

Sr. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
		MYT Order	Actual	MYT Order	Actual	MYT Order	Actual
7	Add: IT Expenses	0.00	0.00	0.00	0.00		0.13
8	Additional O&M Expenses Claimed						43.93
9	Total O&M Expenses	230.12	247.22	185.96	253.79	192.91	327.49

Commission's Analysis and Ruling

3.3.81 The Commission has already analysed and approved the component-wise actual O&M expense for FY 2019-20, FY 2020-21 and FY 2021-22 after prudence check in the above paragraphs, which have been summarized in the Table below:

Table 30: Actual O&M Expenses for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
Employee Expenses		109.24	109.23		121.79	121.80
A&G Expenses		88.15	81.70		82.24	82.24
R&M Expenses		37.71	53.46		41.92	47.62
Add: Energy Charges		12.13	12.13		7.84	7.84
Add: IT Expenses		0.00	0.00		0.00	0.00
Add: Non-DPR works		0.00	2.90		0.00	2.96
Additional R&M Works		0.00	0.00		0.00	0.00
Total		247.22	259.41		253.79	262.46

Particulars	FY 2021-22		
	MYT Order	TPC-T Petition	Approved in this Order
Employee Expenses		124.33	124.33
A&G Expenses		98.48	98.49
R&M Expenses		47.14	54.69
Add: Energy Charges		13.47	13.47
Add: IT Expenses		0.13	0.13
Add: Non-DPR works		0.00	5.82
Additional R&M Works		43.93	43.93
Total		327.49	340.87

3.3.82 The Commission notes that the actual O&M expenses approved are higher than the claim of TPC-T because some scope of work proposed by TPC-T under Non-DPR scheme is approved under O&M expenditure being not of capital expenditure scope and to that extent same is reduced from Non-DPR Capitalisation.

3.3.83 The Commission approves the actual O&M expenses of Rs. 259.41 Crore, Rs. 262.46 Crore and Rs. 340. 87 Crore on Truing-up of ARR for FY 2019-20, FY 2020-21 and FY 2021-22 respectively.

3.4 Depreciation

TPC-T's Submission

3.4.1 Depreciation has been computed by applying the rates specified in the Deprecation Schedule under Regulation 27.1 (b) of the MYT Regulations, 2015 for FY 2019-20 and Regulation 28.1 (b) of the MYT Regulations, 2019 for FY 2020-21 and FY 2021-22. The Depreciation for FY 2019-20, FY 2020-21 and FY 2021-22 works out to Rs. 150.03 Crore, Rs. 179.87 Crore and Rs. 202.85 Crore, respectively.

Commission's Analysis and Ruling

3.4.2 The Commission has considered the closing GFA of FY 2018-19, as the opening GFA of FY 2019-20. Capitalisation approved for FY 2019-20 in this Order, is added to opening GFA to arrive at closing GFA of FY 2019-20. Further, closing GFA of FY 2019-20 is considered as opening GFA of FY 2020-21 and capitalisation approved for FY 2020-21 in this Order is added to arrive at closing GFA of FY 2020-21 and so on.

3.4.3 Regulation 27 of the MYT Regulations, 2015 and Regulation 28 of the MYT Regulations, 2019 specifies that the Transmission Licensee shall be permitted to recover depreciation on the value of fixed assets, and that it shall be computed annually based on the straight-line method at the specified rates.

3.4.4 The Commission has considered the actual depreciation rate for the year as submitted by TPC-T in the Truing up of FY 2019-20, FY 2020-21 and FY 2021-22. Such depreciation rates are applied on the average balance of GFA for FY 2019-20, FY 2020-21 and FY 2021-22 approved by the Commission to arrive at the depreciation expenses for FY 2019-20, FY 2020-21 and FY 2021-22.

3.4.5 The Commission also notes that TPC-T has considered Transfer of assets from its TPC-G in its Opening balance for TPC-T. Accordingly, The Commission considers Rs. 52.46 Crore additionally in opening balance of FY 2021-22.

3.4.6 The depreciation expenses claimed by TPC-T and approved by the Commission for FY 2019-20, FY 2020-21 and FY 2021-22 are summarised in the Table below:

Table 31: Depreciation approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Cr.)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up
Opening GFA as per closing of previous year	3633.46	3661.80	3637.81	4256.53	4051.93	4009.30	4696.29	4778.58	4662.97
Addition in Opening									52.46
Opening GFA considered	3633.46	3661.80	3637.81	4256.53	4051.93	4009.30	4696.29	4778.58	4715.43
Addition in GFA	623.07	406.17	387.53	439.76	700.34	679.86	151.32	427.45	398.90
Retirement of GFA	0.00	(16.04)	(16.04)	0.00	(26.18)	(26.18)	0.00	(53.11)	(53.11)
Closing GFA	4256.53	4051.93	4009.30	4696.29	4726.08	4662.97	4847.61	5152.88	5061.22
Depreciation Rate	3.94%	3.89%	3.89%	3.94%	4.10%	4.10%	3.94%	4.09%	4.09%
Depreciation	155.52	150.03	148.73	176.46	179.87	177.70	188.12	202.92	199.76

3.4.7 The Commission approves the Depreciation of Rs. 148.73 Crore, Rs. 177.70 Crore and Rs. 199.76 Crore on Truing-up of ARR for FY 2019-20, FY 2020-21 and FY 2021-22 respectively.

3.5 Interest on loan capital

TPC-T's Submission

3.5.1 TPC-T submitted that for FY 2019-20, the opening loan was Rs. 1104.58 Crore considering closing loan of FY 2018-19, impact of Review Order and claims pertaining to the capitalisation disallowed in previous Tariff Orders. Normative addition during the year was Rs. 283.82 Crore (Actual addition during the year Rs. 284.32 Crore and Reduction of Loan due to retirement/replacement of assets is Rs. 0.50 Crore). Amount repaid during the year was Rs. 150.03 Crore. The overall rate of interest is 8.41% and the interest cost is Rs. 98.57 Crore.

3.5.2 For FY 2020-21, the opening loan was Rs. 1238.38 Crore, and addition during the year was Rs. 489.58 Crore (Actual addition during the year Rs. 490.23 Crore and Reduction of Loan due to retirement/replacement of assets is Rs. 0.66 Crore). Amount repaid during the year was Rs. 179.87 Crore. The overall rate of interest is 7.80% and the interest cost is Rs. 108.70 Crore.

3.5.3 For FY 2021-22, the opening loan was Rs. 1563.40 Crore, and addition during the year was Rs. 298.90 Crore (Actual addition during the year Rs. 299.21 Crore and Reduction

of Loan due to retirement/replacement of assets is Rs. 0.32 Crore). Amount repaid during the year was Rs. 202.92 Crore. The overall rate of interest is 7.43% and the interest cost is Rs. 119.69 Crore.

Commission's Analysis and Ruling

- 3.5.4 The Commission has revised the closing balance of net normative loan of FY 2018-19 on account of capitalisation allowed in the Review Order. The revised value has been considered as the opening balance of net normative loan for FY 2019-20. The closing balance of net normative loan for FY 2019-20 has been considered as opening balance of net normative loan for FY 2020-21 and so on.
- 3.5.5 For computing the addition of normative loan, the normative debt: equity ratio of 70:30, as specified in the MYT Regulations, 2015 and MYT Regulations, 2019, has been considered on addition to GFA in FY 2019-20, FY 2020-21, and FY 2021-22. The normative loan repayment has been considered equal to the depreciation approved for the year.
- 3.5.6 The Commission reviewed the documentary evidence submitted by TPC-T for verifying computation of weighted average interest rate on loan based on the actual loan draws and letters from banks indicating the loan draws and interest rates.
- 3.5.7 The interest on loan had been calculated on the average normative loan for the year by applying the weighted average rate of interest of 8.41% for FY 2019-20, 7.80% for FY 2020-21 and 7.43% for FY 2021-22, in accordance with Regulation 29.5 of the MYT Regulations, 2015 and Regulation 30 of the MYT Regulations, 2019.
- 3.5.8 The summary of Interest expenses on Long-Term Loan as submitted by TPC-T and as approved by the Commission after Truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 32: Interest on Long Term Loans approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up
Opening loan	1086.06	1104.58	1088.76	1366.69	1238.38	1210.80	1498.06	1563.40	1508.34
Less: Reduction of Loan due to retirement/ replacement	0.00	0.50	0.50	0.00	0.66	0.66	0.00	0.32	0.32
Addition during the year	436.15	284.32	271.27	307.83	490.23	475.90	105.92	299.21	279.23
Repayment	155.52	150.03	148.73	176.46	179.87	177.70	188.12	202.92	199.76
Closing balance of loan	1366.69	1238.38	1210.80	1498.06	1548.09	1508.34	1415.86	1659.38	1587.50
Interest Rate	8.94%	8.41%	8.41%	8.94%	7.80%	7.80%	8.94%	7.43%	7.43%
Interest Cost	109.64	98.57	96.74	128.05	108.70	106.07	130.25	119.69	114.97

3.5.9 The Commission approves Interest expenses on Long-Term Loan of Rs. 96.74 Crore on Truing-up of ARR for FY 2019-20, Rs. 106.07 Crore for FY 2020-21 and Rs. 114.97 Crore for FY 2021-22.

3.6 Refinancing and Other Finance Charges

TPC-T's Submission

3.6.1 TPC-T submitted that in FY 2019-20, it had refinanced the IDFC First Bank Rs. 800 Crore loan facility balance with Rs. 440 Crore Loan facility from Axis Bank. TPC-T has worked out the benefit accrued to the consumers due to refinancing of IDFC Rs. 800 Crore loan in line with the methodology adopted by the Commission while issuing its decision on Refinancing done by TPC-T in FY 2016-17.

3.6.2 TPC-T submitted that it has computed the impact of refinancing of loan on annuity basis. TPC-T claimed refinancing and other Finance Charges of Rs. 3.22 Crore for FY 2019-20, which includes Rs. 3.21 Crore towards cost of refinancing and benefits of refinancing expenses and Rs. 0.01 Crore towards other finance charges. The other Finance Charges are Rs. 0.15 Crore and Rs. 0.16 Crore for FY 2020-21 and FY 2021-22, respectively.

Commission's Analysis and Ruling

- 3.6.3 The Commission asked TPC-T to submit break-up of Rs 3.22 Crore for FY 2019-20, towards Refinancing and Other finance charges. TPC-T replied that out of total of Rs. 3.22 Crore, the Other finance charges are to the tune of Rs. 0.0066 Crore and balance of Rs. 3.21 Crore is the share of TPC-T out of the total benefit of refinancing.
- 3.6.4 TPC-T submitted that the amount of loan refinanced is Rs. 440 Crore and amount of loan considered against capitalisation in FY 2019-20 is Rs. 445.66 Crore.
- 3.6.5 The Commission asked TPC-T to submit the broad terms such as basis of interest rate including margin prevalent before the refinancing and after refinancing, repayment terms, financing charges of original loan with refinanced loan, refinancing cost, etc. TPC-T submitted that the benchmark originally for IDFC First loans was 1 year benchmark rate and a spread / margin of 1.25% as per the sanction letter dated 15 September 2011. In December 2017, IDFC First reset the same to 1 year MCLR + spread / margin of 5 bps. As on the date of repayment, the IDFC First MCLR was 9.2% and therefore the effective interest was 9.25%.
- 3.6.6 Further, when the IDFC First loan was refinanced by Axis Bank, loan facility was signed at Axis Bank 1 year MCLR + spread / margin of 0.25%. On the date of disbursement, the 1 year Axis Bank MCLR was 8.45%. Therefore, the effective interest rate was 8.70% leading to a saving of 0.55%.
- 3.6.7 TPC-T has submitted the computation of the Net Present Value (NPV) of savings due to re-financing of loans in the Petition.
- 3.6.8 The Commission noted the submission of TPC-T and enquired on the interest rate considered in the computation of NPV. TPC-T in its reply has revised its cost of refinancing from 3.21 Crore to Rs. 3.07 Crore.
- 3.6.9 The Commission has computed the benefit of refinancing to TPC-T on annuity basis, considering the discount rate equal to the revised interest rate of 8.70%. Further, the loan repayment has been considered equal to the depreciation, in accordance with regulatory principles. As there is a net benefit of the refinancing transaction, TPC-T has been allowed a share of 1/3rd of the benefit.
- 3.6.10 In view of the above, the Commission approves the Refinancing and Other Finance Charges for FY 2019-20, FY 2020-21 and FY 2021-22 as shown below:

Table 33: Other Finance Charges approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up
Other Finance Charges	0.00	3.08	3.08	0.00	0.15	0.15	0.00	0.16	0.16

3.6.11 The Commission approves Refinancing and Other Finance Charges as Rs. 3.08 Crore on Truing-up of ARR for FY 2019-20, Rs. 0.15 Crore for FY 2020-21 and Rs. 0.16 Crore for FY 2021-22.

3.7 Interest on Working Capital (IoWC)

TPC-T's Submission

3.7.1 TPC-T submitted that it has calculated the IoWC based on the elements specified in the MYT Regulations, 2015 and the amendment notified thereafter for FY 2019-20 and MYT Regulations, 2019 for FY 2020-21 and FY 2021-22. The rate of interest considered for FY 2019-20 is 9.66% and the normative IoWC works out to Rs. 14.01 Crore. For FY 2020-21 the interest rate works out to be 8.57% and the normative IoWC works out to Rs. 11.61 Crore. Further, for FY 2021-22 the interest rate works out to be 8.50% and the normative IoWC works out to Rs. 14.21 Crore.

Commission's Analysis and Ruling

3.7.2 For computing the normative working capital requirement, the Commission has considered one-twelfth (1/12) of the amount of O&M Expenses based on the normative O&M Expenses of FY 2019-20, FY 2020-21 and FY 2021-22 approved in this Order. One and half months of revenue received is also considered as approved in the InSTS Tariff Order applicable for the respective period. Rebate of Rs. 0.66 Crore, Rs. 0.85 Crore and Rs.0.94 Crore provided by STU for FY 2019-20, FY 2020-21 and FY 2021-22, respectively, has been deducted from the revenue considered as per the InSTS Tariff Order applicable for the respective period.

3.7.3 Further, maintenance spares of one per cent of the opening balance of GFA for FY 2019-20, FY 2020-21 and FY 2021-22 as approved in the final True up of 2019-20, FY 2020-21 and FY 2021-22 in this Order are considered.

3.7.4 The Commission has computed the normative working capital requirement for FY 2019-20 in accordance with the MYT Regulations, 2015, and the MERC (MYT) (First Amendment) Regulations, 2017 notified on 29 November, 2017. In the amendment, the

Commission has revised the formulation for Base Rate, and linked the same to the one-year Marginal Cost of Funds-based Lending Rate (MCLR) of State Bank of India (SBI). The Commission has computed the normative working capital requirement for FY 2020-21 and FY 2021-22 in accordance with the MYT Regulations, 2019.

3.7.5 For computation of IoWC, the Commission has considered the rate of interest equal to the weighted average one-year MCLR during the year plus 150 basis points, from FY 2019-20 onwards. The rate of IoWC has been considered as 9.66%, 8.57% and 8.50% for FY 2019-20, FY 2020-21 and 2021-22, respectively.

3.7.6 The summary of the IoWC approved by the Commission after Truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 34: IoWC approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up	MYT Approved	TPC-T Petition	Approved after Truing Up
O&M expenses for one month	18.01	20.60	20.63	15.50	15.43	17.44	16.08	21.68	22.91
Maintenance spares	36.33	36.62	36.38	42.57	40.52	40.09	46.96	47.79	47.15
Receivables	87.89	87.88	87.88	79.58	79.53	79.53	97.81	97.70	97.70
Total Working Capital	142.24	145.10	144.89	137.64	135.48	137.07	160.85	167.17	167.76
Interest Rate (%)	9.55%	9.66%	9.66%	9.55%	8.57%	8.57%	9.55%	8.50%	8.50%
Interest on Working Capital	13.58	14.01	13.99	13.14	11.61	11.75	15.36	14.21	14.26

3.7.7 The Commission approves IoWC as Rs. 13.99 Crore on Truing-up of ARR for FY 2019-20, Rs. 11.75 Crore for FY 2020-21 and Rs. 14.26 Crore for FY 2021-22.

3.8 Return on Equity (RoE)

TPC-T's Submission

3.8.1 TPC-T submitted that it has calculated the RoE on the basis of 70:30 Debt Equity ratio. TPC-T has considered the Base RoE as 15.5% as per MYT Regulations, 2015 for FY 2019-20 and 14% as per MYT Regulations, 2019 for FY 2020-21 and FY 2021-22. The RoE is computed Rs. 193.62 Crore, Rs. 264.85 Crore and Rs. 297.31 Crore for FY 2019-20, FY 2020-21 and FY 2021-22, respectively.

3.8.2 As per the MYT Regulations, 2019, an additional RoE will be allowed based on the actual performance during the Truing-up of the respective financial year. Further, in

line with the provisions of Regulation 34.2 of the MYT Regulations, 2019, the rate of Return on Equity, including additional rate of Return on Equity has been grossed up with the effective tax rate of FY 2020-21 and FY 2021-22. TPC-T has computed effective tax rate of the Company by considering the Normal Tax rate under Old Tax regime and revised MAT rate of 17.47% in order to utilise the MAT credit available with TPC-T. The Rate of Return on Equity has been computed based on the Actual Transmission Grid Availability as per the certificate issued by MSLDC for FY 2020-21 and FY 2021-22 as shown in Table below:

Table 35: RoE claimed by TPC-T for FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22	
	MYT Approved	TPC-T Petition	MYT Approved	TPC-T Petition
Base Rate of Return	14.00%	14.00%	14.00%	14.00%
Normative Availability	99.00%	99.00%	99.00%	99.00%
Actual Availability	99.00%	99.89%	99.00%	99.87%
Max Rate of Return	15.50%	15.50%	15.50%	15.50%
Applicable Rate of Return	14.00%	15.92%	14.00%	15.86%
Allowable Rate of Return	14.00%	15.50%	14.00%	15.50%
Effective Tax Rate of the Company		17.47%		17.47%
Pre-tax Return on Equity after considering effective Tax rate	14.00%	18.80%	14.00%	18.80%

Commission's Analysis and Ruling

- 3.8.3 For FY 2019-20, the Commission has computed RoE at 15.50% on the opening equity for the respective year and 50% of the asset addition during the year, by considering the normative equity as 30% of the capitalisation in accordance with Regulation 28 of the MYT Regulations 2015. The Commission has computed RoE for FY 2020-21 and FY 2021-22 in accordance with Regulation 29 of the MYT Regulations, 2019 at base return of equity of 14%.
- 3.8.4 The Commission has revised the closing balance of equity of FY 2018-19 approved in the MYT Order on account of disallowance of capitalisation as discussed in earlier section. The opening balance of regulatory equity for FY 2019-20 has been considered equal to the revised closing equity for FY 2018-19. Similarly, closing balance of regulatory equity considered for FY 2019-20 has been considered as opening balance of regulatory equity for FY 2020-21 and so on for FY 2021-22. The Commission has considered reduction in equity at 30% of asset value of retired/de-capitalised assets, as detailed earlier for FY 2019-20, FY 2020-21 and FY 2021-22.

- 3.8.5 Addition to equity is considered equal to 30% of the capitalization approved in this Order for respective year as specified in the applicable MYT Regulations.
- 3.8.6 The additional Return for TPC-T in FY 2020-21 and FY 2021-22 has been considered based on its Transmission Availability. TPC-T has submitted Transmission Grid availability certificate proving its transmission availability to be 99.89% and 99.87% in FY 2020-21 and FY 2021-22, respectively. The Commission has verified that TPC-T in FY 2020-21 and FY 2021-22 has met the criteria for getting maximum rate of Return, i.e., 15.50%. Transmission Grid Availability has been verified from the certificate of SLDC.
- 3.8.7 Further, Regulation 34 of the MYT Regulations, 2019 provides for pre-tax RoE to be computed for FY 2020-21 and FY 2021-22, as reproduced below:

“34.1 The Income Tax for the Generating Company or Licensee or MSLDC for the regulated business shall be allowed on Return on Equity, including Additional Return on Equity through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.6:

...

34.2 The rate of Return on Equity, including additional rate of Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with the effective tax rate of respective financial year.

...

34.4 The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company or Licensee or MSLDC, as the case may be:

Provided that, in case of the Generating Company or Licensee or MSLDC has engaged in any other regulated or unregulated Business or Other Business, the actual tax paid on income from any other regulated or unregulated Business or Other Business shall be excluded for the calculation of effective tax rate:

Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check... ..”(emphasis added)

- 3.8.8 As per the P&L statement submitted in the reconciliation report, the actual Income Tax for FY 2020-21 and FY 2021-22 for the Company as a whole is Rs. 205.31 Crore and Rs. (105.11) Crore. Further, as per the Income Tax Return Acknowledgement of the Company for the Assessment Years 2021-22 and 2022-23, viz., FY 2020-21 and FY 2021-22, the actual Income Tax payable by TPC is shown as zero. Though as per ITR, the Company has paid the Tax but has claimed the refund amount for the entire tax amount paid. Therefore, for the Company as a whole, the tax liability is zero for FY 2020-21 and FY 2021-22. TPC-T has claimed the income tax considering MAT rate.

3.8.9 As per the provision of Regulations, the effective tax rate is to be considered on the basis of actual tax paid by the Company and while computing the effective tax rate, the actual tax paid on income from any other regulated or unregulated Business or Other Business is to be excluded for the calculation of effective tax rate. When the actual tax payable for Company as a whole works out to zero, the question of computing effective tax rate excluding the actual tax paid on income from any other regulated or unregulated Business or Other Business does not arise at all.

3.8.10 As the actual tax payable by TPC (company as a whole) is zero, the effective rate as per the provisions of Regulations works out to '0'. Therefore, the Commission deems it prudent to consider effective tax rate of 0% for FY 2020-21 and FY 2021-22.

3.8.11 The RoE approved by the Commission after Truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is summarized in the following Table:

Table 36: RoE approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Regulatory equity at the beginning of the year	1,182.12	1,190.61	1,183.31	1,369.04	1,307.65	1,294.76	1,500.96	1,525.63	1,490.86
Less: Equity portion of Asset Decapitalised	0.00	(4.81)	(4.81)	0.00	(7.85)	(7.85)	-	(15.93)	(15.93)
Capitalisation during the Year	623.07	406.17	387.53	439.76	700.34	679.86	151.32	427.45	398.90
Equity portion of capitalisation during the year	186.92	121.85	116.26	131.93	210.10	203.96	45.39	128.23	119.67
Regulatory Equity at the end of the year	1,369.04	1,307.65	1,294.76	1,500.96	1,509.90	1,490.86	1,546.36	1,637.93	1,594.60
Pre-tax rate of equity after considering effective tax rate	15.5%	15.5%	15.5%	16.96%	18.80%	15.50%	16.96%	18.80%	15.50%
Return on Regulatory Equity at the beginning of the year	183.23	184.54	183.41	232.24	245.84	200.69	254.62	286.82	231.08
Return on Regulatory Equity @ 50% of capitalisation during the year	14.49	9.07	8.64	11.19	19.01	15.20	3.85	10.56	8.04
Total Return on Equity	197.71	193.62	192.05	243.43	264.85	215.89	258.47	297.38	239.12

3.8.12 The Commission approves RoE as Rs. 192.05 Crore on Truing-up of ARR for FY 2019-20, Rs. 215.89 Crore for FY 2020-21 and Rs. 239.12 Crore for FY 2021-22.

3.9 Income Tax (IT)

TPC-T's Submission

- 3.9.1 For arriving at the IT payable for the regulated business, TPC-T has computed the IT based on Regulatory Profit Before Tax (PBT) for Transmission Business for FY 2019-20. As per IT Rules, the higher of Corporate Tax/Minimum Alternate Tax (MAT) would be payable for each Business Unit. TPC-T submitted that as per Regulation 34 of MYT Regulations, 2015, IT is calculated as Rs. 36.36 Crore for FY 2019-20.
- 3.9.2 Since the Billed Revenue has been considered for computation of Income Tax, the Transmission Availability incentive for FY 2019-20, which is not billed to the TSUs during FY 2019-20 has not been deducted from the revenue.
- 3.9.3 TPC submitted it has started claiming 80-IA benefits towards Transmission and Distribution Businesses since FY 2013-14 in the Return of Income. The assessment of FY 2013-14 has been completed in December 2017, wherein the IT authority had denied the claim of 80-IA benefits towards Transmission and Distribution Businesses of TPC vide its Order dated 29 December 2017.
- 3.9.4 Further, the Dispute Resolution Panel (DRP) rejected the 80-IA claim of TPC for the Transmission and Distribution business. In this regard, TPC has preferred appeal before the Hon'ble Income Tax Appellate Tribunal (ITAT), Mumbai bench, which is pending for adjudication. TPC-T submitted that it will approach the Commission, once the claim materialises.
- 3.9.5 TPC-T further submitted that the Commission has wrongly disallowed IT computed by TPC-T in its MTR Petition for FY 2015-16 and FY 2016-17 in line with the methodology followed by the Commission in its MYT Order in Case No. 22 of 2016 dated 22 June, 2016. TPC-T has challenged this disallowance before the Hon'ble ATE vide Appeal No. 88 of 2019, and the matter is still sub-judice.
- 3.9.6 In addition to the above, TPC-T has filed an Appeal before the Hon'ble ATE (Appeal No. 246 of 2015) where it has proposed to consider the Revenue Gap/(Surplus) amount approved during the truing up for that year, as it will reflect the actual tax liability on the consumers for that year. The appeal was not granted. Hence, TPC-T has approached the Hon'ble Supreme Court in Appeal Nos. 1356-1358 of 2017 and the matter is sub-judice.
- 3.9.7 Considering the above, without prejudice to the appeal of TPC-T before the Hon'ble Supreme Court, TPC-T has not considered the Revenue Gap/(Surplus) arrived at for FY 2019-20, while computing the Income Tax for FY 2019-20. TPC-T submitted that

it will approach the Commission for IT re-computation depending on the Judgment of the Hon'ble Supreme Court.

3.9.8 Further, the Commission in line with the submission made by TPC-T had not considered the 80-IA deduction amounts in computation of income tax while truing up of FY 2015-16, FY 2016-17 and FY 2017-18 as the assessment Order were not received. As on date of filing this Petition, TPC-T has received the 80-IA Assessment Orders for FY 2015-16, FY 2016-17 and FY 2017-18. However, as per the Tariff Orders in Case No. 204 of 2017 and Case No. 299 of 2019, which covers these financial years, TPC-T is coming under MAT and has been allowed to recover the Tax at the rate of MAT, hence, due to 80-IA deduction, there would not be any impact on the recoverable tax amount of past years except the increase in the MAT credit available to TPC-T. Accordingly, based on the assessment Orders, TPC-T has revised the MAT credit amount for Income Tax computation for FY 2019-20.

Commission's Analysis and Ruling

3.9.9 The Commission has computed the IT for FY 2019-20 in accordance with Regulation 33.1 of MYT Regulations, 2015 and as per the Hon'ble ATE Judgment dated 2 December 2013 in Case No. 138 and 139 of 2012.

3.9.10 As specified in the Regulations and ATE Judgment, the Commission has arrived at IT payable based on Regulatory PBT, considering the normative cost allowed by the Commission. The tax liability is calculated on the regulatory income and cost within the MYT regime considering the applicable tax depreciation for computation of the IT. Accordingly, the calculation of IT provides the tax payable for the Regulatory business whereby all the items of ARR and Revenue are considered on normative basis for tariff purposes. Also, in line with the MYT Regulations, 2015, efficiency gains and incentive earned are excluded while computing Income Tax on PBT basis.

3.9.11 The summary of the IT approved by the Commission after true-up for FY 2019-20 is shown in the Table below:

Table 37: Income Tax approved for FY 2019-20 (Rs. Crore)

Particulars	Basis	FY 2019-20		
		MYT Order	TPC-T Petition	Approved after Truing Up
Total Revenue	<i>a</i>		718.04	718.04
Less: Efficiency Gain earned	<i>b</i>		0.00	
Less: Incentive for higher transmission system availability	<i>c</i>		0.00	
Total Expenses	<i>d</i>		509.94	531.13
Profit Before Tax	<i>e=a-b-c-d</i>		208.11	186.91
Tax Adjustment				
Depreciation considered in Expenses	<i>f</i>		150.03	148.73
Other disallowance while computing IT	<i>g</i>		10.22	10.22
Total Tax Disallowances	<i>h=f+g</i>		160.25	158.95
Less				
Tax Depreciation	<i>i</i>		263.67	263.67
Other expenses allowed for computing Income Tax	<i>j</i>		(5.88)	(5.88)
Deduction- U/s 80IA	<i>k</i>		0.00	0.00
Total Tax Allowances	<i>l=i+j+k</i>		257.80	257.80
Less: Carried forward loss of previous years	<i>m</i>		0.00	
Total Taxable Income	<i>n=e+h-l-m</i>		110.56	88.06
Corporate Tax%	<i>o</i>		34.61%	34.61%
Tax Payable at Normal rate (Corporate Tax Rate)	<i>p=n*o</i>		38.26	30.48
MAT Computation				
Profit Before Tax	<i>q=e</i>		208.11	186.91
Add: Disallowances under Income Tax (U/s 14 A, provision for doubtful debt)	<i>r</i>		0.00	10.22
Less: Deductions under Income Tax	<i>s</i>		0.00	5.88
Book Profit	<i>t=q+r-s</i>		208.11	191.25
MAT Rate %	<i>u</i>		17.47%	17.47%
Tax Payable under MAT Rate	<i>v=t*u</i>		36.36	33.42
Tax applicable	<i>w=max(p,v)</i>		38.26	33.42
Less: MAT Credit	<i>x</i>		1.90	0.00
Tax payable	<i>y</i>	33.40	36.36	33.42

3.9.12 The Commission approves Income Tax as Rs. 33.42 Crore on Truing-up of ARR for FY 2019-20.

3.10 Contribution to Contingency Reserves

TPC-T's Submission

3.10.1 TPC-T submitted that as per Regulation 34.1 of MYT Regulations, 2015 the Contingency Reserve at 0.25% of opening GFA works out to Rs. 9.15 Crore for FY 2019-20.

3.10.2 Further, TPC-T submitted that as per Regulation 35.1 of MYT Regulations, 2019 the Contingency Reserve at 0.25% of opening GFA works out to Rs. 10.13 Crore and Rs. 11.95 Crore for FY 2020-21 and FY 2021-22, respectively.

Commission's Analysis and Ruling

3.10.3 The Commission has verified that the accumulated Contingency Reserves at the end of FY 2018-19 does not exceed 5% of the original cost of fixed assets as specified in Regulation 34.1 of MYT Regulations, 2015.

3.10.4 The Commission has computed the contribution to Contingency Reserves for FY 2019-20, FY 2020-21 and FY 2021-22 equivalent to 0.25% of opening GFA of FY 2019-20, FY 2020-21 and FY 2021-22, respectively, while ensuring that the cumulative balance of Contingency Reserves does not exceed 5% of the original cost of fixed assets for the respective year.

3.10.5 Based on the above, the Commission approves the Contribution to Contingency Reserve after true-up for FY 2019-20, FY 2020-21 and FY 2021-22, as shown in the Table below:

Table 38: Contribution to Contingency Reserves approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Opening Balance of Contingency Reserves	97.83	97.83	97.83	106.91	106.99	106.93	117.56	117.12	116.95
Opening Gross Fixed Assets	3633.46	3661.80	3637.81	4256.53	4051.94	4009.30	4696.29	4778.55	4715.43
Opening Balance of Contingency Reserves as % of Opening GFA	2.69%	2.67%	2.69%	2.51%	2.64%	2.67%	2.50%	2.45%	2.48%
Contribution to Contingency Reserves during the year	9.08	9.15	9.09	10.64	10.13	10.02	11.74	11.95	11.79

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Closing Balance of Contingency Reserves	106.91	106.99	106.93	117.56	117.12	116.95	129.30	129.06	128.74
Closing Balance of Contingency Reserves as % of Opening GFA	2.94%	2.92%	2.94%	2.76%	2.89%	2.92%	2.75%	2.70%	2.73%

3.10.6 The Commission approves Contribution to Contingency Reserves as Rs. 9.09 Crore on Truing-up of ARR for FY 2019-20, Rs. 10.02 Crore for FY 2020-21 and Rs. 11.79 Crore for FY 2021-22.

3.11 Non-Tariff Income (NTI)

TPC-T's Submission

3.11.1 TPC-T submitted that the actual NTI in FY 2019-20 was Rs. 14.98 Crore, of which Rs. 8.15 Crore is from recurring items and Rs. 6.83 Crore is from non-recurring items. The actual NTI in FY 2020-21 is Rs. 23.88 Crore, of which Rs. 11.07 Crore is from recurring items and Rs. 12.81 Crore is from non-recurring items. Further, the actual NTI in FY 2021-22 is Rs. 30.08 Crore, of which Rs. 13.05 Crore is from recurring items and Rs. 17.03 Crore is from non-recurring items.

3.11.2 TPC-T also submitted that their appeal against the Commission's Order regarding DPC in NTI is pending and subject to the Judgment, TPC-T will in future approach the Commission for claiming any impact along with the carrying cost on this account.

Commission's Analysis and Ruling

3.11.3 TPC-T has submitted the details of NTI under various heads like rents, interest on Contingency Reserve investments, interest on staff loans and advances, sale of scrap and stores, income on services rendered, liquidated damages, VAT Refund, etc.

3.11.4 The Commission observes that the NTI amounts considered in the Petition formats were not matching with the figures in the Audited Accounts for FY 2019-20, FY 2020-21 and FY 2021-22. TPC-T submitted the reconciliation of NTI as in Petition vis a vis Audited Accounts for FY 2019-20, FY 2020-21 and FY 2021-22.

3.11.5 The Commission also notes that there is substantial increase in sale of scrap and stores from Rs. 5.88 Crore to Rs. 16.68 Crore is the major contributor in increase of NTI.

3.11.6 The Commission approves the NTI as proposed by TPC-T.

3.11.7 The summary of the NTI approved by the Commission after Truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 39: NTI approved for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up	MYT Order	TPC-T Petition	Approved after Truing Up
Income from rent of land or buildings		3.25	3.25		3.50	3.50		5.00	5.00
Income from sale of scrap		5.89	5.89		11.49	11.49		16.68	16.68
Income from Investment		0.58	0.58		1.07	1.07		0.07	0.07
Other/Miscellaneous receipts		(0.01)	(0.01)		0.06	0.06		0.18	0.18
Interest on Contingency Reserve Investments		4.79	4.79		7.15	7.15		7.88	7.88
Income on Services rendered		0.11	0.11		0.43	0.43		0.17	0.17
Liquidated Damages		0.36	0.36		0.19	0.19		0.10	0.10
Total	12.89	14.98	14.98	13.58	23.88	23.88	14.37	30.08	30.08

3.11.8 The Commission approves NTI as Rs. 14.98 Crore on Truing-up of ARR for FY 2019-20, Rs.23.88 Crore for FY 2020-21 and Rs. 30.08 Crore for FY 2021-22.

3.12 Income from Other Business

TPC-T's Submission

3.12.1 In line with communication made by TPC-T to the Commission on 26 September 2019 regarding entering into arrangements with business partners in telecom sector by leasing of its Transmission Towers/Optical Fibres for better utilisation of its Transmission infrastructure, TPC-T has entered into arrangement with M/s Indus Tower for FY 2019-20; with M/s Indus Tower, M/s Tata Communications, and M/s Bharati Airtel for FY 2020-21, and with M/s Indus Tower, M/s Tata Communications, M/s Bharati Airtel, and M/s Microscan Infocomtech Pvt. Ltd. for FY 2021-22.

3.12.2 TPC-T has earned a net income of Rs. 0.54 Crore from this arrangement during FY 2019-20. As per the provisions of Regulation 60 of MYT Regulations 2015, 2/3rd of this net revenue has already been passed on to the Consumers under Rental income shown in the Non-Tariff Income above. Hence, no further deduction of share of beneficiaries is required to be done from the ARR of the FY 2019-20.

3.12.3 TPC-T has earned a net income of Rs. 1.01 Crore and Rs.5.29 Crore during FY 2020-21 and FY 2021-22, respectively. Hence, 2/3rd of this net revenue, i.e., Rs. 0.67 Crore and Rs. 3.53 Crore has been passed on to the Consumers under Rental income shown in the Non-Tariff Income above.

Commission's Analysis and Ruling

3.12.4 Regulation 60 of MYT Regulations, 2015 states that

“Where the Transmission Licensee has engaged in any Other Business under Section 41 of the Act for optimum utilisation of its assets, an amount equal to two-thirds of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in calculating the Annual Transmission Charges of the Transmission Licensee” ... (Emphasis added)

3.12.5 The Commission has noted the submission of TPC-T that TPC-T has already considered 2/3rd of the income in the NTI as part of rental income. The Commission observes that rental income of TPC-T in FY 2019-20, FY 2020-21 and FY 2021-22 is Rs. 3.25 Crore, Rs. 3.50 Crore and Rs. 5 Crore, respectively. Hence, the Commission has not separately considered this income from Other Business.

3.13 Incentive on Transmission Availability

TPC-T's Submission

3.13.1 The Availability of the Transmission System of TPC-T as certified by Maharashtra State Load Despatch Centre (MSLDC) is 99.75% for FY 2019-20.

3.13.2 In accordance with Regulation 57.2 of the MYT Regulations, 2015, TPC-T is entitled to an incentive of Rs. 5.58 Crore for FY 2019-20 on achieving annual Availability beyond the target Availability.

Commission's Analysis and Ruling

3.13.3 The Commission has analysed the submission of TPC-T and also verified the Transmission System availability of 99.75% for FY 2019-20, based on the certification provided by MSLDC. In line with Regulation 57.1 (b) of the MYT Regulations, 2015, the Commission has computed the incentive for achieving Transmission Availability more than 99%. Further, for computing the incentive, the Annual Transmission charges are taken inclusive of Income Tax as per Regulation 54.10 of MYT Regulations, 2015.

3.13.4 Accordingly, the incentive on Transmission System Availability approved by the Commission after true-up for FY 2019-20 is provided in the Table below:

Table 40: Transmission Availability Incentive approved for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20		
	MYT Order	TPC-T Petition	Approved after Truing Up
Annual Transmission Charges		737.07	719.12
Annual Availability achieved		99.75%	99.75%
Target Availability		99.00%	99.00%
Incentive	NA	5.58	5.45

3.13.5 The Commission approves Transmission Availability Incentive as Rs. 5.45 Crore on Truing-up of ARR for FY 2019-20.

3.14 Sharing of Gains and (Losses) on O&M expenses

TPC-T's Submission

3.14.1 TPC-T has categorized various heads of expenditure as controllable and uncontrollable, and computed the Efficiency Gains/Losses for the controllable expenditure and proposed sharing of the same with the Distribution Licensees/ users of Transmission System.

3.14.2 TPC-T has considered its sharing of Gains and (Losses) on O&M Expenses as below:

Table 41: Sharing of Gains and (Losses) on O&M Expenses claimed by TPC-T for FY 2019-20 to FY 2021-22 (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22
O&M expenditure as per MYT Norms	a	221.46	177.31	202.78
Actual O&M Expenditure	b	235.09	245.95	269.95
Increase in O&M Expenditure on account of uncontrollable Expenditure	c	10.53		12.73
Actual without Uncontrollable Expenditure	d=b-c	224.56	245.95	257.22
Amount passed on to Consumers	e=1/3*(a-d)	(1.03)	(22.88)	(18.15)
Net entitlement	f=a-e+c	233.03	200.19	233.66
Add: Energy Charges	g	12.13	7.84	13.47
Expenses for SCADA DPR to be done in O&M as per direction	h			43.93
Final O&M Entitlement	j=f+g+h+i	245.15	208.03	291.06

Commission's Analysis and Ruling

3.14.3 The Commission has computed the sharing of Gains and (Losses) on O&M Expenses as below:

Table 42: Sharing of Gains and (Losses) on O&M Expenses Approved by Commission for FY 2019-20 to FY 2021-22 (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22
O&M expenditure as per MYT Norms	a	216.09	171.94	178.88
Actual O&M Expenditure	b	244.39	251.65	277.65
Increase in O&M Expenditure on account of uncontrollable Expenditure	c	10.53		
Actual without Uncontrollable Expenditure	d=b-c	233.86	251.65	277.65
Amount passed on to Consumers	e=1/3*(a-d)	(5.92)	(26.57)	(32.92)
Net entitlement	f=a-e+c	232.54	198.50	211.81
Add: Energy Charges	g			
Add: Expenses for SCADA DPR directed to be done in O&M	h			43.93
Additional R&M Expenses due to shifting of certain items from Non-DPR Capex to R&M	i	2.90	2.96	5.82
Final O&M Entitlement	j=f+g+h+i	235.43	201.47	261.55

3.14.4 The Commission approves O&M entitlement as Rs. 235.43 Crore on Truing-up of ARR for FY 2019-20, Rs. 201.47 Crore for FY 2020-21 and Rs. 261.55 Crore for FY 2021-22.

3.15 Sharing of Gains and (Losses) on Interest on Working Capital (IoWC)

TPC-T's Submission

3.15.1 TPC-T submitted that it has availed short-term loans during FY 2019-20, FY 2020-21 and FY 2021-22 for the purpose of funding the working capital requirement. TPC-T has calculated IoWC on normative basis as Rs. 14.01 Crore and considered actual IoWC as Rs. 8.82 Crore for FY 2019-20. Thus, there is a net efficiency gain due to variation in IoWC equal to Rs. 5.19 Crore. Gain in IoWC to be passed on to the consumers works out to Rs. 3.46 Crore for FY 2019-20.

3.15.2 For FY 2020-21, TPC-T has calculated IoWC on normative basis as Rs. 11.61 Crore and considered actual IoWC as Rs. 9.32 Crore. Thus, there is a net efficiency gain due to variation in IoWC equal to Rs. 2.29 Crore. Gain in IoWC to be passed on to the consumers works out to Rs. 1.53 Crore.

3.15.3 For FY 2021-22, TPC-T has calculated IoWC on normative basis as Rs. 14.21 Crore and considered actual IoWC as Rs. 11.26 Crore. Thus, there is a net efficiency gain due to variation in IoWC equal to Rs. 2.95 Crore. Gain in IoWC to be passed on to the consumers works out to Rs. 1.96 Crore.

Commission's Analysis and Ruling

3.15.4 TPC-T has provided documentary evidence along with the Petition to substantiate the claim of actual IoWC, which has been verified by the Commission.

3.15.5 The Commission approves net entitlement of IoWC, after sharing of Efficiency Gains/Losses as Rs. 10.55 Crore, Rs. 10.13 Crore and Rs.12.26 Crore, after Truing up of FY 2019-20, FY 2020-21 and FY 2021-22, respectively.

3.16 Revenue from Transmission Business

TPC-T's Submission

3.16.1 TPC-T submitted that its Revenue for FY 2019-20 was based on the InSTS Tariff Order dated 12 September, 2018 in Case No. 265 of 2018 applicable for April, 2019 to March, 2020 and the additional Transmission charges of Rs. 0.52 Crore as received from STU. The total revenue earned for FY 2019-20 was Rs. 703.72 Crore. Further, as per the provisions of Regulation 35.1 of the MYT Regulations, 2015, the Transmission System Users (TSUs) of the InSTS of Maharashtra are eligible for a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., for payment of bills of transmission charges within 7 days of presentation of bills. Accordingly, the share of rebate applicable to TPC-T is Rs. 0.66 Crore towards payment of Transmission Charges.

3.16.2 The Revenue for FY 2020-21 is based on the InSTS Tariff Order dated 30 March, 2020 in Case No. 327 of 2019 for the period from April, 2020 to March, 2021 and the additional Transmission charges of Rs. 0.52 Crore as received from STU. The total revenue earned for FY 2020-21 was Rs. 637.12 Crore. Further, as per the provisions of the Regulation 36.1 of the MYT Regulations, 2019, the TSUs of the InSTS of Maharashtra are eligible for a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., for payment of bills of transmission charges within 7 days of presentation of bills. Accordingly, the share of rebate applicable to TPC-T is Rs. 0.85 Crore towards

payment of Transmission Charges.

3.16.3 The Revenue for FY 2021-22 is based on the InSTS Tariff Order dated 30 March, 2020 in Case No. 327 of 2019 for the period from April, 2021 to March, 2022. The total revenue earned for FY 2021-22 was Rs. 782.52 Crore. The share of rebate applicable to TPC-T is Rs. 0.94 Crore towards payment of Transmission Charges.

Commission's Analysis and Ruling

3.16.4 The Revenue from Transmission Charges for FY 2019-20, FY 2020-21 and FY 2021-22 is considered as shown in the Table below:

Table 43: Revenue from Transmission Charges for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Order No.	Annual approved revenue (Rs. Crore)	Applicability of Order	Number of months	Additional Transmission Charges received from STU	Less: Cash Discount	Revenue in Rs. Crore
FY 2019-20						
Order in Case No. 265 of 2018	703.20	April 2019 to March 2020	12	0.52	0.66	703.06
			Total			703.72
FY 2020-21						
Order in Case No. 327 of 2019	636.61	April, 2020 to March, 2021	12	0.52	0.85	636.27
			Total			636.27
FY 2021-22						
Order in Case No. 327 of 2019	782.48	April, 2021 to March, 2022	12		0.94	781.58
			Total			781.58

3.16.5 The summary of revenue from Transmission Charges approved by the Commission after truing up for FY 2019-20, FY 2020-21 and FY 2021-22 is shown in the Table below:

Table 44: Approved Revenue from Transmission Charges for FY 2019-20, FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
Revenue from Transmission Charges	703.20	703.72	703.72	636.61	637.12	637.12	782.48	782.52	782.52

3.16.6 The Commission approves revenue from transmission charges as Rs. 703.72 Crore on Truing-up of ARR for FY 2019-20, Rs. 637.12 Crore for FY 2020-21 and Rs. 782.52 Crore for FY 2021-22.

3.17 Summary of Truing up

TPC-T's Submission

3.17.1 TPC-T submitted that there is a Revenue Gap of Rs. 34.05 Crore for FY 2019-20. The break-up of expenses for FY 2019-20 along with the adjustments on account of sharing of Efficiency Gains/Losses as submitted by TPC-T is given in the following Table:

Table 45: Summary of Truing up including sharing of Efficiency Gains for FY 2019-20, as submitted by TPC-T (Rs. Crore)

Particulars	MYT Order	Actual	Efficiency Gains / (Loss)	Uncontrollable Factors	Net Entitlement after sharing of Gains/(Losses)
Operation & Maintenance expenses	216.09	235.09	(1.03)	10.53	233.03
Energy Charges for EHV Auxiliary Consumption	14.03	12.13			12.13
Depreciation expenses	155.52	150.03			150.03
Interest on long-term loan capital	109.64	98.57			98.57
Refinancing & Other finance charges	0.00	3.08			3.08
Interest on working capital	13.58	14.01	3.46		10.55
Income tax	33.40	36.36			36.36
Contribution to contingency reserves	9.08	9.15			9.15
Total revenue expenditure	551.34	558.42			552.89
Return on equity capital	197.71	193.62			193.62
Aggregate Revenue Requirement	749.06	752.05			746.51
Less: Non-Tariff Income	12.89	14.98			14.98
Aggregate Revenue Requirement from Transmission Tariff	736.16	737.07			731.53
Incentive		5.58			5.58
Revenue from Transmission Tariff	703.20	703.06			703.06
Revenue from Long-term Transmission System Users (TSUs) /Transmission Charges		703.72			703.72
Less Cash Discount		(0.66)			(0.66)
Revenue Gap/(Surplus)	32.95	38.93			34.05

3.17.2 The break-up of expenses for FY 2020-21 along with the adjustments on account of sharing of Efficiency Gains/Losses as submitted by TPC-T is given in the following Table:

Table 46: Summary of Truing up including sharing of Efficiency Gains for FY 2020-21, as submitted by TPC-T (Rs. Crore)

Particulars	MYT Order	Actual	Efficiency Gains / (Loss)	Uncontrollable Factors	Net Entitlement after sharing of Gains/(Losses)
Operation & Maintenance expenses	171.94	245.95	-22.88		200.19
Energy Charges for EHV Auxiliary Consumption	14.02	7.84			7.84
Depreciation expenses	176.46	179.87			179.87
Interest on long-term loan capital	128.05	108.70			108.70
Refinancing & Other finance charges		0.15			0.15
Interest on working capital	13.14	9.32	1.53		10.09
Contribution to contingency reserves	10.64	10.13			10.13
Total revenue expenditure	514.26	561.96			516.97
Return on equity capital	243.43	264.85			264.85
Aggregate Revenue Requirement	757.70	826.81			781.82
Less: Non-Tariff Income	13.58	23.88			23.88
Aggregate Revenue Requirement from Transmission Tariff	744.11	802.93			757.94
Incentive					
Revenue from Transmission Tariff	636.60				636.27
Long-term TSUs incl Distribution Licensees/Transmission Charges	636.60	637.12			637.12
Less Cash Discount					(0.85)
Past Recoveries	107.51				
Revenue Gap/(Surplus)	0.00	165.81			121.67

Table 47: Summary of Truing up including sharing of Efficiency Gains for FY 2021-22, as submitted by TPC-T (Rs. Crore)

Particulars	MYT Order	Actual	Efficiency Gains / (Loss)	Uncontrollable Factors	Net Entitlement after sharing of Gains/(Losses)
Operation & Maintenance expenses	178.88	269.95	(18.15)	12.73	233.66
Expenses towards SCADA Replacement DPR	0.00	43.93			43.93
Energy Charges for EHV Auxiliary Consumption	14.02	13.47			13.47

Particulars	MYT Order	Actual	Efficiency Gains / (Loss)	Uncontrollable Factors	Net Entitlement after sharing of Gains/(Losses)
Depreciation expenses	188.12	202.92			202.92
Interest on long-term loan capital	130.25	119.69			119.69
Refinancing & Other finance charges	0.00	0.16			0.16
Interest on working capital	15.36	14.21	1.96		12.25
Contribution to contingency reserves	11.74	11.95			11.95
Total revenue expenditure	538.39	676.29			638.03
Return on equity capital	258.47	297.38			297.38
Aggregate Revenue Requirement	796.86	973.66			935.41
Less: Non-Tariff Income	14.38	30.08			30.08
Less: Income from other business					
Aggregate Revenue Requirement from Transmission Tariff	782.49	943.58			905.33
Incentive					
Revenue from Transmission Tariff	782.49	781.58			781.58
Long-term TSUs incl Distribution Licensees /Transmission Charges	782.48	782.52			782.52
Less Cash Discount	0.00	0.94			0.94
Past Recoveries					
Revenue Gap/(Surplus)	0.00	161.06			123.75

Commission's Analysis and Ruling

3.17.3 The summary of the net ARR including sharing of Efficiency Gains/Losses as approved by the Commission for FY 2019-20, FY 2020-21 and FY 2021-22 is given in the following Table:

Table 48: Summary of Truing up including net entitlement after sharing of Efficiency Gains/(Loss) for FY 2019-20 to FY 2021-22, as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
		MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
1	Operation & Maintenance expenses	230.12	245.15	247.57	185.96	208.03	209.32	192.91	291.06	274.90
2	Depreciation expenses	155.52	150.03	148.73	176.46	179.87	177.70	188.12	202.92	199.76
3	Interest on long-term loan capital	109.64	98.57	96.74	128.05	108.70	106.07	130.25	119.69	114.97
4	Refinancing & Other finance charges	-	3.08	3.08	-	0.15	0.15	-	0.16	0.16

Sr. No.	Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
		MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
5	Interest on working capital	13.58	10.55	10.54	13.14	10.09	10.13	15.36	12.24	12.26
6	Income tax	33.40	36.36	33.42	-	-	-	-	-	-
7	Contribution to contingency reserves	9.08	9.15	9.09	10.64	10.13	10.02	11.74	11.95	11.79
8	Total revenue expenditure	551.34	552.89	549.18	514.26	516.97	513.40	538.39	638.03	613.84
9	Return on equity capital	197.71	193.62	192.05	243.43	264.85	215.89	258.47	297.38	239.12
10	Aggregate Revenue Requirement	749.06	746.51	741.23	757.70	781.82	729.28	796.86	935.40	852.96
11	Less: Non-Tariff Income	12.89	14.98	14.98	13.58	23.88	23.88	14.37	30.08	30.08
12	Less: Income from other business									
13	Incentive		5.58	5.39	0.00	0.00	0.00	0.00	0.00	0.00
14	Past Gap/(Surplus)				(107.51)		(107.51)			
15	Net ARR	736.16	737.11	731.63	636.60	757.94	597.89	782.49	905.32	822.88
16	Revenue from Transmission Tariff	703.20	703.06	703.06	636.61	636.27	636.27	782.48	781.58	781.58
17	Long-term TSUs incl Distribution Licensees/Transmission Charges		703.72	703.72		637.12	637.12		782.52	782.52
18	Less Cash Discount		(0.66)	(0.66)		(0.85)	(0.85)		(0.94)	(0.94)
19	Revenue Gap/(Surplus)	32.96	34.05	28.57	0.00	121.67	(38.38)	0.00	123.74	41.30

3.17.4 As detailed in earlier paragraphs, the variation between the ARR sought by TPC-T and that approved by the Commission in this Order after true-up, is mainly on account of reduction in O&M expenses, Depreciation, Interest on Long Term Loan, and RoE, on account of disallowance of certain amount of capitalisation. Further, TPC-T has not adjusted the Revenue Surplus amount of Rs. 107.51 Crore considered while determining the ARR for FY 2020-21, thereby claiming the adjusted Revenue Surplus again, which would amount to the Revenue Surplus not being passed on to the beneficiaries at all. The Commission has adjusted the Revenue Surplus in the true-up, so that the benefit of the Revenue Surplus of previous years is passed on to the beneficiaries.

3.17.5 The Commission approves the stand-alone Revenue Gap for FY 2019-20, FY 2020-21 and FY 201-22, as shown in the above Table, which has been adjusted in the ARR of FY 2023-24 and FY 2024-25, as elaborated in a subsequent Section.

4 PROVISIONAL TRUING-UP OF ARR FOR FY 2022-23

4.1 Background for Provisional Truing-up for FY 2022-23

4.1.1 TPC-T has sought the provisional True-up of expenditure and revenue for FY 2022-23 as per the provisions of the MYT Regulations, 2019. TPC-T has submitted the actual operating performance of the first half (H1) of FY 2022-23 and the revised estimates for the second half (H2). Based on the details provided and additional information sought, the Commission has carried out the provisional True-up for FY 2022-23.

4.2 Capitalisation

TPC-T's Submission

4.2.1 TPC-T has projected capitalisation of Rs. 841.69 Crore along with IDC capitalised for FY 2022-23, as shown in the Table below:

Table 49: Capitalisation as submitted by TPC-T for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23	
	MYT Approved	Capitalization projected by TPC-T
Non DPR Schemes		
Total Carry Forward Schemes		30.97
New Schemes		63.23
HO & SS Allocation		0.00
Total Non DPR	21.54	94.20
DPR Schemes		
Carry Forward Schemes		747.49
New Schemes		0.00
Total DPR	420.72	747.49
Total Capitalisation	442.26	841.69

Commission's Analysis and Ruling

4.2.2 The Commission observes that TPC-T has projected capitalisation of Rs. 841.69 Crore for FY 2022-23 against the approved capitalisation of Rs. 442.26 Crore. TPC-T was asked to justify this steep increase in capitalisation along with scheme-wise justification.

4.2.3 TPC-T replied that out of the total capitalisation of Rs. 841.69 Crore, it has estimated capitalisation of Rs. 747.49 Crore against DPR schemes during FY 2022-23. The major Schemes proposed to be commissioned in FY 2022-23 are as follows:

- Construction of 220 kV Kalwa Salsette 5 (Rs. 208.32 Crore)
- Replacement of 110 kV AIS by GIS at Dharavi (Rs. 124.00 Crore)
- Installation of 110 kV GIS at Vikhroli (Rs. 82.00 Crore)
- Additional 110 kV source to BKC and Kurla (Rs. 98.76 Crore)
- Replacement of Oil filled Cable in Trombay Chembur (Rs. 100.01 Crore)

4.2.4 TPC-T submitted that the most of these DPR schemes have been planned for capitalisation and being put to use by March 2023 and TPC-T will submit the scheme completion report for these schemes post commissioning along with documentary evidence of put to use.

4.2.5 The Commission has taken a note of the submission by TPC-T as above. Further, the Commission notes that TPC-T's contention that the Scheme would face cost overrun due to increase in RI charges, GST, etc., is untenable without proper verification and prudence check by the Commission. So, the Commission decides to limit the project capitalisation to the approved amount at this stage. The Commission will undertake prudence check of the actual capex against this Scheme at the time of true-up, based on necessary documentary evidence and justification to be submitted by TPC-T.

4.2.6 The Commission has scrutinised all the DPR Schemes for capitalization submitted by TPC-T in its MTR Petition. The scheme-wise capitalization for DPR Schemes as approved by the Commission for FY 2022-23 in the MTR Order has been analysed and provided in [Appendix - 3](#).

4.2.7 The summary of disallowances by the Commission in capitalisation for FY 2022-23 on the basis elaborated at **paragraph 3.2** is provided in the Table below:

Table 50: Capitalisation Disallowed for FY 2022-23 (Rs. Crore)

Particulars	Amount	Remarks
Installation of 220 kV Reactors at Salsette	4.24	<ul style="list-style-type: none"> • Approved cost is Rs. 29 Crore. TPC-T has claimed Rs. 33.24 Crore. • Accordingly, the cost overrun of Rs.4.24 Crore above the approved DPR cost is disallowed. Capitalization is restricted to approved cost. • Capitalisation of Rs. 33.24 Crore was considered in FY 2022-23 by TPC-T, which is disallowed partly due to cost overrun of Rs. 29 Crore over DPR approved cost
Replacement of 110 kV AIS by GIS at Carnac	9.42	<ul style="list-style-type: none"> • Approved cost is Rs. 72.11 Crore. TPC-T has claimed Rs. 81.53 Crore . • The cost overrun of Rs. 9.42 Crore above the approved DPR cost is disallowed.

Particulars	Amount	Remarks
Replacement of Oil filled Cable in Trombay Chembur	14.98	<ul style="list-style-type: none"> Approved cost is Rs. 98.03 Crore. TPC-T has claimed Rs. 113.02 Crore. Capitalization is restricted to approved cost. The cost overrun of Rs.14.98 Crore above the approved DPR cost is disallowed.
Total Disallowance	28.64	

4.2.8 Apart from disallowance, the Commission in one Scheme (110kV GIS at Dharavi) has not considered Capitalisation claimed in FY 2021-22 and shifted in FY 2022-23 under pre-development expenses. The details of the scheme is elaborated as below:

Table 51: Capitalisation transferred from FY 2021-22 to FY 2022-23 (Rs. Crore)

Particulars	Amount	Remarks
Replacement of 110 kV AIS by GIS at Dharavi	10.66	<ul style="list-style-type: none"> TPC-T has claimed capitalisation of Rs. 10.66 Crore in FY 2021-22 on prerequisite works, which would allow it to start the actual replacement works 110 kV AIS to GIS in Dharavi in FY 2021-22. As the scheme is projected to be put to use in FY 2022-23, the Commission has considered the capitalisation proposed by TPC-T in FY 2021-22 and FY 2022-23 on this scheme in FY 2022-23.

4.2.9 Also, the Commission has disallowed some Non-DPR Schemes proposed by TPC-T as they are R&M in Nature. Scheme wise analysis of allowed Non-DPR Scheme classified as R&M or Capex is provided in [Appendix-5](#).

4.2.10 The details of disallowed Non-DPR Schemes are provided as below:

Particulars of the Scheme	FY 2022-23 (Rs. Crore)
Rehabilitation of Carnac Station building	0.04
Employee welfare schemes communication locations	1.51
Power Transformer # 4 Radiator replacement at Chembur RSS	1.00

4.2.11 The list of disallowed DPR Schemes have been provided in [Appendix-4](#). The capitalisation approved by the Commission after Provisional True-up for FY 2022-23 is summarized in the Table below:

Table 52: Capitalisation approved for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	MYT Approved	TPC-T Petition	Approved after Provisional Truing Up
DPR Capitalisation	420.72	747.49	729.51
Non-DPR Capitalisation	21.54	94.20	91.65

Particulars	FY 2022-23		
	MYT Approved	TPC-T Petition	Approved after Provisional Truing Up
Total Capitalisation	442.26	841.69	821.16

4.2.12 The Commission approves the capitalisation as Rs. 821.16 Crore on provisional Truing-up of ARR for FY 2022-23.

4.3 Operation and Maintenance Expenses

TPC-T's Submission

4.3.1 TPC-T submitted that O&M expenses have been estimated considering the number of Transmission Bays and Transmission Line length in ckt. km expected to be in operation during FY 2022-23. The revised normative O&M expenses for FY 2022-23 is proposed by considering the opening number of Transmission Bays and ckt. km of Transmission Lines equal to closing number of bays and ckt. km. of FY 2021-22. Further, the Transmission Bays and Lines on account of transfer of assets are added and the norms are applied for calculating the O&M expenses. TPC-T provided the revised number for Transmission Bays and Lines as shown below:

Table 53: Bays and Transmission Lines as submitted by TPC-T for FY 2022-23

Sr No.	Category	FY 2022-23
Bays (between 66 kV and 400 kV)		
1	Opening	457
2	Addition	6
3	Closing	463
4	Average	460
Bays (<66 kV)		
5	Opening	1073
6	Addition	1
7	Closing	1074
8	Average	1074
Ckt km (between 66 kV and 400 kV)		
9	Opening	1240.60
10	Addition	18.82
11	Closing	1259.42
12	Average	1250.01

4.3.2 Considering the above, TPC-T derived the normative O&M expenditure for FY 2022-23 as under:

Table 54: Normative Expense submitted by TPC-T for FY 2022-23 (Rs. Crore)

Sr. No	Bays	FY 2022-23		
		Norm (Rs. Lakh/Bay)	No. of Bays	Normative O&M (Rs. Crore)
1	Between 66 kV and 400 kV	34.92	460	132.03
2	Less than 66 kV	7.30	1074	62.50
Sr. No	Transmission Lines	Norm (Rs. Lakh/Ckt. kM.)	No. of Ckt. kM.	Normative O&M (Rs. Crore)
1	Between 66 kV and 400 kV	1.33	1250.01	16.63
Normative O&M (Rs. Crore)		211.16		

4.3.3 Further, TPC-T also considered the expenditure towards Auxiliary consumption of Receiving Stations in O&M expenses. The actual expenditure of 6 months of FY 2022-23 has been pro-rated to annual expenditure to arrive at the expenditure towards Auxiliary consumption for FY 2022-23 and TPC-T has estimated the Energy charges of Rs. 12.31 Crore towards auxiliary consumption. Therefore, the total O&M charges have been estimated by TPC-T as Rs. 223.47 Crore for FY 2022-23.

Commission's Analysis and Ruling

4.3.4 Regulation 60.3 of the MYT Regulations, 2019 specifies the norms for O&M Expenses for TPC-T for each year of the Control Period. For the purpose of provisional True up, normative O&M expenses have been allowed in accordance with the aforesaid Regulations.

4.3.5 The closing number of Bays and Transmission Line length as approved in the True-up for FY 2021-22 have been considered as the opening number of Bays and Transmission Line length for FY 2022-23. The total Bays and Transmission Line length considered by the Commission for FY 2022-23 are as shown in the Tables below which are verified by STU.

Table 55: Approved Transmission Line Length for FY 2022-23

Line Length Circuit km (between 66kV and 400kV)	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Opening		1240.60	1240.59
Additions		18.82	18.82
Closing		1259.42	1,259.41
Average	1285.01	1250.01	1250.00

Table 56: Approved Number of Transmission Bays for FY 2022-23

Number of Bays	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Bays (Between 66kV and 400kV)			
Opening		457	448
Additions		6	6
Closing		463	454
Average	383	460	451
Bays (<66kV)			
Opening		1073	1049
Additions		1	1
Closing		1074	1050
Average	930	1074	1050

4.3.6 Based on the above, the normative O&M expenses approved by the Commission after provisional truing up for FY 2022-23, is shown in the Table below:

Table 57: Approved Normative O&M Expenses for FY 2022-23

O&M Expenses	Units	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Transmission Lines				
Length of Transmission line	Ckt.km		1250.01	1250.00
Norms as per Regulations	Rs lakh/ ckt-km		1.33	1.33
Bays (Between 66 kV and 400 kV)				
No. of Bays	No.		460	451
Norms as per Regulations	Rs lakh/Bay		34.92	34.92
Bays (<66kV)				
No. of Bays	No.		1074	1050
Norms as per Regulations	Rs lakh/Bay		7.30	7.30
O&M Expenses	Rs. Crore	184.44	211.16	206.53
Add: Energy Charges	Rs. Crore	14.02	12.31	12.31
Total O&M Expense	Rs. Crore	198.47	223.47	218.84

4.3.7 The Commission approves Normative O&M expenses as Rs. 218.84 Crore after provisional Truing-up of ARR for FY 2022-23.

4.4 Depreciation

TPC-T's Submission

4.4.1 TPC-T submitted that it has computed the depreciation by applying the rates specified

in the depreciation schedule under Regulation 28.1 (b) of the MYT Regulations, 2019. The depreciation projected for FY 2022-23 is Rs. 225.97 Crore.

Commission's Analysis and Ruling

4.4.2 The closing GFA of FY 2021-22 approved in this Order is considered as opening GFA of FY 2022-23 and capitalisation approved during FY 2022-23 is added to arrive at closing GFA of FY 2022-23.

4.4.3 Regulation 28 of the MYT Regulations, 2019 stipulates that the Transmission Licensee shall be permitted to recover depreciation on the value of fixed assets, and that it shall be computed annually based on the straight-line method at the specified rates. For provisional Truing up of FY 2022-23, the Commission has considered the actual weighted average depreciation rate of 4.09% for FY 2021-22.

4.4.4 The above depreciation rate is applied on the average of GFA for FY 2022-23 approved by the Commission to arrive at the depreciation expenses for FY 2022-23. **The depreciation expense approved by the Commission is provided in the Table below:**

Table 58: Depreciation approved for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Opening GFA	4847.61	5,152.88	5,061.22
Addition to GFA	442.26	841.69	821.16
Closing GFA	5289.87	5,994.57	5,882.38
Depreciation	199.82	225.97	223.60
Average depreciation rate	3.94%	4.05%	4.09%

4.4.5 The Commission approves Depreciation as Rs. 223.60 Crore on provisional Truing-up of ARR for FY 2022-23.

4.5 Interest on loan capital

TPC-T's Submission

4.5.1 Based on the closing balance of loan for FY 2021-22, loan for additional capitalisation during FY 2022-23, interest rate of Loan portfolio equivalent to that computed for FY 2021-22 and repayment equal to depreciation of the assets, the Interest on Loan for FY 2022-23 has been computed by TPC-T as Rs. 136.74 Crore.

Commission's Analysis and Ruling

4.5.2 The Commission has considered the closing loan balance for FY 2021-22 approved in

this Order as the opening loan balance of FY 2022-23. Loan addition has been considered based on the normative Debt-equity ratio on the capitalisation approved for FY 2022-23. Loan repayment has been considered equal to the depreciation approved for FY 2022-23 in this Order in accordance with Regulation 29 of the MYT Regulations, 2015, to arrive at the closing balance of loan for FY 2022-23.

- 4.5.3 In accordance with the MYT Regulations, 2019, for provisional true-up for FY 2022-23, the Commission has considered the interest rate of 7.43%, which is the actual weighted average interest rate for FY 2021-22. Interest on Loan Capital is calculated by applying this interest rate on average normative loan balance. At the time of true-up for FY 2022-23, the weighted average rate of interest during the year shall be considered, in accordance with the MYT Regulations, 2019.
- 4.5.4 The summary of the Interest on Long Term Loans approved by the Commission after provisional true-up for FY 2022-23 is shown in the Table below:

Table 59: Interest on Loan Capital approved for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Opening balance of Loan	1415.86	1659.38	1587.50
Addition of Loan	309.58	589.19	574.81
Repayment of Loan	199.81	225.97	223.60
Closing balance of Loan	1525.63	2022.60	1938.71
Interest rate	8.94%	7.43%	7.43%
Interest expenses	131.48	136.74	130.96

- 4.5.5 The Commission approves Interest on Loan Capital as Rs. 130.96 Crore on provisional Truing-up of ARR for FY 2022-23.

4.6 Interest on Working Capital (IoWC)

TPC-T's Submission

- 4.6.1 TPC-T submitted that it has calculated the IoWC based on the elements specified in the MYT Regulations, 2019. The rate of interest considered for FY 2022-23 is 9.45%, i.e., the latest available 1-Year MCLR rate of State Bank of India (7.95%) plus 150 basis points and IoWC works out to Rs. 16.27 Crore.

Commission's Analysis and Ruling

- 4.6.2 The Commission has computed the normative working capital requirement in accordance with Regulation 32.2 of MYT Regulations, 2019. One-twelfth (1/12) of the

normative O&M Expenses approved in this Order, plus one and half months of revenue approved for FY 2022-23 in the Intra-State Transmission System Tariff Order in Case No. 327 of 2019 has been considered. Maintenance spares have been considered at one per cent of opening GFA for FY 2022-23 approved after provisional True up of FY 2022-23 in this Order.

4.6.3 For computation of IoWC, the Commission has considered the rate of interest equal to the one-year MCLR prevalent as on date of filing of Petition plus 150 basis points, which works out to 9.45% for FY 2022-23. **The IoWC approved by the Commission is provided in the Table below:**

Table 60: IoWC approved for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved Provisional	after Truing Up
O&M Expenses for one month	16.54	18.62	18.24	
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	48.48	51.53	50.61	
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	102.03	102.03	102.03	
Total Working Capital Requirement	167.04	172.18	170.88	
Rate of Interest (% p.a.)	9.55%	9.45%	9.45%	
Interest on Working Capital	15.95	16.27	16.15	

4.6.4 The Commission approves IoWC as Rs. 16.15 Crore on provisional Truing-up of ARR for FY 2022-23.

4.7 Other Finance Charges

TPC-T's Submission

4.7.1 TPC-T has projected the other finance charges as Nil for FY 2022-23.

Commission's Analysis and Ruling

4.7.2 The Commission notes and considers the Other Finance Charges for FY 2022-23, as Nil.

4.8 Return on Equity (RoE)

TPC-T's Submission

4.8.1 TPC-T submitted that considering the capitalisation and the Debt: Equity norm of

70:30, and the additional equity on account of transfer of assets, the RoE allowed as per MYT Regulations, 2019 has been computed @14%. Further, the effective Tax rate of FY 2021-22 has been considered for grossing up the rate of RoE, in accordance with the MYT Regulations, 2019, and the RoE works out to Rs. 299.27 Crore for FY 2022-23.

Commission's Analysis and Ruling

4.8.2 The Commission has computed RoE at the rate of 14%, in accordance with Regulation 29.1 of the MYT Regulations, 2019 on the opening equity of the year and on 50% of the equity portion of capitalisation approved for FY 2022-23 in this Order in accordance with Regulation 29.2 of the MYT Regulations, 2019.

4.8.3 The closing equity for FY 2021-22 approved in this Order is considered as the opening equity for FY 2022-23. TPC-T has not submitted information about retirement of assets during FY 2022-23, as it is being provisionally Trued up. The Commission will consider impact on account of retired/de-capitalised assets at the time of final Truing up. Accordingly, the closing balance of equity is arrived by adding the equity addition corresponding to the capitalisation approved by the Commission for FY 2022-23 in this Order to the opening balance of equity. Hence, the Commission has computed the RoE as allowed as per MYT Regulations, 2019 i.e. @ 14 % and considering the effective tax rate equal to that of FY 2021-22. As the effective Tax rate has been considered as zero for FY 2021-22, the effective RoE rate for FY 2022-23 works out to 14%. The RoE approved by the Commission after Provisional Truing up for FY 2022-23 is summarized in the following Table:

Table 61: Return on Equity for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved Provisional Up	after Truing Up
Regulatory Equity at the beginning of the year (A)	1546.36	1637.93	1594.60	
Less Equity portion of Asset Decapitalised	-	-	-	-
Capitalization during the year (B)	442.26	841.69	821.16	
Equity portion of the capital expenditure capitalised during the year (C=B*30%)	132.68	252.51	246.35	
Regulatory Equity at the end of the year (D)	1679.03	1890.44	1840.94	
Pre-tax rate of equity after considering effective tax rate (E)	16.96%	16.96%	14.00%	
Return on Regulatory equity at the beginning of the year (F=A* 16.964%)	262.32	277.85	223.24	

Particulars	MYT Order	TPC-T Petition	Approved Provisional Up	after Truing Up
Return on Regulatory Equity on Capitalization during the year (G=16.96%*C/2)	11.25	21.42	17.24	
Total Return on Regulatory Equity (C+D)	273.58	299.27	240.49	

4.8.4 The Commission approves RoE of Rs. 240.49 Crore on provisional Truing-up of ARR for FY 2022-23.

4.9 Contribution to Contingency Reserves

TPC-T's Submission

4.9.1 TPC-T submitted that as per Regulation 35.1 of MYT Regulations, 2019, the contribution to Contingency Reserves for FY 2022-23 at 0.25% of opening GFA works out to Rs. 12.88 Crore.

Commission's Analysis and Ruling

4.9.2 The Commission, in accordance with Regulation 35.1 of MYT Regulations, 2019, has considered the contribution to Contingency Reserves for FY 2022-23 equivalent to 0.25% of opening balance of GFA for FY 2022-23. The Commission observes that the closing balance has not exceeded 5% of the original cost of fixed assets for FY 2022-23.

4.9.3 The contribution to Contingency Reserves approved by the Commission after provisional true-up for FY 2022-23, is provided in the Table below.

Table 62: Contribution to Contingency Reserves approved for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved Provisional Up	after Truing Up
Opening Balance of Contingency Reserves	129.30	129.06	128.74	
Opening Gross Fixed Assets	4847.61	5152.88	5061.22	
Opening Balance of Contingency Reserves as % of Opening GFA	2.67%	2.50%	2.54%	
Contribution to Contingency Reserves	12.12	12.88	12.65	
Closing Balance of Contingency Reserves	141.42	141.94	141.39	
Closing Balance of Contingency Reserves as % of Opening GFA	2.92%	2.75%	2.79%	

4.9.4 The Commission approves contribution to contingency reserve of Rs. 12.65 Crore on

provisional Truing-up of ARR for FY 2022-23.

4.10 Non-Tariff Income

TPC-T's Submission

4.10.1 TPC-T submitted that it has considered the Non-Tariff Income at Rs. 30.08 Crore for FY 2022-23, at the same level as in FY 2021-22.

Commission's Analysis and Ruling

4.10.2 The Commission has considered the Non-Tariff Income for FY 2022-23, based on the actual Non-Tariff Income for FY 2021-22 approved in this Order, with some changes.

4.10.3 The Commission has considered a 10% increase in NTI under most heads, based on past trend. TPC-T has estimated income from sale of Scrap in FY 2022-23 as Rs. 21.16 Crore though Rs. 19.23 Crore has already been received in H1 of FY 2022-23. The Commission has considered 1.5 times the actual income in H1 of FY 2022-23 i.e., Rs. 28.85 Crore as income from sale of Scrap. The income from investments and income from contingency reserve investment have been considered as twice the H1 value.

4.10.4 The Non-Tariff Income approved by the Commission after provisional true-up for FY 2022-23 is shown in the Table below:

Table 63: Non-Tariff Income approved for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Non-Tariff Income	15.21	30.08	43.68

4.10.5 The Commission approves NTI as Rs. 43.68 Crore on provisional Truing-up of ARR for FY 2022-23.

4.11 Revenue from Transmission Charges

TPC-T's Submission

4.11.1 TPC-T submitted that the revenue for FY 2022-23 has been considered as Rs 816.24 Crore, in line with the Transmission Tariff Order in Case No. 327 of 2019 dated 30 March, 2020.

Commission's Analysis and Ruling

4.11.2 The Commission has considered the revenue from Transmission Charges for 2022-23 in line with the InSTS Order in Case No. 327 of 2019 applicable for FY 2022-23, as

shown in the following Table:

Table 64: Revenue from Transmission Charges for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved after Provisional Truing Up
Revenue from Transmission charges	816.21	816.24	816.24

4.11.3 The Commission approves Revenue from Transmission Charges of Rs. 816.24 Crore on provisional Truing-up of ARR for FY 2022-23.

4.12 Summary of Provisional Truing up for FY 2022-23

TPC-T's Submission

4.12.1 TPC-T submitted the ARR for FY 2022-23, as shown in the Table below:

Table 65: Provisional Truing up for FY 2022-23, as submitted by TPC-T (Rs. Crore)

Particulars	MYT Order	TPC-T Petition
Operation & Maintenance expenses	198.47	223.47
Depreciation expenses	199.82	225.97
Interest on loan capital	131.48	136.74
Other finance charges	0.00	0.00
Interest on working capital	15.95	16.27
Income tax	-	-
Contribution to contingency reserves	12.12	12.88
Total Revenue Expenditure	557.85	615.34
Add: Return on equity capital	273.58	299.27
Aggregate Revenue Requirement	831.42	914.61
Less: Non-Tariff Income	15.21	30.08
Aggregate Revenue Requirement from Transmission	816.22	884.53
Revenue from Transmission Tariff		816.24
Revenue Gap/(Surplus)		68.29

Commission's Analysis and Ruling

4.12.2 The summary of the ARR and Revenue Gap/(Surplus) approved by the Commission after provisional true-up for FY 2022-23 is given in the Table below:

Table 66: Provisional Truing up for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	MYT Order	TPC-T Petition	Approved in this Order
Operation & Maintenance expenses	198.47	223.47	218.84
Depreciation expenses	199.82	225.97	223.60
Interest on loan capital	131.48	136.74	130.96
Other finance charges	0.00	0.00	0.00
Interest on working capital	15.95	16.27	16.15
Income tax	0.00	0.00	0.00
Contribution to contingency reserves	12.12	12.88	12.65
Total Revenue Expenditure	557.85	615.34	602.20
Add: Return on equity capital	273.58	299.27	240.49
Aggregate Revenue Requirement	831.42	914.61	842.69
Less: Non-Tariff Income	15.21	30.08	43.68
Aggregate Revenue Requirement from Transmission	816.22	884.53	799.01
Revenue from Transmission Tariff		816.24	816.24
Revenue Gap/(Surplus)		68.29	(17.23)

4.12.3 As detailed in earlier paragraphs, the variation between the ARR sought by TPC-T and that approved by the Commission in this Order after provisional true-up, is mainly on account of lower Capitalisation and resulting decrease in Depreciation, Interest on loan and Return on Equity. The RoE approved by the Commission is also lower on account of consideration of zero Tax rate for grossing up of RoE rate.

4.12.4 The Commission approves a provisional stand-alone Revenue Surplus as Rs. 17.23 Crore for FY 2022-23, as shown in the above Table, which has been adjusted in the ARR of FY 2023-24 and FY 2024-25, as elaborated in the next Chapter.

5 REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24 AND FY 2024-25

5.1 Background

5.1.1 In accordance with MYT Regulations, 2019, TPC-T submitted the revised ARR for FY 2023-24 and FY 2024-25. The Commission has discussed the expenditure allowed on each of the expense heads and the revised ARR approved for FY 2023-24 and FY 2024-25.

5.2 Capitalisation

TPC-T's Submission

5.2.1 TPC-T has projected the capitalization for FY 2023-24 and FY 2024-25, as shown in the Table below:

Table 67: Capitalization for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Non DPR Schemes				
Total Carry Forward Schemes		0.00		0.00
New Schemes		0.00		15.00
HO & SS Allocation		0.00		0.00
Total (A)	25.22	0.00	12.14	15.00
DPR Schemes				
Carry Forward Schemes		500.00		660.34
New Schemes		172.61		0.00
Total (B)	126.10	672.61	139.17	660.34
Total TPC-T (A+B)	151.32	672.61	151.32	675.34

5.2.2 The Petitioner submitted that the capitalisation proposed for FY 2023-24 and FY 2024-25 are primarily for DPRs either already approved by the Commission or DPRs that have been cleared by the STU after detailed deliberations in MTC as well as GCC as per the provisions of the Maharashtra Grid Code, 2020. The Petitioner has also submitted the revised DPRs for the capital expenditure schemes where there has been a change in scope or project cost. The major projects to be executed during FY 2023-24 and FY 2024-25 are as follows:

- a. Installation of new EHV Substations
- b. Installation of Power Transformers
- c. Installation of interconnections, Reactors for system reliability requirements

- d. Replacement of aged Oil filled EHV cables with XLPE cable.
- e. Conversion of AIS to GIS for operational Reliability.

Commission's Analysis and Ruling

5.2.3 The analysis of the schemes projected by TPC-T to be commissioned and put to use in FY 2023-24 and FY 2024-25 is given below.

Year	FY 2023-24		FY 2024-25	
	Claimed	Approved	Claimed	Approved
No. of DPR Schemes	13	10	4	2
Capitalisation Amount (Rs. Crore)	672.61	569.61	660.34	245.34
No. of Non-DPR Schemes	0	0	1	1
Capitalisation Amount (Rs. Crore)	-	-	15.00	15.00

5.2.4 The Commission has scrutinised all the DPR Schemes for capitalisation submitted by TPC-T. The Scheme-wise analysis of DPR Schemes for FY 2023-24 and FY 2024-25 is provided in [Appendix – 3](#). The Scheme-wise analysis of Non-DPR Schemes for FY 2023-24 and FY 2024-25 is provided in [Appendix – 5](#). Based on the scheme wise analysis of DPR schemes, the Commission observes that the DPR scheme for Replacement of Conductor for Kalwa-Salsette 3 & 4 Lines (Rs. 45.73 Crore) was approved by the Commission in the year 2012. However, TPC-T has made the progress and expected to complete the scheme by FY2023-24. Similarly, the DPR scheme for Kalwa-Salsette-5 (Rs 208.32 Crore) was approved by the Commission in the year 2020 and expected to be completed by TPC-T in FY 2022-23. Considering the importance of both DPR schemes for Mumbai transmission strengthening, these DPR schemes need to be completed as per revised/ planned target and same would be reviewed in next Tariff Petition/MYT filings.

a) DPR schemes yet to be submitted to the Commission for approval

5.2.5 TPC-T has proposed capitalisation during FY 2023-24 and FY 2024-25 against 13 DPRs, which are yet to be submitted for approval.

5.2.6 If DPR schemes are pending approval, then additional capitalisation up to 20% of capitalisation approved for that year may be added, in accordance with Regulation 24.6 of MYT Regulations, 2019, as reproduced below:

“24.6 The Commission may approve, for each year of the Control Period, an additional amount equivalent to 20% of the total capital expenditure approved for that year, towards planned or unplanned capital expenditure that is yet to be approved by the Commission.”

5.2.7 While TPC-T has the option of getting the in-principle approval of DPRs from the Commission for such presently unapproved schemes, which would be executed in FY 2023-24 and FY 2024-25, however, in the interim, the capitalisation in those years would appear to be significantly lower than the past trends. Accordingly, there may be a sudden increase in the ARR for TPC-T at the time of next MYT proceedings on account of the impact of including this capitalisation.

5.2.8 Accordingly, to avoid such significant increases in the ARR during the MYT proceedings, the Commission has considered the actual approved capitalisation for the past 5 years (FY 2018-19 to FY 2022-23) and allowed additional amount towards capitalisation for the period from FY 2023-24 and FY 2024-25 so as to ensure that the total capitalisation approval in this period, i.e., FY 2023-24 and FY 2024-25 is at least equal to 50% of the average capitalisation approved for TPC-T during the past 5 years (FY 2018-19 to FY 2022-23).

Table 68: Past Trend of Capitalisation for TPC-T (Rs. Crore)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Average Value
DPR Capitalisation	303.77	368.54	650.40	350.12	729.51	480.47
Non-DPR Capitalisation	12.93	18.98	29.46	48.79	91.65	40.36
Total Capitalisation	316.7	387.52	679.86	398.90	821.16	520.83
50% average capitalisation of past 5 years						260.41

5.2.9 For both FY 2023-24 and FY 2024-25, the sum of DPR and Non-DPR capitalisation approved by the Commission is higher than 50% of the average capitalisation, i.e., Rs. 260.41 Crore, therefore, the Commission has not allowed any additional capitalisation.

5.2.10 The capitalisation approved by the Commission for FY 2023-24 and FY 2024-25 is provided in the Table below:

Table 69: Summary of Capitalisation approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
DPR Capitalisation						
<i>Approved DPR</i>	126.10	569.61	569.61	139.18	245.34	245.34
<i>DPR submitted; yet to be approved</i>	-	103	-	-	415	-
<i>DPR yet to be submitted</i>	-	-	-	-	-	-
Non-DPR Capitalisation	25.22	-	-	12.14	15	15
Total Capitalisation	151.32	672.61	569.61	151.32	675.34	260.34

5.2.11 The Commission approves capitalisation of Rs. 569.61 Crore for FY 2023-24 and Rs. 260.34 Crore for FY 2024-25.

5.3 Operation and Maintenance Expenses

TPC-T's Submission

5.3.1 TPC-T submitted that the normative O&M expenses for FY 2023-24 and FY 2024-25 have been calculated as per Regulation 61 of the MYT Regulations, 2019. The opening Bays and Transmission Line lengths for FY 2023-24 have been considered equal to the closing values of FY 2022-23.

5.3.2 Addition of Bays and Line lengths have been considered based on either of the following:

- I. Approved DPRs,
- II. DPRs approved by STU but yet to be approved by the Commission,
- III. DPRs submitted to STU for approval, iv) Scheme is part of the STU Plan.

5.3.3 The Transmission Line length in ckt. km and number of Bays as projected by TPC-T in its Petition for FY 2023-24 and FY 2024-25 are shown in the Table below:

Table 70: Projection of Bays and Transmission Line Length for FY 2023-24 to FY 2024-25, as submitted by TPC-T

Sr. No	Category	FY 2023-24	FY 2024-25
Bays (between 66 kV and 400 kV)			
1	Opening	463	503
2	Addition	40	7
3	Closing	503	510
4	Average	483	507

Sr. No	Category	FY 2023-24	FY 2024-25
Bays (<66 kV)			
5	Opening	1074	1093
6	Addition	19	22
7	Closing	1093	1115
8	Average	1084	1104
Transmission Line Ckt. km (between 66 kV and 400 kV)			
9	Opening	1259.42	1264.76
10	Addition	5.34	4.15
11	Closing	1264.76	1268.91
12	Average	1262.09	1266.83

5.3.4 Based on the above projections, the normative O&M expenses have been computed as shown in the Table below:

Table 71: Normative O&M Expense for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Average No. of Bays	FY 2023-24		FY 2024-25	
	No. of Bays	Normative O&M (Rs. Crore)	No. of Bays	Normative O&M (Rs. Crore)
Between 66 kV and 400 kV	483.00	140.11	506.50	150.70
Less than 66 kV	1083.50	64.37	1104.00	66.86
Average Length of Lines	No. of ckt. km.	Normative O&M (Rs. Crore)	No. of ckt. km.	Normative O&M (Rs. Crore)
Between 66 kV and 400 kV	1262.09	17.54	1266.83	18.24
Normative O&M		222.02		235.80

5.3.5 Further, in line with the methodology adopted by the Commission in the MYT Order, an O&M expenditure of Rs. 13.47 Crore for balance MYT Period has been considered towards auxiliary consumption of all the Transmission Receiving Stations of TPC-T on a yearly basis and same has been taken equal to the actual energy charges of FY 2021-22. The Normative O&M expense entitlement including the expenditure towards Energy charges for Auxiliary consumption of EHV Stations for FY 2023-24 and FY 2024-25 is Rs. 235.49 Crore and Rs. 249.28 Crore.

Commission's Analysis and Ruling

5.3.6 The Commission has considered O&M norms specified for TPC-T in the MYT Regulations 2019, for computation of normative O&M expenses.

5.3.7 The Commission has considered the closing no. of Bays and Lines for FY 2022-23 approved in this Order as opening no. of Bays and Lines for FY 2023-24 and so on.

5.3.8 The Commission has not considered the addition of lines and bays of those schemes, which have not been received in-principle approval of the Commission. Hence, in FY 2023-24, 5 nos. of Bays between 66 kV and 400 kV and 17 nos. of 33 kV have not been considered. Similarly, in FY 2024-25, 7 nos. of Bay between 66 kV and 400 kV, 22 nos. of 33 kV Bays, and 4.15 ckt km have not been considered. Scheme-wise details of these Lines and bays are provided as below:

Table 72: Scheme-wise Disallowed Bays and Lines

Name of proposed Scheme	FY 2023-24					FY 2024-25				
	220 kV	110 kV	33 kV	22 kV	Ckt Km	220 kV	110 kV	33 kV	22 kV	Ckt Km
Installation of 220 kV reactors at Trombay	2.00									
Installation of 220 kV reactors at Mahalaxmi	1.00									
Installation of new 220 kV RS at Worli						7.00		22.00		2.00
33kV level creation at Karanjade	1.00	1.00	17.00							
Replacement of old aged oil filled cable of 110 kV Parel Mahalaxmi # 1 line										2.15
Total	4.00	1.00	17.00	0.00	0.00	7.00	0.00	22.00	0.00	4.15

5.3.9 The approved Bays and Transmission line length for FY 2023-24 and FY 2024-25 is shown in the Table below:

Table 73: Bays and Transmission Line Length approved for FY 2023-24 and FY 2024-25

Sr. No.	Category	FY 2023-24	FY 2024-25
Bays (between 66 kV and 400 kV)			
1	Opening	454	489
2	Addition	35	0
3	Closing	489	489
4	Average	472	489
Bays (<66 kV)			
5	Opening	1050	1052
6	Addition	2	0
7	Closing	1052	1052
8	Average	1051	1052

Sr. No.	Category	FY 2023-24	FY 2024-25
Transmission Line Ckt. km (between 66 kV and 400 kV)			
9	Opening	1259.41	1264.75
10	Addition	5.34	0.00
11	Closing	1264.75	1264.75
12	Average	1262.08	1264.75

5.3.10 The normative O&M expenses approved by the Commission for FY 2023-24 and FY 2024-25 are summarised in the following Table:

Table 74: Normative O&M Expenditure approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

O&M Expenses	Unit	FY 2023-24	FY 2024-25
Transmission Lines- Between 66 kV and 400 kV			
Length of Transmission line	Ckt.km	1262.08	1264.75
Norms as per Regulations	Rs Lakh/ ckt-km	1.39	1.44
O&M Expenses for Lines (A)	Rs. Crore	17.54	18.21
Bays (Between 66 kV and 400 kV)			
No. of Bays	No.	472	489
Norms as per Regulations	Rs Lakh/ Bay	36.26	37.66
Bays (<66 kV)			
No. of Bays	No.	1051	1052
Norms as per Regulations	Rs Lakh/ Bay	7.58	7.87
O&M Expenses for Bays (B)	Rs. Crore	198.53	208.73
Total O&M Expenses (A+B)	Rs. Crore	216.07	226.94

5.3.11 In accordance with Regulation 61.7 of the MYT Regulations 2019, the O&M expenses for the GIS bays are worked out by multiplying the norms for AIS bays by 0.70.

5.3.12 The Commission has additionally considered the energy charges towards auxiliary consumption of the Transmission Receiving Stations, same as energy charges approved for FY 2022-23 in this Order.

5.3.13 In view of the above, the normative O&M expenses including energy charges for auxiliary consumption approved by the Commission for FY 2023-24 and FY 2024-25 are shown in the Table below:

Table 75: O&M expenses approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Category	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved	MYT Order	TPC-T Petition	Approved
Normative O&M Expenses	190.40	222.02	216.07	197.69	235.80	226.94
Energy Charges	14.02	13.47	12.31	14.02	13.47	12.31
Total O&M Expenses	204.43	235.49	228.39	211.71	249.28	239.25

5.3.14 The Commission approves normative O&M expenses of Rs. 228.39 Crore for FY 2023-24 and Rs. 239.25 Crore for FY 2024-25.

5.4 Depreciation

TPC-T's Submission

5.4.1 TPC-T has computed the depreciation for FY 2023-24 and FY 2024-25 by applying the weighted average depreciation rate considered for FY 2022-23, as shown in the Table below:

Table 76: Depreciation for FY 2023-24 to FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Opening GFA	5289.86	5994.57	5441.18	6667.18
Addition during the year	151.32	672.61	151.32	675.34
Retirement	0.00	0.00	0.00	0.00
Closing	5441.18	6667.18	5592.51	7342.52
Depreciation Rate	3.94%	4.05%	3.94%	4.05%
Depreciation	211.51	256.67	217.47	283.99

Commission's Analysis and Ruling

5.4.2 For computing Depreciation for FY 2023-24 and FY 2024-25, the Commission has considered closing GFA for FY 2022-23 as provisionally Trued up earlier in this Order as opening balance of GFA for FY 2023-24. The asset addition during the year has been considered equal to the capitalisation approved in this Order for each year.

5.4.3 The depreciation approved by the Commission for FY 2023-24 and FY 2024-25 is shown in the Table below:

Table 77: Depreciation approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
Opening GFA	5289.86	5994.57	5882.38	5441.18	6667.18	6451.99
Addition during the year	151.32	672.61	569.61	151.32	675.34	260.34
Retirement	0.00	0.00	0.00	0.00	0.00	0.00
Closing	5441.18	6667.18	6451.99	5592.51	7342.52	6712.33
Depreciation Rate	3.94%	4.05%	4.09%	3.94%	4.05%	4.09%
Depreciation	211.51	256.67	252.02	217.47	283.99	268.97

5.4.4 The Commission approves Depreciation of Rs. 252.02 Crore for FY 2023-24 and Rs. 268.97 Crore for FY 2024-25.

5.5 Interest on loan capital

TPC-T's Submission

5.5.1 TPC-T submitted it has been availing loans for financing its capital expenditure and would continue to tie up loans during FY 2023-24 and FY 2024-25 depending on the capital expenditure requirements, phasing and for refinancing. It may be difficult to predict the interest rates for FY 2023-24 and FY 2024-25 at this time. Hence, the interest on Loan has been arrived at based on taking the opening balance of loan for FY 2023-24 as the closing balance of loan for FY 2022-23, additional capitalisation during FY 2023-24 and FY 2024-25 and considering the interest rate equivalent to that computed for FY 2021-22.

5.5.2 TPC-T submitted the projected calculation of Interest on Loan as per the Table below:

Table 78: Interest on Loan for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Opening balance of loan	1525.63	2022.60	1420.03	2236.75
Addition during the year	105.92	470.83	105.92	472.74
Repayment	211.51	256.67	217.48	283.99
Closing balance of Loan	1420.03	2236.75	1308.48	2425.50
Interest Rate	8.94%	7.43%	7.43%	7.43%
Interest Cost	131.67	158.19	101.33	173.15

Commission's Analysis and Ruling and Ruling

5.5.3 The opening loan for FY 2023-24 has been considered equal to the closing loan for FY 2022-23 as approved in the provisional Truing-up for FY 2022-23, in earlier Section of this Order.

5.5.4 The Commission has considered the debt amount for FY 2023-24 and FY 2024-25 equal to 70% of the capitalisation approved. The loan repayments have been considered equal to the depreciation approved for the respective years, in accordance with Regulation 30 of the MYT Regulations, 2019. The interest rate has been considered equal to the rate of interest considered for FY 2022-23 and the interest on long-term loan has been computed on the normative average loan.

5.5.5 The interest expenses on long-term loans approved by the Commission for FY 2023-24 to FY 2024-25 are summarised in the Table below:

Table 79: Interest on Loan approved for FY 2023-24 to FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
Opening balance of loan	1525.63	2022.60	1938.71	1420.03	2236.75	2085.42
Addition during the year	105.92	470.83	398.73	105.92	472.74	182.24
Repayment	211.51	256.67	252.02	217.48	283.99	268.97
Closing balance of Loan	1420.03	2236.75	2085.42	1308.48	2425.50	1998.68
Interest Rate	8.94%	7.43%	7.43%	7.43%	7.43%	7.43%
Interest Cost	131.67	158.19	149.45	101.33	173.15	151.68

5.5.6 The Commission approves interest on loan capital of Rs. 149.45 Crore for FY 2023-24 and Rs. 151.68 Crore for FY 2024-25.

5.6 Interest on Working Capital

TPC-T's Submission

5.6.1 TPC-T submitted that it has computed the IoWC based on the elements specified in the MYT Regulations 2019. The rate of Interest of 9.45% has been considered for FY 2023-24 and FY 2024-25, i.e., at the same level as considered for FY 2022-23. The computation of IoWC claimed by TPC-T for FY 2023-24 and FY 2024-25 is submitted in the following Table:

Table 80: IoWC for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
O&M expenses for one month	17.04	19.62	17.64	20.77
Maintenance spares @ 1% of Opening GFA	52.90	59.95	54.41	66.67
One and a half months equivalent of the expected revenue from Transmission Charges	106.28	182.57	107.66	135.78
Total Working Capital	176.22	262.14	179.71	223.22
Interest Rate (%)	9.55%	9.45%	9.55%	9.45%
Interest on Working Capital	16.83	24.77	17.16	21.09

Commission's Analysis and Ruling

5.6.2 The Commission has considered the rate of interest for computation of IoWC as 9.45% considering the applicable MCLR of SBI plus 150 basis points, in accordance with the MYT Regulations, 2019.

5.6.3 The computation of normative IoWC approved by the Commission for FY 2023-24 and FY 2024-25, is summarized in the Table below:

Table 81: IoWC approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved in this Order	MYT Order	TPC-T Petition	Approved in this Order
O&M expenses for one month	17.04	19.62	19.03	17.64	20.77	19.94
Maintenance spares @ 1% of Opening GFA	52.90	59.95	58.82	54.41	66.67	64.52
One and a half months equivalent of the expected revenue from Transmission Charges	106.28	182.57	115.71	107.66	135.78	115.71
Total Working Capital	176.22	262.14	193.57	179.71	223.22	200.17
Interest Rate (%)	9.55%	9.45%	9.45%	9.55%	9.45%	9.45%
Interest on Working Capital	16.83	24.77	18.29	17.16	21.09	18.92

5.6.4 The Commission approves IoWC of Rs. 18.29 Crore for FY 2023-24 and Rs. 18.92 Crore for FY 2024-25.

5.7 Return on Equity (RoE)

TPC-T's Submission

5.7.1 TPC-T submitted that it has calculated the RoE on the basis of 70:30 Debt Equity ratio and considered the Base RoE rate as 14% and the effective Income Tax rate of FY 2021-22, as per MYT Regulations, 2019. The RoE for FY 2023-24 and FY 2024-25 computed by TPC-T is shown in the Table below:

Table 82: RoE for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Regulatory Equity at the beginning of the year (A)	1679.03	1890.44	1724.43	2092.23
Capitalization during the year (B)	151.32	672.61	151.32	675.34
Equity portion of the capital expenditure capitalised during the year (C=B*30%)	45.39	201.78	45.39	202.60
Regulatory Equity at the end of the year (D)	1724.43	2092.23	1769.82	2294.83
Pre-tax rate of equity after considering effective tax rate (E)	16.96%	16.96%	16.96%	16.96%
Return on Regulatory equity at the beginning of the year (F=A* E)	284.83	320.69	292.53	354.92
Return on Regulatory Equity on Capitalization during the year (G=E*C/2)	3.85	17.11	3.85	17.18
Total Return on Regulatory Equity (F+G)	288.68	337.80	296.38	372.10

5.7.2 As per the MYT Regulations, 2019, an additional RoE will be allowed based on the actual performance during the Truing-up of the respective financial year. TPC-T submitted that such provision will create a Regulatory Gap during Truing-up to be recovered in future years. With the Tariff Policy stating that no new Regulatory Assets should be created, TPC-T requested the Commission to consider allowing the entire RoE at the rate of 15.5% at the Tariff determination stage itself and recompute the RoE based on actual performance at the time of Truing-up to avoid Regulatory Asset build up.

5.7.3 Further, the MYT Regulations, 2019 provides for a revised methodology for approving the income tax for utilities, i.e., based on Regulatory Profit Before Tax for grossing up of Return on Equity. Such change in methodology will not factor in deferred tax liabilities pertaining to previous years up to FY 2019-20 that may arise during this MYT Control Period. TPC-T stated that it would seek reimbursement of Income Tax on matters applicable for the period prior to April 1, 2020, as and when they are due for claim.

Commission's Analysis and Ruling

5.7.4 The Commission has computed the RoE for FY 2023-24 and FY 2024-25 in accordance with Regulation 29 of the MERC MYT Regulations, 2019. The Closing Equity of FY

2022-23 has been considered as Opening Equity of FY 2023-24 and onwards. Addition to equity is considered equal to 30% of the capitalization approved in this Order for respective year of the Period as specified in the MYT Regulations, 2019.

- 5.7.5 Further, Regulation 34 of the MYT Regulations, 2019 provides for pre-tax RoE to be computed for the Control Period. The MYT Regulations specify that the effective tax rate as per latest truing up year shall be considered for grossing up the RoE for MYT Control Period. Since, the effective tax rate for FY 2021-22 has been worked out to be zero, no grossing up of the RoE rate has been done.
- 5.7.6 Further, as regards TPC-T's request to consider the RoE rate as 15.5% at the tariff determination stage itself, the Commission is of the view that this would be in violation of the provisions of the MYT Regulations, 2019, and would amount to pre-empting the process of assessment of performance at the true-up stage, to ascertain whether the Licensee is entitled to the additional RoE. Hence, the Commission has allowed the RoE at the Base Rate of 14% only.
- 5.7.7 The pre-tax ROE approved by the Commission for FY 2023-24 and FY 2024-25 is shown in the Table below:

Table 83: RoE approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved by the Commission	MYT Order	TPC-T Petition	Approved by the Commission
Regulatory Equity at the beginning of the year (A)	1679.03	1890.44	1840.94	1724.43	2092.23	2011.83
Capitalization during the year (B)	151.32	672.61	569.61	151.32	675.34	260.34
Equity portion of capitalisation during the year (C=B*30%)	45.39	201.78	170.88	45.39	202.60	78.10
Regulatory Equity at the end of the year (D)	1724.43	2092.23	2011.83	1769.82	2294.83	2089.93
Pre-tax rate of equity after considering effective tax rate (E)	16.96%	16.96%	14.00%	16.96%	16.96%	14.00%
Return on Regulatory equity at the beginning of the year (F=A* E%)	284.83	320.69	257.73	292.53	354.92	281.66
Return on Regulatory Equity on Capitalization during the year (G=E*C/2)	3.85	17.11	11.96	3.85	17.18	5.47
Total Return on Regulatory Equity (C+D)	288.68	337.80	269.69	296.38	372.10	287.12

5.7.8 The Commission approves RoE of Rs. 269.69 Crore for FY 2023-24 and Rs. 287.12 Crore for FY 2024-25.

5.8 Contribution to Contingency Reserves

TPC-T's Submission

5.8.1 TPC-T submitted that in line with Regulation 35 of the MYT Regulations, 2019, the Contribution towards the Contingency Reserves for FY 2023-24 and FY 2024-25 has been considered as 0.25% of opening GFA, as shown in the Table below:

Table 84: Contribution of Contingency Reserves for FY 2023-24 and FY 2024-25 as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	MYT Order	TPC-T Petition	MYT Order	TPC-T Petition
Opening GFA	5289.86	5994.57	5441.18	6667.18
Maximum Permissible	264.49	299.73	272.06	333.36
Amount of Contingency Reserve	141.42	141.94	154.64	156.93
Created in respective year	13.22	14.99	13.60	16.67
Cumulative Amount of Contingency Reserve	154.64	156.93	168.24	173.60

Commission's Analysis and Ruling

5.8.2 The Commission has computed the Contribution to Contingency Reserves at 0.25 % of the opening GFA in accordance with the MYT Regulations, 2019 and based on the capitalisation approved for FY 2023-24 to FY 2024-25, as shown in the Table below:

Table 85: Contribution of Contingency Reserves approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T petition	Approved by the Commission	MYT Order	TPC-T Petition	Approved by the Commission
Opening Balance of Contingency Reserves	141.42	141.94	141.39	154.64	156.93	156.10
Opening Gross Fixed Assets	5289.86	5994.57	5882.38	5441.18	6667.18	6451.99
Opening Balance of Contingency Reserves as % of Opening GFA	2.67%	2.37%	2.40%	2.84%	2.35%	2.42%
Contribution to Contingency Reserves during the year	13.22	14.99	14.71	13.60	16.67	16.13
Closing Balance of Contingency Reserves	154.64	156.93	156.10	168.24	173.60	172.23
Closing Balance of Contingency Reserves as % of Opening GFA	2.92%	2.62%	2.65%	3.09%	2.60%	2.67%

5.8.3 The Commission approves contribution to contingency reserve of Rs. 14.71 Crore for FY 2023-24 and Rs. 16.13 Crore for FY 2024-25.

5.9 Non-Tariff Income

TPC-T's Submission

5.9.1 TPC-T submitted that the Non-Tariff Income for FY 2023-24 and FY 2024-25 has been considered same as that estimated for FY 2022-23, i.e., Rs 30.08 Crore.

Commission's Analysis and Ruling

5.9.2 The Commission has projected the Non-Tariff income for FY 2023-24 and FY 2024-25, by escalating the estimated NTI for FY 2022-23 at 10%.

5.9.3 The summary of Non-Tariff Income approved by the Commission for FY 2023-24 and FY 2024-25 is shown in the Table below:

Table 86: Non-Tariff Income approved for FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	TPC-T Petition	Approved by the Commission	MYT Order	TPC-T Petition	Approved by the Commission
Non-Tariff Income	16.09	30.08	48.04	17.04	30.08	52.85

5.9.4 The Commission approves NTI of Rs. 48.04 Crore for FY 2023-24 and Rs. 52.85 Crore for FY 2024-25.

5.10 Past Recoveries

TPC-T's Submission

5.10.1 TPC-T submitted that the Commission in its MTR Order in Case No. 5 of 2015 has provisionally approved Rs. 87.61 Crore as Non-Tariff Income considering Delayed Payment Charges (DPC) of Rs. 69.37 Crore for FY 2015-16. TPC-T had filed an Appeal before the Hon'ble ATE bearing Appeal No. 246 of 2015 challenging the issue of DPC being considered as part of Non-Tariff Income. The Hon'ble ATE vide its Judgment in Appeal No. 246 of 2015 dated 3rd June, 2016, upheld the decision of the Commission of considering DPC as part of Non-Tariff Income. This Judgment in Appeal No. 246 of 2015 by Hon'ble ATE was challenged by TPC-T in the Hon'ble Supreme Court in Civil Appeal No. 1356-1358 of 2017, which is currently sub-judice before the Hon'ble Supreme Court.

5.10.2 Further, during truing up of FY 2015-16, the Commission in its MYT Order in Case No. 22 of 2016 once again approved Rs. 111.30 Core as Non-Tariff Income considering DPC of Rs. 93.06 Crore for FY 2015-16. Subsequent to the MYT Order, TPC-T filed

its petition for True up of ARR for FY 2015-16 and FY 2016-17, Provisional True up of ARR for FY 2017-18 and revised estimates of ARR for FY 2018-19 and FY 2019-20 (Case No. 204 of 2017). The Commission vide its Order dated 12 September, 2018 has proceeded with the same approach and approved the Non-Tariff Income including the DPC claimed by TPC-T. Aggrieved by the decision of the Commission, TPC-T inter-alia challenged the present issue before the Hon'ble ATE in Appeal No. 88 of 2019, which is pending adjudication before the Hon'ble ATE.

5.10.3 TPC-T submitted that during the pendency of the aforementioned Civil Appeal Nos. 1356-1358 of 2017 and Appeal No. 88 of 2019, on 29 May, 2019, the Hon'ble ATE has passed its Judgment in Appeal No. 250 of 2016 in the case of Adani Transmission (India) Limited vs. MERC, returning the findings that DPC is not to be treated as a part of Non-Tariff Income. The relevant findings of the Hon'ble ATE in its Judgment dated 29th May, 2019 in Appeal No. 250 of 2016 is reproduced herein below for ease of reference:

“9.2 The delayed payment charges have been considered by the Respondent Commission as Non-tariff Income for reduction of ARR. After careful consideration of all the aspects in the matter, we decide that the delayed payment charges are not to be considered as Non-Tariff Income to be deducted from the allowed ARR. This issue is thus decided in favour of the Appellant.”

5.10.4 Without prejudice to the pending appeals of TPC-T, i.e., Civil Appeal No. 1356-1358 of 2017 before Hon'ble Supreme Court and Appeal No. 88 of 2019 before the Hon'ble ATE, TPC-T had requested the Commission to consider the findings of the Hon'ble ATE in Appeal No. 250 of 2016 and appropriately reverse the DPC income of Rs. 93.06 Crore (along with the carrying cost) which have been passed on as Non-Tariff Income in Order in Case No. 204 of 2017 and Case No. 5 of 2015. However, in its Order dated 30th March 2020 in Case No. 299 of 2019, the Hon'ble Commission did not consider the prayer.

5.10.5 TPC-T submitted that the Commission in its MYT Order in Case No. 299 of 2019 had allowed a Surplus of Rs. 101.98 Crore which was inclusive of principle surplus amount of Rs. (74.69) Crore and Holding cost of Rs. (27.29) Crore to be adjusted in ARR of FY 2020-21.

5.10.6 A Provisional Gap of Rs. 32.98 Crore for FY 2019-20 was considered by the Commission for recovery in FY 2020-21, however, no carrying cost was allowed in the recovery amount for FY 2020-21. Accordingly, the differential between Actual and Provisional Truing up needs to be recovered / passed on as a part of total ARR that is

to be recovered during FY 2023-24. Thus considering the actual Gap / (Surplus) of FY 2019-20, FY 2020-21, FY 2021-22, Provisional Gap / (Surplus) of FY 2022-23, the total amount of past recoveries for future Tariff is presented below:.

Table 87: Past Recovery Computation for Gap Recovery in FY 2023-24, as submitted by TPC-T (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Balance	A		34.05	122.74	246.48	314.77
Gap/(Surplus) Addition during the year	B	34.05	121.67	123.74	68.29	-
Provisional Revenue Gap/(Surplus) of FY 2019-20 adjusted in ARR of FY 2020-21 in MYT Order 299 of 2019	C	-	32.98	-	-	-
Interest on past recovery	D					56.98
Closing Balance	E=(A+B-C+D)	34.05	122.74	246.48	314.77	371.75
Total of past recoveries in FY 2023-24	F=(D+E)					371.75

5.10.7 The computation of holding cost as submitted by TPC-T is shown in the Table below:

Table 88: Holding Cost - Interest Computation for Gap Recovery in FY 2023-24, as submitted by TPC-T (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Carrying Cost Rate	A	9.66%	8.57%	8.50%	9.45%	9.45%
Opening Balance	B	-	28.47	117.16	240.90	240.90
Addition during the year	C	34.05	88.69	123.74	-	(240.90)
Less Incentive	D	5.58	-	-	-	-
Closing Balance	E=(B+C-D)	28.47	117.16	240.90	240.90	-
Average Balance	F= Average (A,E)	14.24	72.81	179.03	240.90	120.45
Carrying Cost	G=A*F	1.37	6.24	15.22	22.77	11.38
Total Carrying Cost #	H					56.98

5.10.8 TPC-T requested the Commission to approve the past recovery amount of Rs. 371.75 Crore.

Commission's Analysis and Ruling

5.10.9 The Commission observes that TPC-T has computed the past gap recovery of Rs. 371.75 Crore till FY 2023-24, with associated carrying cost.

5.10.10 The Commission has computed the carrying/(holding) cost till FY 2023-24 on past Revenue Gap/(Surplus) after truing up for FY 2019-20, FY 2020-21, and FY 2021-22,

as shown in the Table below:

Table 89: Carrying/(Holding) Cost approved for Gap/(Surplus) Recovery till FY 2023-24 (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Carrying/(Holding) Cost Rate	A	9.66%	8.57%	8.50%	9.45%	9.45%
Opening Balance	B	-	28.57	(42.79)	(1.48)	(18.71)
Addition during the year	C	28.57	(71.36)	41.30	(17.23)	18.71
Less: Incentive	D	-	-	-	-	-
Closing Balance	E=(B+C-D)	28.57	(42.79)	(1.48)	(18.71)	-
Carrying/(Holding) Cost	F= Average(B,E) x A	14.29	(7.11)	(22.13)	(10.10)	(9.35)
Total Carrying/(Holding) Cost	I					(2.95)

5.10.11 The past recoveries approved by the Commission are as shown in the Table below:

Table 90: Past Gap/(Surplus) Recovery approved till FY 2023-24 (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Balance	A		28.57	(42.79)	(1.48)	(18.71)
Gap/(Surplus) Addition during the year	B	28.57	(38.38)	41.30	(17.23)	
Revenue Gap/(Surplus) approved in MYT Order	C		32.98			
Interest on past recovery	D					(2.95)
Closing Balance	E=(A+B-C+D)	28.57	(42.79)	(1.48)	(18.71)	(21.66)
Total of past recoveries till FY 2023-24	F=(D+E)					(21.66)

5.10.12 Accordingly, the total past recovery to be adjusted in FY 2023-24 is a surplus of Rs. 21.66 Crore inclusive of carrying cost, as against a Gap of Rs. 371.75 Crore submitted by TPC-T.

5.11 Impact of Review Order in Case No. 95 of 2020

TPC-T's Submission

5.11.1 TPC-T had filed a Review Petition in Case No. 95 of 2020 against the rulings of the Commission on certain issues in its MYT Order in Case No. 299 of 2019 dated 30th

March 2020. The Commission issued its Order in the Review Petition on 17th June 2020 and allowed two prayers as mentioned below.

“ Review is partly allowed on the issues raised by the Tata Power Company -Transmission as under:

1) The prayer of Tata Power Company -Transmission for Removal of Income of Rs. 3.65 Crore and Rs. 2.43 Crore for Amortisation of Service Line Contributions from the Non-Tariff Income for FY 2017-18 and FY 2018-19, respectively, is allowed without carrying cost. The financial impact of the same will be considered at the time Mid Term Review for the present Control Period.

...

4) The prayer of Tata Power Company -Transmission to allow capitalisation of Rs. 0.43 Crore in FY 2017-18 towards Merged DPR for Replacement of 22 kV and 33 kV Bus Sections at Carnac Receiving Station is allowed. The consequential financial impact of the same may be filed by TPC-T at the time of Mid Term Review for the present Control Period.”

5.11.2 Accordingly, TPC-T has sought the impact of above reliefs as detailed in the paragraphs below:

Impact of Revision in Non-Tariff Income

5.11.3 As per the Review Order, removal of income of Rs. 3.65 Crore and Rs. 2.43 Crore towards the Amortisation of Service Line Contributions from the Non-Tariff Income for FY 2017-18 and FY 2018-19, respectively, has resulted in lowering of Non-Tariff Income for TPC-T for FY 2017-18 and FY 2018-19 and accordingly increases the approved ARR in the MYT Order to that extent. The consequential impact of revision in the Non-Tariff Income for FY 2017-18 and FY 2018-19 is presented below:

For FY 2017-18

Table 91: Revised Non-Tariff Income for FY 2017-18 (Rs. Crore)

Particulars	As per MYT Order	As per Review Order	Impact
Non-Tariff Income	18.23	14.58	3.65

Table 92: Impact on Income Tax of FY 2017-18 (Rs. Crore)

Particulars		As per MYT Order	As per Review Order	Impact
Total Revenue less Efficiency Gain and incentive	a	660.53	656.88	-0.78
Total Expenses	b	406.59	406.59	
Profit Before Tax	c=a-b	253.95	250.30	
Tax Adjustment		0.00	0.00	
Add				
Depreciation considered in Expenses	d	130.11	130.11	
Other disallowance while computing IT	e	12.40	12.40	
Total Tax Disallowances	f=d+e	142.51	142.51	
Less				
Tax Depreciation	g	214.47	214.47	
Other expenses allowed for computing Income Tax	h	4.55	4.55	
Deduction - U/s 80 IA	i	0.00	0.00	
Other Deduction under IT	j	0.00	0.00	
Exempt Income under IT	k	0.00	0.00	
Total Tax Allowances	l=g to k	219.01	219.01	
Total Taxable Income	m=c+f-l	177.45	173.80	
Tax Payable at Normal rate (Corporate Tax Rate)	n= m x Tax	61.41	60.15	
Tax Payable under MAT Rate	q = MAT working	54.20	53.42	
Tax Applicable	r=max(n,q)	61.41	60.15	
Tax Paid	s	0.00	0.00	
Less: MAT credit of previous year		7.21	6.73	
Tax Paid to Tax Provision	t=s/r	0.00	0.00	
Tax to be recovered through ARR	u = tx s	54.20	53.42	
MAT Computation				
Total Revenue	a	660.53	656.88	
Total Expenses	b	406.59	406.59	
Profit Before Tax	c=a-b	253.95	250.30	
Add: Disallowances under Income Tax		0.00	0.00	

Particulars		As per MYT Order	As per Review Order	Impact
Disallowances under Income Tax (U/s 14 A, provision for doubtful debt)		0.00	0.00	
Interest under Income tax Act		0.00	0.00	
Sub total	d	0.00	0.00	
Less: Deductions under Income Tax		0.00	0.00	
Sub total	e	0.00	0.00	
Book Profit	k=c+d-e	253.95	250.30	
Tax Payable under MAT Rate		54.20	53.42	

Table 93: Total Impact due to Revised Non-Tariff Income of FY 2017-18 (Rs. Crore)

Impact on	As per MYT Order	As per Review Order	Impact
Non-Tariff Income	18.23	14.58	3.65
Income Tax	54.20	53.42	-0.78
Total	72.43	68.00	2.87

For FY 2018-19

Table 94: Revised Non-Tariff Income for FY 2018-19 (Rs. Crore)

Particulars	As per MYT Order	As per Review Order	Impact
Non-Tariff Income	14.70	12.27	2.43

Table 95: Impact on Income Tax of FY 2018-19 (Rs. Crore)

Particulars		As per MYT Order	As per Review Order	Impact
Total Revenue less Efficiency Gain and incentive	a	614.96	612.53	-0.52
Total Expenses	b	460.09	460.09	
Profit Before Tax	c=a-b	154.87	152.44	
Tax Adjustment		0.00	0.00	
Add				
Depreciation considered in Expenses	d	136.94	136.94	

Particulars		As per MYT Order	As per Review Order	Impact
Other disallowance while computing IT	e	8.34	8.34	
Total Tax Disallowances	f=d+e	145.29	145.29	
Less				
Tax Depreciation	g	229.57	229.57	
Other expenses allowed for computing Income Tax	h	0.21	0.21	
Deduction - U/s 80 IA	i	0.00	0.00	
Other Deduction under IT	j	0.00	0.00	
Exempt Income under IT	k	0.00	0.00	
Total Tax Allowances	l=g to k	229.78	229.78	
Total Taxable Income	m=c+f-l	70.38	67.95	
Tax Payable at Normal rate (Corporate Tax Rate)	n= m x Tax	24.59	23.74	
Tax Payable under MAT Rate	q = MAT working	33.37	32.85	
Tax Applicable	r=max(n,q)	33.37	32.85	
Tax Paid	s	0.00	0.00	
Less: MAT credit of previous year		0.00	0.00	
Tax Paid to Tax Provision	t=s/r	0.00	0.00	
Tax to be recovered through ARR	u = tx s	33.37	32.85	
MAT Computation				
Total Revenue	a	614.96	612.53	
Total Expenses	b	460.09	460.09	
Profit Before Tax	c=a-b	154.87	152.44	
Add: Disallowances under Income Tax		0.00	0.00	
Disallowances under Income Tax (U/s 14 A, provision for doubtful debt)		0.00	0.00	
Interest under Income tax Act		0.00	0.00	
Sub total	d	0.00	0.00	
Less: Deductions under Income Tax		0.00	0.00	
Sub total	e	0.00	0.00	
Book Profit	k=c+d-e	154.87	152.44	
Tax Payable under MAT Rate		33.37	32.85	

Table 96: Total Impact due to Revised Non-Tariff Income of FY 2018-19 (Rs. Crore)

Impact on	As per MYT Order	As per Review Order	Impact
Non-Tariff Income	14.70	12.27	2.43
Income Tax	33.37	32.85	-0.52
Total	48.08	45.12	1.91

5.11.4 Accordingly, TPC-T requested the Commission to approve the consequential impact of **Rs. 2.87 crore and Rs. 1.91 crore** on account of revision of Non-Tariff Income for FY 2017-18 and FY 2018-19, respectively, in the Review Order in Case No. 95 of 2020.

Commission's Analysis and Ruling

5.11.5 The Commission has verified the submission of TPC-T and admits an impact of Rs. 4.78 Crore to be passed on in FY 2023-24.

5.12 Deemed Closure of 400 kV Vikhroli Project – Balance Claims

Background:

5.12.1 The Commission its MTR Order in Case No. 204 of 2017 had issued deemed closure directive to TPC-T's DPR scheme "400 kV Vikhroli Receiving Station" resulting into closure of following three approved DPRs:

- a. Establishment of 400 kV GIS Receiving Station at Vikhroli (Scheme Value – Rs. 846.19 Crore)
- b. Construction of 400 kV Multi Circuit Kharghar-Vikhroli Transmission Line and Bays (Scheme Value Rs. 455.39 Crore)
- c. DPR of Line In Line Out of 400 kV Talegaon-Kalwa Line (Scheme Value Rs. 311.97 Crore)

5.12.2 TPC-T had filed Appeal No. 88 of 2019 before the Hon'ble ATE. The Hon'ble ATE, after due proceedings with respect to the matter of deemed closure of "400 kV Vikhroli Receiving Station", issued its Order wherein it has retained the directive of the Commission.

5.12.3 The Hon'ble ATE has safeguarded the interest of TPC-T by allowing any deviation in the pre-development expenditure of Rs. 135.44 Crore plus taxes and duties as applicable to be incorporated as part of its regulated business in its upcoming tariff Petition.

5.12.4 Accordingly, TPC-T in its MYT Petition in Case No. 299 of 2019 had requested the Commission to approve Rs. 135.55 Crore incurred plus taxes and duties as applicable (above pre-developmental expenditure of Rs. 135.44 Crore) till 30th September, 2019 in “400 kV Vikhroli Receiving Station” project. These expenses include expenditure towards purchase of land at Kharghar and Vikhroli, statutory clearances, surveys and other pre-development jobs.

5.12.5 Apart from the above expenditure of Rs. 135.55 Crore, TPC-T had also estimated an additional expenditure of Rs. 52.20 Crore towards following heads to be incurred by the successful bidder for this project and reimbursed to TPC-T:

- a) Cost of lease of plot of land of 1591.03 sq. M. below existing transmission lines owned by TPC-T at Vikhroli (Rs. 20.50 Crore)
- b) Compensation towards utilising of the Right of Way (RoW) below existing Transmission Line between Nerul and Vashi (Rs. 13.45 Crore)
- c) 10% GST component on part of the pre-development expenditure (Rs. 8.25 Crore)
- d) Expenditure to be incurred against short closure of three Contracts (Rs. 10.00 Crore). These contracts were placed in anticipation of commencement of works prior to the Order dated 12th September 2018. The charges are to be paid towards design and engineering, statutory permission, finance charges. The purchase Orders of these jobs have already been placed on vendors.

5.12.6 TPC-T has also communicated to MSETCL regarding the expenditure to be incurred towards cost of plot of land at Vikhroli, compensation towards ROW and GST component vide letter reference TPC/T&D/2019-20/MSETCL/010 dated 2nd August, 2019.

5.12.7 MSETCL vide its response in letter reference MSETCL/CO/BDC/TBCB/05980 dated 7th August, 2019 and MSETCL/CO/BDC/TBCB/06032 dated 8th August, 2019 asked TPC-T to approach the Commission regarding its claim of expenses related to transfer of approvals/clearances/land, etc.

5.12.8 As the total expenditure of Rs. 187.75 Crore was to be incurred for the handover of “400 kV Vikhroli Receiving Station Project” to Kharghar Vikhroli Transmission Private Limited (KVTPL) who is the successful bidder, TPC-T had also requested the Commission to direct MSETCL/successful bidder KVTPL of “400 kV Vikhroli Project” to pay all these expenses (along with carrying cost) to TPC-T immediately.

- **Directive of the Commission in its Order in Case No. 299 of 2019**

5.12.9 In response to above submission of TPC-T, the Commission in its MYT Order in Case

No. 299 of 2019 directed STU to verify the claim of TPC-T and after verification, KVTPL was directed to reimburse the same.

5.12.10 Regarding the additional pre-development expenses claimed by TPC-T, the Commission found no supporting documents for verification of the claim. The Commission directed STU to verify whether these expenses are a deviation with respect to the pre-development expenses and the justification for such additional expenses.

- **MSETCL's Compliance towards Directive of the Commission in its Order in Case No. 299 of 2019**

5.12.11 STU completed the verification of pre-development expenses of Rs. 135.44 Crore claimed by TPC-T towards 400 kV Vikhroli project vide its report dated 2nd September, 2020. Further, MSETCL requested the Commission to accord the approval of validated amount to be transferred to TPC-T against the pre-development expenses. Accordingly, the Commission approved the amount of Rs. 118.27 Crore towards pre-development expenses against Rs. 135.44 Crore claimed by TPC-T.

5.12.12 In its report, STU had recommended to hold an amount of Rs. 9.30 Crore towards IDC as TPC-T has not submitted the requisite information. In this regard, the Commission directed TPC-T to submit the requisite documents and justification complete in all respects to STU within a month. The Commission also mentioned in its letter dated 14th September, 2020 that after compliance by TPC-T up to the expectation of STU, validated amount by STU can be paid by MSETCL to TPC-T towards IDC under intimation to the Commission.

5.12.13 Subsequently, TPC-T submitted all the necessary documentation towards IDC Claim of Rs. 9.30 Crore to STU. STU approved an amount of Rs. 8.44 Crore out of the total claim.

- **Directive of the Commission vide its letter dated 14th September, 2020**

5.12.14 With respect to the additional amount of Rs. 52.20 Crore claimed by TPC-T, the Commission vide its letter dated 14th September, 2020 has directed as under:

"5. TPC-T may consider its additional claim of Rs. 52.20 Crore as a deviation against pre-development expenses towards land cost, RoW compensation, GST impact, short closure of contracts, etc., as a part of its regulated business in TPC-T's next ARR Petition as per the Commission's letter dated

20 June, 2019 and MYT Order dated 30 March, 2020. The Commission may take an appropriate view on the said amount after prudence check based on the STU's validation report dated 2 September, 2020 and TPC-T's justification to be submitted in the ARR Petition, based on actual incurrence of expenses, rather than mere estimation.”

- **Directive of the Commission vide its Order in Case No. 237 of 2020**

5.12.15 Adani Transmission Limited (ATL) and KVTPL had filed a Petition to the Commission on which the Commission directed TPC-T towards reimbursement of expenses towards Land for Vikhroli Substation - Parcel B and Kharghar AIS Land (CIDCO Land). The Commission ruled that expenditure towards stamp duty, Land transfer Charges and other charges shall be incurred by TPC-T and should be claimed (which would be subject to due diligence) in its next ARR Petition as part of its regulated business.

5.12.16 In reference to above directive, TPC-T has submitted as under regarding recovery of balance claims towards reimbursement of expenditure in deviation to the Pre-Development Expenses:

1. Stamp Duty Registration for lease Deed of Vikhroli Plot B under existing 220 kV Transmission Lines:

5.12.17 TPC-T in its submission in Case No. 299 of 2019 had claimed Rs. 20.50 Crore towards one-time premium for giving the plot of 1591.03 sq. M. below existing transmission lines at Vikhroli to M/s KVTPL on 35-year lease. TPC-T has paid an amount of Rs. 0.61 Crore to the Department of Stamp & Registration, Maharashtra towards stamp duty and registration for lease agreement of Vikhroli Plot B as shown in the Table below:

Table 97: Amounts paid by TPC-T towards Lease process of Plot-B

Particulars	Amount incurred by Tata Power-T
Registration Fees	30,000
Handling Fees	2,000
Stamp Duty	61,30,800
Total	61,62,800
Total (Rs. Crore)	0.62

2. One-time premium for 35-year Lease of Vikhroli Plot B under existing 220 kV Transmission Lines of TPC-T:

5.12.18 TPC-T has handed over possession of this plot of 1591.03 sq. M. below existing transmission lines at Vikhroli (Plot B) to KVPTL and entered into a 35-year lease agreement with KVTPL for its use for implementing the 400 kV scheme.

5.12.19 TPC-T submitted that Plot B at Vikhroli is an acquired land by TPC-T. The same has been handed over to M/s KVTPL as per the directions of the Commission. In case of leasing of the plot on a long-term basis like the present case, as per the MCGM Policy, the commutation of annual lease rent clause is applied. As per this policy, the long-term lease is entered into with annual lease rent at a nominal amount and one-time premium @ 2 times the ready reckoner rate is recovered from the Lessee (M/s KVTPL in present case). However, since TPC-T has not transferred the legal title in the name of M/s KVTPL and the land is being leased for a restricted purpose of Installation of 400 kV Receiving Station only, TPC-T has claimed the one time premium @ 1.5 times the ready reckoner rate. The computation of the same has been shown in the table below:

Table 98: One-time premium for Vikhroli Plot-B

Particulars		Amounts
Area of Plot B at Vikhroli (Sq. Mtr.)	a	1591.03
Ready reckoner rate for 2018-19 (Rs. per Sq. Mtr.)	b	85900.00
One-time premium as per MCGM Policy (Rs. Crores)	$c = a * b * 2$	27.33
One-time premium claimed by TPC-T for 35-year lease of Plot-B (Rs. Crore)	$d = a * b * 1.5$	20.50

5.12.20 Regarding the claim of TPC-T for one-time premium for transferring the lease hold rights to M/s KVTPL for 35 years, the Commission in its Order in Case No. 237 of 2020 has stated as under:

“12.36. The Commission also notes that since inception of bidding process, the land Parcel B at Vikhroli was envisaged to be under lease for 35 years for the Vikhroli Project. Also as per the provisions of TSA, the validity of the TSA is 35 years which is extensible with the Commission’s approval. Hence, it is clear that the land Parcel

B at Vikhroli will be available on lease basis for the entire stipulated period of TSA (i.e 35 years)."

5.12.21 Also, STU in its validation report on pre-development expenses of TPC-T has mentioned as below on this aspect:

"Hence, it is seen that the bidders were shared the Tata Power Company Ltd. Views on the issue involved and were aware of the likely cost implications regarding the issue of 1592 Sq. M land parcel owned by Tata Power Company Ltd..

*.....
Also, as the bidders were aware of the issues involved, the cost incurred on such account if any will be recovered by the KVTPL in its ARR."*

5.12.22 Hence, this amount is recoverable from KVTPL by TPC-T after necessary check by the Commission during the MTR Petition proceedings. However, M/s KVTPL has denied paying the one-time premium of Leasehold rights for transferring the lease hold rights to M/s KVTPL for 35 years, citing the Commission's direction to recover all remaining charges through TPC-T's Regulated Business. TPC-T requested the Commission to direct KVTPL for payment of one-time premium for leasehold rights of its Vikhroli Plot B.

3. Stamp Duty Registration for lease Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi:

5.12.23 TPC-T in its submission in Case No. 299 of 2019 had claimed Rs. 13.45 Crore compensation towards utilising of the Right of Way RoW below existing EHV Transmission Line between Darave (Nerul) and Vashi. TPC-T has paid an amount of Rs. 0.41 Crore to Revenue Department Thane towards stamp duty and registration towards this deed as shown in Table below.

Table 99: Amounts paid by TPC-T towards RoW

Particulars	Amount incurred by Tata Power-T
Registration Fees	30,000
Handling Fees	1,400
Stamp Duty	40,35,000
Total	40,66,400
Total (Rs. Crore)	0.41

5.12.24 In line with its directives in Case No. 237 of 2020, TPC-T is requesting the Commission to reimburse an amount of Rs. 0.41 Crore over and above its ARR (along with carrying cost) for FY 2021-22.

4. RoW compensation for use of Right of Way (RoW) by M/s KVTPL for EHV Transmission Lines along Darave Vashi:

5.12.25 TPC-T had entered into RoW agreement with KVTPL for usage of its RoW between Vashi and Darave for its 400 kV transmission project. As mentioned in the registered agreement, the compensation on account of use of the incremental RoW by 400 kV Transmission Lines of M/s KVTPL works out to be Rs. 13.45 Crore as per the GoM GR issued in 2017 on this issue.

5.12.26 Also, STU in its validation report on pre-development expenses of TPC-T has mentioned as below on this aspect:

“Hence, as the route for which the compensation is claimed for use of RoW is only indicative and the successful bidder while executing the project can choose an alternative route. The bidders were aware of the issues into this if the option of utilising this route is considered.

.....

Also, as the bidders were aware of the issues involved, the costs incurred on such account if any will be recovered by KVTPL on its ARR”

5.12.27 Hence, this amount is also recoverable from M/s KVTPL by TPC-T. However, the same has not been paid by KVTPL citing ruling of the Commission regarding recovery of dues through ARR by TPC-T. Accordingly, in line with its directives in Case No. 237 of 2020, TPC-T is requesting Commission to allow recovery of an amount of Rs. 13.45 Crore towards compensation for usage of incremental RoW between Vashi and Darave by M/s KVTPL as a part of its Order in the instant Petition, from M/s KVTPL.

5. Land Transfer Charges of CIDCO Kharghar Plot

5.12.28 The Commission has given following directive on land transfer charges of CIDCO Kharghar plot in its Order in Case No. 237 of 2020:

“14.14. In view of the above, Commission rules that claim of KVTPL for land transfer charges of CIDCO Kharghar from TPC-T to KVTPL needs to be incurred by TPC-T and recovered from its next ARR Petition as part of its regulated business as per the

Commission's letter dated 20 June, 2019. Further, the Commission rules that any expenses other than transfer charges incurred towards CIDCO Kharghar land post permission to commence work (i.e.17 October, 2020) need to incur by KVPTL as a part of its project cost as envisaged in the TBCB."

5.12.29 Accordingly, following charges to needs be reimbursed to TPC-T over and above its ARR (along with carrying cost) for FY 2021-22 incurred towards tripartite agreement between TPC-T, KVPTL and CIDCO.

Table 100: Amounts paid by TPC-T towards CIDCO plot Transfer

Particulars	Amount incurred by TPC-T
Registration Fees	30,000
Handling Fees	1,000
Stamp Duty	41,17,000
Total	41,48,000
Total (Rs. Crore)	0.42

6. Expenditure to be incurred against short closure of three Contracts (Rs. 10.00 Crore):

5.12.30 TPC-T had placed following three major contracts against the 400 kV Vikhroli Project:

- a. General Civil Works (Claim: Rs. 1.40 Crore)
- b. Supply, Installation & Commissioning of 500 MVA Transformers (Claim: Rs. 0.62 Crore)
- c. Supply & Installation of 400 kV and 220 kV GIS (Claim: Rs. 8.0 Crore)

5.12.31 These contracts were placed in anticipation of commencement of works prior to the Order dated 12th September 2018 wherein the Commission has deemed closed 400 kV Vikhroli Project. The charges are to be paid towards design and engineering, statutory permission, and finance charges. The purchase orders of these jobs have already been placed on vendors. Now, the vendors have asked TPC-T to pay compensation towards the work undertaken for this project. The Commission is requested to allow this expenditure to the tune of Rs. 10 crores in present Petition, so that these vendors can be paid their legitimate expenses.

7. Recovery of Return on Investment of Rs. 7.72 Crore (Jan'19 to May'19):

5.12.32 During the scrutiny of the Pre-development expenses, TPC-T has also claimed Return on the amount to the tune of Rs. 7.75 Crore on the pre-development expenses of Rs. 127.70 crore, which remain invested during Jan'19 to May'19. The same was calculated at a weighted average cost of 12.21%, i.e., (70% x 8.94% + 30% x 19.86%). STU had rejected this claim on the basis of the MERC Order wherein the Commission had disallowed the past capitalisation on this project and as return cannot be allowed unless the assets are capitalised. However, the project was deemed closed and transferred to some other entity through TBCB. STU has failed to appreciate that it was not practically possible for TPC-T to capitalise the amount as the assets were held for sale post MERC Order. With this, the investment made by TPC-T remained as it is and STU cannot ignore the fact that there is cost attached to this investment.

5.12.33 Also, the Commission's decision is as a part of process wherein the consumers were not to be burdened with past capitalisation and it has only reversed the capitalisation allowed in past truing up exercise to avoid double accounting of expenses as the successful bidder will also be recovering the expenses post him commissioning the project. Hence, more rightfully, TPC-T has to be now compensated for the cost of keeping this amount invested by the successful bidder as submitted by TPC-T. Hence, the Commission is requested to approve Rs. 7.72 Crore towards return on investment for the period from Jan'19 to May'19.

8. Recovery of GST paid on the Pre-development expenses of Rs. 118.27 Crore:

5.12.34 In its report dated 2nd September, 2020, STU had stated as follows regarding the claim of GST as a part of Rs.52.20 crores:

“TPC-T Additional Claim of Rs. 52.20 Crores:

...

- *Further, the claim of Rs. 8.25 Crores on account of Estimated GST implication on part of pre- development expenditure of INR 135.44 Crores, can be decided at the time of actual transaction as per the prevailing rules and regulation of GST.”*

5.12.35 Actual GST of Rs. 8.80 Crore has been incurred on the Pre-development expenses of Rs. 118.27 Crore and GST of Rs. 1.52 Crore has been incurred on IDC amount of Rs. 8.44 Crore. Accordingly, the Commission is requested to approve an amount of Rs. 10.32 Crore towards GST expenses.

5.12.36 Further, as mentioned by the STU in its report dated 2nd September 2020, these aspects of projects in term of usage of Plot B, RoW, Transfer of land, and tax implications of

financial transaction were known to all the bidders. Further, the decision regarding recovery of expenses in deviation to predevelopment expenses was kept open for scrutiny at the time of this instant Petition as directed by the Commission in its Letter dated 14th September 2020 and Order in Case No. 237 of 2020. Since, all the expenses were required to be incurred and plots were to be leased to M/s KVTPL as a winning bidder solely on account of deemed closure of 400 kV project from TPC-T and executing the same under TBCB mechanism, the Commission is requested to approve the total impact and direct M/s KVTPL, i.e., the winning bidder of this TBCB process to pay the same to TPC-T.

5.12.37 Hence, in view of the submissions made above, TPC-T has presented in the Table below the Total claim in deviation to the Pre-Development expenses along with associated carrying cost due to TPC-T:

Table 101: Total Balance claim w.r.t. deemed closure of 400 kV Vikhroli Project (Rs. Crore)

Sr. No .	Expense Head	Total Expense	Int. rate	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Balance to be claimed
1	GST on Pre-Development expenses	8.80	-	-		8.80		8.80
2	GST on IDC	1.52		-			1.52	1.52
3	Return on Investment (Jan'19 to May'19)	7.72		3.84	3.88			7.72
4	Stamp Duty Charges for lease Deed of Vikhroli Plot B	0.61					0.61	0.61
5	Lease Rent of Vikhroli Plot B	20.50					20.50	20.50
6	Stamp Duty for lease Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi	0.41					0.41	0.41
7	Lease Rent of Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi	13.45					13.45	13.45
8	Land Transfer Charges of CIDCO Kharghar Plot	0.41					0.41	0.41
9	Expenditure to be incurred against short closure of three Contracts	10.00					10.00	10.00
10	Total Amount (excluding contract closure impact)			3.84	3.88	8.80	36.90	53.42
11	Carrying Cost Computation							
		FY 2018-19	9.89 %	0.19				0.19
		FY 2019-20	9.66 %	0.37	0.19			0.56
		FY 2020-21	8.57 %	0.33	0.33	0.38		1.04
		FY 2021-22	8.50 %	0.33	0.33	0.75	1.57	2.97

Sr. No .	Expense Head	Total Expense	Int. rate	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Balance to be claimed
		FY 2022-23	9.45 %	0.36	0.37	0.83	3.49	5.05
		FY 2023-24	9.45 %	0.36	0.37	0.83	3.49	5.05
	Total Carrying Cost			1.94	1.58	2.79	8.54	14.86
19	Total Amount including Carrying Cost			5.79	5.46	11.59	45.44	68.28
20	Total Amount including Contract Closure expenses							78.28

Commission's Analysis and Ruling

5.12.38 The Commission has analysed the submissions made by TPC-T and the various documentary evidences submitted by TPC-T in justification of its claims towards additional reimbursement of expenditure in deviation to the pre-development expenses. After prudence check, the Commission has allowed certain additional expenses, as elaborated below:

1. Stamp Duty Registration for lease Deed of Vikhroli Plot B under existing 220 kV Transmission Lines:

5.12.39 The stamp duty registration charges incurred by TPC-T are reimbursable to TPC-T. The Commission has verified the documentary evidence submitted by TPC-T, and hence, **allows the charges towards stamp duty registration for lease deed of Vikhroli Plot B of Rs. 0.62 Crore, as claimed by TPC-T.**

2. One-time premium for 35-year Lease of Vikhroli Plot B under existing 220 kV Transmission Lines of TPC-T:

5.12.40 TPC-T has claimed one-time premium for 35-year lease of Vikhroli Plot B @1.5 times the ready reckoner rate, rather than @2 times the ready reckoner rate as per the MCGM Policy, on the premise that the MCGM Policy is for transfer of legal title, whereas TPC-T has not transferred the legal title to KVTPL. The Commission, in its Order in Case No. 237 of 2020 has already recognised that the Vikhroli Plot B will be available on lease basis for a period of 35 years. The STU has stated that the cost incurred on such account shall be recoverable from KVTPL.

5.12.41 The Commission finds merit in TPC-T's submission of levying the premium @1.5 times the ready reckoner rate, rather than @2 times the ready reckoner rate, since legal title has not been transferred. **The Commission hence, allows the amount of Rs. 20.50**

Cre towards one-time premium for Vikhroli Plot B to be reimbursed to TPC-T.

3. Stamp Duty Registration for lease Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi:

5.12.42 The stamp duty registration charges incurred by TPC-T are reimbursable to TPC-T. The Commission has verified the documentary evidence submitted by TPC-T, and hence, **allows the charges towards stamp duty registration for lease deed of RoW for EHV Transmission Lines of Rs. 0.41 Crore, as claimed by TPC-T.**

4. RoW compensation for use of Right of Way (RoW) by M/s KVTPL for EHV Transmission Lines along Darave Vashi:

5.12.43 TPC-T has claimed the RoW compensation in line with the RoW agreement with KVTPL and the GoM GR. The Commission, hence, allows the reimbursement of RoW compensation for use of RoW by M/s KVTPL for EHV Transmission Lines along Darave Vashi, of Rs. 13.45 Crore.

5. Land Transfer Charges of CIDCO Kharghar Plot

5.12.44 The Commission has already ruled in its Order in Case No. 237 of 2020 that TPC-T needs to incur the land transfer charges of CIDCO Kharghar Plot and recover the same from its ARR. The Commission has verified the documentary evidence submitted by TPC-T, and hence, **allows the Land Transfer Charges of CIDCO Kharghar Plot of Rs. 0.42 Crore, as claimed by TPC-T.**

6. Expenditure to be incurred against short closure of three Contracts (Rs. 10.00 Crore):

5.12.45 TPC-T has requested the Commission to allow expenditure against short closure of 3 contracts, so that these vendors can be paid. However, the Commission is of the view that it would not be prudent to allow this expenditure as a reimbursement to TPC-T for the following reasons:

- a) TPC-T has not actually incurred these expenses yet;
- b) There is no clarity regarding when these contracts were placed, the timeframe for completion of the work, and whether the vendors have done any of the expected works towards design and engineering, statutory permissions, etc.;

- c) Though TPC-T has submitted the claims raised by the vendors, there is no documentation to show that TPC-T has done any due diligence on these claims to verify whether these claims are payable in full or even partly.

5.12.46 Hence, the Commission has not allowed TPC-T's claim of Rs. 10 Crore against short closure of three contracts.

7. Recovery of Return on Investment of Rs. 7.72 Crore (Jan,2019 to May,2019):

5.12.47 TPC-T has again claimed the return on investment to the extent of Rs. 7.72 Crore, even though the STU has already rejected TPC-T's claim in this regard, on the basis of the Commission's Order, wherein the Commission had disallowed the past capitalisation and as return cannot be allowed unless the asset is put to use. **The Commission does not find any merit in TPC-T's submission, as return can be allowed only when any asset is put to use, which is not the case in the present matter. Hence, the Commission has not allowed TPC-T's claim of return on investment of Rs. 7.72 Crore.**

8. Recovery of GST paid on the Pre-development expenses of Rs. 118.27 Crore:

5.12.48 TPC-T has claimed reimbursement of actual GST paid on the pre-development expenses and IDC. The STU in its verification report has stated that the matter can be decided at the time of actual transaction. The Commission has verified the documentary evidence submitted by TPC-T, and hence, **allows reimbursement of GST of Rs. 10.32 Crore (8.80 + 1.52) paid by TPC-T against pre-development expenses and IDC, as claimed by TPC-T.**

5.12.49 In view of the above analysis and ruling, the total claim allowed by the Commission to TPC-T in deviation to the Pre-Development expenses along with associated carrying cost, is shown in the Table below:

Table 102: Approved Balance claim w.r.t. deemed closure of 400 kV Vikhroli Project (Rs. Crore)

Sr. No.	Expense Head	Total Expense	Int. rate	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Approved Balance to be claimed
1	GST on Pre-Development expenses	8.80	-	-		8.80		8.80
2	GST on IDC	1.52		-			1.52	1.52
3	Return on Investment (Jan'19 to May'19)	-		-	-			-
4	Stamp Duty Charges for lease Deed of Vikhroli Plot B	0.62					0.62	0.62

Sr. No .	Expense Head	Total Expense	Int. rate	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Approved Balance to be claimed
5	Lease Rent of Vikhroli Plot B	20.50					20.50	20.50
6	Stamp Duty for lease Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi	0.41					0.41	0.41
7	Lease Rent of Deed of Right of Way (RoW) for EHV Transmission Lines along Darave Vashi	13.45					13.45	13.45
8	Land Transfer Charges of CIDCO Kharghar Plot	0.41					0.41	0.41
9	Expenditure to be incurred against short closure of three Contracts	-					-	-
10	Total Amount (excluding contract closure impact)			-	-	8.80	36.91	45.70
11	Carrying Cost Computation							
		<i>FY 2018-19</i>	9.89 %	-				-
		<i>FY 2019-20</i>	9.66 %	-	-			-
		<i>FY 2020-21</i>	8.57 %	-	-	0.38		0.38
		<i>FY 2021-22</i>	8.50 %	-	-	0.75	1.57	2.32
		<i>FY 2022-23</i>	9.45 %	-	-	0.83	3.49	4.32
		<i>FY 2023-24</i>	9.45 %	-	-	0.42	1.74	2.16
	Total Carrying Cost			-	-	2.37	6.80	9.17
19	Total Amount including Carrying Cost			5.79	5.46	11.17	43.70	54.87
20	Total Amount including Contract Closure expenses							54.87

5.13 Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25

TPC-T's Submission

5.13.1 Considering the Past Gap of the previous years, impact of Review Order in Case No. 95 of 2020, impact of past Disallowed capitalisation, impact of balance claims on account of deemed closure of 400 kV Vikhroli project, and the applicable carrying cost, the Annual Transmission Charges for FY 2023-24 and FY 2024-25 are as presented in the Table below:

Table 103: Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25, as submitted by TPC-T (Rs. Crore)

Sr. No.	Particulars	FY 2023-24		FY 2014-15	
		MYT Order	Revised	MYT Order	Revised
1	Operation & Maintenance Expenses	204.43	235.49	211.71	249.28
2	Depreciation Expenses	211.51	256.67	217.48	283.99
3	Interest on Loan Capital	131.67	158.19	101.33	173.15
4	Interest on Working Capital and on Consumer Security Deposits #	16.83	24.77	17.16	21.09
6	Contribution to contingency reserves	13.22	14.99	13.60	16.67
7	Total Revenue Expenditure	577.66	690.11	561.29	744.18
8	Add: Return on Equity Capital	288.68	337.80	296.38	372.10
9	Aggregate Revenue Requirement	866.34	1,027.91	857.67	1,116.28
10	Less: Non-Tariff Income	16.09	30.08	17.04	30.08
13	Impact of Review Order		4.78		
14	Impact of past disallowed capitalisation restored in this Petition		7.89		
15	Balance claims on account of Deemed Closure of 400 kV Vikhroli project		78.28		
16	Past Recoveries		371.75		
17	Aggregate Revenue Requirement from Transmission	850.25	1,460.53	840.64	1,086.20

Commission's Analysis and Ruling

5.13.2 Based on the analysis detailed in the previous paragraphs, the Commission has approved the Revised ARR for TPC-T for FY 2023-24 and FY 2024-25 as shown in the Table below. Further, in line with the past practice adopted in MYT, the impact of

past recoveries has been spread over 2 years, viz., FY 2023-24 and FY 2024-25, along with associated carrying cost on account of deferment of Revenue Gap, for smoother recovery, such that the ARR for FY 2023-24 and FY 2024-25 is the same.

Table 104: Revised Aggregate Revenue Requirement for FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2023-24			FY 2024-25		
		MYT Order	TPC-T	Approved	MYT Order	TPC-T	Approved
1	Operation & Maintenance Expenses	204.43	235.49	228.39	211.71	249.28	239.25
2	Depreciation Expenses	211.51	256.67	252.02	217.48	283.99	268.97
3	Interest on Loan Capital	131.67	158.19	149.45	101.33	173.15	151.68
4	Interest on Working Capital and on Consumer Security Deposits #	16.83	24.77	18.29	17.16	21.09	18.92
6	Contribution to contingency reserves	13.22	14.99	14.71	13.60	16.67	16.13
7	Total Revenue Expenditure	577.66	690.11	662.85	561.29	744.18	694.95
8	Add: Return on Equity Capital	288.68	337.80	269.69	296.38	372.10	287.12
9	Aggregate Revenue Requirement	866.34	1,027.91	932.55	857.67	1,116.28	982.07
10	Less: Non-Tariff Income	16.09	30.08	48.04	17.04	30.08	52.85
13	Impact of Review Order		4.78	4.78			
14	Impact of past disallowed capitalisation restored in this Petition		7.89	-			
15	Balance claims on account of Deemed Closure of 400 kV Vikhroli project		78.28	54.87			
16	Past Recoveries		371.75	(18.30)			(3.36)
17	Carrying cost due to deferment of Revenue Gap			(0.16)			(0.16)
18	Aggregate Revenue Requirement from Transmission	850.25	1,460.53	925.70	840.64	1,086.20	925.71

5.11.4 The Commission approves Aggregate Revenue Requirement of Rs. 925.70 Crore for FY 2023-24 and Rs. 925.71 Crore for FY 2024-25.

6 Recovery Of Transmission Charges

- 6.1.1 In accordance with the Transmission Pricing Framework specified under the MYT Regulations, 2019, the approved ARR of a Transmission Licensee for a particular financial year of the 4th MYT Control Period shall be considered for recovery through the TTSC of that year.
- 6.1.2 As TPC-T forms a part of the InSTS, its revised ARR for FY 2023-24 and FY 2024-25 shall be allowed to be recovered through the InSTS Transmission Tariff approved for each Year in the InSTS Order of the Commission.

7 Applicability Of The Order

- 7.1.1 This Order shall come into effect from 1 April, 2023.
- 7.1.2 The Petition of The Tata Power Co. Ltd. (Transmission Business)'s in Case No. 217 of 2022 stands disposed of accordingly.

Sd/-

(Mukesh Khullar)
Member

Sd/-

(I. M. Bohari)
Member

Sd/-

(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary


MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
॥ आदित्यं हृदयम् ॥

Appendix-1: List of persons who attended the Technical Validation Session held on 13 December, 2022

Sr. No.	Name	Company
1	Ms. Swati Mehendale	TPC-T
2	Shri Amey Mhapsekar	TPC-T
3	Mrs Apurva Shinde	TPC-T

Appendix-2: List of individuals who attended the Public Hearing held on 25 January, 2023

Sr. No.	Name	Company
1	Ms. Swati Mehendale	TPC-T
2	Shri Amey Mhapsekar	TPC-T
3	Mrs Apurva Shinde	TPC-T

Appendix-3: Allowed capitalisation against in-principle approved DPR schemes (Rs. Crore)

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)							Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks
				Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)			
				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25				
DPR Approved Schemes													
1	Construction of 220 kV Trombay - Dharavi – Salsette.	2017/10/18	241.37	1.05	13.27	1.17	-	9.35	-	241.37	WIP	2023-24	a) FY2019-20: Rs. 1.05 Cr: Civil work completed for tower inside New Ushanagar Society premises (Loc-88) and Loc-87A (Hutment), b) FY 2020-21: Rs. 13.27 Cr : Capitalization towards commissioning of towers (Loc. 87 & 88) in Ushanagar Society Area. Stringing of conductor work completed. c) FY 2021-22: Rs. 1.17 Cr: Staff cost and balance pending miscellaneous work. d) Capitalization towards commissioning of towers in Ushanagar Society area. The work was pending as New Ushanagar Society has opposed execution of work in its premises. In the past RoW issue was litigated before the Commissioner of Police Mumbai, the Commission, the Hon'ble APTEL etc. e) The Commission recently vide its Order dated 13 February 2023 in Case No. 167 of 2020 and MA No. 159 of 2021 has directed TPC-T to pay the balance compensation to the New Ushanagar Society. f) Scheme has been commissioned and is in service. Scheme closure report to be submitted.
2	245 kV GIS at Saki	2017/10/12	244.70	8.34	-	1.71	-	-	-	244.69	WIP	2021-22	a) FY2019-20: Rs. 8.34 Cr.: Capitalisation towards commissioning of 33 kV XLPE cable and its accessories, tower No 2 of 220 kV Salsette Saki Line, civil foundation works for Salsette Saki Line. b) FY 2021-22: Rs.1.71 Cr.: Capitalization towards commissioning of balanced civil foundation works for Salsette Saki Line,

SI No.	Project Title	MERC Approval Date	MERC In- principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/ WIP) (Financial)	Scheme's Year of Completi on/Commiss ioning (Actual/Est)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisiona l True up	Revised Projection					Cumulative Capitalisati on (Till FY 2024-25)
				FY 2019-20	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024-25				
												miscellaneous works of GIS bays etc. c) Scheme of 245 GIS at Saki has been commissioned and is in service. Scheme closure report to be submitted.	
3	145 kV GIS at BKC	2017/ 10/12	280.20	0.04	-	-	-	-	-	275.87	Scheme Completi on report submitted on 27/08/20 19	2019-20	a) The capitalisation claimed is against Balance misc. work. b) Entire scheme of 145 kV BKC SS has been commissioned and is in service. Scheme is closed subject to third party verification
4	145 kV GIS at Versova	2008/ 01/17	101.83	1.63	-	-	-	-	-	95.90	Scheme Completi on report submitted on 24/01/20 22	2019-20	c) FY 2019-20: Rs. 1.63 Cr: Capitalization towards commissioning of balance miscellaneous civil works related to GIS building and commissioning of fire protection system. d) Entire scheme of 145 kV Versova SS has been commissioned and is in service. Scheme is closed
5	Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation	2017/ 11/15	132.76	0.07	-	-	-	-	-	132.83	Scheme Completi on report submitted on 27/08/20 19	2019-20	a) FY 2019-20: Rs. 0.07 Cr. : Capitalization towards balance payment to vendors after reconciliation. b) Scheme is closed subject to third party verification
6	Providing OPGW on 110 kV BHIRAKHOPOLI LINE 1	2010/ 05/28	13.44	0.46	0.02	-	-	-	-	12.97	Scheme Completi on report submitted on 4/2/2022	2020-21	Capitalization towards OPGW 48 conductor hardware accessories. Scheme is closed.
	Construction. of 220 kV Kalwa Salsette # 5	2020/ 11/08	208.32	-	-	-	208.32	-	-	208.32	WIP	2022-23	Order placement for procurement of 220kV Cable and Overhead Line completed. High Court permission obtained. Work stopped on account of Forest Dept/NBWL clearance (Thane creek flamingo)

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisional True up	Revised Projection					Cumulative Capitalisation (Till FY 2024-25)
				FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23	FY 2023-24				
												Works need to be completed as per planning target and will be reviewed in next MYT	
7	220 kV Receiving Station at Antop Hill Wadala	2018/04/20	195.83	0.00	147.78	14.84	19.81	-	-	185.54	WIP	2022-23	a) FY 2020-21: Rs. 147.78 Cr. Capitalization towards commissioning of 220 kV GIS bays and 220 kV cable with accessories b) FY2022-23: Rs. 19.81Cr. Balance capitalization towards commissioning of 33 kV GIS bays along with cable and accessories. c) Scheme of 220 kV Antop Hill SS has been commissioned and is in service. Scheme completion report to be submitted.
8	Replacement of 22 kV Switchgear at Borivali	2011/04/29	27.67	21.34	3.69	-	-	-	-	25.17	Scheme Completed	2020-21	a) FY 20: Capitalisation of Rs. 21.34 Cr. is against 3 nos. of Bus Sections commissioned and put to use for providing reliable and continuous power supply to consumers. b) FY 21: Rs. 3.69 Cr is towards Misc. Services. Scheme completion report to be submitted
9	75 MVA, 110/33 kV transformer and 33 kV GIS at Parel Receiving Station	2010/05/13	24.00	0.02	-	-	-	-	-	16.63	Scheme Completion report submitted on 12/10/2022		Capitalization is towards Balance misc. work. Scheme is closed.
10	145 kV GIS at Mankhurd	2010/11/26	77.46	0.13	-	-	-	-	-	18.05	Scheme Completion report submitted on 14/10/2019	2019-20	a) FY 20: Rs. 0.13 Cr. Balance Miscellaneous payment after reconciliation. GIS Building proposal cancelled by Central Rly, and 90MVA Transformer installation cancelled due to lower load growth and hence scope reduced. Scheme is closed.
11	110 kV GIS Receiving Station at Kurla	2015/10/26	188.53	16.61	1.46	-	-	-	-	172.99	Scheme Completion report submitted	2020-21	b) FY 20: Capitalization towards commissioning of GIS building, c) FY 21: Capitalization towards commissioning of miscellaneous works &

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisional True up	Revised Projection					Cumulative Capitalisation (Till FY 2024-25)
				FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23	FY 2023-24				
											on 18/11/2021		payment to vendors after reconciliation. Scheme is closed.
12	33 kV GIS for replacing AIS at Dharavi	2011/05/18	45.20	-	14.34	(0.02)	-	-	-	45.29	Scheme Completion report submitted on 28/10/2022	2020-21	Installation & commissioning of Bus sections 3 and 4 (Make-ABB). Scheme is closed.
13	110/33 kV S/S at Ixora, Panvel.	2012/03/16	34.30	0.05	0.33	-	-	-	-	30.37	Scheme Completion report submitted on 28/10/2022	2019-20	Misc balance Work of at the SS. Scheme is closed.
14	Replacement of Cond. on Kalwa-Salsette 3 & 4	2012/12/21	45.73	1.03	1.05	-	-	1.00	-	22.76	WIP	2023-24	a) FY 20- Capitalization towards services for commissioning of circuit breaker from Kalwa Salsette 3 line b) FY 21- Capitalization towards staff cost & IDC charges for Kalwa Salsette 3- & 4-line conductor and accessories. Both lines taken in load service. Breaker replacement at Kalwa end done. Breaker replacement of KS4 balance and will be completed in 2023. c) Works need to be completed as per planning target and will be reviewed in next MYT. Scheme completion report to be submitted.
	Replacement of 33KV swgear by 33KV GIS Carnac	2012/04/12	23.61	-	-	-	-	-	-	14.86	Scheme Completion report submitted on 5/09/2022	2017-18	Scheme closed
15	Replacement of 22 kV Bus Section # 1 & 3 at Carnac			8.68	-	0.01	-	-	-	8.87	2019-20	c) 22 kV AIS Bus Section# 1 & 3 replaced with GIS and put to use including Civil works for foundation, installation services, SCADA etc. Scheme is closed.	

SI · N o.	Project Title	MERC C Approval Date	MERC In- principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/ WIP) (Financial)	Scheme's Year of Completi on/Commis sioning (Actual/Est)	Scope of Work executed and put to use /Remarks		
				Final True up			Provisiona l True up	Revised Projection					Cumulative Capitalisati on (Till FY 2024-25)	
				FY 2019-20	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024-25					
1 6	Life enhancement of 245 & 145 kV GIS (Salsette,Dharavi, Borivali and Carnac)	2012/ 11/01	34.35	0.46	11.66	1.57	-	-	-	30.42	Scheme Completi on report submitted on 28/10/20 22	2021-22	a) FY 20- Supply & Installation of 3 nos. of Resin Impregnated Paper (RIP) Bushings for Carnac, b) FY 21 Supply & Installation of hydraulic cylinders and density monitors at Salsette. c) 245 kV GIS Overhaul at Carnac FY 22- Supply & Installation of hydraulic cylinders and density monitors at Salsette. Scheme is closed.	
1 7	Khopoli-Bhivpuri Tie line	2012/ 10/22	17.27	0.35	-	-	-	-	-	16.32	WIP	2019-20	Balance misc. Work. Scheme completion report to be submitted.	
	Replacement of 110KV Breakers	2013/ 07/22	18.13	-	-	-	-	-	-	2.27	Scheme Comple ted			
	Replacment of 22 kV Breakers			0.01	-	-	-	-	-	-		3.34		FY20- 220 kV Saki - Saki interconnection- L3 switches
1 8	Replacement of relays for transmission			0.09	-	0.30	-	-	-	-		12.36		2021-22
1 9	Replacement of 250 MVA ICT#7 at Dharavi	2013/ 09/27	17.68	-	-	-	-	-	-	16.89	Scheme Comple ted	2019-20	Scheme completion report to be submitted.	
2 0	220 kV GIS at Versova	2014/ 04/01	291.99	113.75	35.66	7.38	0.50	-	-	169.06	WIP	2022-23	a) FY 20- Capitalization towards commissioning of 220 kV GIS bays, 250 MVA ICTs, 220 kV Source Line Cable , fire protection system, Protection, Automation and Communication system and civil works for GIS building etc b) FY 21- Balance capitalization towards 220 kV Cable and accessories and miscellaneous items. c) FY 22: Balce work of the SS and line . Scheme completion report to be submitted.	
2 1	Replacement of 22 kV Bus sections at Malad SS	2012/ 01/25	12.24	-	12.01	-	-	-	-	12.01	Scheme Comple ted	2020-21	FY 21- 2 nos. of Bus Sections are commissioned and put to use for providing reliable and continuous power supply to	

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisional True up	Revised Projection					Cumulative Capitalisation (Till FY 2024-25)
				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25				
												consumers. Scheme completion report to be submitted.	
22	Check metering system with remote data	2014/12/30	10.64	0.10	-	-	-	-	-	9.32	Scheme Completed	2019-20	FY 20- ABT meters installed at Kalyan, Salsette, Kolshet, Parel, Mahalaxmi & Dharavi. Scheme completion report to be submitted.
23	Replacement of NGTs in Transmission	2017/07/12	15.91	2.67	0.20	10.91	0.13	-	-	14.05	WIP	2022-23	a) FY 20- Supply, commissioning & Installation of 2 nos of 33 kV Neutral Grounding Transformers (NGTs) at Carnac. These NGTs are already commissioned and have been put to use in October-2019. b) FY 21- 33kV 630 Sqmm cable for NGT 1,2 & 3 at Salsette c) FY 22- NGTs at a. Carnac S/s (2) Dharavi S/s – (3) , Salsette S/s (2) have been commissioned and put to use. Scheme completion report to be submitted.
24	Replacement of Transformers at Mahalaxmi	2014/04/01	34.74	17.42	0.15	0.10	-	-	-	27.64	Scheme completion report submitted on 7/3/2022	2021-22	a) FY 20- Capitalization towards commissioning of Power Transformers FY. b) FY 21 and FY 22 - Capitalization towards final payment after reconciliation & settlement including balance finishing works. Scheme is closed.
25	Refurbishment of Transmission protection System	2015/10/20	21.68	0.99	0.05	5.94	1.00	-	-	10.11	WIP	2022-23	a) FY 20- RTU panel commissioned at Salsette b) FY21- GPS system with antenna for SCADA system at Salsette c) FY22- 110 kV SMPX protection relay panel commissioned at Borivali. Scheme completion report to be submitted.
26	Protection System Refurbishment in Transmission			-	-	0.09	-	-	-	4.07	WIP		
27	Replacement of 22 kV AIS by 33kV GIS at Mahalaxmi	2018/01/01	11.98	0.83	0.42	-	-	-	-	10.96	Scheme completion report submitted on	2020-21	a) FY 20- Power & Control cable for 33 kV GIS & test plug. 33 kV GIS Bus PT-5 & 6. b) FY 21- 33 kV GIS bus incomer bay with BCPU along with control Cable

SI No.	Project Title	MERC Approval Date	MERC In- principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/ WIP) (Financial)	Scheme's Year of Completi on/Commiss ioning (Actual/Est)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisiona l True up	Revised Projection					Cumulative Capitalisati on (Till FY 2024-25)
				FY 2019-20	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024-25				
												c) FY22- Main Pump and Diesel pump installation and commissioning at Malad RSS , fire detection system at Chembur and Sahar RSS, fire door at Chembur and Backbay RSS, Gas suppression system at Chembur RSS. Scheme completion report to be submitted.	
31	110 kV GIS at Saki Receiving Station	2017/10/25	64.63	4.21	0.15	0.08	-	-	-	39.05	Scheme completion report submitted on 24/05/2022	2021-22	a) FY 20- Capitalization towards commissioning of 110 kV 1600 sqmm XLPE cable & its accessories, fire-fighting system etc b) FY 22- Capitalization towards payment after final reconciliation & settlement with vendor. Scheme is closed.
32	Replacement of Station Batteries, Charger	2018/08/03	20.15	0.27	2.64	0.21	-	-	-	4.11	Complete d	2021-22	a) FY 20- Procurement and Installation of CTs and PTs at Parel, Malad and Salsette RSS. b) RTU and protection panel replacement at Chembur RSS. c) Control panel commissioned for Parel-Mankhurd-Bhokarpada RSS d) Capacitor bank at Mahalaxmi, Borivali and Versova RSS are installed, commissioned and put to use. e) Replacement of chargers at Borivali, Malad, Salsette, Dharavi, Carnac, Parel RSS. f) Safety equipment procured like Arc suit and fire extinguisher etc. g) FY 21- Procurement and Installation of station batteries & chargers at Dharavi and Salsette RSS. h) FY22- Replacement of chargers at Salsette and Parel RSS. Battery set at Wadala. Scheme completion report to be submitted.
33	22kv and 110kv RTU replacement at Chembur and Prot. System Refurbishment			4.86	-	0.06	-	-	-	4.92	WIP		
34	Procurement of Testing Equipment			(0.04)	-	-	-	-	-	3.85	WIP		
35	220kV&110kV PT and CT Replacement			1.16	-	0.03	-	-	-	1.55	WIP		
36	Replacement of 110 kV Circuit Breakers at Kalyan Node			0.05	-	0.09	-	-	-	0.98	WIP		
	33KV SF6 breakers for Reactor at Carnac			-	-	-	-	-	-	0.47	Complete d		
37	33kV Capacitor Banks at Mahalaxmi			0.59	-	0.03	-	-	-	0.61	Complete d		

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisional True up	Revised Projection					Cumulative Capitalisation (Till FY 2024-25)
				FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23	FY 2023-24				
38	Replacement of Capacitor Bank 1 at Borivali			0.42	0.01	-	-	-	-	0.43	WIP		
39	Procurement of recommended safety equipment			0.43	-	(0.00)	-	-	-	2.81	Scheme completed		
40	33 kV Capacitor Bank for Versova			0.47	-	-	-	-	-	0.47	WIP		
41	Installation of 125 MVA Power Transformer at BKC	2018/07/19	15.84	-	14.48	1.22	-	-	-	15.70	WIP	2021-22	a) FY 21- Installation and commissioning of 1 No of 125 MVA, 110/33-22 kV Transformer and its integration with existing SCADA system for remote monitoring and control is completed in March-2021. b) FY22- Miscellaneous services completed. Scheme completion report to be submitted.
42	Rehabilitation of old Transmission Towers	2018/07/20	13.27	-	0.23	0.89	9.04	-	-	10.51	WIP	2022-23	After detailed investigation foundation of 12 Towers are replaced. Scheme completion report to be submitted.
43	Strengthening of 220kV Carnac Receiving Station	2018/11/14	75.36	56.47	9.47	0.56	0.01	-	-	66.52	Scheme Completion report submitted on 30/5/2022	2022-23	a) FY20- Commissioning of 220 kV GIS bays along with civil works and 220 kV cable system b) FY21- Balance civil works and cable system c) FY22- Capitalization towards payment after final reconciliation & settlement with vendor. Scheme is closed.
44	Laying of additional 110 kV cable between Carnac and Backbay	2019/01/07	87.39	-	84.92	0.62	1.85	-	-	87.39	WIP	2022-23	a) FY 2021: Capitalization towards supply & commissioning of 110 kV Single Core 1600 sq. mm power cable b) FY 2022: Balance work. Scheme completion report to be submitted.
45	Replacement of 75 MVA 110/22 kV Transformer-3 by 90 MVA Transformer at Mahalaxmi	2017/10/25	14.93	-	11.64	0.49	0.15	-	-	12.28	WIP	2022-23	a) FY 2021: Commissioning of 90 MVA Power Transformer. b) FY 2022: Balce minor works

SI · N o.	Project Title	MERC C Approval Date	MERC In- principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/ WIP) (Financial)	Scheme's Year of Completi on/Commiss ioning (Actual/Est)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisiona l True up	Revised Projection					Cumulative Capitalisati on (Till FY 2024-25)
				FY 2019-20	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024-25				
4 6	Installation of 220 kV GIS at Borivali	2021/ 03/02	69.35	-	-	55.65	13.70	-	-	69.35	WIP	2022-23	New Toshiba make 220 kV GIS along with 10 nos. 220 kV bays. Scheme completion report to be submitted.
4 7	Conversion of leasehold land into class	2020/ 07/18	71.99	-	68.87	-	-	-	-	68.87	Scheme Completi on report submitted on 7/09/202 1	2020-21	Leasehold land of Backbay Receiving Station converted into Class I occupancy in March 2021. Scheme is closed.
	Replacement of 110 kV AIS by GIS at Dharavi	2021/ 01/11	164.20	-	-	-	134.66	29.56	-	164.22	WIP	FY2023 -24	Order placement done. Building proposal approved. Expected to be completed by 2023-24. The capitalisation of Rs. 10.66 Crore claimed in FY 2021-22 against pre-development expenses without put to use of assets. Hence, disallowed in FY 2021-22 and shifted in FY 2022-23. Scheme completion report to be submitted.
4 9	Replacement of 110 kV oil filled cables-Carnac	2019/ 07/04	80.98	-	76.46	2.07	2.45	-	-	80.98	WIP	2022-23	a) FY 2020-21: Capitalization towards commissioning of 110 kV single core 1600 sqmm cable & accessories b) FY 2021-22: Balance work. Scheme completion report to be submitted.
	Replacement of Transmission towers in Vashi & Waghivali	2019/ 11/06	28.89	-	-	-	-	28.89	-	28.89	WIP	2023-24	Preliminary survey completed. Order placement completed. CRZ clearance received. Scheme completion report to be submitted.
5 0	Replacement of Transformer 1 and 2 at Mankhurd	2020/ 08/23	9.92	-	-	9.72	-	-	-	9.72	Scheme completio n report submitted on 1/03/202 2	27.09.20 21	a) Capitalization towards commissioning of 2 nos of 30 MVA Transformers & associated works. Scheme is closed.
5 1	Replacement of 30MVA	2020/ 08/23	8.57	-	6.99	0.82	-	-	-	7.82	Scheme completio	2021-22	b) FY 2020-21: Capitalization towards commissioning of 2 nos of 60 MVA

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)							Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks
				Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)			
				FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23	FY 2023-24				
	Transformer at Ambernath										n report submitted on 1/03/2022		transformers at 110 kV level c) FY 2021-22: Balance work. Scheme is closed.
52	Installation of 110 kV GIS at Vikhroli	2021/01/06	97.89	-	-	5.11	82.00	10.78	-	97.89	WIP	2023-24	a) Installation of 110 kV GIS at Vikhroli. Balce work of the scheme. Scheme completion report to be submitted.
53	Installation of 40 MVAR Reactors at Karanjade	2021/01/23	24.12	-	-	17.28	2.74	-	-	20.02	WIP	2022-23	Capitalization towards commissioning of 220 kV, 40 MVAR reactor at Karanjade with associated equipment and necessary Civil Work. Scheme completion report to be submitted.
54	Installation of 110 kV 10 MVAR Reactors at Karanjade SS	2021/05/05	15.05	-	-	9.87	2.18	-	-	12.05	WIP	2022-23	Capitalization towards commissioning of 110 kV, 2x 10 MVAR Reactor at 220 kV Karanjade EHV Substation. Scheme completion report to be submitted.
	Installation of 220 kV Reactors at Salsette	2021/06/09	29.00	-	-	-	29.00	-	-	29.00	WIP	2022-23	PO placed for 125MVAR variable shunt reactor and reactor delivery expected in Dec 2022. Scheme completion report to be submitted.
56	Replacement of old 110 kV oil Filled cables between Tata Backbay-Nariman Point and BEST Backbay Nariman Point SS	2021/11/19	53.91	-	-	34.30	3.34	-	-	37.64	WIP	2022-23	Capitalization towards commissioning of 110 kV 1000 sqmm XLPE cable of Tata Backbay-Nariman Point and BEST Backbay-Nariman Point cables & its accessories. Scheme completion report to be submitted.
57	Replacement of 110 kV AIS by GIS at Carnac SS	2021/03/17	72.11	-	-	48.65	23.46	-	-	72.11	WIP	2022-23	Capitalization towards commissioning of New Toshiba make 145 kV GIS along with 1600 sqmm 100 mtrs extension cable at Carnac SS. Scheme completion report to be submitted.
58	Additional 110 kV source line to 110 BKC and Kurla substations	2019/09/25	139.99	-	-	41.23	98.76	-	-	139.99	WIP	2022-23	Capitalization towards commissioning of 1 no of 110 kV bay and 110 kV 1600 sqmm XLPE cable of BKC Kurla cable. Scheme completion report to be submitted.

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)							Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks
				Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)			
				FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23	FY 2023-24				
59	Replacement of aged 110 kV Oil Filled Cables of Trombay Chembur 1,2 & 3 and Khopoli Chembur Cables	2019/12/23	98.03	-	-	13.01	85.03	-	-	98.04	WIP	2022-23	110 kV XLPE Single Core 1000 sq.mm. Cable between Trombay-Chembur 3 and Waghivali Chembur cable were test charged and taken into load service. Scheme completion report to be submitted.
60	Replacement of 30MVA transformers at Kolshet	2020/10/25	24.28	-	-	18.62	5.67	-	-	24.29	WIP	2022-23	Capitalization towards commissioning of 90 MVA Power Transformers 1 and 2 at Kolshet and its accessories. Scheme completion report to be submitted.
	Installation of 2X250 MVA, 220/110/33 kV ICT at existing TPC-T 110 kV Vikhroli RSS	2021/10/11	88.13	-	-	-	-	88.13	-	88.13	WIP	2023-24	ICT 250MVA 2 Nos- bidding completed and final negotiation for 110kV GIS bays completed. Scheme completion report to be submitted.
	Replacement of MV S/wgear AIS to GIS in Transmission	2022/12/20	54.29	-	-	-	-	54.29	-	54.29	New Scheme	2023-24	Scheme approved in 2022. Works to be completed as per plan targets. Scheme completion report to be submitted.
	Replacement of old oil filled cables of 110 kV Trombay Parel # 3 line & trombay Carnac #3 line	2022/12/20	341.57	-	-	-	-	120.00	221.57	341.57	New Scheme	2023-24	Scheme approved in 2022. Works to be completed as per plan targets. Scheme completion report to be submitted.
	Installation of 110kV GIS at Parel	2022/12/20	181.77	-	-	-	-	158.00	23.77	181.77	New Scheme	2023-24	Scheme approved in 2022. Works to be completed as per plan targets. Scheme completion report to be submitted.
	Inerconnection of Tata Power Waghivali Switching Station and MSETCL Waghivali Substation	2022/11/01	69.61	-	-	-	-	69.61	-	69.61	New Scheme	2023-24	Scheme approved in 2022. Works to be completed as per plan targets. Scheme completion report to be submitted.
Sub-total			4,877.40	368.54	645.10	350.12	729.51	569.61	245.34	4,340.87			

Sl. No.	Project Title	MERC Approval Date	MERC In-principle Approved Cost	Allowed Capitalisation (Rs. Cr)						Scheme Status as per report (Complete/WIP) (Financial)	Scheme's Year of Completion/Commissioning (Actual/Est.)	Scope of Work executed and put to use /Remarks	
				Final True up			Provisional True up	Revised Projection					Cumulative Capitalisation (Till FY 2024-25)
				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25				
Previously disallowed scheme/bays and now taken for put to use -2019-20													
61	Construction of New 220kV bays (3 nos.) at Trombay SS for 220 kV for Trombay - Dharavi, Salsette and Saki Lines			-	5.15	-						2020-21	
62	33 kV Bays at Parel				0.15								
Sub-Total					5.3								

(Back to the original reference [3.2.12](#), [4.2.6](#) and [5.2.4](#))

Appendix-4: Disallowed capitalisation against in-principle approved DPR schemes (Rs. Crore)

Sl. No.	Project Code	Project Title	Disallowed Capitalisation (Rs. Crore)				Reason for disallowance .
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
DPR Approved Schemes							
1	T14011211007	220 kV Rec Stn at Antop Hill Wadala	-	5.78	4.52	-	7 no of Bays are not put to use.
2	T14011221001	Replacement of 110 kV AIS by GIS at Dharavi	-	-	10.66	(10.66)	The capitalisation of Rs. 10.66 Crore claimed in FY 2021-22 against pre-development expenses without put to use of assets. Hence, disallowed in FY 2021-22 and shifted in FY 2022-23.
3	T14012221001	Installation of 220 kV Reactors at Salsette	-	-	-	4.24	Approved cost is Rs. 29 Crore. TPC-T has claimed Rs. 33.24 Crore. Capitalization is restricted to approved cost. Hence, cost overrun of Rs. 4.24 Crore is disallowed.
4	T14010121007	Replacement of 110 kV AIS by GIS at Carnac	-	-	-	9.42	Approved cost is Rs. 72.11 Crore. TPC-T has claimed Rs. 81.53 Crore. Capitalization is restricted to approved cost. Hence, cost overrun of Rs. 9.42 Crore is disallowed.
5	T14011320003	Replacement of 110 kV oil filled Cable Trombay Chembur	-	-	-	14.98	Approved cost is Rs. 98.03 Crore. TPC-T has claimed Rs. 113.02 Crore. Capitalization is restricted to approved cost. Hence, cost over run of Rs. 14.98 Crore is disallowed.
Capitalisation disallowed in earlier MYT/MTR Orders included in present Order							
6		Construction of New 220 kV bays (3 nos.) of Bays at Trombay SS for lines Trombay Dharavi Salsette Saki L		5.83			TPC-T has claimed Rs. 10.98 Crore with IDC. The Commissioned approved Rs. 5.15 at depreciated cost without IDC. Hence disallowance of Rs. 5.83 Crore

Sl. No.	Project Code	Project Title	Disallowed Capitalisation (Rs. Crore)				Reason for disallowance .
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
7		33 kV Bays at Parel		0.20			TPC-T has claimed Rs. 0.36 Crore with IDC. The Commissioned approved Rs. 0.16 at depreciated cost without IDC. Hence disallowance of Rs.0.20
Total			0.00	11.81	15.17	17.98	

(Back to the original reference [3.2.13](#), [4.2.11](#))

Appendix-5: Non-DPR reclassified as Capex or R&M by the Commission for FY 2019-20 to FY 2024-25 (Rs. Crore)

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
A.0680818-Feasibility studies for future		0.04	-	-	-	-	0.04	Feasibility study for 220 kV Transmission Tower LOC-45	R&M
Feasibility study 400/220/110KV lines & R.S	-	-	-	-	-	-	1.11		R&M
Upgradation of communication networks	-	0.04	-	-	-	-	0.99	Installation and commissioning of communication equipment - SDH Multiplexer for upgrading 220 kV Kalwa-Salsette link	R&M
Procurement of spares for EHV Cables	0.50	-	-	-	-	-	2.22	Procurement of EHV cable spares as contingency to maintaining reliability of power supply to consumers during trippings.	R&M
Replacement of BMS towers	1.72	-	-	-	-	-	9.62	BMS (Black Mild Steel) Tower replaced at: 1.Loc. 2 of 110 kV Ambernath Kalyan Line 1 & 2 at Ambernath end 2.Loc. 1A of 110 kV KKS 1 & 2 at Kalyan end	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								BMS towers are replaced with galvanized steel due to completion of useful life of existing towers & deterioration beyond repair.	
Safety Equipments For Transmission	0.49	-	0.02	-	-	-	1.68	Procurement of new safety equipment -Man lifter, ladder, Arc Suit, Water jel blanket, safety tools box	Capex
Sustainability projects in Transmission	0.32	-	0.05	-	-	-	4.34	Installation of LED flood lights at Transmission station for improving illumination in Operational Areas as per safety norms	Capex
Refurbishment of Canteen, Transmission office	0.64	-	0.56	-	-	-	2.79	Refurbishment of office at Salsette RSS to improve safety and hygiene at workplace.	R&M
Installation of ladders on Transmission Tower	-	0.78	-	-	-	-	3.69	Installation of Safety ladders on Trombay-Dharavi-7 & 8 line	R&M
Upgradation of Canteen & Cafeteria	-	0.01	-	-	-	-	1.40	Installation new of ACs at Borivali canteen	Capex
Upgrading of 110KV Salsette-Dharavi line	0.45	1.64	0.05	-	-	-	2.75	Installation and commission of High ampacity conductor ACCC on Dharavi-Salsette	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								line- Span of Dharavi -Powai line	
Replament of 110KV GODs at Kalyan	-	-	0.03	-	-	-	0.63	Replacement of MBS GOD of 110 kV Transfer breaker at Kalyan due to completion of useful life of existing GOD & deterioration beyond repair.	Capex
Refurbishment of boundary wall at North Zone	1.46	-	-	-	-	-	3.71	Cliff wall protection is technique to resist the falling stones & objects from a hilly portion. Cliff wall Protection to the adjacent cliff near Powai Receiving Station is completed in view of providing operational safety at workplace	R&M
Employee Canteen at Sahar RSS.	0.19	-	-	-	-	-	0.19	Installation new of Air Conditions at Sahar canteen in view of performance degradation of existing Acs	Capex
110kV PT and CT Replacement in Transmission	0.35	-	0.04	-	-	-	1.28	Installation & commissioning of new 110 kV PT and CT at Parel, Borivali, Chola, Malad Receiving stations due to deterioration of existing asset beyond repair & completion of useful life.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of Breakers in Transmission	0.55	-	-	-	-	-	1.17	Installation and commissioning of breakers at Transmission RSS due to deterioration of existing asset beyond repair & completion of useful life.	Capex
Refurbishment and Replacement of Station Transformers	0.02	-	-	-	-	-	0.04	Refurbishment work of station transformer at Panvel S/S for life extension of the asset. Existing TF completed regulated life	Capex
Enhancing Security System in Transmission	1.18	0.01	0.25	-	-	-	2.98	IP based CCTV & Cameras, Public Address system installed at transmission receiving stations. New asset created	Capex
Procurement of Laptop & IT accessories for Transmission	0.04	-	0.00	-	-	-	0.65	Procurement of IT equipment for Transmission division	Capex
Providing 22kV switchgear for Station Transformers	0.43	0.32	0.01	-	-	-	1.03	Installation & commissioning of GOD, circuit breakers for station transformer 1&2 at Kalyan	Capex
Renovation of Garage for Kalyan Nodal office	-	-	0.03	-	-	-	1.60	Renovation of Kalyan node office for life extension of existing asset.	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of 110KV Breakers in Transmission	0.43	-	0.06	-	-	-	1.71	Installation and commissioning of 14 nos of 110 kV breakers at Transmission RSS due to deterioration of existing asset beyond repair & completion of useful life.	Capex
Stability enhancement of station building	0.02	-	-	-	-	-	1.78	Station building at Salsette has completed useful life (more than 50 years) To provide stability certificate as per statutory requirement. Work for improvement in structural stability of station building and 22 kV switchgear building is completed in view of statutory requirements.	R&M
Strengthening life and stability of boundary wall	0.30	-	-	-	-	-	0.98	Boundary wall at Kalyan & Bhokarpada was deteriorated . Hence strengthening is done for main boundary wall at Kaylan and Bhokarpada to extend the useful life of existing asset & to maintain safety at workplace.	R&M
Strengthening of RCC foundations	0.69	0.34	0.15	-	-	-	5.07	Transmission tower strengthening work for Kalwa	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
for Transmission Towers								Salsette 3 & 4 line to extend the useful life of asset as existing towers foundations are deteriorated and which will impact safety of workmen.	
Tools and Tackles for Transmission	0.10	-	0.01	-	-	-	0.64	Tools & equipment procured under this scheme- 230 V single phase variac, tong tester, multimeter, neon tester, digital camera for transmission lines.	Capex
Office equip & furniture for Trans.	0.05	-	-	-	-	-	0.93	Procurement of air conditioner, water purifier for transmission RSS	Capex
Renovation Project Civil work	0.32	-	0.04	-	-	-	0.36	Establishment of new office infrastructure at BKC RSS building.	Capex
PROCUREMENT BUDGET FOR TRANSMISSION	0.05	0.03	(1.09)	-	-	-	(1.01)		Capex
Replacement of ACDB/DCDB at Carnac	0.18	0.01	-	-	-	-	0.92	Installation and commissioning of 415 V ACDB for 33kV switchgear at Carnac node. Replacement is done as existing ACDB at Carnac node is deteriorated	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								and has also completed its useful life.	
Replacement of 110 kV Breakers at Dharavi	0.02	-	0.00	-	-	-	0.26	Replacement of asset as existing 110 kV breakers (ELF & M&G) at Dharavi RSS had completed its useful life. Spares are not available & lack of OEM support. Also, these breakers were beyond repair.	Capex
Establishing FO-connectivity from Chembur	0.09	-	-	-	-	-	0.42	Upgradation of communication & protection system to Increase in operational efficiency of existing system. New assets created	Capex
Replacing existing 110 kV RCC Bus Post	-	0.42	0.01	-	-	-	0.73	Replacement of existing 110 kV breaker at Chembur due to deterioration beyond repair & completion of useful life.	Capex
Rehabilitation of Carnac Station building	0.26	0.34	0.31	0.04	-	-	1.56	Renovation and Modernisation of office facilities Carnac station building for life extension.	R&M
Replacement of 110kV line & Main Bus Sec	0.16	0.28	0.00	-	-	-	0.44	Existing isolators are very old. Replacement of existing 110kV line isolator for 110kV	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								Parel -Mahalaxmi line due to completion of useful life & deterioration of asset beyond repair	
Procurement of LAs in Transmission	-	0.18	0.01	-	-	-	0.19	Installation & Commissioning of Lightning Arrestors which have completed Regulatory life .	Capex
Refurbishment fo emulsifier system Dhara	(0.04)	0.01	-	-	-	-	0.86	Replacement of deluge valve for Dharavi transformers as it was manually operated old system, with remote operated SCADA integrated system.	R&M
Installation of Fire alarm system at BKC	0.11	-	-	-	-	-	0.16	Commissioning of Fire alarm system at BKC. New system	Capex
Procurement of Electric Hoist	0.00	0.03	-	-	-	-	0.08	Installation and commissioning of 5 & 7 ton electrical hoist at Saki to improve operation efficiency	Capex
Installation of safety ladders on trans	(0.04)	-	-	-	-	-	1.85	No Capitalization claimed in MTR submission	Capex
Replacement of conductor of O/H Transmiss	1.30	0.03	-	-	-	-	1.62	110 kV Conductor replacement at Kalwa-Kalyan line completed . Enhancement of capacity of line.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Raising of OH Trans lines at various loc	1.25	-	0.03	-	-	-	3.99	Due to commercial development in past years the ground clearance of EHV transmission line are reduced. Raising of 110 kV Parel Mankhurd line to maintain sufficient ground clearance for fulfilment of statutory compliance requirement as per IE rules of EHV line	R&M
Procurement of Laptop & IT accessories f	0.26	0.01	0.01	-	-	-	0.40	Procurement of laptop & printers for Transmission Division	Capex
Power transformer life enhancement in Kalyan SS	(0.00)	-	0.05	-	-	-	0.77	Procurement & commissioning of cooler cabinets for transformer at Kalyan RSS	R&M
Safety enhancements of Kalyan node	0.01	-	-	-	-	-	0.72	Procurement of submersible pump for cable basement, installation of shed for fire extinguishers at Kalyan RSS. New asset is created	Capex
TBR Installation on 110kV Transmission Lines	0.30	0.31	0.16	-	-	-	1.43	Turbo Bird Repeller minimizes bird interference with transmission lines.TBR installation completed on 110kV KKS 2 line , Bhivpuri	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								Ambernath 1 line at Kalyan section & Khopoli Chembur line .	
Implementation of Future digitalization	-	-	0.00	-	-	-	0.39	No Capitalization claimed in MTR submission	Capex
Protection & Automation Refurbishment	(0.03)	-	-	-	-	-	7.30	No Capitalization claimed in MTR submission	Capex
Fire hydrant System at Mankhurd	0.35	0.54	0.03	-	-	-	1.55	Installation & commissioning of Fire protection system at Mankhurd RSS to increase in operational efficiency of existing system.	Capex
Procurement of Patrol Van for Trans Line	0.05	0.32	-	-	-	-	0.37	Procurement of van for Transmission Line patrolling	Capex
Replacement of GODs of 110 kV Lines	0.06	-	-	-	-	-	0.12	Replacement of 110 kV GOD for Trombay Chembur line due to completion of useful life of existing GOD & deterioration beyond repair.	Capex
Replacement of Capacitor bank 1,2 & 3	1.13	-	-	-	-	-	1.13	Replacement of 22kV capacitor bank 1,2 &3 along with accessories at Parel SS due to completion of useful life of existing GOD & deterioration beyond repair.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Establishing Auditorium at Carnac	1.07	0.05	-	-	-	-	1.64	Renovation of office building .	R&M
Renovation works at Colonies	0.92	0.51	-	-	-	-	1.70	Renovation work for staff quarters.	R&M
Procurement of Safety tools & tackles- E	0.02	-	0.00	-	-	-	0.24	Procurement of 33 kV class discharge rod and Neon tester 5-36kV at Salsette and Chembur RSS completed and it is in service	Capex
Ver-Power Transformer- 1 & 2 Cooler Cabinet,OLTC	0.14	-	-	-	-	-	0.14	Installation & commissioning of new Cooler Cabinet, OLTC MB, RTCC for power transformer 1&2 at Versova completed. It is having integration with SCADA. Existing cooler cabinet had completed the useful life.	R&M
Borivali 22kV Cap Bank with Ass Civil work	0.81	0.01	-	-	-	-	0.82	Installation and commissioning of 10 MVAR Capacitor Bank along with accessories at Borivali RSS completed.	Capex
Replacement of AHU at Parel 5 X 11T	0.56	0.01	-	-	-	-	0.57	Installation & commissioning of 11.0 TR AHU completed at Parel	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Procurement of Tools for Transmission Lines	0.24	-	0.01	-	-	-	0.25	Procurement of WIRE GRIP for hot line, Portable ground wire completed and it is in Service	Capex
Numerical relays replacement at Carnac	0.42	-	-	-	-	-	0.42	Replacement of ER type old Relays due to maloperation & lack of OEM support. Existing relays beyond repair.	R&M
Procurement of tools and tackles for Transmission	0.27	0.37	-	-	-	-	0.64	Procurement of ARC suit , Thermovision cameras, hydraulic cutter for conductors completed for use in transmission RSS and it is in service.	Capex
Replacement of Protection Panels in Kalyan Node	0.15	-	0.17	-	-	-	0.33	Upgradation of transformer 3 protection system at Kalyan as required for integration of SCADA system and also on account of completion of useful life	Capex
Incomer breakers to 33 kV BS 1 at Mahalaxmi	-	0.34	-	-	-	-	0.34	Installation & commissioning of 33 kV Tie breaker for bus 1 & bus 5 at Mahalaxmi completed and it is in service.	Capex
E-security roll out in Transmission	3.62	-	0.50	-	-	-	4.12	Procurement ,installation & commissioning of Single Door controller at Dharavi,	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								Mahalaxmi, Carnac, Access control software, Intel desktop used for CCTV application, Electromagnetic Lock for access control door, mobile enable reader, Tab for access control, Biometric reader, Biometric Enrolment reader, prewired junction boat Various RSS	
Renovation of EMD workshop/Maint office	0.63	-	-	-	-	-	0.63	Strengthening of EMD office building at Borivali to improve useful life , safety of personal & hygiene at workplace.	R&M
Repl.of 22KVGODs and breakers at Kolshet	0.46	0.41	-	-	-	-	0.87	Replacement of 33kV 4 Nos of VCB completed at Kolshet & Replacement of 33kV Isolators 3 nos with earth switch & 6 Nos without earth switch at Kolshet due to completion of useful life of existing assets & deterioration beyond repair.	Capex
Upgradation fiber opticcommn @(Sahar+ Powai SS	0.24	0.40	0.03	-	-	-	0.67	Upgradation of communication system at Sahar & Powai to create	Capex

Project Title	Allowed Capitalisation (Rs. Cr)						Cumulative Capitalisation (Till FY 2024-25)	Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								backup for main communication system. Completed regulatory life	
Conductor replacement of 110kV/220kV Lines	0.44	-	-	-	-	-	0.44	Replacement of 110 kV Kalwa-Kalyan ACSR conductor & replacement of 110 kV ACSR conductor & accessories on TP1W1 due to completion of useful life of existing assets & deterioration beyond repair.	Capex
T&D Admin projects	1.02	0.44	0.10	-	-	-	1.56	Strengthening of canteen building at Parel, Kalyan , Borivali, Mahalaxmi to improve safety & hygiene at workplace.	R&M
Strengthen life and stbity of building in Dharavi	0.38	-	0.45	-	-	-	0.83	Rehabilitation of Dharavi Building Annex. to maintain structural stability of the building as per statutory requirement.	R&M
Renovation Of PSCC Building	-	0.40	-	-	-	-	0.40	Strengthening & modernization of PSCC building to improve useful life , safety & hygiene at Workplace	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of 22KV Capacitor bank 2&3 k	0.47	0.27	0.33	-	-	-	1.07	Replacement of 22kV Cap bank 2 & 3A , 3B at Kalyan due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Aviation Markers for Transmission	0.23	-	0.02	-	-	-	0.25	Aviation marking lights are installed at locations 46 and 47 of Bhira Dharavi 7&8 and location 22 of TDS line. It is in service	R&M
Proc of Monitoring Devices for Transmiss	1.95	-	-	-	-	-	1.95	Procurement of onsite transformer oil DGA KIT which improved transformer healthiness & networking of e-security system at Dharavi RSS completed and it is in service.	Capex
Renovation works in offices	0.05	0.07	-	-	-	-	0.12	Renovation of office building	R&M
Renovation works in offices	1.96	-	-	-	-	-	1.96	Renovation of office building	R&M
Procurement of test equipments, tools and tackels	-	0.47	2.32	0.20	-	-	2.99	Following tools are procured under this scheme- 1. Clamp Meter, Digital Earth resistor tester, Insulating ladder, Hydraulic hand lift pallet truck at Chembur	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								2. Portable Grounding Set, Porta Cabin, Aluminium Scaffolding, Neon Tester, Voltage & Current test plugs for 33 kV GIS, Digital Battery Discharge Unit at Trombay 3. AOA tablet for condition monitoring at Dharavi 4. Rescue chairs at RSS 5. Three phase relay test Kit at Parel 6. Winding resistance kit at Vikhroli. 7. Robot at Grant road	
Procurement of tools & tackles for Trans Lines	-	0.93	0.68	0.12	-	-	1.72	1. Procurement of Thermal Scanner, emergency lights for condition monitoring of OH lines 2. Procurement of Battery Operated cutter, Hydraulic Compressor M/C at Transmission RSS	Capex
Installation of Day-Night & Aviation Warning markers	-	1.65	-	-	-	-	1.65	The Aviation Warning Marker balls are placed on power lines to make the conductor crossings visible to aircraft. Installation of Aviation	R&M

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								Warning Markers completed at Transmission Line locations	
Procurement of Laptop & IT accessories for Tans	-	0.16	0.09	-	-	-	0.25	Procurement of new IT equipment for Transmission Division	Capex
Replacement of switchyard equipments in Transmission	-	0.67	0.97	2.66	-	-	4.30	Replacement of 110 kV SF6 Breakers at Borivali , 110 kV Transformer- 4 at Chembur, 22 & 11 kV LAs at Salsette , 415 , 50 HZ. AR 2 phase DG set at Trombay due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Replacement of PILC cables for ICTs at Salsette	-	3.08	0.12	-	-	-	3.20	Existing LT power cables of ICT-3 are PILC type and it is more than 30 years old. Replacement of 33 kV 630 sqmm CU XLPE 1 core cable for ICT 3 at Salsette is completed and it is in service. Replacement of old cable is carried out its useful life is completed and same is beyond repairs	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
New CCTV system for remote operation of GODs-Salsette	-	0.11	0.10	-	-	-	0.21	Installation & commissioning of IP based new CCTV system at Salsette & Kolshet is completed.	Capex
Replacement of HVAC Units at Salsette	-	0.17	0.27	-	-	-	0.44	Supply & installation of 4 nos of 11 TR DUCTABLE Air conditioner units of relay rooms at Salsette completed	R&M
Replacement of Isolators in Transmission	-	1.24	0.44	1.70	-	-	3.38	Replacement of 145kV 1250 A motor operated isolator at Salsette, Kolshet, Chembur & Trombay due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Procurement of Testing Instruments	-	0.92	0.02	-	-	-	0.94	Testing tools procured under this scheme- Secondary current injection Kit , Transformer winding resistance meter instrument, HV Tan Delta Kit, 230 V Variac single phase at Kalyan RSS	Capex
Replacement of station Batteries and Charger	-	0.11	0.67	0.60	-	-	1.38	Replacement of 2 Nos of 110 V, 645AH Station battery sets at Kalyan, 2 Nos of 220 V FCB battery chargers at Sahar, Saki & Powai due to	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								completion of useful life of existing asset & deterioration beyond repair.	
30KVA Energy storage system at Kolshet	-	0.48	-	-	-	-	0.48	For DG less system, Installation & commissioning of 70 KWH BATTERY ENERGY STORAGE SYSTEM (New technology) at Kolshet	Capex
T&D UNIFIED PI SYSTEM	-	(0.00)	0.10	-	-	-	0.10	Installation & commissioning of new telephone exchange instruments at Dharavi RSS	Capex
New Display for Transmission	-	0.03	-	-	-	-	0.03	Procurement of display screen	Capex
Replacement of 110kv RCC Bus post structure	-	0.69	0.07	-	-	-	0.76	Replacement of 110 kV RCC Bus Post Insulator along with associated civil work for Chembur node due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Portable Dissolve gas analyzer (DGA)	-	0.62	-	-	-	-	0.62	Procurement of portable DGA (Dissolve Gas Analyzer) at Vikhroli and Kalyan RSS completed. It is in Service	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Portable condition monitoring devices for	-	0.40	0.84	0.15	-	-	1.39	Procurement of LA LCM KIT, Portable dissolve Gas Analyzer Kit, Transformer moisture dry out unit at Parel , Portable SF6 GAS analyzer Kit, partial discharge measurement & accessories at Dharavi & Salsette , Corona Camera for checking OH line healthiness and it is in Service	Capex
Portable condition monitoring devices RS	-	0.19	0.62	-	-	-	0.81	Procurement of Partial Discharge sensing device for Parel and Kalyan, CAMERA CORONA-UVOLLE-Vx for transmission line is completed & it is in service	Capex
Installation of Transmission Lightning Arrestors on Transmission Towers	-	0.69	0.15	1.00	-	-	1.84	Installation of new 8 Nos of Transmission LA s for transmission lines at Khopoli and Karanjade .	Capex
Parel-145kV Breaker Replacement	-	0.34	-	-	-	-	0.34	Replacement of 110 kV Trombay Dharavi Bay breaker at Dharavi, 110 kV Parel grant road breaker & Transfer breaker at Parel due to	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								completion of useful life of existing asset & deterioration beyond repair.	
Conversion of OH conductors into UG for	-	2.98	0.08	-	-	-	3.06	Installation and commissioning of 33 kV 1C 630 SQMM UG cable for Transformer 1,2 & 3 at Kalyan . Replacement work of OH conductors in to UG cable for transformer 1,2,3 is completed as overhead conductors were very old and prone to fault and completed	Capex
220 kV GIS Bays for Power supply to Metro 3 from Dharavi & M	-	4.95	2.02	-	-	-	6.97	Installation & commissioning of 2 Nos of 110 kV GIS bays along with BOP & protection system at Mahalaxmi is completed. Commissioning of 2 bays along with BOP & Protection system at Dharavi is completed to meet upcoming load & facilitate power supply to Metro-3	Capex
Dharavi GIS 2 X 15 KVA UPS replacement	-	0.64	0.56	0.19	-	-	1.39	Procurement of 4 Nos of 25 KVA UPS - LIEBERT HIPULSE D WITH ACCESSORIES at Dharavi is	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								completed & UPS replacement work along with other accessories is completed & it is in service. Old assets completed regularity life	
Replacement of 110KV transfer bus of ARS	-	0.65	0.17	-	-	-	0.82	110 kV CU transfer bus at Ambernath commissioned as old 110 kV bus of ARS has completed useful life and beyond repair	Capex
Communication Equipments for RSS in Transmission	-	3.49	0.12	-	-	-	3.61	Installation & commissioning new of following communication system completed - 1.24 port switch 3 layer stacked with panel, next generation high availability firewalls at Dharavi, Carnac, Kalyan, Salsette 2.Transreceiver SFP at Salsette 3.Centralized threat management system at Dharavi	Capex
Employee welfare schemes common locations	-	-	1.90	1.51	-	-	3.41	Following works are completed in this scheme to improve safety & hygiene at	R&M

Project Title	Allowed Capitalisation (Rs. Cr)						Cumulative Capitalisation (Till FY 2024-25)	Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								workplace 1. Kalyan Admin Office Renovation 2. Dharavi & Salsette Cafeteria renovation 3. Civil works for Mahalaxmi building -3 2. Renovation of office facilities at Borivali & Kalyan RSS, Dharavi Security Cabin	
Procurement of test equipments, tools an	-	-	2.23	-	-	-	2.23	Procurement of 1.ELCB tester, Motor operated oil filling pump, Thermovision camera, Breaker timer + CRM Kit, 2T capacity inverter ACs, Insulating ladders, SF6 gas handling Cart , Three phase relay test Kit , Hydraulic scissor lift , HV Tan delta Measurement Kit at Trombay 2.5KV DIGITAL INSULATION RESISTANCE TESTER at Trombay & Vikhroli	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replace Plant Air Conditioning at Boriavli	-	-	0.33	-	-	-	0.33	Replacement of 8 nos of 8.5 TR Duct AC at Borivali and 2 Nos. of split type 2 TR AC at Borivali RSS due to completion of useful life of existing asset & deterioration beyond repair.	R&M
Replacement of ACDB in Kalyan Node	-	-	1.51	0.23	-	-	1.74	Replacement of 2 Nos of 415V Sub ACDB at Kalyan and 415V main ACDB at Kalyan and Ambarnath RSS due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Replacement of Transfer Bus with Copper	-	-	0.90	-	-	-	0.90	Replacement of 110 kV bus post insulator for 110 kV transfer bus replacement at Kalyan due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Replacement of Station Trans in Kalyan Node	-	-	0.38	0.61	-	-	0.98	Replacement of 500 KVA, 22/0.433 kV Station transformer at Panvel & Kalyan due to completion of useful life of existing asset & deterioration beyond repair.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)						Cumulative Capitalisation (Till FY 2024-25)	Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Procurement of Tools and Tackles for Kalyan Node	-	-	0.80	0.79	-	-	1.60	Following tools are procured under this scheme- 1. SCISSOR LIFT COMPACT 10N, HAULOTTE MAKE at Kalyan, Ambernath and Bhokarpada 2. POLYMER SURGE ARRESTER (LA) 110 kV at Chola, Ambernath & Bhokarpada	Capex
Replacement of 22 kV Feeder Cables at Amernath	-	-	0.50	-	-	-	0.50	Replacement of 22 kV feeder cable by 33 kV, 400 sqmm XLPE cable is completed at Ambernath RSS due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Purchase of redundant database server in Transmission	-	-	0.10	0.08	-	-	0.18	Procurement of SQL SVR STD core SNGL single OLP software to improve operational efficiency	Capex
Procurement of Laptop & IT accessories.	-	-	0.14	0.01	-	-	0.15	Under this scheme laptops and Printers are procured for transmission employees	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Procurement of safety equipments for Tarmissission	-	-	0.40	0.75	-	-	1.15	1.PLATFORM SCISSOR LIFT HYDRAU 300KG HT 8M at Salsette and Chembur RSS 2.INSULATED SCAFFOLDING-10 M for Carnac RSS	Capex
36KV AIS switchgear for Kolshet	-	-	-	6.50	-	-	6.50	No Capitalization claimed in MTR submission	Capex
10kVA UPS System for North Zone	-	-	-	0.27	-	-	0.27	No Capitalization claimed in MTR submission	Capex
Hydraulic cylinder replacement Backbay 2			3.96	-	-	-	3.96	12 nos. of Hydraulic cylinders for 4 nos. of bays replaced in Backbay RSS due to completion of useful life of existing asset & deterioration beyond repair.	R&M
AHU replacement at Carnac and Backbay R/S			0.35	-	-	-	0.35	Installation of 9 nos. of Air conditioners, 8.5 Tr package unit at Backbay RSS & Ductable AHU 11 TR at Carnac RSS. Clubbed scheme.	R&M
Replacement of Carnac Station Transformer			0.66	0.70	-	-	1.36	Replacement of 800 KVA, 22KV/440 V STATION TRANSFORMR- 2 & 3 at	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								Carnac RSS due to completion of useful life of existing asset & deterioration beyond repair.	
Parel-Station Transformers Replacement			0.40	0.43	-	-	0.83	Replacement of 33KV/440V 1000KVA STATION Transformer 1 at Mahalaxmi due to completion of useful life of existing asset & deterioration beyond repair.	Capex
NGR for Power Transformer 1&2			0.17	-	-	-	0.17	Installation & commissioning of 22 kV 0.5 OHM NEUTRAL GROUNDING REACTOR FOR TRF-2 at Vikhroli completed.	Capex
AHU for 22kV switchgear at Vikhroli & Mankhurd			0.15	-	-	-	0.15	New 5.5 TON Ductable AC at Mankhurd & 11 TON ductable AC at Vikhroli commissioned for 22 kV Switchgear.	Capex
Procurement of DG set for SCADA server.			0.18	-	-	-	0.18	100 KVA New DG SET FOR SCADA BCC has been installed & commissioned	Capex
New Dewatering pumps RSS & colony water system			0.36	0.77	-	-	1.14	New Sewage water drain submersible pumps and dewatering pumps and piping system for storm water drains at Dharavi RSS installed and commissioned.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Installation of 10 MVAr Cap Bank at Dharavi			0.63	-	-	-	0.63	22 kV,10 MVAR OUTDOOR CAPACITOR BANK at Dharavi has been commissioned	Capex
Air conditioner for Dharavi CRP Room			0.59	-	-	-	0.59	New AIR HANDLING UNIT for Control Room and CFM AIR HANDLING UNIT for relay and metering room has been installed and commissioned .	Capex
Replacement of Station Transformer 1 & 2 at Chembur			0.46	0.50	-	-	0.96	Replacement of 500 KVA STATION TRANSFORMER NO.2 22kV/433V completed at Chembur due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Power Transformer # 4 Radiator replacement			0.47	1.00	-	-	1.47	Replacement of cooling system along with radiator for 75 MVA transformer 4 at Chembur RSS due to completion of useful life of existing asset & deterioration beyond repair.	R&M
Replacing 22kv &11 kV PILC cable with XL			0.98	-	-	-	0.98	Cable replacement with 33 kV 1C CU 630 SQMM XLPE cable for transformer 2 and 4 completed at Chembur RSS	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								due to completion of useful life of existing asset & deterioration beyond repair.	
Repl. of switchyard equipment- Trombay			0.80	2.50	-	-	3.30	Replacement of following switchyard equipment at Trombay due to completion of useful life of existing asset & deterioration beyond repair.- 1. 415V SUB ACDB FLOOR MOUNTED 2. 220V SUB DCDB FLOOR MOUNTED 3. 415V SUPPLY JUNCTION BOX FLOOR MOUNTED 4. 145KV 1250A MOTOR OPTD ISOLATOR -3 nos.	Capex
Powai Fire tender pathway			0.78	-	-	-	0.78	Internal road work for fire tender pathway as per Chief Fire Officer norms at Powai RSS has been completed	Capex
Saki and Powai Replacement of A/C's			0.45	-	-	-	0.45	Package unit ACs are procured at Powai and Saki control room to improve equipment useful life & availability of switchgear and control panel	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Saki Replacement of Main 440V ACDB			0.91	-	-	-	0.91	Replacement of 440 V main ACDB Saki RSS due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Saki Replacement of 22KV BS -5 BCPU			0.47	0.90	-	-	1.37	Replacement of BCPU W/ASSOCIATED NETWORKING ACCESSORIES at Saki due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Procurement Auto switch device for 22KV in Transmission			0.68	-	-	-	0.68	Installation & commissioning of auto switch device for 22kV Cap bank (CIRCUITBREAKER,PULSE CLOSE DEVICE) is completed to improve operational efficiency.	Capex
Repl. of communication equipments at Sal			0.25	0.16	-	-	0.41	Replacement of communication equipment (MPLS-IP ROUTER FOR VOICE COMMUNICATION) at Salsette due to completion of useful life of existing asset & deterioration beyond repair.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of Station Transfer at Borivali			0.48	1.20	-	-	1.68	Replacement of 800 KVA TELAWANE MAKE STATION TRANSFORMER # 1 at Borivali due to completion of useful life of existing asset & deterioration beyond repair.	Capex
Malad-22kV Cap Bank with Civil and Po			0.49	-	-	-	0.49	Installation and commissioning of 22 kV, 10 MVAR Capacitor Bank with accessories at Malad RSS is completed and it is in service.	Capex
Procurement of LA LCM Kits in Transmissision			0.19	-	-	-	0.19	Procurement of LEAKAGE CURRENT MONITOR FOR LA,200UA-9MA at Borivali, Kalyan and Salsette RSS is completed.	Capex
Solar+BESS system for transmission			3.56	1.65	-	-	5.21	Installation and commissioning of new roof top solar system at Dharavi, Backbay, BKC, Saki, Bhokarpada, Sahar, Kurla, Powai RSS is completed & it is in service.	Capex
Underfrequency load shedding			5.68	0.11	-	-	5.79	Installation and commissioning of under frequency SMPX relay panel	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
scheme in Transmission								at Borivali, Dharavi, BKC, Mahalaxmi, Parel, Vikhroli, Carnac, Backbay, Malad, Chembur, Saki, Powai RSS is completed and it is in service.	
Procurement of spares for Trans SCADA			0.23	-	-	-	0.23	Procurement of spares for Trans SCADA	R&M
E_Security CCTV, R-Server & S/w in Transmission			1.01	1.25	-	-	2.26	Security system (SOFTWARE FOR MICROSOFT OPERATING SYSTEM, CATALYST 9300-24P-A, CISCO SWITCH FOR CCTV, PC WORKSTATION WITH ACCESSORIES FOR CCTV 10MVKJ3) at Transmission Receiving Stations due to completion of useful life of existing assets & deterioration beyond repair.	Capex
Installation of CCTV Cameras in Transmission			0.59	-	-	-	0.59	New IP based CCTV cameras are installed and commissioned at Dharavi, Ambernath, Kalyan, Carnac, Vikhroli, Salsette RSS and it is in service.	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Communication Network for STU meter.			0.84	0.09	-	-	0.93	New Communication network (24 port network switch), Communication NMS server, Fire wall, installed and commissioned at all transmission receiving stations.	Capex
Procurement of Photonics OH Trans Lines Monitoring			6.94	0.06	-	-	7.00	Installation & commissioning of Distributed Acoustic Sensing system for fault finding at Kalyan, Ambernath and Khopoli completed and it is in service	Capex
Procurement of land base & map of tower			0.36	-	-	-	0.36	GEOGRAPHICAL INFORMATION SYSTEM SOFTWARE procured under this scheme for mapping of towers in GIS and it is in service.	Capex
Replacement of OPGW on Various lines			1.87	1.81	-	-	3.68	Replacement of OPGW on 110 kV Ambernath Kalyan-1 & 2, 110 kV Borivali Malad line, on 110 kV Waghivali Mankhurd gantry to loc 113 and on 110 kV Khopoli Davdi -Forway to completion of	Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
								useful life of existing assets & has gone beyond repair.	
Image analytics for Transmission Lines			0.15	-	-	-	0.15	Procurement of OTON DATA PLATFORM SOFTWARE for Image analytics of Transmission Lines photos for defect analysis	Capex
Procurement of Cable Tools & Tackles			0	0.44	-	-	0.44	No Capitalization claimed in MTR submission	Capex
Water Neutrality in Transmission				6.00			6.00		Capex
Installation of Transformer 3 LT (22 kV) Incomer Breaker at BKC				4.00			4.00		Capex
2 nos of 10 MVAR Capacitor Bank No. at Trombay				0.80			0.80		Capex
Replacement of Protection Panels at Davdi RS				1.50			1.50		Capex
Replacement of Carnac A & B block Lifts				1.00			1.00		Capex
Upgradation of Automation &				6.79			6.79		Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Protection System in Transmission									
Replacement of 22 kV / 415V, 1 MVA ST TRF 1 & 2 at Dharavi				0.80			0.80		Capex
Upgradation of LV panel relay (BCPU) of 33 kV Bus Section 6 at Dharavi				1.00			1.00		Capex
Replacement of station auxiliaries at Parel				0.20			0.20		Capex
Replacement of Lift of 145 kV Building at Mahalaxmi				0.50			0.50		Capex
220 kV CRP panel replacement at Backbay				1.42			1.42		Capex
Replacement of station auxiliaries at Carnac Node				0.16			0.16		Capex
Replacement of 20 MVAR Capacitor Bank No.4 at Kalyan				0.73			0.73		Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of CTs and LAs in Kalyan Node				0.60			0.60		Capex
Replacement of Battery Chargers in Kalyan Node and additional battery at Chola				1.10			1.10		Capex
Replacement of 415 V ACDB at Panvel				0.10			0.10		Capex
Providing HT GOD between PT # 1 and Main Bus at Salsette				0.30			0.30		Capex
Replacement of Station Transformers at Kolshet				0.90			0.90		Capex
CCTV & access control system at Trombay				0.95			0.95		Capex
Replacement of station transformers at Trombay				2.00			2.00		Capex
Repl. of battery, chargers & DCDBs at Trombay				1.30			1.30		Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Replacement of fire emulsifier system at Trombay				0.40			0.40		Capex
Asset Guard for 22 kV & 33 kV AIS & GIS Transformer LT Bkr, B/C and Cap Bank Breaker				0.20			0.20		Capex
Procurement of Power Transformer Testing Van for Saki Node				1.00			1.00		Capex
Refurbishment of bathroom and Toilets at Powai and Saki				1.00			1.00		Capex
Employee Welfare Schemes in Transmission				4.41			4.41		Capex
Replacement of Communication equipment in Transmission				1.48			1.48		Capex
OPGW				8.00			8.00		Capex
Replacement of ACs in Transmission				0.90			0.90		Capex

Project Title	Allowed Capitalisation (Rs. Cr)							Work completed against Claim	Reclassification by Commission
	Final True up			Provisional True up	Revised Projection		Cumulative Capitalisation (Till FY 2024-25)		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25			
Procurement of Laptop / Desktop Accessories				0.25			0.25		Capex
Installation of BESS in Transmission				7.00			7.00		Capex
Procurement of Cable Tools & Tackles				0.44			0.44		Capex
Upgradation of SDH Communication system				6.00			6.00		Capex
75 MVA, 110 kV // 33 kV / 22 kV Transformer#2 at Malad					-	15.00	15.00		Capex
Allocation of asset addition from HO-SS	5.88	3.53	4.00				13.41		R&M
Total for R&M Scheme	18.65	8.66	13.37	2.55	-	-	68.04		
Total for Capex Scheme	18.98	29.46	48.79	91.65	-	15.00	258.22		
Total Non-DPR Scheme	37.63	38.12	62.15	94.20	-	15.00	326.26		

ss(Back to the original reference [3.2.57](#), [4.2.9](#), [5.2.4](#))