

RAJASTHAN ELECTRICITY REGULATORY COMMISSION

Petition No: RERC/2193/24

In the matter of approval of true up for FY 2022-23 and Annual Revenue requirement & Tariff for FY 2024-25 of Rajasthan Rajya Vidyut Prasaran Nigam Ltd - Transmission

Coram : Dr. B.N. Sharma, Chairman
Hemant Kumar Jain, Member
Dr. Rajesh Sharma, Member

Petitioner : Rajasthan Rajya Vidyut Prasaran Nigam Ltd.

Respondent :
1) Jaipur Vidyut Vitran Nigam Ltd.
2) Ajmer Vidyut Vitran Nigam Ltd.
3) Jodhpur Vidyut Vitran Nigam Ltd.
4) Rajasthan Rajya Vidyut Utpadan Nigam Ltd.
5) Rajasthan Urja Vikas and IT Services Ltd.

Date of hearing : 04.06.2024 and 27.06.2024.

Present :
1) Sh. Ankit Sharma, Authorised Rep. for RVPN.
2) Ms Parinitoo Jain, Advocate for Respondents Discoms.
3) Sh. D. D. Agarwal, Stakeholder.

Date of Order : 23.07.2024.

ORDER

Section 1: General

1.1 Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (in short "RVPN"), a Transmission Licensee under the provisions of the Electricity Act 2003, has filed a petition on 08.01.2024 for approval of true up for FY 2022-23 and Annual Revenue Requirement & Transmission Tariff for FY 2024-25.

1.2 As required under Section 64(2) of the Electricity Act, 2003, public notices with salient features of the petition inviting objections/ comments/ suggestions were published in the following newspapers on the dates mentioned:

Table 1: Details of Newspapers

Sl. No.	Name of the News Paper	Date of Publishing
(i)	Times of India Jaipur edition	17.01.2024
(ii)	Dainik Bhaskar	17.01.2024
(iii)	Rajasthan Patrika	17.01.2024

1.3 The petition was also placed on the websites of the Commission and the Petitioner. The objections/comments/suggestions were received from Shri Shanti Prasad, Shri D. D. Agarwal and Shri G. L. Sharma. Respondent Rajasthan Rajya Vidyut Utpadan Nigam Ltd. did not file its comments/suggestions.

1.4 The Commission forwarded the objections/comments/suggestions of the stakeholder to RVPN for filing its reply.

1.5 Respondent Rajasthan Urja Vikas & IT Services Limited (RUVITL) submitted its reply in respect of the petition on 22.03.2024.

1.6 The Commission vide letter dated 23.01.2024, 15.04.2024 and 14.06.2024 communicated some data gaps and deficiencies in the petition. The Petitioner furnished information vide its letters dated 29.02.2024, 03.05.2024 and 04.07.2024. The Petitioner also replied to the objections/comments/ suggestions made by the stakeholders and rejoinder to the reply of RUVITL vide its letter dated 22.04.2024.

1.7 The public hearing in the matter was held on 04.06.2024 & and finally heard on 27.06.2024.

1.8 In exercise of the powers conferred under Sections 62, 64 and other provisions of Electricity Act 2003, read with RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 and other enabling Regulations, the Commission, after carefully considering each of the submissions of the Petitioner and suggestions/objections submitted by the Stakeholder, has passed the following Order.

1.9 This order has been structured in following sections as given under:

- (1) Section 1: General.
 - (2) Section 2: Summary of objections/comments/suggestions received from Stakeholders and RVPN's response thereon.
 - (3) Section 3: Approval of true up for FY 2022-23.
 - (4) Section 4: Determination of tariff for FY 2024-25.
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SECTION - 2:

Summary of objections/comments/suggestions received from Stakeholders and RVPN's response thereon.

Comments on True up Petition of Transmission for FY 2022-23

Stakeholder's Comments/suggestions

General

- 2.1 The Stakeholder submitted that the Petitioner has not provided the Director's report and the cost records. The Stakeholder sought the same.
- 2.2 The Stakeholder submitted that in Pragati Prativedan of FY 2022-23, data have been shown only of upto Dec. 2022 and not of full year and that too have been stated as provisional. The Stakeholder sought the Reasons for such providing incomplete information and all the data mentioned in Pragati Prativedan for the full year of FY 2022-23.

Gross Fixed Assets (GFA)

- 2.3 The Stakeholder submitted that Petitioner has mentioned that during FY 22-23 RVPN has capitalized total assets addition of Rs. 807.80 cr. It has further been stated that these additions are captured first time into the audited accounts and the Annual Accounts for FY 2022-23 are duly audited. The GFA includes Assets relating to Generation as well. The Stakeholder sought the proper details of assets only pertaining to Transmission segment.
- 2.4 The Stakeholder sought the details regarding buildings of Rs. 1195.75 lac to which scheme these buildings relates, when there were constructed and put to use, when the relevant scheme was sanctioned/ approved and when the said scheme was commissioned, what was its total cost approved by the Commission.
- 2.5 Further, the Stakeholder sought the details regarding Rs. 38048.31 lac as addition under plant & machinery.
- 2.6 The Stakeholder sought the name of project capitalized during the year to which land value of Rs. 0.60 cr. pertains.

- 2.7 The Stakeholder submitted that Annexure-11 contains the various orders for transforming spare transforms to other places. As per Hon'ble APTEL judgment dt. 23.3.2011, in appeal No. 91 & 92 of 2009 in the matter of Power Grid Corp. of India Ltd. Vs CERC and others, replacement of defective transformer and/ or failed transformers cannot be considered for additional capitalization and these are part of operation & maintenance activity and it is the responsibility of transmission company to maintain healthy transmission system.
- 2.8 The Stakeholder sought the approval of the Commission for augmentation of works.
- 2.9 The Stakeholder submitted that the works/ projects/ assets as shown from Sr. No. 1 to 73 of Annexure- 10 A are deposit works. There is no provision in Tariff Regulation for capitalization of such works. Hence the capitalization as claimed may not be allowed.
- 2.10 The Stakeholder submitted that replacement of capitalization and O&M spares are part of O&M and as such no such capitalization is admissible.
- 2.11 The Stakeholder sought the details in respect of each item as to when these schemes were approved by TPSCC, in which Investment Plan order these were approved by the Commission and when these schemes were commissioned i.e. date of commissioning of each scheme be also provided.
- 2.12 The Stakeholder has requested not to allow any capitalization of the periods of which true-up have been finalized as viewed in the past.
- 2.13 The Stakeholder submitted that regarding project const./ staff room/ store at 66 kV GSS Bikaner, P&I dining table & chair and P&I furniture at Hostel, Bani Park, Jaipur capitalized in FY 22-23, how and in what way and by whom it has been defined as project. The Stakeholder sought the details in respect of the date of installation of 66 kV GSS at Bikaner.
- 2.14 The Stakeholder sought the details of Projects of Transmission line & GSS in which delay beyond the proposed execution period along with information of extra cost burden due to delay.
- 2.15 The Stakeholder submitted that the petitioner has claimed capitalization of Rs. 797.59 Cr. for FY 2022-23 which include land value of Rs. 0.60 Cr. whereas the Petitioner has claimed land value of

Rs.26.14 Cr. in the Form no. 3.2. The Stakeholder sought the reasons for such huge deviations and reconcile the same with audited accounts.

- 2.16 The Stakeholder submitted that the additional capitalization made on account of building, civil works, furniture, fixtures, office equipment, IT equipment etc. are the part of O&M expenses. Therefore, the same deserve to be disallowed from the head of Gross Fixed Assets.

Operation & Maintenance (O&M) Expenses

- 2.17 The Stakeholder submitted that Petitioner in Table-1 has shown actual O&M expenses as Rs. 905.60 cr. whereas in Form No. TTU-2 it is Rs. 815.91 cr. and has been stated as normative. Further after this total amount of Rs. 905.60 has been stated as "Actual as per Balance Sheet Rs. In Crore". No reference where such amount is appearing in Balance Sheet has been provided. The Stakeholder sought the proper justification for the data provided as above and the reference in accounts as well.
- 2.18 Further, the Stakeholder submitted that the normative expenses works out in Table-2 and TTU-2 are also not correct as the achievement shown are not transmission system of RVPNL as would be noted from below :-
- i. 35.424 CKM km addition of 220 kV lines is deposit work.
 - ii. The 22.093 CKM stated as 132 kV Chhabra – TPS to Pawan Pumping Station on 132 Tower but charged on 33 kV and is a deposit work of RVUN i.e. cost born by RVUN and as such cannot be said as achievement of RVPNL.
 - iii. 132 kV lines achievement shown as at Sr. No. 4, 5 under JP zone, Sr. No. 2,3, 4,5, under Ajmer Zone, Sr. No. 1 to 5, 9 to 10 under jodhpur Zone are also deposit works and as such cannot be as achievements of RVPNL and cannot be taken for O&M.
 - iv. Even other remaining works are not as per investment approval.
 - v. In view of above, these cannot be considered for normative O&M expenses.
- 2.19 The Stakeholder submitted that Petitioner has claimed actual O&M Expenses of Rs.905.60 Cr. which includes employee expenses, R&M Expenses and A&G Expenses. However, the Petitioner has not provided any justification for claiming such amount which is inconsistent with the RERC Tariff Regulations 2019.

- 2.20 The Stakeholder submitted that true up order dated 31.1.20 for FY17-18 and dated 12.10.20 for FY 18-19 considered actual O&M expenses as there was huge difference between the actual O&M expenses and normative O&M expenses. Actual O&M expenses were 72%-73% of the normative expenses. This is clearly not the case for FY 22-23. Further above orders have been issued under RERC tariff reg. 2014, which have been superseded by RERC tariff reg 2019 wherein norms have been amended following the procedure of previous publications wherein comments of stakeholders (including RVPN) have been considered (vide SOR dated 10.5.19). In view of these, there is no case of deviating from the norms and only normative O&M expenses may be allowed.
- 2.21 The Stakeholder requested Commission to instruct Transmission Company not to outsource the O&M work of EHV/HV lines & GSS, as more & more damages are reported in EHV transformers & fault in lines.
- 2.22 The Stakeholder submitted that regarding Administrative and other expenses Rs.168.23 Cr. the petitioner has understated financial liabilities by Rs.1.06 Cr. and resultantly profit has been over stated.
- 2.23 The Stakeholder sought from RVPN for inclusion of State's lines under deemed ISTS. The Stakeholder submitted that the O&M recovery & transmission charges are receivable from Central pool for deemed ISTS. The Stakeholder sought list & revenue from such lines & a certificate that O&M charges for these assets are not charged from two parties.

Depreciation

- 2.24 The Stakeholder submitted that in respect of Assets standing as on 31.3.2023, petitioner has to provide details as per Reg. 22 (4) and (5) of Tariff Regulation, 2019. No such calculations have been provided by the petitioner. Commission in their order dt. 8.6.2023 at para 4.35 has directed the petitioner as "RVPN is directed to henceforth provide the asset wise calculations & impact on depreciation in accordance with Regulation 22 (4) alongwith the true-up petition." Petitioner has not complied these directions. The Stakeholder submitted that Commission has to take a strict view for the non-compliance being made by the petitioner.
- 2.25 The Stakeholder submitted that the petitioner as per Form no. 3.1 of the petition has claimed depreciation of Rs.1026.65 Cr. whereas the depreciation as per audited accounts is Rs.1030.21 Cr. The Stakeholder

sought reconciliation the depreciation amount and also sought reasons for such deviations.

- 2.26 The Stakeholder submitted that the Petitioner has claimed depreciation for furniture and fixtures @ 9.5% whereas according to the RERC Tariff Regulations 2019 Annexure 1 depreciation for furniture and fixtures can be claimed @ 6.33%.
- 2.27 The Stakeholder submitted that the ROU assets are not the property of the users. Hence, neither the depreciation can be claimed nor should be allowed on such assets.
- 2.28 The Stakeholder submitted that Capital work in progress has been over stated by Rs.22.25 Cr., profits have been over stated by Rs.2.12 Cr., depreciation and amortization expenses have been understated. Thus, the quantification of depreciation and amortization expenses has not been made by the independent auditor. Thus, it has been observed by the C&AG that the independent auditors report is defective. The petitioner has not been able to show from its audited accounts that the points raised by the C&AG have been dealt with and respectively changed as per the report of the C&AG.
- 2.29 The Stakeholder submitted that according to Regulation 22(4), the details of assets which have completed 12 years of life and the assets which have not completed 12 years of life along with the accumulated depreciation needs to be provided by the petitioner. The Stakeholder requested not to consider any depreciation without the petitioner having submitted such details.

Interest & Finance Charges

- 2.30 The Stakeholder submitted that it is to be allowed only in respect of loan amount admitted, additions as may be considered in respect of any additional Capitalization and less payment.

Working capital and Interest thereon

- 2.31 The Stakeholder submitted that while allowing working capital, O&M expenses may too considered on normative basis after disallowing the addition of lines etc. as submitted herein force and in respect of lines energized at lower voltage.

Terminal Benefits

- 2.32 The Stakeholder submitted that Petitioner at para 1.8 has stated that amount of actual contribution to the trust towards terminal benefits is Rs. 454.57 cr. but the petitioner has not supplied the supporting documents for depositing the same. The Stakeholder sought the necessary supporting documents/ certificate from the Trust authority about depositing the amount along with reconciliation of such claim with Audited Accounts.

Return on Equity (RoE)

- 2.33 The Stakeholder submitted that Commission in their Review order dt. 9.11.22 had allowed ROE of Rs. 648.73 cr. This has been recovered from Discom as well as from Open Access consumer. Petitioner has returned the ROE to the extent of Rs. 619.68 and thus has retained the same of Rs. 648.73 - 619.68 = 29.05. The Stakeholder sought the reasons for such retaining the amount by the petitioner without prejudice other submissions. The Stakeholder also sought copy of Govt. order dt. 14.09.2023.
- 2.34 The Stakeholder submitted that RVPN has sought true up of ROE of Rs. 27.35 Crs as due from open access consumers. ROE is part of ARR and it is not determined user-wise/consumer-wise and with refund of ROE to Discoms, its GOR approval of 14% is impliedly withdrawn and hence cannot be considered as ROE recoverable from OA consumers in true up of ARR. However, excess refund of Rs.29.00 crs (=Rs619.68-590.68 crs) to Discoms is to be recovered and considered as receivable from Discoms and should have been shown in table 6 'unitary charges' before carrying forward net profit to ARR of FY 24-25 at sr.no. 17 table 28.

Non-Tariff Income

- 2.35 The Stakeholder submitted that the Petitioner has also not explained the negative figure under the head of miscellaneous receipts is on which account. Therefore, the prudence check of actual documents is essential.
- 2.36 The Stakeholder submitted that since Railway being a deemed licensee who is getting power for its traction substations through open access (LTOA, MTOA and STOA) paying the transmission charges alongwith the wheeling charges as per the Regulation 4(1) of the Open

Access Regulation 2016, it is assumed that the same has been charged by RRVPNL since 2017. However, such wheeling charges are neither reflected in the Non-Tariff Income nor in the Revenue portion. Hence, The Stakeholder requested to direct the petitioner to clarify the same.

Insurance charges

- 2.37 The Stakeholder submitted that Petitioner has claimed Rs. 0.39 cr. as insurance charges and provided supporting documents. These documents are in respect of motor vehicle insurance and not in respect of Fixed Assets. Regulation 25 of Tariff Regulation 2019 provided that actual insurance charges incurred shall be allowed subject to a ceiling of 0.2% of average net fixed assets for the year. Since motor vehicle running insurance is not towards fixed assets and as such the claim of Rs. 0.39 crore may not be allowed as these charges are part of O&M expenses.

Unitary Charges

- 2.38 The Stakeholder submitted that the petitioner has claimed Rs.54.60 Cr. towards Unitary Charges, which may be allowed in accordance with the charges mentioned in Concession Agreement signed between RRVPN and the respective Concessionaire.

VAR charges

- 2.39 The Stakeholder submitted that VAR charges are in the nature of O&M expenditure. Hence, these may not be allowed separately and may be included in O&M expenses.
- 2.40 The Stakeholder submitted that the VAR charges should not be claimed from the consumer of the state.

Lease charges

- 2.41 The Stakeholder submitted that Petitioner has not provided the lease agreements in respect of all claims nor has provided the documents about the actual payments made. The Stakeholder sought the details in respect of the same.

Transmission loss

- 2.42 The Stakeholder submitted that Petitioner has shown transmission loss for 2022-23 as 4.38% in form TTU-17. In this form energy transmitted in

respect of open access consumers has been stated as included in the total energy transmitted to Discom. The energy transmitted to open access consumers is 520.91 MU which has been stated to have been included in energy transmitted to Discoms. Energy transmitted to Discom including that of open access is 96195.14705 MU. While as per form T-22 total energy transmitted to Discoms including Railways and Energy import by RE & SGS is 96195.1471 MU and does not include the energy transmitted to open access consumers by including the energy transmitted to open access consumers. Total energy transmitted to various utilities is 96715.81 MU as against shown by the petitioner of 96195.15 MU. Thus, percentage transmission loss is 3.86% as against 4.38% stated by the petitioner and recovery be made from RVPNL for difference of excess 0.52% which converted to 520.91 MU.

- 2.43 The Stakeholder sought Reasons for higher Transmission Losses then approved by Commission & also as per audit report, needs explanation, requested to see national average of Transmission losses & also as approved by CERC for CTU in no case, it should be allowed beyond 3.8%.
- 2.44 The Stakeholder submitted that the losses should be 2.46% ,2.6%, & 2.67% for the year 2021-22, 2022-23 & 2023-24 respectively, therefore, Stakeholder requested not allow loss beyond 3.5%.
- 2.45 The Stakeholder submitted that as per True up petitions, Energy flow for Discoms, LTOA & MTOA does not match with energy received by Discoms in their petition as per true up petitions. The Stakeholder sought a detailed note indicating how it is affecting transmission Tariff.
- 2.46 The Stakeholder submitted that the Transmission Company is charging losses in terms of energy from open access consumers & in calculating transmission energy loss, the figures from Meters for gross energy/input & output from the system is taken, thus the energy loss in delivery energy to OA Consumers needs to be subtracted from total loss. The Stakeholder sought the clarification from the petitioner.

System Availability

- 2.47 The Stakeholder submitted that petitioner has not provided the certificate from SLDC. The Stakeholder sought the same.

Revenue

- 2.48 The Stakeholder submitted that Petitioner in Table-7 has shown Revenue for FY 2022-23 saying as "Considered for True-up" as Rs. 3605.029 cr. providing break up as Rs. 160.69 cr. from long term and medium term open access, Rs. 3428.44 Net Transmission Charges for recovery from Discoms and Revenue Subsidy and Grant as Rs. 15.90 cr. In this regard the Stakeholder sought the following:
- (i) Petitioner is to clarify in clear terms as to what they mean by "considered for true-up" and what reason they are not providing the actual Revenue received. Also clarify the word "for recovery.
 - (ii) The words used as "Net Transmission Charges". These words shows that Total Transmission Charges are much more than stated and from them certain deductions have been made. The Stakeholder sought the details of these and actual gross transmission charges.
 - (iii) Petitioner may provide details of actual kW transmitted in respect of each Discom, for long open access consumers, for short term and medium open access consumers of each month i.e. month wise details be provided and revenue received from, as per rates approved by the Commission.
 - (iv) In note 33.2 of Accounts Revenue from Transmission and Wheeling charges from three Discoms and other is Rs. 3257.7672 cr. and in the statement of segment Revenue from transmission and wheeling charges is also Rs. 3257.7672 cr. The stakeholder sought clarification.
 - (v) Petitioner may provide the correct figure of revenue and also provide details as to how they have considered the Revenue of Rs. 3605.02 cr. only.
- 2.49 The Stakeholder submitted that the revenue considered for true-up as Rs. 3605.02 is not correct and given an impression that the same is less than actual one. The Stakeholder sought the correct figure of revenue and also details as to how they have considered the Revenue of Rs. 3605.02 cr. only.
- 2.50 The Stakeholder submitted that the C&AG commented on the revenue (other income) of Rs.368.07 Cr. that the petitioner has taken incorrect balances of Deep Discount Bonds and the discounting has been done by 0.09475 instead of 0.08768, which has resulted in over statement of Other Income and Exceptional Item by Rs.13.16 Cr. and Rs.26.86 Cr. and understatement of trade receivables by Rs. 13.70 Cr. Further, the

petitioner has not adjusted the refunded amount of Rs.217.16 Cr. to the Power Distribution Companies on account of terminal benefits while calculating the delayed payment surcharge, from the net amount to be recovered in subsequent periods from the distribution companies which has resulted in over statement of other income by Rs.12.96 Cr.

Surplus / Gaps

- 2.51 The Stakeholder submitted that the petitioner has claimed net deficit of Rs.318.79 which includes expenditure gap of Rs.344.31 Cr. and revenue surplus of Rs. 25.52Cr. However as per Table 8 the total expenditure allowed by the Commission vide Order dt.09.11.2022 was Rs. 3579.50 Cr. and the total expenditure claimed was Rs. 3235.19. The perusal of these figures would go to show that the expenditure incurred by the petitioner is much less than what was allowed, which implies that the Petitioner is in net surplus of Rs.369.83 Cr. (344.31+ 25.52). The Stakeholder requested for reducing the tariff for the FY 2024-25.
- 2.52 The Stakeholder submitted that RVPN has indicated deficit of Rs. 318.79 Crs. Gain/loss (surplus/deficit) is to be worked out with respect to approved ARR. As per table 8, revenue as per audited accounts is Rs 3605.02 Crs which is more than true up expenses of Rs.3235.14 Crs (as per table 6) so there is surplus and not deficit. Further, The Stakeholder submitted that figure of Rs. 3235.14 is to be modified as per above comments and accordingly surplus will increase to Rs.318.79+ (905.80-821.69) + (619.68-618.03) =Rs. 404.55 Crs.

RVPN's Response

- 2.53 RVPN submitted the Director's report and cost records.
- 2.54 RVPN submitted that Pragati Prativedan is published for Vidhan sabha budget purpose. The budget of Rajasthan Vidhan sabha announce generally in the month of Feb of every year. So, the data in Pragati Prativedan is taken upto only Dec month.
- 2.55 RVPN submitted that the Fixed assets have been claimed as per definition of fixed assets provided in Indian Accounting Standard and as per Tariff Regulations, 2019.
- 2.56 RVPN submitted that it has claimed assets addition related to the transmission segment of Rs. 807.80 Cr.

	Particulars	Amount (in Cr.)
	GFA addition as per Note No1	832.35
Add:-	GFA addition as per Note No3	2.54
Less:-	Addition related to SLDC and Generation	19.47
Less:-	Addition related to ROU	7.62
	Total addition claimed in TTU3.1	807.80

- 2.57 RVPN submitted that the main reason of difference in normative and actual O&M expenses is the stringent norms set by the RERC. In this matter RVPN have already filed petition before the Commission that RVPN O&M norms should be set in line with CERC norms.
- 2.58 RVPN submitted that normative rates of O&M expenses specified in Tariff Regulations, 2019 as compared with the rates as were applicable in Tariff Regulations, 2014 have been substantially reduced and the reduction is around 48 % in the year 2019-20.
- 2.59 RVPN submitted that the O&M expenses are incurred as per Govt. approve/set rules, regulations and based on competitive market rates therefore these expenses are uncontrollable and should be allowed on actual basis.
- 2.60 RVPN submitted that there is no prior period addition during FY 2022-23 the asset capitalized during FY 22-23 pertains to assets put to use during FY 2022-23 only.
- 2.61 RVPN submitted that the capitalization amount pertain to only service charges (Transportation & commissioning charges) of transformer, cost of the transformer not capitalized because these are diverted from other places.
- 2.62 RVPN submitted that each investment approval by the Commission contains the approval for augmentation works.
- 2.63 RVPN submitted that wherever the transformer recoded load exceeds 80%, Augmentation of transformers is proposed and it's a regular process, wherever the transformer is replaced during augmentation process, the existing transformer are being used at other location as such there is no spare transformers.

- 2.64 RVPN submitted that the replacement of assets have been claimed as per Regulation 17(3) of Tariff Regulations.
- 2.65 RVPN submitted that spares have been claimed as per Regulation 16(8) (d) of RERC tariff Regulations, 2019. RVPN further submitted that as per accounting standard Capital inventory and spares used for operation and maintenance, having useful life of more than one year and material value of Rs. 5 lacs or more have been capitalized as property, plant and equipment.
- 2.66 RVPN provided the details of time over run and the LD recovered from contactor.
- 2.67 RVPN submitted that there is no cost overrun as can be seen from the figures available in appendix -1 further the LD is yet to be finalized whenever the same is finalized the same shall be booked in the book of accounts.
- 2.68 RVPN submitted the details of O&M expenses as per Audited accounts.
- 2.69 RVPN submitted that the O&M of the works which are carried on deposit work basis are managed by the RVPN therefore such works are considered under O&M head. RVPN further submitted that reimbursement of such expenditure from the owner of such property is also booked under non-tariff income, thus this expenditure and income has null effect on the ARR tariff petition.
- 2.70 RVPN submitted that the O&M of the bays and transmission line are being carried out in-house as well as through outsourcing. The decision of in-house or outsourcings are taken by management while taking care of all conditions and in the best interest of the organization.
- 2.71 RVPN submitted that revenue from ISTS towards O&M charges are booked under revenue side of RVPN as per CERC orders and O&M expenses are booked under operation maintenance expenses of RVPN.
- 2.72 RVPN submitted the information regarding Depreciation.
- 2.73 RVPN submitted that the Interest on loans and finance charges for FY 2022-23 is claimed as per Tariff Regulations.
- 2.74 RVPN submitted that the Interest on Working Capital and interest thereon for FY 2022-23 is claimed as per Tariff Regulations.

- 2.75 RVPN submitted that Terminal benefits are claimed on the basis of actual contribution made to the trust during F.Y. 2022-23. RVPN has made regular contribution of Rs. 27.07 Crore and addition contribution of Rs. 427.50 Crore. RVPN requested the Commission to approve the terminal benefit of Rs. 454.57 Crore.
- 2.76 RVPN submitted that the Insurance charges has been claimed as per Regulation 25 of Tariff Regulations.
- 2.77 RVPN submitted that the Unitary charges have been claimed as per Tariff Regulations.
- 2.78 RVPN submitted that the VAR charges has been claimed as per past practice.
- 2.79 RVPN submitted that as per Rajasthan Government decision for proper utilization of Solar power the supply to Agriculture consumers is being arranged in two blocks in day time in number of districts instead of three blocks supply (as being done in preceding years) which is resulting in increase of loading of transmission lines, transformer in day time. Transmission losses up to Feb-2024 for FY 2023-24 is 3.94% with including the losses for the month of Jan-2024 is 4.47% & Feb-2024 is 4.30%. During finalization of state energy accounts after completion of the year, due to revision in drawls to Discoms figures, availability figures during the year due to revisions by NRPC, the transmission losses figures tend to increase.
- 2.80 RVPN submitted that Accounting of transmission losses at RVPN level is based on overall Discom's drawl including open access consumers drawl.
- 2.81 RVPN submitted that the power supplied to open access consumers has already been included in Discoms drawl, therefore the transmission losses claimed 4.38% is correct instead of commented transmission losses as 3.86%.
- 2.82 RVPN submitted that there were a typographical error, actual surplus is Rs. 369.83 Cr. for FY 2022-23 True up.
- 2.83 RVPN submitted the System Availability certificate.
- 2.84 RVPN submitted that the energy flow from Discoms, LTOA and MTOA of RVPN and Discoms may not match because of the accounting

practices and year ending reconciliations. The calculation of transmission tariff is not effected by energy flow, it is based on aggregate revenue requirement and peak load.

- 2.85 RVPN submitted that Revenue from DISCOMS, LTOA & MTOA and revenue from subsidy & grant have been considered for true up only. RVPN provided the desired reconciliation.

Comments on ARR Petition of Transmission for FY 2024-25

Stakeholder's Comments/suggestions

Transmission Capacity

- 2.86 The Stakeholder submitted that the capacity handled by RVPN system during 2022-23 and 2023-24 as shown in Annexure-2 is on excessive side and are not acceptable.
- 2.87 The Stakeholder submitted that the total capacity of Giral TPS and Dholpur GTPP has been added for FY 2022-23 and FY 2023-24 for computing the total capacity handled by RVPN, and these capacities will also be handled in FY 24-25 whereas in actual there is no generation. Therefore, the Stakeholder sought proper clarification in this regard.
- 2.88 The Stakeholder submitted that in respect of Chambal complex capacity of Gandhisagar Station 5x23 MW's share has been shown as handled whereas Rajasthan is not drawing any power from this station in practice due to mutual consent and using power from RPS and Jawaharsagar only.
- 2.89 The Stakeholder sought the complete minutes of 28th meeting of EAC dated 01.07.2021.
- 2.90 The Stakeholder further sought the Copy of 20th EPS report dt. 16.11.2022.

Transmission loss

- 2.91 The Stakeholder submitted that Petitioner has projected Transmission loss of 4.50% for FY 24-25 which are on higher side. The Stakeholder requested to not allow Transmission loss more than 3.80%.

- 2.92 The Stakeholder suggested that if transmission losses are increased from targets prescribed by the Commission, reduction in transmission charges shall be considered by the Commission in true up petition.
- 2.93 The Stakeholder submitted that RVPN has sought transmission losses of 4.50%. Two block supply throughout Rajasthan must have been implemented and requisite system augmentation being carried out simultaneously, must have been completed resulting in reduction in loading and thereby losses. Further, increase in load (due to two shift operation) may not increase load on EHV lines as it is associated with the Increased solar generation during day hours and reduced thermal generation, resulting in changes in power flow pattern as majority of area some pockets which were supplied from thermal stations earlier may have been supplied from solar power stations and on this account, there may not have been overall increase in losses.
- 2.94 The Stakeholder further submitted that in absence of load flow studies for affected agricultural region for (i) day hour solar generation and other hours thermal generation conditions and (ii) peak agriculture season and other season condition, increase in losses cannot be established conclusively, such studies will also result in identifying causes of high losses and remedies to effect reduction.
- 2.95 The Stakeholder submitted that Petitioner justified the loss that there is increase in load for three months specifically in day times, but the petitioner has nowhere provided the data of Transmission losses in other months and the loss figures of other than agriculture timing in a day. It can be assumed that the weighted average can be balanced by reducing the load in other months. This can never be the only reason for justifying the massive loss of Transmission.
- 2.96 The Stakeholder sought the petitioner for providing the safety measures/remedy/action plan taken or proposed in order to reduce transmission loss if it is foreseen to the petitioner. The Stakeholder further submitted that whether the matter has been put up before higher level of management or State Power Committee. The Stakeholder sought the details of meeting, agenda etc wherein this serious issue has been discussed to deal with.
- 2.97 The Stakeholder suggested that in order to bring down the increasing trend of Transmission loss of RRVPNL, the Commission may stipulate a trajectory as part of the Multi-Year Tariff framework to be applicable to

the Transmission Licensee to reduce transmission losses as done by the Electricity Regulatory Commission of UP, Punjab and Haryana States.

- 2.98 The Stakeholder suggested that RVPN conducts such load flow studies and present its results with MW and MVAR power flows and remedial measures to commission and also on website for soliciting stake holders comments/ suggestions.
- 2.99 The Stakeholder submitted that due to impromptu approach of RRVPNL, the cost benefit schemes turned into burden to the consumer of the state. The main purpose to allow or invest in these schemes has not been met out by petitioner.

O&M expenses

- 2.100 The Stakeholder submitted that the Commission in the order dated 13.07.2022 has considered 400 KV S/c line DCCP to Hinduan line as 220KV voltage level instead of 400 KV level for computation of Normative O&M expenses. Therefore, the Stakeholder requests the Commission to adopt the same approach for all lines/Capacities/ No. of Bays which are charged on lower voltage for approving O&M expenses of FY 2021-22.
- 2.101 The Stakeholder submitted that no O&M be allowed for the lines projected in 24-25 as per investment as these are not to be commissioned in FY 24-25 as petitioner himself has said that to achieve such projections gestation period is 3 years. The Stakeholder sought the list of lines which are expected to be commissioned in FY 24-25.
- 2.102 The Stakeholder submitted that no O&M be allowed in respect of lines/ bays/ GSS which have be constructed on deposit work basis as they are not providing utility to Discom/ Consumers.
- 2.103 The Stakeholder submitted that no O&M be allowed in respect of lines which are emanating from generating station of Giral station and Dholpur station as this station is also not in action and such lines are not providing any service at present. No tariff is also being allowed to this station because of non-availability of fuel (Gas).

Terminal benefits

- 2.104 The Stakeholder submitted that petitioners has not been depositing the total amount of such benefits being allowed besides above, there has

been savings in the normative O&M expenses and as such the petitioners may meet the liability from small savings. The Stakeholder sought the actuarial committee report for total liability.

- 2.105 The Stakeholder submitted that Terminal benefit contribution is sought to be increased from Rs.315.0 Crs approved for FY23-24 to Rs. 1200 Crs for FY24-25. Steep rise is stated to be considering additional liability of implementation of Old Pension Scheme to CPF retirees. The Stakeholder further submitted that payments for pension and gratuity during FY22-23 has been Rs. 300.75 Crs for pension and Rs.22.24 Crs for gratuity and as such, excluding additional OPS liability, provision of Rs. 450 Crs may be appropriate to cover about 15% increase in payment to existing pensioners and a some provision towards meeting deficit of Rs. 1643.24crs in meeting actuarial liability. Considering this, additional liability of about Rs.450 Crs. for OPS implementation appears high.
- 2.106 The Stakeholder further submitted that no report of actuarial valuation (even done in-house) have been submitted in support of additional liability. It has not been indicated whether increased liability has been considered net of amount of demand deposited by applicants with option for OPS and whether it is considered to be discharged in one or more than one installment.
- 2.107 The Stakeholder submitted that the Petitioner has claimed huge expense of Rs. 1200 Cr. towards Terminal benefit due to implementation of Old Pension Scheme. Petitioner has further stated that this scheme will lead to increase the expense at manifold. RVPN has not stated about the refund of huge money on account of employer contribution with interest of 12% p.a from many of such employees who opted this scheme. It seems that the expense would also reduce many times.
- 2.108 The Stakeholder further submitted that claim should be allowed on an actual basis later on at the time of True up. Such huge liability without estimation and calculation should not be allowed at this stage.

Depreciation

- 2.109 The Stakeholder submitted that petitioner has not provided the details of gross assets as per Reg. 22 (4) and (5). Further, Petitioners at para 2.20 has maintained addition of assets during 2024-25 of Rs. 1976.52 cr. and same has also been in Form T.3.3 whereas in Form T.6.3 total addition to fixed assets in FY 24-25 in only Rs. 1353.83 cr. The Stakeholder

sought the justification for the same. The Stakeholder further sought the details of transmission lines and plant and machinery to be added in both the above referred forms i.e T.3.3 & T.6.3.

Physical Targets

- 2.110 The Stakeholder sought the list of all new lines, new substations & augmentation and expected date of commissioning as well.
- 2.111 The Stakeholder sought the present capacity installed of GSS where new transformer are to be added and also sought the present load at these stations and expected load with source thereof.

Working capital and interest there on

- 2.112 The Stakeholder submitted that Working Capital is to be provided on normative basis. While calculating O&M expenses, the Stakeholder requested to take care of such O&M expenses reduced in respect of lines energized as lower voltage.

Interest on Long Term Loans

- 2.113 The Stakeholder submitted that the Petitioner has not provided details of the banks / financial institutes from where loan has been availed and at what interest rate the loan has been availed. The Stakeholder sought the asset wise, bank wise details of the long-term loans along with its interest and shall submit the statements ascertaining the same.

Insurance Charges

- 2.114 The Stakeholder submitted that under True-up, petitioners is not incurring any amount as insurance charges in respect of gross assets such increasing on motor vehicle insurance which part of O&M. Thus no insurance charges may be allowed.

Peaking capacity

- 2.115 The Stakeholder sought the latest peaking capacity handled in FY 2023-24 correlating the same of 19798.39 MW as was proposed in their petition for FY 2023-24 and correlating the same with proposed 19777.99 MW now for FY 2024-25.

Transmission tariff

- 2.116 The Stakeholder submitted that recovery of transmission charges from users have been considered in the ratio of allocated capacity for discoms as 18959 MW and for LTOA and MTOA consumers ('OA users') as 818.99 MW and accordingly recovery from OA users has been assessed on their allocated capacity of 818.99 MW i.e. $\text{Rs. } 3962.93 \text{ Crs} \times 818.99 / (18959 + 818.99) = 164 \text{ Crs}$. This is not correct as allocated capacity of OA users considered as 818.99 MW is the sum of their contracted capacity as per annexure-5 and consists of 473.395 MW (for 100% tariff LTOA - p66 - 79/pet) + 263.460 MW (for 50% tariff LTOA - p81/pet) + 82.130 MW (for MTOA -p80/pet). On account of part of LTOA consumers to be billed at 50% tariff, for the purpose of allocation and recovery, their contract demand is to be multiplied by 1/2. If so considered, recovery will be Rs. 140.58 Crs.
- 2.117 The Stakeholder submitted that transmission tariff should be based on contracted transmission capacity of OA users and sum of Contracted/agreed Transmission Capacity of all Users(i. e. Discoms and OA users) while, allocated capacity of LTOA and MTOA users considered as 818.99 MW, as detailed above, is the sum of the contracted capacity as per annexure-5.
- 2.118 The Stakeholder submitted that allocated capacity of 18959 MW considered for Discoms is not the contracted transmission capacity for Discoms but it is the peak electricity demand of Rajasthan Discoms as anticipated in 20th Electric Power Survey 2022 of CEA Contracted transmission capacity of Discoms shall be the transmission capacity of 26269.26 MW (for power evacuations) for FY24-25 vide annexure-2.
- 2.119 The Stakeholder submitted that considering the simultaneous maximum demand of 18959 MW for Discoms is not as per regulations. Further, if for Discoms it is considered in deviation from the regulations, then logically this criterion of simultaneous peak demand should apply to LTOA and MTOA users also and it will be less than sum of their contracted capacity as (i) RE generation is not always up to contract demand, (ii) manufacturing process does not always require drawl from CPP / power exchange to the contracted capacity and (iii) peak drawl of all OA users does not occur simultaneously.
- 2.120 The Stakeholder further submitted that only contracted capacity of OA Users and all users of transmission system are to be considered. For

transmission tariff) for OA users it will be $473.395 + 50\%$ of $263.46/2$ (for 50% of tariff) $82.13 = 697.26$ MW and for all users it will be 26269.26 (as above for discoms) + 697.26 (OA users) = 27966.52 MW. Transmission tariff for LTOA and MTOA consumers/ OA users, without considering above modifications as per true up and provisions of terminal benefit etc, will be $\text{Rs } 3982.93 * 10000 / (27966.52 * 12) = \text{Rs. } 118.68$ per kW per month and recovery from LTOA and MTOA consumers will be $\text{Rs. } 99.30$ Crs.

- 2.121 The Stakeholder submitted that with more & more transition of RE energy (Solar & Wind) which is intermittent, Grid Stability has become a Critical issue, with Smart grid concept in operation in State, a detailed note be provided, detailing our present State of injection of RE energy in Transmission system, as system voltage of EHV (400 KV/220KV/132KV) are varying beyond permissible/ prescribed limits, along with frequency Variation, Steps taken/ proposed regarding managing Reactive load when there is increase in RE transition to the tune of 30-35% & further up to 50% in coming years.
- 2.122 The Stakeholder submitted that Transmission charges are being calculated based on peak flow. While Discoms should be charged based on Contractual Capacity as per practice followed in CERC & many other States.

RVPN's Response

- 2.123 RVPN regarding capacity handled by RVPN system during 2022-23 and 2023-24 has submitted that presently, the GIRAL TPS and Dholpur GTPP not generating any power. Although, RVPN has sufficient network for evacuation of the power, if generated by them.
- 2.124 RVPN submitted that the installed capacity under case-1 shown in all three financial year is 506 MW and the weighted capacity of the same is shown 460.46 MW (after deducting 9% auxiliary losses). As per MoP, Gol guidelines for procurement of long term (25 years) power under Case-1, L-1 (M/s Maruti Clean Coal & Power limited of installed capacity 195 MW) and L-2 (M/s D. B. Power Limited of installed capacity 311 MW) bidder are being supplying 506 MW power as per offered quantity.
- 2.125 RVPN submitted that the relevant pages of 20th EPS report related to energy requirement for FY 2024-25 is available in main petition.

- 2.126 RVPN submitted that as per Rajasthan Government decision for proper utilization of Solar power the supply to Agriculture consumers is being arranged in two blocks in day time in number of districts instead of three blocks supply (as being done in preceding years) which is resulting in increase of loading of transmission lines, transformer in day time. Transmission losses up to Feb-2024 for FY 2023-24 is 3.94% with including the losses for the month of Jan-2024 is 4.47% & Feb-2024 is 4.30%. During finalization of state energy accounts after completion of the year, due to revision in draws to Discoms figures, availability figures during the year due to revisions by NRPC, the transmission losses figures tend to increase.
- 2.127 RVPN submitted that O&M expenses have been claimed as per tariff Regulation and as per past practice followed by the RVPN. The Petitioner further stated that as per regulation 64 of RERC Tariff Regulations 2019, the O&M is allowed for the lines for the voltage it is developed not at the voltage it's been charged.
- 2.128 RVPN submitted that the terminal benefit has been claimed as per Tariff Regulations. RVPN further submitted that due to implementation of OPS (Old Pension Scheme) the actual valuation liability would increase manifold. The amount estimated toward terminal benefit is Rs. 1200 Crore for FY 24-25.
- 2.129 RVPN regarding depreciation submitted that the difference is mainly due to other item CEMQ mentioned in format T-6.1 inadvertently not included in total of addition to fixed assets in FY 2024-25.
- 2.130 RVPN submitted that when the recorded load on the existing transformer exceeds from 80% of the rated capacity of transformer, then Augmentation of transformer by higher capacity or additional transformer is considered. Accordingly, system parameters will change.
- 2.131 RVPN submitted that all schemes of 400 KV and above are approved by CEA, who analyses the scheme in an integrated manner by simulation & load flow studies, essential for grid stability and system reliability as a whole.
- 2.132 RVPN further submitted that 400 KV D/C Ramgarh II – Jaisalmer is owned by wholly owned subsidiary of PGCIL line and any expenditure on it. This line has not been included in Investment Plan of RVPN. As no investment to kept mean by RVPN.

- 2.133 RVPN submitted that SLDC have been filed separate petition of only Aggregate Revenue Requirement and no separate petition for Investment Plan was filed by SLDC.
- 2.134 RVPN submitted that the Insurance charges has been claimed as per Regulation 25 of Tariff Regulations.
- 2.135 RVPN submitted that the soft copy of Fixed Assets Register (through mail) has already been provided in response to query no 16 of the data gap by RERC.
- 2.136 RVPN submitted that the peaking capacity was 18979 MW as per projections from EAC during FY 23-24 and considering transmission capacity for Long and medium Term Open Access (LTOA/MTOA) consumers estimated as 819.39 MW, for FY 23-24 the total capacity required 19798.39 MW. Now, the peaking capacity of 18959 MW would be required during FY 24-25 as per projections from 20th EPS report. Considering transmission capacity for Long and medium Term Open Access (LTOA/MTOA) consumers estimated as 818.99 MW, for FY 2024-25 the total capacity required will be 19777.99 MW. The actual peak load handled by RVPN on 20th Jan 2024 was 18128 MW.
- 2.137 RVPN submitted that Transmission charges have been calculated as per approved methodology by Commission and as per passed practices.

Commission's Views on Issues Raised by Stakeholders

- 2.138 The Commission has taken note of all the comments/suggestions/observations of the Stakeholders both in writing as well as during the course of hearing and RVPN's responses to them. The Commission has attempted to capture all the comments/suggestions/observations. However, in case any comment/suggestion/observation is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the Stakeholders and RVPN's response on these issues while carrying out the detailed analysis of the True Up petition for FY 2022-23, ARR and Tariff for FY 2024-25 in accordance with applicable RERC Regulations as detailed in the subsequent Sections of the Order.

Section 3:

Approval of true up for FY 2022-23

- 3.1 The Commission vide its tariff orders dated 13.07.2022 and 09.11.2022 (Petition No. RERC/1979/22 and RERC/2041/22), had approved the Transmission Tariff for FY 2022-23. In the instant petition, the Petitioner has claimed the true up for FY 2022-23 of Transmission based on the audited annual accounts for FY 2022-23.
- 3.2 The Commission has carried out the true up for FY 2022-23 in accordance with the RERC Tariff Regulations, 2019.

Transmission Network

RVPN's Submission

- 3.3 The details of transmission network claimed by the Petitioner is as shown in the table below:

Table 2: Details of Transmission Network claimed for FY 2022-23

Particulars	FY 2022-23			
	Actual Claimed			
	Opening	Addition	Deletion	Closing
Lines (Ckt Km)				
765 KV	425.50	0.00	0.00	425.50
400 KV	6899.39	0.00	0.00	6899.39
220 KV	16053.16	35.42	0.00	16088.58
132 KV	18559.86	239.05	0.00	18798.91
Total	41937.91	274.47	0.00	42212.38
Transmission Capacity (MVA)	88911.50	4470.00	1000.00	92381.50
Bays (No.)				
765 KV	32	0	0	32
400 KV	182	0	0	182
220 KV	861	8	0	869
132 KV	2966	42	1	3007
Total	4041	50	1	4090

Commission's Analysis

- 3.4 The Commission has considered the closing transmission network approved in true up for FY 2021-22 as the opening transmission network for FY 2022-23. The Commission has considered the network addition

and deletion during FY 2022-23 as claimed by RVPN. Accordingly, the transmission network approved for FY 2022-23 is as shown in table below:

Table 3: Details of Transmission Network approved for FY 2022-23

Particulars	FY 2022-23			
	Actual Approved			
	Opening	Addition	Deletion	Closing
Lines (Ckt Km)				
765 KV	425.50	0.00	0.00	425.50
400 KV	6899.39	0.00	0.00	6899.39
220 KV	16053.16	35.42	0.00	16088.58
132 KV	18559.86	239.05	0.00	18798.91
Total	41937.91	274.47	0.00	42212.38
Transmission Capacity (MVA)	88911.50	4470.00	1000.00	92381.50
Bays (No.)				
765 KV	32	0	0	32
400 KV	182	0	0	182
220 KV	861	8	0	869
132 KV	2966	42	1	3007
Total	4041	50	1	4090

Gross Fixed Assets (GFA) addition during FY 2022-23

RVPN's Submission

3.5 The Commission vide its tariff order dated 13.07.2022, had approved the GFA addition of Rs. 971.36 Crore for FY 2022-23. As against the same, RVPN has claimed the actual GFA addition of Rs. 797.59 Crores.

3.6 Further, in reply dt. 29.02.2024 to the data gap query regarding reconciliation of GFA amount of Rs. 807.80 Crore, RVPN submitted that it has claimed Rs. 0.60 Crore related to disallowed land and Rs. 5.56 Crore related to lower capitalisation (corresponding to Rs. 4.72 Crore as per review order dated 07.12.2023). RVPN also submitted that it has not claimed Rs. 8.89 Crore related to land and Rs. 7.48 crore related to Boundary wall, Civil work, Building and Plant & Machinery.

Commission's Analysis

3.7 It is observed that RVPN for FY 22-23 has claimed total GFA addition of Rs. 797.59 Cr. including GFA addition of Rs. 9.80 Cr. pertaining to period

prior to 01.04.2020 and Rs. 6.56 Crore pertaining to period beyond 31.03.2023.

- 3.8 Further, in reply dt. 29.02.2024 and 03.05.2024 to the data gap query regarding claimed assets of Rs. 25.77 Crore (approx.) pertaining to period prior to 01.04.2021, RVPN submitted that there is no prior period addition. These claims have been made as per Regulation 17 which allows the certain expenditure within original scope of work and beyond original scope of work, expenditure upto cut off date and beyond cut off date.
- 3.9 It has been observed that some projects in GFA addition claimed were pertaining to period from FY 2011-12 to 2021-22 i.e. prior to FY 2022-23. In this regard Regulation 4(6) to 4(8) of RERC (Investment approval) Regulations, 2006 provides that no expenditure shall be considered by Commission unless it is approved by Commission. Further, no expenditure shall be made after two years and after that scheme shall be closed. For remaining payment liability separate prior approval in Investment Plan should be taken.
- 3.10 Commission observes that as per above regulation, RVPN should have ensured that no expenditure be incurred on any scheme after the period of two years from the year of commissioning of all units / transformers / lines covered in the scheme. In light of above, Commission deems it fit to consider GFA addition for the projects having date of commissioning falling within two years prior from FY 2022-23 i.e. FY 2020-21 and FY 2021-22. Accordingly, Commission has disallowed GFA addition of Rs. 9.80 Cr. pertaining to projects prior to FY 2020-21.
- 3.11 As far as asset addition of Rs. 6.56 Crore pertaining to period beyond 31.03.2023 is concerned, it is pertinent to note that all the above assets pertains to FY 2023-24. Accordingly, the Commission sought the details of such assets vide data gap dated 14.06.2024 in reply to which RVPN has submitted revised list indicating the corrected dates. However, out of these assets, Rs. 1.90 Crore assets were pertaining to replacement of assets, which is part of O&M. Therefore, Commission allows GFA addition of Rs. 4.66 Cr. out of such assets.
- 3.12 The Commission observed that the actual capitalization includes Rs. 19.99 Crore for FY 2022-23 in respect of minor assets and other expenditures (Furniture, O&M spares and replacement of various O&M

equipments excluding replacement of Transformers and PLCC equip.) which are not allowable under capitalization. The Commission deems it fit not to consider the amount of Rs. 19.99 Cr. under the capitalization for FY 2022-23 as the same are in the nature of O&M Expenses and hence the Commission has considered the same as part of O&M expenses.

- 3.13 The Commission sought the details of deposit works claimed in GFA addition during FY 2022-23. RVPN vide data gap reply dt. 29.02.2024 submitted that the deposit works amounting to Rs. 72.11 Crore have been included in the Gross Fixed Assets. RVPN further submitted that difference in the figure of deposit works of Rs. 72.11 crore viz a viz Rs. 83.08 crore as per audited accounts is due to some projects was added in GFA prior to FY 22-23 however invoice of such deposit works are issued in the current year.
- 3.14 The Commission observed that the petitioner has claimed Rs. 72.11 Crore as capitalization towards assets which are deposit works for the FY 2022-23 whereas figures relating to deposit work as per the audited accounts is amounting to Rs. 83.08 crore. The Commission does not accept the rational of delayed invoices and considers Rs. 83.08 crore as deposit works as per the audited accounts. The approach adopted by RVPN of including the deposit works in GFA and adjusting this amount as revenue over the useful life of the assets is not in accordance with the Regulations 18 of the RERC Tariff Regulations, 2019. Therefore, the Commission deems it fit not to consider the amount of Rs. 83.08 Crore under the capitalization for FY 2022-23 and its corresponding revenue booked in the Non-Tariff Income.
- 3.15 The Commission observed that the petitioner has claimed Rs. 29.83 Crore as capitalization towards assets received as grants. The Commission has observed that figures relating to grants as per the audited accounts is Rs. 30.44 crore. Therefore, Commission is considering Rs. 30.44 Crore as grants as per audited accounts. Regulation 18(2) of the MYT Regulation provides that Debt: Equity ratio in respect of any asset shall be calculated after deducting the grant received in respect of such asset. Accordingly, Return on Equity, Depreciation & Interest on loan is not allowable on the grant portion of the cost of asset. Therefore, the Commission deems it fit not to consider the amount of Rs. 30.44 Crore under the capitalization for FY 2022-23 and its corresponding revenue booked in the Non-Tariff Income.

- 3.16 The Commission observed that land amounting to Rs. 0.02 Cr. has been claimed by the Petitioner on account of lease land of 132 kV GSS Ram Ji Ka Gol and 132 kV GSS Kanod which are assets pertaining to TBCB projects and amount has been recovered from Adani and not owned by RVPN. Accordingly, the Commission deems it fit to disallow the amount of Rs. 0.02 Cr. pertaining to above mentioned land.
- 3.17 It was observed that there are several assets proposed to be capitalized by RVPN with substantial time overrun. The Commission vide data gap dated 23.01.2024 sought the justification of time overrun in respect of schemes having claim amount of above Rs. 5 Cr. Total amount claimed in respect of assets is Rs. 428.08 Cr. for FY 2022-23. In reply to the Commission's query, RVPN provided justification for time overrun of such projects along with the project wise IDC vide data gap reply dated 29.02.2024. From the reply submitted by RVPN, it was observed that there were some cases where delay was partially on account of COVID-19 restrictions, contractual defaults, patwari strike and partially attributable to other reasons.
- 3.18 RVPN has not provided calculation & details of IDC attributable towards time overrun and also not provided year wise/quarter wise expenditure and IDC. Therefore, the Commission has to calculate the extra IDC due to time overrun. In this regard, the Commission has considered the scheme wise IDC of the projects as per the submission of RVPN and reduced the scheme wise IDC in proportion of time over run against total time taken (schedule completion period+ time overrun period).
- 3.19 Accordingly, the Commission has identified extra IDC of Rs. 15.75 crore on account of time over run. However, considering that it is partially attributed to RVPN, therefore, the Commission has considered 50% of the IDC of Rs. 15.75 Crore for delay period.
- 3.20 Accordingly, total deduction on account of time overrun is amounting to Rs. 7.88 Cr. The Commission further directs RVPN to submit complete details of claimed GFA such as DPR cost, scheduled date of completion, actual date of completion etc. and also submit the complete scheme wise details along with cost and time over-run, IDC etc. with justification while claiming actual capitalization from FY 2023-24 onwards in true-up petition for respective years and also submit complete reasons/ details of time over run and cost over run along with supporting documents to substantiate the same along with the True-up

petition, otherwise the Commission shall be constrained to disallow the entire claim in respect of such assets.

3.21 The Commission has deducted the capitalization towards Prior Period assets of Rs. 9.80 Crore, minor assets of Rs. 19.99 crore, Land & leased land assets of Rs. 0.02 crore and time over run of Rs. 7.88 crore as discussed above.

3.22 The balance capitalization after deducting the capitalization towards Prior Period, minor assets, Land & leased land assets and time over run as discussed above, works out to Rs. 759.90 Cr. for FY 2022-23. Net Capitalization after deducting deposit works of Rs. 83.08 Crore and Subsidy and Grant on capital assets of Rs. 30.44 Cr. works out as Rs. 646.38 Cr. for FY 2022-23. Accordingly, the Commission allows the capitalization of Rs. 646.38 Cr. for FY 2022-23.

Table 4: GFA Approved for FY 2022-23 (Rs. In Crore)

Sl. No.	Particulars	Amount Approved (in Cr.)
1	Capitalization claimed	797.59
2	Less: Capitalization Prior to 01.04.2020	9.80
3	Less: Consumer Contribution/ Deposit Work for the FY 2022-23	83.08
4	Less: Subsidy and Grant on capital assets	30.44
5	Less: Land and leased land assets	0.02
6	Less: Minor assets	19.99
7	Less: Time over run	7.88
8	Net Capitalization	646.38

GFA deduction during FY 2022-23

RVPN's Submission

3.23 RVPN has claimed the GFA deduction of Rs. 44.18 Crore for FY 2022-23.

Commission Analysis

3.24 In reply to the Commission's query, RVPN has submitted that the difference in claimed GFA deduction viz a viz GFA deduction as per audited accounts is due to reasoning that GFA deduction of Rs. 19.69 Cr. is pertaining to GFA deduction classified under gross block in

compliance with IND AS 1 and 8 and Rs. 27.39 crore on account of deduction related to SLDC and Generation.

3.25 Accordingly, the Commission has approved the total GFA deduction of Rs. 44.18 Crore, as claimed by RVPN.

3.26 In view of above, the details of approved GFA for FY 2022-23 is as shown in the table below:

Table 5: GFA Approved for FY 2022-23 (Rs. In Crore)

Sl. No.	Particulars	Amount Claimed (in Crore)	Amount Approved (in Cr.)
1	Capitalisation	797.59	646.38
2	Less: Deduction- during FY 2022-23	44.18	44.18
3	Net Capitalization approved	753.41	602.20

Means of finance of GFA addition for FY 2022-23

RVPN's Submission

3.27 The means of finance of GFA addition for FY 2022-23 submitted by RVPN is as shown in the table below:

Table 6: Means of finance of GFA addition for FY 2022-23 claimed by RVPN

Particulars	Units	Claimed
GFA Addition	Rs. Crore	797.59
GFA Deduction	Rs. Crore	(44.18)
Less: Consumer Contribution/ Deposit	Rs. Crore	72.11
Less: Subsidy and Grant on capital assets	Rs. Crore	29.83
Net GFA addition	Rs. Crore	651.47
Debt	Rs. Crore	600.68
Debt	%	-
Equity	Rs. Crore	55.83
Equity	%	-

Commission's Analysis

3.28 Regulation 19 of the RERC Tariff Regulations, 2019 specify the normative debt equity ratio of 70:30 and the actual equity is to be considered in case of actual equity less than 30%.

3.29 In view of the disallowance & deduction of Rs. 37.69 Crores (including Prior Period) from the GFA claimed by the petitioner, the Commission has considered the means of finance of approved GFA addition for FY 2022-23 as under:

- o The actual deposit works considered as depicted in the audited accounts for FY 2022-23.
- o Subsidy and Grant on capital assets considered as depicted in the audited accounts for FY 2022-23.
- o The equity addition for the FY 2022-23 has been considered as per actual equity for the year.
- o The balance GFA addition has been considered to be funded through loan.

3.30 Based on the above, the means of finance of GFA addition for FY 2022-23 approved by the Commission is as shown in the table below:

Table 7: Means of finance of GFA addition for FY 2022-23 approved by the Commission

Particulars	Units	Approved
Net GFA addition approved	Rs. Crore	646.38
Debt	Rs. Crore	590.55
Equity	Rs. Crore	55.83

Availability of the Transmission System

RVPN's Submission

3.31 The Petitioner claimed the system availability of 99.18% for the FY 2022-23.

Commission's Analysis

3.32 Commission sought the certificate of Transmission System availability as claimed by RVPN. RVPN in its reply to data gap dt. 23.01.2024

submitted the Transmission System availability certificate issued by SLDC.

- 3.33 It is observed that the actual transmission availability as certified by the SLDC was 99.18%. Therefore, the Commission considered 99.18% as transmission availability for FY 2022-23.
- 3.34 Regulation 62(2) of the RERC Tariff Regulations, 2019 specifies the normative availability of 98% for recovery of full Annual Transmission Charges. The actual availability for FY 2022-23 is 99.18%. As the actual availability is higher than the normative availability, full Annual Transmission Charges are allowable for FY 2022-23.

Annual Transmission Charges

- 3.35 In accordance with Regulation 63 of RERC Tariff Regulations, 2019, the Aggregate Revenue Requirement of the Transmission Licensee shall comprise of the following:
- a. Operation and Maintenance (O&M) expenses
 - b. Interest and finance charges on long-term loans
 - c. Depreciation
 - d. Interest on Working Capital
 - e. Return on Equity
 - Minus
 - f. Non-Tariff Income
 - g. Income from other business

3.36 The Regulations also provide that in case of RVPN, the ARR shall include the additional contribution towards pension & gratuity trust as determined by the Commission in terms of Regulation 30.

3.37 Transmission Licensee is allowed to recover its ARR through Transmission Charges. Each of the ARR elements has been dealt with in the following paragraphs.

O&M expenses

RVPN's Submission

3.38 The actual O&M expenses claimed by RVPN is Rs. 905.60 Crore for FY 2022-23. O&M expenses claimed by RVPN is as shown in the table below.

Table 8: Actual O&M Expenses claimed for FY 2022-23 (Rs. Crore)

Particulars	Actual Amount (Rs. in Crore)
R&M Expenses	138.21
Employee Cost of the Current Year	746.90
A&G Expenses	99.78
Total	984.89
Less: Capitalization of O&M Expenses	(73.65)
Less: Common Facility expenses related to Discom and Generation	(5.63)
Grand total	905.60

3.39 The Commission vide tariff order dated 13.07.2022, had approved the normative O&M expenses of Rs. 821.69 Crore for FY 2022-23. As against the same, RVPN claimed the actual O&M expenses of Rs. 905.60 Crore.

Commission's Analysis

3.40 It was observed that the actual employee cost, A&G Expenses and R&M Expenses submitted by the petitioner were different from that as per the audited accounts. The commission sought the reconciliation in respect of the same. The petitioner vide reply to data gaps, submitted the reconciliation in respect of the employee cost, Administration & General Expenses & Repair and Maintenance expenses.

3.41 The commission has disallowed Rs. 19.99 Crore towards capitalization of minor assets as claimed by the petitioner as the same are in the nature of O&M expenses. The Commission therefore, considered Rs. 19.99 Crore disallowed from the GFA on account of minor assets for calculating actual O&M expenses.

3.42 RVPN has claimed Rs. 3.21 Cr. towards other charges. There is no provision in the tariff regulation for allowing other charges. However, in view of the fact the claimed amount is in respect of VAR charges, the Commission has considered it as part of the O&M expenses and allowed it accordingly.

3.43 RVPN has deducted Rs. 0.39 crore, Rs. 9.03 Crore and Rs. 0.40 crore on account of recovery from contractor for water charge/ quarter rent, Loss on sale of fixed assets and expenses of exams respectively from

A&G expenses. Commission in this regard observed that these expenses are of O&M nature and thus will form part of actual O&M expenses and accordingly allowed the same in the O&M expenses.

3.44 Accordingly, the Commission has arrived at the actual O&M expenses of Rs. 938.62 Crore for FY 2022-23. The same is detailed in the table below:

Table 9: Actual O&M expenses arrived by Commission for FY 2022-23

S. No.	Particulars	Amount (Rs. in Crore)
1	R&M Expenses	138.21
2	Employee Cost of the Current Year	746.90
3	A&G Expenses	99.78
4	Total	984.89
5	Less: Capitalization of O&M Expenses	(73.65)
6	Less: Common Facility expenses related to Discom and Generation	(5.63)
7	Total	905.60
8	Add: Transfer from GFA to O&M	19.99
9	Add: Other Charges	3.21
10	Add: expenditure against recovery from contractor for water charge/ quarter rent	0.39
11	Add: Loss on sale of fixed assets	9.03
12	Add: expenses of exams	0.40
13	Grand total	938.62

3.45 Regulation 64 read with Regulation 24 of the RERC Tariff Regulations, 2019 specifies the norms for O&M expenses on the basis of circuit kilometer of transmission lines, transformation capacity in MVA and number of feeder bays in the substation. The normative O&M expenses has been computed by the Commission based on the transmission network approved for FY 2022-23 and O&M cost has been escalated at the rate of 3.51% per annum year over year considering FY 19-20 as base year. Accordingly, normative O&M expenses arrives at Rs. 815.91 Crore as below:-

Table 10: Normative O&M expenses Approved for FY 2022-23

Particulars	Network Average Value	Applicable O&M Cost as per Norms Rs. Lakh/ Unit	O&M Expenses
Lines (Ckt Km)			
765 KV	425.50	1.14	486.05
400 KV	6899.39	0.72	4973.60
220 KV	16070.87	0.29	4634.04
132 KV	18679.39	0.17	3107.43
Total	42075.14		13201.11
Transmission Capacity (MVA)	90646.50	0.44	40212.21
Bays (No.)			
765 KV	32.00	66.72	2135.03
400 KV	182.00	44.47	8093.99
220 KV	865.00	6.20	5362.59
132 KV	2986.50	4.21	12586.15
Total			28177.77
Total (Rs. In Crore)			815.91

3.46 Further, the petitioner has submitted the details of lines which have been charged at lesser voltage than the rated voltage. The details of such line is provided as below:-

Table 11: Details of lines charged at lesser voltage during FY 2022-23

Sl. No.	Transmission Line	Length (in Km)	Rated Voltage (KV)	Voltage Level on which transmission element charged on commissioning (KV)
1	220 KV D/C Chaksu-Sanganer Line	34.195	220 KV	220 KV Chaksu-Sanganer line charged on dated 16.10.2015 at one circuit but with same element (Zebra Conductor) 132 KV Chaksu-Sanganer line charged at Second circuit on dated 03.11.2015 on the same tower.
2	400 KV HND-DCCPP Line	111.40	400 KV	220 KV
3	400 KV KTPS-	6.25	400 KV	220 KV

	PGCIL Ckt- I Line			
4	400 KV KTPS- PGCIL Ckt- II Line	6.25	400 KV	220 KV

3.47 Since Regulation 64 prescribes the O&M charges for the specific voltage level on which it is operated therefore, Commission deems it fit to allow O&M expenses for voltage level on which it is operated. In view of the above, Rs. 55 Lakhs have been deducted from the normative O&M expenses for FY 2022-23 which comes to Rs. 815.37 Crore after such deduction.

3.48 Accordingly, the Commission deems it fit to allow the O&M expenses of Rs. 815.37 Crore for FY 2022-23 as detailed below.

Table 12: O&M Expenses approved by the Commission for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
O&M Expenses	821.69	905.60	815.37

Terminal Liabilities

RVPN's Submission

3.49 RVPN has claimed the amount of Rs. 454.57 Crore towards terminal liabilities for the FY 2022-23.

3.50 Further, RVPN vide data gap reply dated 29.02.2024 has submitted that RVPN has made regular contribution of Rs. 27.07 Crore and additional contribution of Rs. 427.50 Crore.

Commission's Analysis

3.51 Regulation 64 of the RERC Tariff Regulations, 2019 specifies as under:

“..... Provided that, terminal liabilities based on actuarial valuation, over and above the normative O&M expenses, subject to prudence check shall be allowed through tariff separately.”

3.52 The Commission vide data gap dated 23.01.2024 sought the details of actual terminal benefit deposited during FY 22-23. It is observed from the submission of RVPN that it has paid additional contribution of Rs. 427.50 Cr. during FY 2022-23.

3.53 Therefore, the Commission has allowed additional contribution towards terminal liabilities of Rs. 427.50 Crore for the FY 2022-23 in terms of Regulation 64.

Table 13: Terminal Liabilities for the FY 2022-23 (Rs. in Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Terminal liabilities	379.24	454.57	427.50

Interest on loan and finance charges

RVPN's Submission

3.54 The petitioner submitted that the interest on loan has been worked out on the opening loan balance, additions during the year, repayment have been considered equivalent to depreciation. The rate of interest has been worked out based on the regulation 21(5) of the Tariff Regulations. RVPN has claimed the interest and finance charges of Rs. 751.36 Crore as per the audited accounts for FY 2022-23.

Commission's Analysis

3.55 RVPN has claimed the interest charges of Rs. 751.36 Crore as per the audited accounts for FY 2022-23 and submitted the actual interest rate of 9.49% for the year as per the audited accounts for FY 2022-23.

3.56 Regulation 21(5) of the RERC Tariff Regulations, 2019 specifies that the rate of interest on loan for True-up shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year. The Commission directed the Petitioner to submit the actual loan portfolio along with the sanction/disbursement letters for each loan to substantiate the rates of interest considered to calculate the weighted average interest rate. The petitioner in its data gap reply dated 29.02.2024 has submitted the loan wise details along with applicable interest rate and interest thereon for the FY 2022-23.

- 3.57 The Commission has considered the rate of interest of 9.49% as submitted by the petitioner in the petition.
- 3.58 Further, in the instant order Commission has considered Rs. 44.18 Cr. as decapitalization of assets during FY 2022-23. Therefore, the Commission deems it fit to deduct the same from approved loan and equity balance by considering debt equity ratio of 80:20. Accordingly, the Commission has deducted Rs. 35.34 Cr. towards loan portion of total decapitalization.
- 3.59 The Commission has considered the closing loan balance approved in true up for FY 2021-22 as the opening loan balance for FY 2022-23. The loan addition during the year has been considered based on the approved means of finance of GFA addition. The allowable depreciation for the year has been considered as the normative repayment.
- 3.60 The Commission observes that RVPN in the Petition No. 2075/2023 had claimed GFA deduction of Rs. 211.54 Cr. wherein Rs. 202.33 crore pertained to prior period.
- 3.61 The Commission vide data gap dated 17.01.2023 in the Petition No. 2075/2023 sought the details of GFA deduction of Rs. 211.54 Crore, in reply to which RVPN submitted that out of total GFA deduction of Rs. 211.54 crore , Rs. 202.33 crore was funded through PGCIL (client contribution) and pertained to prior period.
- 3.62 Accordingly, Commission vide order dated 08.06.2023 directed RVPN to submit actual amount claimed under various component of ARR in respect of these assets. RVPN vide letter dated 14.09.2023 submitted the amount of Interest on Term loan of Rs. 78.86 Crore upto FY 2021-22 in this regard.
- 3.63 The Commission observed that RVPN had already taken Rs. 78.96 Crore on account of Interest on Term loan from FY 2016-17 to FY 2020-21. Accordingly, the Commission is disallowing Rs. 78.96 Crore as reversal of interest in two installments. Therefore, Commission is disallowing Rs. 39.48 Crore in True up of FY 2022-23 and balance 50 % will be deducted in True up of FY 2023-24.
- 3.64 Accordingly, the interest on loan approved by the Commission is as shown in the table below:

Table 14: Interest on long term loans for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23	
	Claimed for True up	Approved on True up
Opening Balance	7,536.83	7,536.83
Add: Net Addition	600.68	590.55
Less: Loan portion of De-capitalisation	-	35.34
Less: Repayment	1,026.65	924.19
Closing Balance	7,110.86	7,167.84
Average Loan	7,323.85	7,352.34
Rate of Interest	9.49%	9.49%
Gross Interest Expenses	694.92	697.74
50% Reversal of IOTL upto FY 2020-21	-	39.48
Net Interest Expenses	694.92	658.26

3.65 The Commission vide the tariff order dated 13.07.2022 had approved the finance charges of Rs. 70 Crore for FY 2022-23. As against the same, RVPN has claimed the finance charges of Rs. 56.44 Crore as per the audited accounts for FY 2022-23.

3.66 In reply to the Commission's query, RVPN submitted the details of the finance charges claimed as shown in the table below:

Table 15: Finance Charges for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Claimed
1	Stamp duty/ Registration Fees	0.07
2	Service Fees	0.32
3	Commitment Charges	0.00
4	Other Bank Charges	0.98
5	Guarantee Charges	51.32
6	Penal Interest	0.002
7	Restructuring Premium	4.74
8	Interest on SD and RMD	0.11
9	Less: Bank Charges related to Partnership project	0.98
10	Total	56.44

3.67 It is observed that the Petitioner has claimed Rs. 0.002 Cr. towards penal Interest which is not permissible under RERC Tariff Regulation, 2019. Hence, the same is disallowed. Accordingly, the Commission approves Finance charges of Rs. 56.44 Cr. for the FY 2022-23.

3.68 The Commission has approved the interest and finance charges of Rs. 714.70 Crore for the FY 2022-23 as shown in the table below:

Table 16: Interest and finance charges for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23	
	Claimed for True up	Approved on True up
Net Interest Expenses	694.92	658.26
Add: Finance Charges	56.44	56.44
Interest and Finance charges	751.36	714.70

Depreciation

RVPN's Submission

3.69 The Commission vide tariff order dated 13.07.2022 had approved the depreciation of Rs. 981.49 Crore for FY 2022-23. As against the same, RVPN has claimed the depreciation of Rs. 1026.65 Crore for FY 2022-23. RVPN vide reply to the data gap dt. 23.01.2024 revised the Depreciation claim to Rs. 1020.84 Crores.

Commission's Analysis

3.70 RVPN has claimed the depreciation of Rs. 1020.84 Crore and vide data gap reply dated 03.05.2024 has submitted details of assets depreciated upto 90% of its assets value, less than 12 years and more than 12 years.

3.71 Further, Petitioner has not submitted the useful life of asset class wise, therefore, Commission has considered the weighted average life (WAL) as 27 years and for the assets completed more than 12 years, the balance useful life of 15 years has been considered. Further, Commission at para 4.55 of the Tariff Order dt. 23.12.2021 directed RVPN to submit the asset class wise details. The RVPN is again directed to henceforth submit the required details along with the True up petition of every year.

3.72 RVPN has considered the entire cost of deposit work & asset created out of grant in the GFA. RVPN has included depreciation on such assets in the depreciation for the FY 2022-23.

3.73 The Commission has considered the closing GFA approved in true up for FY 2021-22 as the opening GFA for FY 2022-23. The allowable GFA addition of Rs. 602.20 Crore (excluding deposit work addition of Rs.

83.08 Crore and Grant addition of Rs. 30.44 Crore) has been considered on the pro rata basis in proportion to net GFA addition claimed by RVPN. Accordingly, the Commission has computed approved average GFA for the purpose of depreciation calculation for FY 2022-23.

3.74 The details of calculation of depreciation is as below: -

Table 17: Depreciation for FY 2022-23 (Rs. Crore)

Particular	Classification of assets	Gross Block claimed as on 31.03.2023	Approved Closing Balance as on 31.03.2023	Average GFA approved for FY 2022-23	Rate of Depreciation	Dep. Approved
Buildings	90% depreciated	60.41	56.03	56.03	0.00%	
	less than 12 years	600.62	555.52	550.80	3.34%	18.40
	more than 12 years	379.03	351.56	351.56	3.33%	11.70
Furniture & Fixtures	90% depreciated	5.79	5.37	5.37	0.00%	
	less than 12 years	14.55	13.14	12.16	6.33%	0.77
	more than 12 years	1.69	1.57	1.57	0.94%	0.01
Hardware	90% depreciated	0.19	0.17	0.17	0.00%	
	less than 12 years	13.32	11.90	10.71	15.00%	1.61
	more than 12 years	-			0.00%	
Hydraulic Works	90% depreciated	-			0.00%	
	less than 12 years	0.09	0.09	0.09	5.28%	0.01
	more than 12 years	-			1.78%	
Lines & Cable	90% depreciated	146.22	135.65	135.73	0.00%	
	less than 12 years	8,100.61	7,497.43	7,451.59	5.28%	393.43
	more than 12 years	2,356.27	2,185.56	2,185.67	1.78%	38.82
Office Equipments	90% depreciated	6.57	6.11	6.19	0.00%	
	less than 12 years	50.43	46.00	45.31	6.33%	2.87
	more than 12 years	7.59	7.08	7.19	0.94%	0.07
Other Civil Works	90% depreciated	0.88	0.82	0.82	0.00%	
	less than 12 years	238.34	220.88	219.82	3.34%	7.34
	more than 12 years	24.15	22.42	22.48	3.33%	0.75
Plant & Machinery	90% depreciated	618.31	574.22	576.31	0.00%	
	less than 12 years	8,065.87	7,431.92	7,290.71	5.28%	384.95
	more than 12 years	2,390.13	2,219.00	2,224.88	1.78%	39.51
Software	90% depreciated	7.59	7.04	7.05	0.00%	
	less than 12 years	26.99	25.02	24.95	9.00%	2.25
	more than 12 years	-			0.00%	
Vehicles	90% depreciated	17.82	16.58	16.74	0.00%	
	less than 12 years	2.52	2.34	2.34	9.50%	0.22
	more than 12 years				0.00%	
Communication	less than 12 years	260.62	205.53	102.76	6.33%	6.50
Total						909.21

Particular	Classification of assets	Gross Block claimed as on 31.03.2023	Approved Closing Balance as on 31.03.2023	Average GFA approved for FY 2022-23	Rate of Depreciation	Dep. Approved
O&M spares		10.25	9.21	8.36	5.28%	0.44
Lease Hold Land		484.02	445.36	435.21	3.34%	14.54
Free Hold Land		130.22	120.73	120.57	0.00%	-
Grand Total		24021.09	22174.26	21873.16		924.19

3.75 The depreciation as per the above methodology is computed as Rs. 924.19 Crore. Accordingly, the depreciation approved by the Commission for FY 2022-23 is Rs. 924.19 Crore as shown in the table below:

Table 18: Depreciation for FY 2022-23 (Rs. Crore)

Particulars	Claimed for True up	Approved on True-up (Rs. Crore)
Depreciation	1020.84	924.19

Interest on Working Capital (IoWC)

RVPN's Submission

3.76 The Commission vide tariff order dated 13.07.2022 had approved the normative IoWC of Rs. 54.57 Crore for FY 2022-23. As against the same, RVPN has claimed the normative IoWC of Rs. 60.58 Crore and net entitlement of Rs. 59.53 Crore.

Commission's Analysis

3.77 In accordance with Regulation 27(1)(2) of the RERC Tariff Regulations, 2019, the normative working capital requirement shall comprise of (i) O&M expenses for one month, (ii) maintenance spares @ 15% of O&M expenses, (iii) receivables equivalent to one and a half month of transmission charges calculated on target availability, less amount held as security deposit from users except security deposits held in the form of Bank Guarantees. Regulation 27(2) of the RERC Tariff Regulations, 2019 specifies that the rate of interest on working capital to be computed shall be on normative basis and shall be 300 basis points higher than the average SBI Base Rate prevalent during first six months of the year previous to the relevant year.

- 3.78 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2019. The normative rate of interest on working capital has been considered as 10% in accordance with RERC Tariff Regulations, 2019.
- 3.79 RVPN has submitted the actual rate of interest on working capital loans as 9.66% as per the audited accounts. In accordance with Regulation 27(2), the Commission has considered the sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital.
- 3.80 The Commission at para 3.75 of the Tariff Order dt. 13.07.2022 directed RVPN to submit the details of actual working capital loan & supporting documents henceforth along the True-up. RVPN is directed to henceforth provide the complete details in respect of working capital loan. The sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital shall be done accordingly.
- 3.81 The loWC approved by the Commission for the FY 2022-23 is as shown in the table below:

Table 19: loWC for FY 2022-23 (Rs. Crore)

S. No.	Particulars	As per Petition	Approved
1	O&M Expenses (1 Month)	75.47	67.95
2	Maintenance Spares (15% of O&M Expenses)	135.84	122.31
3	Receivables on Target Availability (1.5 Month)	404.40	446.46
4	Less: Amount held as Security Deposit	9.94	9.94
5	Total Working Capital	605.77	626.77
6	Normative Interest Rate	10%	10.00%
7	Interest Amount at Normative Interest Rate	60.58	62.68

Table 20: Net Entitlement of loWC for the FY 2022-23

Particulars	Normative	Actual	Gain/Loss	50% Sharing	Net Entitlement
Approved Interest Rate for Truing up (%)	10.0%	9.66%	0.34%	0.17%	9.83%

Approved Amount for Trueing up (Rs. in Crore)	62.68	60.55	2.13	1.07	61.61
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Return on Equity (RoE)

RVPN's Submission

3.82 The Commission vide the review order dated 09.01.2022 had approved RoE as 648.73 Crore for FY 2022-23. As against the same, RVPN has claimed RoE of Rs. 27.35 Crore from open access consumers.

Commission's Analysis

3.83 The Commission vide data gap dated 23.01.2024 and 15.04.2024, sought approval of GoR to refund the RoE and also approval of GoR to claim RoE from open a access consumers. In reply to which RVPN has submitted that tariff approved by RERC is applicable on all the consumers (Discoms and Open access consumers) of a Transmission licensee i.e. RVPN and RoE (if allowed) is one of the components of Tariff. Further, RVPN has submitted that it has claimed RoE of Rs. 27.35 crore from open access consumers out of total Rs. 618.03 crore since it has refunded RoE of Rs. 590.68 crore to Discoms during FY 2023-24 as per the letter dated 14.09.2023 issued by Finance department, GoR.

3.84 The closing equity balance approved in true up for FY 2021-22 has been considered as the opening equity balance for FY 2022-23. Equity addition has been considered as per approved means of finance for the FY 2022-23.

3.85 Further, in the instant order Commission has considered Rs. 44.18 Cr. as decapitalization of assets during FY 2022-23. Therefore, the Commission deems it fit to deduct the same from approved loan and equity balance by considering debt equity ratio of 80:20. Accordingly, the Commission has deducted Rs. 8.84 Cr. towards equity portion of total decapitalization.

3.86 RVPN had claimed RoE at the rate of 14% in the Tariff Petition for the FY 2022-23. The GoR has approved RoE @14% for the FY 2022-23 vide letter dt. 30.03.2022 and vide letter dated 14.09.2023 directed RVPN to payback/ refund RoE to respective Discoms.

3.87 RVPN in the audited accounts of FY 22-23 as well as in the instant petition has considered RoE as revenue for FY 22-23.

3.88 In this regard, the Commission is of the view that RoE for FY 2022-23 is to be allowed as per the audited accounts of RVPN for FY 2022-23 and accordingly, approves the RoE at the rate of 14% in the True-up of FY 2022-23. The RoE approved by the Commission is as shown in the table below:

Table 21: RoE for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23	
	Claimed for True up	Approved on True up
Opening Equity	4389.06	4389.06
Net addition during the year	55.83	55.83
Equity portion of decapitalization	4.90	8.84
Closing Equity	4439.99	4436.05
Average Equity	4414.53	4412.56
Rate of Return on Equity	14.00%	14.00%
Return on Equity	618.03	617.76
Less: Return on equity recovered from Discoms	590.68	
Return on Equity (from open access consumers)	27.35	

Insurance Expenses

RVPN's Submission

3.89 The Commission vide tariff order dated 13.07.2022 had approved Insurance expenses of Rs. 0.39 Crore for FY 2022-23. As against the same, RVPN has claimed actual Insurance expenses of Rs. 0.30 Crore as per the audited accounts.

Commission's Reply

3.90 Regulation 25 of the RERC Tariff Regulations, 2019 provides for Insurance expenses subject to ceiling limit of 0.2 % of average Net Fixed Assets for the year.

3.91 The insurance charges claimed of Transmission with supporting documents has been given by the Petitioner in the instant petition. It is observed that the documents submitted for insurance charges claimed relates to insurance charges incurred for vehicle insurance which is not allowable. As the insurance charges is allowable for transmission assets,

the Commission has disallowed the Insurance expenses of Rs. 0.30 Crore as claimed by the petitioner for the FY 2022-23.

Table 22: Insurance Expenses for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Insurance Charges	0.39	0.30	-

Unitary Charges

RVPN's Submission

3.92 RVPN has claimed the unitary charges of Rs. 54.60 Crore for FY 2022-23 as per the audited accounts.

Commission's Analysis

3.93 The Commission had earlier approved the unitary charges to be paid by RVPN. Therefore, the Commission has approved the actual unitary charges of Rs. 54.60 Crore claimed for FY 2022-23.

Table 23: Unitary charges for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Unitary Charges	54.93	54.60	54.60

Other Charges

RVPN's Submission

3.94 RVPN has claimed actual other charges of Rs. 3.21 Crore as per the audited accounts.

Commission's Analysis

3.95 Other charges of Rs. 3.21 Crores claimed by RVPN on account of VAR charges is in the nature of O&M expenditure. The Commission has included the same in the actual O&M expenditure.

Lease Charges

RVPN's Submission

3.96 RVPN has claimed the lease charges of Rs. 14.54 Crore for FY 2022-23 as per the audited accounts.

Commission's Analysis

3.97 RVPN has provided details of paid/payable lease liabilities for FY 2022-23 in its petition. Therefore, the Commission has approved the actual lease charges of Rs. 14.54 Crore for FY 2022-23.

Table 24: Lease Charges for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Lease Charges	12.52	14.54	14.54

Non-Tariff Income

RVPN's Submission

3.98 The Commission vide tariff order dated 13.07.2022 had approved NTI of Rs. 208.77 Crore for FY 2022-23. As against the same, RVPN has claimed actual NTI of Rs. 10.90 Crore in the instant petition. RVPN vide reply to the data gap dt. 23.01.2024 revised the non-tariff income to Rs. (-)5.36 Crores.

Commission's Analysis

3.99 The Commission sought the reconciliation of Non-Tariff Income with the audited accounts. The Commission also sought the breakup of miscellaneous receipt of Rs. (-)11.93 Crores included in the Non-tariff Income. RVPN in its reply dt. 29.02.2024 has revised the miscellaneous receipt to Rs. (-)28.19 Crores.

3.100 Regarding interest income earned by RVPN from OIPL of Rs. 8.45 Crore, Interest income charged on subsidiary Company Barmer of Rs. 2.11 Crore and interest on IT refund of Rs. 10.34 Crore, the Commission has disallowed the same in the True-up order dated 08.06.2023. The Commission has followed the similar approach as followed in its

previous True up order. Accordingly, Commission does not find it prudent to allow the same as reversal from NTI.

- 3.101 RVPN submitted that it has received Rs. 13.91 Cr. on account of recovery from contractors on account of capital works. RVPN vide data gap reply dated 29.02.2024 has submitted the list of liquidated damages recovered from contractors on account of capital works in FY 2022-23.
- 3.102 It has been observed that projects on which time overrun has been deducted viz a viz project details submitted of Rs. 13.91 crore are different. Further, Commission has not deducted any time over run on projects on which recovery from contractors on account of capital works for Rs. 13.91 crore has been made. Therefore, the Commission deems it appropriate to consider recovery from contractor on account of capital works of Rs. 13.91 Cr. as Non-Tariff Income. Accordingly, the Commission has considered Rs. 13.91 Cr. as part of Non-Tariff income of FY 2022-23.
- 3.103 RVPN submitted net loss on Sale of fixed asset amounting to Rs. 9.03 Crore which has been excluded from its claimed NTI. As there is no provision in the RERC Tariff Regulation, 2019 for allowing loss on sale of fixed asset. Accordingly, the Commission has considered Rs. 9.03 Cr. as part of Non-Tariff income of FY 2022-23.
- 3.104 RVPN submitted expenses of exams amounting to Rs. 0.40 Crore which has been excluded from its claimed NTI and also deducted the same from A&G expenses. Commission in this regard observed that this expense is of O&M nature and thus will form part of actual O&M expenses and accordingly allowed the same in the O&M expenses. Therefore, the Commission has considered Rs. 0.40 Cr. as part of Non-Tariff income of FY 2022-23.
- 3.105 RVPN has deducted Rs. 0.39 crore on account of recovery from contractor for water charge/ quarter rent from its claimed NTI and also deducted the same from A&G expenses. Commission in this regard observed that the expenditure against the water charge is of O&M nature and thus will form part of actual O&M expenses and accordingly allowed the same in the O&M expenses. Therefore, the Commission has considered Rs. 0.39 Cr. on account of recovery from contractor for water charge/ quarter rent as part of Non-Tariff income of FY 2022-23.

- 3.106 RVPN vide data gap reply dated 29.02.2024 has submitted revenue from subsidy and grant taken in TTU 15 and TTU 16 of Rs. 38.03 crore as reversal from NTI. In this regard, it is observed that such amount of revenue is corresponding to proportionate amount for entire subsidy and grant taken in GFA by RVPN till date.
- 3.107 Commission vide additional data gap dated 14.06.2024 sought year wise amount pertaining prior to and after FY 15-16 in respect of revenue from subsidy and grant taken in TTU 15 and 16 of Rs. 38.03 cr. shown as reversal from the NTI and its reconciliation with the audited accounts. RVPN vide its reply dated 04.07.2024 submitted the year wise break up of Rs. 38.03 Crore.
- 3.108 Commission is of the view that such proportionate amount of revenue which should be reversed from the NTI shall be made for the period from FY 2017-18 to FY 2022-23 (Rs. 23.76 Crore) since Commission has started deducting deposit work and Grant from the allowable GFA for the purpose of depreciation w.e.f FY 2017-18 and hence for the period prior to FY 2017-18 the same shall form part of Non Tariff Income. Accordingly, the Commission has considered Rs. 14.27 crore (Rs. 38.03 cr-Rs. 23.76 cr) as part of Non-Tariff income of FY 2022-23.
- 3.109 Therefore, the Commission has considered interest income earned by RVPN from OIPL of Rs. 8.45 Crore, Interest income charged on subsidiary Company Barmer of Rs. 2.11 Crore, interest on IT refund of Rs. 10.34 Crore, recovery from contractor on account of capital works of Rs. 13.91 Cr., loss on Sale of fixed asset of Rs. 9.03 Crore, expenses of exams of Rs. 0.40 Crore, recovery from contractor for water charge/ quarter rent of Rs. 0.39 Crore and revenue from subsidy and grant taken in TTU 15 and TTU 16 of Rs. 14.27 crore as part of Non-Tariff income of FY 2022-23.
- 3.110 The Commission accordingly, approves the Non-Tariff Income as Rs. 53.54 Crore for the FY 2022-23.

Table 25: NTI for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Non-Tariff Income	208.77	(-)5.36	53.54

Revenue from Short-term open access

RVPN's Submission

3.111 The Commission vide tariff order dated 13.07.2022 had approved the revenue from short-term open access of Rs. 15 Crore for FY 2022-23. As against the same, RVPN has claimed actual revenue from short-term open access of Rs. 45.33 Crore as per the audited accounts.

Commission's Analysis

3.112 It is observed that RVPN's claim of Rs. 45.33 Crore on account of short-term open access includes Rs. 4.98 Crores as Revenue from Short Term Open Access, Rs. 22.27 Crores as Revenue from POSOCO, Rs. 2.84 Crores as Bay Charges and Rs. 15.23 Cr. as revenue from IEX. RVPN has claimed Rs. 45.33 Crores as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Revenue from POSOCO, IEX and Bay Charges should be part of aggregate revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has, accordingly, included the revenue on account of POSOCO, IEX, Bay Charges & others amounting to Rs. 40.35 Crores in the Aggregate Revenue for the FY 2022-23 and approved it accordingly. In view of the above, the Commission has approved Rs. 4.98 Crores as short-term open access for the FY 2022-23.

Table 26: Revenue from short-term open access for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Revenue from Short Term Open Access	15.00	45.33	4.98

Revenue from Inter State Transmission (ISTS) Lines

RVPN's Submission

3.113 The Commission vide the tariff order dated 13.07.2022 had approved the revenue from ISTS lines as nil for FY 2022-23. As against the same, RVPN has claimed actual revenue from ISTS lines of Rs. 6.30 Crore for the FY 2022-23.

Commission's Analysis

3.114 RVPN has claimed Rs. 6.30 Crores on account of Interstate Line User Charges as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Interstate Line User Charges should be part of revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has, accordingly, included the Interstate Line User Charges of Rs. 6.30 Crores in the Revenue for FY 2022-23 and approved it accordingly.

Table 27: Revenue from ISTS lines for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Revenue from ISTS lines	-	6.30	*

* Revenue from ISTS lines considered as part of Revenue.

3.115 Based on the above analysis, the Annual Transmission Charges claimed by RVPN and approved by the Commission is as shown in Table below:

Table 28: Annual Transmission Charges for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
O&M Expenses	821.69	905.60	815.37
Terminal Benefit	379.24	454.57	427.50
Interest and finance charges on long term loans	841.51	751.36	714.70
Depreciation	981.49	1020.84	924.19
Interest on Working Capital	62.78	59.53	61.61
Return on Equity	648.73	27.35	617.76
Lease Rent	12.52	14.54	14.54
Insurance Charges	0.39	0.30	-
Unitary Charges	54.93	54.60	54.60
Other Charges	-	3.21	-
Less: Non Tariff Income	208.77	(-)5.36	53.54
Aggregate Revenue Requirement	3594.50	3297.26	3576.73
Less: Revenue from Short Term Open Access	15	45.33	4.98
Less: Revenue from Interstate Transmission Lines	-	6.30	-

Particulars	FY 2022-23		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Annual Transmission Charges	3579.50	3245.63	3571.75

Incentive

RVPN's Submission

3.116 RVPN has claimed the incentive of Rs. 24.70 Crore for achieving higher availability than the normative availability. RVPN has claimed the separate recovery of the same.

Commission's Analysis

3.117 Regulation 68 of the RERC Tariff Regulations, 2019 provide for incentive on achieving annual availability above the normative availability. The Commission has approved the incentive for FY 2022-23 in accordance with the same as shown in the table below:

Table 29: Incentive approved for FY 2022-23 (Rs. Crore)

Particulars	Units	Value
Annual Transmission Charges	Rs. Crore	3571.75
Target Availability for Incentive	%	98.50%
Max. Availability for Incentive	%	99.75%
Actual Availability	%	99.18%
Incentive	Rs. Crore	24.59

Transmission Loss

RVPN's Submission

3.118 RVPN has claimed Transmission loss of 4.38% for the FY 2022-23

Commission's Analysis

3.119 The Commission approved transmission loss of 3.80% for the FY 2022-23 in the order dt. 13.07.2022. The Commission approves the actual transmission loss of 4.38% as claimed by the RVPN. However, Commission directs RVPN to investigate into the reasons for such huge losses and take suitable action for reduction in losses.

Revenue side true up

RVPN's Submission

3.120 RVPN has claimed the revenue of Rs. 3605.02 Crore for FY 2022-23.

Commission's Analysis

3.121 As discussed in para on short term open access & Interstate line user charges above, Rs. 22.27 Crores as Revenue from POSOCO, Rs. 2.84 Crores as Bay Charges, Rs. 15.23 Cr. as revenue from IEX and Rs. 6.30 Crores on account of Interstate line user charges have been allowed as part of Revenue instead of reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. Accordingly, the Revenue for the FY 2022-23 considered for true up is as shown in the table below:

Table 30: Revenue for true up for FY 2022-23 (Rs. Crore)

Sl. No.	Particulars	Claimed for true up	Approved on True up
A	Revenue from Transmission Wheeling Charges		
1	JVVN	1294.58	1294.58
2	AVVN	929.79	929.79
3	JDVVN	1204.07	1204.07
4	Others	-	-
a	Revenue from Short Term Open Access	-	-
b	Revenue from Medium Term Open Access	26.57	26.57
c	Revenue from Long Term Open Access	134.12	134.12
d	Interstate Line User Charges	-	6.30
e	Revenue from POSOCO	-	22.27
f	BAY Charges	-	2.84
g	Revenue from IEX	-	15.23
h	Revenue from IA	-	-
	Sub-Total	3589.13	3635.77
B	Incentive		
1	JVVN	8.91	8.87
2	AVVN	6.40	6.37
3	JDVVN	8.29	8.25
4	Others	1.10	1.09
	Sub-Total	24.70	24.59
C	Subsidies & Grants on capital account (Non-Regulatory)	15.90	-
	Total	3629.73	3660.36

Summary of true up

Commission's Analysis

3.122 Based on the above, the summary of true up for FY 2022-23 is as shown in table below:

Table 31: Summary of true up for FY 2022-23 (Rs. Crore)

Sl. No.	Particulars	Claimed	Approved
A	Expenditure side summary		
1	Annual Transmission Charges	3245.63	3,571.75
2	Incentive	24.70	24.59
3	Total	3270.33	3,596.34
B	Revenue side summary		
C	Revenue for true up	3629.73	3660.36
D	Revenue (Gap)/Surplus	359.40	64.02

3.123 The Commission has approved the revenue surplus of Rs. 64.02 Crore. The Commission directs RVPN to refund the approved surplus of Rs. 64.02 Crore in the next billing cycle from the date of this order in the ratio of contracted capacity of DISCOMs, long-term open access customers and medium term open access customers for FY 2022-23.

3.124 Further, the Commission has approved RoE for FY 2022-23 while Finance Department, GoR vide letter dated 14.09.2023 had directed RVPN to payback/ refund RoE. Accordingly, the Commission hereby directs RVPN to refund RoE as per directions of Government of Rajasthan apart from the revenue surplus approved as above.

Section 4: Determination of tariff for FY 2024-25

ARR for Transmission function

4.1 The Commission has approved the Transmission Charges for FY 2024-25 in accordance with the RERC Tariff Regulations, 2019.

Availability of the Transmission System

Commission's Analysis

4.2 Regulation 62(2) of the RERC Tariff Regulations, 2019 specifies the normative availability of 98% for recovery of full Annual Transmission Charges for AC system. The Commission approves the normative availability of 98% in accordance with the RERC Tariff Regulations, 2019.

Transmission Network

RVPN's Submission

4.3 The details of transmission network claimed by the Petitioner for FY 2023-24 and FY 2024-25 is as shown in the table below:

Table 32: Details of Transmission Network claimed for FY 2023-24 and FY 2024-25

Particulars	FY 2023-24			FY 2024-25		
	Opening	Addition	Closing	Opening	Addition	Closing
Lines (Ckt km)						
765 KV	425.50	0.00	425.50	425.50	0	425.50
400 KV	6899.39	0.00	6899.39	6899.39	491	7390.39
220 KV	16088.58	78.69	16167.27	16167.27	70	16237.27
132 KV	18798.91	247.08	19045.99	19045.99	512.57	19558.56
Total	42212.38	325.77	42538.14	42538.14	1073.57	43611.71
Transformation Capacity (MVA)	92381.50	3373.00	95754.50	95754.50	3315.50	99070
Bays (No.)						
765 KV	32	0	32	32	0	32
400 KV	182	0	182	182	0	182
220 KV	869	11	880	880	12	892
132 KV	3007	89	3096	3096	120	3216
Total	4090	100	4190	4190	132	4322

Commission's Analysis

4.4 The closing values of transmission network approved for FY 2022-23 has been considered as the opening values for FY 2023-24.

4.5 The transmission network approved by the Commission vide its tariff order for FY 2023-24 dated 08.06.2023 is as shown in the table below:

Table 33: Transmission network approved in the Tariff Order for FY 2023-24

Sl. No.	Particulars	FY 2023-24		
		Opening	Addition	Closing
A	Lines (ckt km)			
1	765 KV	425.50	-	425.50
2	400 KV	7390.39	-	7390.39
3	220 KV	16109.16	29	16138.16
4	132 KV	19091.85	350	19441.85
	Total	43016.90	379	43395.90
B	Transformation Capacity (MVA)	92841.00	3146.50	95987.50
C	Bays (No.)			
1	765 KV	32	0	32
2	400 KV	182	0	182
3	220 KV	865	4	869
4	132 KV	3081	60	3141
	Total	4160	64	4224

4.6 The Commission has considered the submission made by RVPN regarding the network addition during the FY 2023-24 in the Tariff petition. The Commission shall carry out the prudence check of the same in the true up of FY 2023-24 based on the submissions of RVPN.

4.7 The closing values of transmission network approved for the FY 2023-24 has been considered as the opening values for FY 2024-25. The Commission has provisionally considered the network addition for FY 2024-25 as proposed by RVPN for the purpose of this order. The Commission shall carry out the prudence check of the same in the true up of FY 2024-25 based on the submissions of RVPN.

4.8 Accordingly, the transmission network approved for FY 2023-24 and FY 2024-25 is as shown in table below:

Table 34: Details of Transmission Network approved for FY 2023-24 and FY 2024-25

Sl. No.	Particulars	FY 2023-24			FY 2024-25		
		Opening	Addition	Closing	Opening	Addition	Closing
A	Lines (ckt km)						
1	765 KV	425.50	-	425.50	425.50	-	425.50
2	400 KV	6,899.39	-	6,899.39	6,899.39	491	7390.39
3	220 KV	16088.58	78.69	16167.27	16167.27	70	16237.27
4	132 KV	18798.91	247.08	19045.99	19045.99	512.57	19558.56
	Total	42212.37	325.77	42538.14	42538.14	1073.57	43611.71
B	Transformation Capacity (MVA)	92381.50	3373.00	95754.50	95754.50	3315.50	99070.00
C	Bays (No.)						
1	765 KV	32	-	32	32	-	32
2	400 KV	182	-	182	182	-	182
3	220 KV	869	11	880	880	12	892
4	132 KV	3007	89	3096	3096	120	3216
	Total	4090	100	4190	4190	132	4322

Gross Fixed Assets (GFA) addition during FY 2023-24 and FY 2024-25**RVPN's Submission**

4.9 RVPN has claimed the GFA addition of Rs. 1260.20 Crore and Rs. 1976.52 Crore for FY 2023-24 and FY 2024-25 respectively in its Petition.

Commission's Analysis

4.10 RVPN has claimed the GFA addition of Rs. 1260.20 Crore for FY 2023-24 in its Petition against the approved GFA addition of Rs. 883.58 Crore vide tariff order dt. 08.06.2023. Further, RVPN has submitted the capital expenditure of Rs. 1385.66 Crore for FY 2023-24.

4.11 RVPN has claimed the GFA addition of Rs. 1976.52 Crore for FY 2024-25 in its Petition. The Commission observes that the Government of India has ambitious plan of more than 500 GW of renewable energy capacity by the end of year 2030. Rajasthan is Renewable Energy rich State and penetration level of RE is continuously increasing in the State. A huge energy potential around 140 GW lie in the western part of the Rajasthan. Necessary evacuation system has to be planned for major RE potential zones like Jaisalmer, Barmer and Bikaner in Rajasthan. Evacuation of power from RE Generating Station to load center shall require huge bulk capacity transmission corridor which require huge

Investment and may adversely affect the Intra State Transmission charges.

- 4.12 There should be a unified approach to transmission planning for developing a reliable RE evacuation system. The Electricity transmission planning should be done in coordination with CTU in such a way that Inter State transmission lines in this region may be used for transmission within State.
- 4.13 The Commission further observes that in order to reduce the burden on end consumer, maximum Transmission planning works should be done by CTU or through Government of India grant /sponsorship and State share should be least.
- 4.14 The Commission has analyzed the capitalization trend of RVPN during the preceding 3 years. For FY 2020-21, FY 2021-22 and FY 2022-23 the capitalization was Rs.1298.34 Crore, Rs. 513.42 Crore and Rs. 759.90 Crore respectively. The average capitalization from FY 2020-21 to 2022-23 comes to Rs. 857.22 Crore.
- 4.15 Accordingly, the Commission approves the capitalization of Rs. 900.08 Crore for FY 2023-24 considering the average capitalization from FY 2020-21 to FY 2022-23 and escalating the same at 5%. For the FY 2024-25, the Commission approves the capitalization of Rs. 945.09 Crore considering the capitalization for FY 2023-24 and escalating the same at 5%.

Table 35: Capitalization approved (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25
Capitalization	900.08	945.09

Means of finance of GFA addition for FY 2023-24 and FY 2024-25

RVPN's Submission

- 4.16 The means of finance of GFA addition for FY 2023-24 and FY 2024-25 submitted by RVPN is as show in the table below:

Table 36: Means of finance of GFA addition for FY 2023-24 and FY 2024-25 claimed by RVPN

Particulars	Units	FY 2023-24	FY 2024-25
GFA Addition	Rs. Crore	1260.20	1976.52
Less: Consumer Contribution/ Deposit	Rs. Crore	102.57	60.00

Particulars	Units	FY 2023-24	FY 2024-25
Net GFA addition	Rs. Crore	1157.63	1916.52
Debt	Rs. Crore	957.45	1341.57
Debt	%	-	-
Equity	Rs. Crore	200.18	574.96
Equity	%	-	-

Commission's Analysis

4.17 Regulation 19 of the RERC Tariff Regulations, 2019 specify the normative debt equity ratio of 70:30. It further provides that where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan and in case the actual equity employed is less than 30%, the actual equity shall be considered.

4.18 The Commission has considered the means of finance of approved GFA addition for FY 2023-24 and FY 2024-25 as under:

- The deposit works for the FY 2023-24 & 2024-25 has been considered as per the submission of RVPN.
- Subsidy and Grant for the FY 2023-24 & 2024-25 has been considered as per escalated by 5% from FY 2022-23 and FY 2023-24 respectively.
- The actual equity addition proposed by RVPN for the FY 2023-24 is less than normative equity ratio of 30%, hence, actual equity has been considered for FY 2023-24.
- The actual equity addition proposed by RVPN for the FY 2024-25 is higher than normative equity ratio of 30%, hence, normative equity ratio of 30% has been considered for FY 2024-25.
- The balance GFA addition has been considered to be funded from loan.

4.19 Based on the above, the means of finance of GFA addition for FY 2023-24 & 2024-25 approved by the Commission is as shown in the tables below:

Table 37: Means of finance of GFA addition for FY 2023-24 approved by the Commission

Particulars	Units	Claimed	Approved
GFA Addition	Rs. Crore	1260.20	900.08
Less: Consumer Contribution/ Deposit	Rs. Crore	102.57	102.57

Particulars	Units	Claimed	Approved
Less: Subsidy and Grant on capital assets		-	31.96
Net GFA addition	Rs. Crore	1157.63	765.55
Debt	Rs. Crore	957.45	73.85%
Debt	%	-	565.37
Equity	Rs. Crore	200.18	26.15%
Equity	%	-	200.18

Table 38: Means of finance of GFA addition for FY 2024-25 approved by the Commission

Particulars	Units	Claimed	Approved
GFA Addition	Rs. Crore	1976.52	945.09
Less: Consumer Contribution/ Deposit	Rs. Crore	60.00	60.00
Less: Subsidy and Grant on capital assets	Rs. Crore	-	33.56
Net GFA addition	Rs. Crore	1916.52	851.52
Debt	Rs. Crore	1341.57	596.07
Debt	%	-	70%
Equity	Rs. Crore	574.96	255.46
Equity	%	-	30%

Annual Transmission Charges

4.20 In accordance with RERC Tariff Regulations, 2019, the Aggregate Revenue Requirement of the Transmission Licensee shall comprise of the following:

- a. Operation and Maintenance (O&M) expenses
 - b. Interest and finance charges on long-term loans
 - c. Depreciation
 - d. Interest on Working Capital
 - e. Return on Equity
- Minus
- f. Non-Tariff Income
 - g. Income from other business

4.21 Transmission Licensee is allowed to recover its ARR through Transmission Charges. Each of the ARR elements has been dealt with in the following paragraphs.

O&M expenses

RVPN's Submission

4.22 RVPN has claimed O&M expenses of Rs. 918.81 Crores for FY 2024-25 as shown in the table below:

Table 39: Normative O&M expenses claimed for FY 2024-25

Sl. No.	Particulars	Claimed			
		Network		Norm	O&M Expenses
		Units	Average Value	Rs. Lakh/Unit	Rs. Lakh
A	Lines				
1	765 KV	Ckt Km	425.50	1.22	520.77
2	400 KV	Ckt Km	7,144.89	0.77	5,518.49
3	220 KV	Ckt Km	16,202.27	0.31	5,005.65
4	132 KV	Ckt Km	19,302.28	0.18	3,440.42
	Sub Total	Ckt Km	43,074.94		14,485.33
B	Transformation Capacity	MVA	97,412.25	0.48	46,300.44
C	Bays				
1	765 KV	No.	32.00	71.49	2,287.54
2	400 KV	No.	182.00	47.65	8,672.16
3	220 KV	No.	886.00	6.64	5,885.14
4	132 KV	No.	3156.00	4.52	14,250.57
	Sub Total	No.	4256		31,095.41
	Total (in Lakhs)				91,881.19
	Total (in Cr.)				918.81

Commission's Analysis

4.23 Regulation 64 of the RERC Tariff Regulations, 2019 specifies the norms of O&M expenses for FY 2024-25 on the basis of circuit kilometer of transmission lines, transformation capacity in MVA and number of feeder bays in the substation.

4.24 Regulation 24(3) of the Tariff Regulations, 2019 provides for escalation rate of 3.51% per annum for each year of control period for transmission licensees. The Commission has considered the escalation rate of 3.51% as above for arriving at the O&M expenses. Accordingly, the

Commission has approved the O&M expenses considering the transmission network approved & norms specified in the RERC Tariff Regulations, 2019 as given in the table below:

Table 40: Normative O&M expenses approved for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Claimed				Approved			
		Network		Norm	O&M Expenses	Network		Norm	O&M Expenses
		Units	Average Value	Rs. Lakh/Unit	Rs. Lakh	Units	Average Value	Rs. Lakh/Unit	Rs. Lakh
A	Lines								
1	765 KV	Ckt Km	425.50	1.22	520.77	Ckt Km	425.50	1.22	520.77
2	400 KV	Ckt Km	7,144.89	0.77	5,518.49	Ckt Km	7,144.89	0.77	5,518.49
3	220 KV	Ckt Km	16,202.27	0.31	5,005.65	Ckt Km	16,202.27	0.31	5,005.65
4	132 KV	Ckt Km	19,302.28	0.18	3,440.42	Ckt Km	19,302.28	0.18	3,440.42
	Sub Total	Ckt Km	43,074.94		14,485.33	Ckt Km	43,074.94		14,485.33
B	Transformation Capacity	MVA	97,412.25	0.48	46,300.44	MVA	97,412.25	0.48	46,300.44
C	Bays								
1	765 KV	No.	32.00	71.49	2,287.54	No.	32.00	71.49	2,287.54
2	400 KV	No.	182.00	47.65	8,672.16	No.	182.00	47.65	8,672.16
3	220 KV	No.	886.00	6.64	5,885.14	No.	886.00	6.64	5,885.14
4	132 KV	No.	3156.00	4.52	14,250.57	No.	3156.00	4.52	14,250.57
	Sub Total	No.	4256		31,095.41	No.	4256		31,095.41
	Total (in Lakhs)				91,881.19				91,881.19
	Total (in Cr.)				918.81				918.81

4.25 Accordingly, the Commission deems it fit to allow the normative O&M expenses of Rs. 918.81 Crore for FY 2024-25 as detailed below.

Table 41: Normative O&M expenses approved for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
O&M Expenses	918.81	918.81

Terminal liabilities

RVPN's Submission

4.26 RVPN has claimed the amount of Rs. 1200.00 Crores towards terminal liabilities for the FY 2024-25.

Commission's Analysis

4.27 Regulation 64 of the RERC Tariff Regulations, 2019 specifies as under:

"..... Provided that, terminal liabilities based on actuarial valuation, over and above the normative O&M expenses, subject to prudence check shall be allowed through tariff separately."

4.28 It is observed that the RVPN has paid Regular contribution of Rs. 27.07 Cr. and additional contribution of Rs. 427.50 Cr. during FY 2022-23. Therefore, Rs. 427.50 Cr. has been paid for FY 2022-23 as additional contribution of the year. RVPN has claimed Rs. 1200 Cr. towards terminal liabilities for the FY 2024-25 and submitted that due to implementation of OPS (old pension scheme) the actuarial valuation liability would increase manifold.

4.29 In this regard, Commission has observed that average terminal liability approved during last three years comes to Rs. 434.23 crore and based on RVPN's submission of increased amount towards estimated terminal liabilities for FY 2024-25 due to implementation of OPS, Commission provisionally allows Rs. 800.00 Crore towards terminal liability for the FY 2024-25. Any variation shall be adjusted during the truing up exercise for year.

Table 42: Terminal liabilities for FY 2024-25 (Rs. Crore)

Particulars	Claimed	Approved
Terminal liabilities	1200.00	800.00

Interest on loan and finance charges

RVPN's Submission

4.30 RVPN has claimed the interest and finance charges of Rs. 742.22 Crore for FY 2024-25 considering the interest rate of 9.93%.

Commission's Analysis

4.31 The Commission has several times directed the Petitioner to submit complete loan wise and source wise details of actual loan portfolio. However, RVPN has not complied with the same.

4.32 Regulation 21 (5) provides that:

"The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the regulated business of the Generating Company or Licensee or SLDC as the case may be:

Provided that at the time of truing up, the weighted average rate of interest computed on the basis of actual loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that the weighted average interest rate allowed by the Commission for normative loans shall continue to be applicable to the outstanding normative loans:

Provided also that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the regulated business of the Generating Company or Licensee, as the case may be, does not have actual loan, then the weighted average rate of interest of the Generating Company or Licensee as a whole shall be considered."

4.33 The closing loan balance approved in true up for FY 2022-23 has been considered as the opening loan balance for FY 2023-24. The loan addition for FY 2023-24 has been considered based on the approved means of finance of GFA addition. The allowable net GFA addition for FY 2023-24 which amounts to Rs. 765.55 Crore (excluding deposit work addition of Rs. 102.57 Crore and Grant addition of Rs. 31.96 Crore) has been considered on the pro rata basis in proportion to net GFA addition approved for FY 2022-23 of Rs. 602.20 Crore. Accordingly, the closing loan balance has been computed. The Commission has computed average GFA for FY 2023-24 and applied depreciation percentage as per RERC Tariff Regulations, 2019 for the purpose of depreciation for FY 2023-24. The allowable depreciation for the year has been considered as the normative repayment.

4.34 The closing loan balance approved for FY 2023-24 has been considered as the opening loan balance for FY 2024-25. The loan addition during the year has been considered based on the approved means of finance of GFA addition. The allowable depreciation for the year has been considered as the normative repayment. Accordingly, the interest rate of 9.93% as claimed by the petitioner has been considered for FY 2024-25. The interest on loan approved by the Commission for FY 2024-25 is as shown in the table below:

Table 43: Interest on long term loans for FY 2024-25

Particulars	FY 2023-24	FY 2024-25	
		Claimed	Approved
Opening balance	7167.84	6,788.88	6,770.09
Net Addition	565.37	1,341.57	596.07
Repayment	963.12	1,379.46	1,009.14
Closing balance	6770.09	6,750.98	6,357.02
Average loan	-	6,769.93	6,563.55
Rate of Interest	-	9.93%	9.93%
Gross Interest expenses	-	672.22	651.76
Less: Capitalisation	-	-	-
Net Interest expenses	-	672.22	651.76

4.35 RVPN has claimed the finance charges of Rs. 70.00 Crore for FY 2024-25. The Commission at this stage has considered the finance charges of Rs. 70.00 Crore as claimed by RVPN, which shall be subject to true up based on actuals.

4.36 Based on the above, the interest and finance charges approved for FY 2024-25 is as shown in the table below:

Table 44: Interest and finance charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed for True up	Approved on True up
Net Interest expenses	672.22	651.76
Add: Finance charges	70.00	70.00
Interest and Finance Charges	742.22	721.76

Depreciation

RVPN's Submission

4.37 RVPN has claimed the depreciation of Rs. 1379.46 Crore for FY 2024-25.

Commission's Analysis

4.38 The Commission has considered the closing GFA of Rs. 22174.26 crore approved in true up for FY 2022-23 as the opening GFA for FY 2023-24. The allowable net GFA addition has been arrived to Rs. 765.55 Crore (excluding deposit work addition of Rs. 102.57 Crore and Grant addition of Rs. 31.96 Crore).The closing GFA computed to Rs. 22939.80 crore for FY 23-24.

4.39 Further, the Commission has considered the closing GFA approved for FY 2023-24 as the opening GFA for FY 2024-25. The allowable net GFA addition which amounts to Rs. 851.52 Crore (excluding deposit work addition of Rs. 60 Crore and Grant addition of Rs. 33.56 Crore) has been considered on the pro rata basis in proportion to net GFA addition approved for FY 2022-23 of Rs. 602.20 Crore. Accordingly, as per the true up procedure of FY 2022-23, the Commission has computed approved average GFA for FY 2024-25 and applied depreciation percentage as per RERC Tariff Regulations, 2019 for the purpose of depreciation for FY 2024-25.

4.40 Accordingly, the depreciation approved by the Commission for FY 2024-25 is as shown in the table below:

Table 45: Depreciation for FY 2024-25 (Rs. Crore)

Particulars	Claimed	Approved
Depreciation	1379.46	1009.14

Interest on Working Capital (IoWC)

RVPN's Submission

4.41 RVPN vide instant Petition has claimed the normative IoWC of Rs. 80.62 Crore for FY 2024-25.

Commission's Analysis

4.42 In accordance with Regulation 27(1)(2) of the RERC Tariff Regulations, 2019, the normative working capital requirement shall comprise of (i) O&M expenses for one month, (ii) maintenance spares @ 15% of O&M expenses, (iii) receivables equivalent to one and a half month of transmission charges calculated on target availability, less amount held

has security deposit from users except security deposits held in the form of Bank Guarantees. Regulation 27(2) of the RERC Tariff Regulations, 2019 specifies that the rate of interest on working capital to be computed shall be on normative basis and shall be 300 basis points higher from SBI Base Rate prevalent during first six months of the year previous to the relevant year.

4.43 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2019. The normative rate of interest on working capital has been considered as per the admissible rates during the previous year. The same works out to be 11.52 % p.a.

4.44 The normative loWC approved by the Commission is as shown in the table below:

Table 46: loWC for FY 2024-25 (Rs. Crore)

Particulars	Norm	2024-25	
		Claimed	Approved
O&M expenses (month)	1	76.57	76.57
Maintenance spares	15%	137.82	137.82
Receivables (month)	1.5	495.37	447.95
Less: Amount held as security deposits from Users	-	9.94	9.94
Total working capital	-	699.82	652.40
Rate of interest on working capital	-	11.52%	11.52%
Interest on working capital	-	80.62	75.15

4.45 The significant variation in normative working capital requirement claimed by RVPN and that approved by the Commission is mainly on account of variation in receivables claimed by RVPN in its petition and that approved by the Commission.

Return on Equity (RoE)

RVPN's Submission

4.46 RVPN has claimed the RoE as nil for FY 2024-25.

Commission's Analysis

4.47 The closing equity balance approved in true up for FY 2022-23 has been considered as the opening equity balance for FY 2023-24. The equity addition during the year has been considered based on the

approved means of finance of GFA addition. The closing equity balance approved for FY 2023-24 has been considered as the opening equity balance for FY 2024-25. The equity addition during the year has been considered based on the approved means of finance of GFA addition.

4.48 RVPN has not claimed RoE for the FY 2024-25, therefore, the Commission has not approved RoE for the FY 2024-25.

Table 47: RoE for FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	
		Claimed	Approved
Opening Equity	4436.05	4,640.17	4,636.23
Net addition during the year	200.18	574.96	255.46
Closing Equity	4636.23	5,215.13	4,891.69
Average Equity	-	-	4,763.96
Rate of Return on Equity	-	0.00%	0.00%
Return on Equity	-	0.00	0.00

Insurance charges

RVPN's Submission

4.49 RVPN has claimed the insurance charges of Rs. 0.33 Crore for FY 2024-25.

Commission's Analysis

4.50 It is observed that the documents submitted for insurance charges claimed for FY 2022-23 relates to insurance charges incurred for vehicle insurance which is not allowable. Therefore, the Commission has disallowed the Insurance expenses of Rs. 0.33 Crore as claimed by the petitioner for the FY 2024-25.

Table 48: Insurance charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Insurance charges	0.33	-

Unitary charges

RVPN's Submission

4.51 RVPN has claimed the unitary charges of Rs. 60.20 Crore for FY 2024-25.

Commission's Analysis

4.52 The Commission at this stage is provisionally approving the unitary charges of Rs. 60.20 Crore claimed by RVPN for the FY 2024-25. The same shall be true-up when audited figures are available.

Table 49: Unitary charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Unitary charges	60.20	60.20

Other charges

RVPN's Submission

4.53 RVPN has claimed the other charges of Rs. 3.54 Crore for FY 2024-25.

Commission's Analysis

4.54 Other charges of Rs. 3.54 Crores claimed by RVPN on account of VAR charges is in the nature of O&M expenditure. Since, the O&M expenses for the FY 2024-25 has already been allowed on normative basis, the Commission has not allowed the Other charges of Rs. 3.54 Crores separately. The RVPN may claim the same as part of O&M expenditure at the time of True-up for the year.

Lease Charges

RVPN's Submission

4.55 RVPN has claimed the lease charges of Rs. 16.04 Crore for FY 2024-25.

Commission's Analysis

4.56 Regulation 23 of Tariff Regulations, 2019 provide as follows:

"Lease charges for assets taken on lease by a Generating Company or a transmission or Distribution Licensee or SLDC shall be considered as per lease agreement, provided they are considered reasonable by the Commission."

4.57 RVPN has escalated the actual lease charges of Rs. 14.54 Crores for the FY 2022-23 by 5% year over year to arrive at the lease charges of Rs. 16.04 Crores claimed for the FY 2024-25. The Commission at this stage

has considered the Lease charges of Rs. 16.04 Crore as claimed by RVPN, which shall be subject to true-up based on actuals. RVPN is directed to submit the breakup of lease charges and relevant extracts of the respective lease agreements along with the petition.

Table 50: Lease Charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Lease Charges	16.04	16.04

Non-Tariff Income (NTI)

RVPN's Submission

4.58 RVPN has claimed NTI of Rs. 12.02 Crore for FY 2024-25

Commission's Analysis

4.59 The Commission at this stage has considered the NTI claimed by RVPN for the FY 2024-25 which shall be subject to true-up based on actuals. RVPN is directed to submit the breakup of NTI along with the True-up petition for the year.

Table 51: NTI for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Non-Tariff Income	12.02	12.02

Revenue from short-term open access

RVPN's Submission

4.60 RVPN has claimed the revenue from short-term open access of Rs. 49.97 Crore for FY 2024-25.

Commission's Analysis

4.61 The actual Revenue from Short Term Open Access approved for the FY 2022-23 is Rs. 4.98 Crores. Accordingly, the Commission deems it to provisionally allow the same with rate of escalation of 5% year over year for arriving Revenue from Short Term Open Access for the FY 2024-25 which shall be subject to true-up based on actuals.

Table 52: Revenue from short-term open access for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Revenue from short-term open access	49.97	5.49

Revenue from Inter State Transmission (ISTS) Lines**RVPN's Submission**

4.62 RVPN has claimed the revenue from ISTS lines of Rs. 6.47 Crore.

Commission's Analysis

4.63 RVPN has claimed Rs. 6.47 Crores on account of Interstate Line User Charges as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Interstate Line User Charges should be part of revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has accordingly, not approved this revenue in Aggregate Revenue Requirement (ARR).

Table 53: Revenue from ISTS lines for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Revenue from ISTS lines	6.47	-

4.64 Based on the above analysis, the Annual Transmission Charges claimed by RVPN and approved by the Commission is as shown in table below:

Table 54: Annual Transmission Charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
O&M expenses	918.81	918.81
Additional contribution to pension and gratuity fund	1,200.00	800.00
Interest and finance charges on long-term loans	742.22	721.76
Depreciation	1,379.46	1009.14
Interest on working capital	80.62	75.15
Return on Equity	-	-
Insurance charges	0.33	-
Unitary charges	60.20	60.20
Other charges	3.54	-
Lease Charges	16.04	16.04

Particulars	FY 2024-25	
	Claimed	Approved
Less: Non-Tariff Income	12.02	12.02
Aggregate Revenue Requirement	4389.21	3589.09
Less: Revenue from Short Term Open Access	49.97	5.49
Less: Revenue from Inter State Transmission Lines	6.47	-
Add: Revenue (Gap)/Surplus for FY 2022-23	(369.83)	-
Annual Transmission Charges	3,962.93	3583.60

Transmission Tariff

RVPN's Submission

4.65 The Transmission Tariff proposed by RVPN is as shown in the table below:

Table 55: Transmission Tariff claimed for FY 2024-25

Sl. No.	Particulars	Units	Claimed for the FY 2024-25
1	Annual Transmission Charges	Rs. Crore	3,962.93
2	Transmission Capacity for DISCOMs	MW	18,959.00
3	Transmission Capacity for Long Term Open Access	MW	818.99
4	Total Transmission Capacity	MW	19,777.99
5	Transmission Tariff for DISCOMs and Long Term Open Access	Rs./kW/month	166.98
6	Transmission Tariff for Medium Term Open Access	Rs./kW/month	166.98
7	Transmission Tariff for Short Term Open Access	Rs./kW/day	5.49
8	Transmission Charges to be recovered from DISCOMs	Rs. Crore	3,798.83
9	Transmission Charges to be recovered from Long Term Open Access	Rs. Crore	164.10
10	Energy requirement of DISCOMs	MU	112,769.68
11	Energy requirement of Long Term, Medium Term and Short Term Open Access	MU	808.04
12	Total Energy requirement	MU	113,577.72
13	Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power	Paise/kWh	34.89

Sl. No.	Particulars	Units	Claimed for the FY 2024-25
	exchange transactions		

4.66 The Government of Rajasthan vide notification dated 04.09.2023 has made allocation of power from different generators of State/Central/Private Sectors along with any allocation from the un-allocated quota as determined by the Government of India for Rajasthan shares in interstate projects, and purchase of power from bilateral/energy exchange, wind generators and biomass etc. in the ratio of 37.39:28.80:33.81 for JVVNL: AVVNL: JDVVNL.

4.67 The Commission has been specifying transmission charges for DISCOMs in terms of Rs./kW/Month based on contracted capacity. Further as per Commission's orders for any variation in the contracted capacity, the transmission charges were to be levied on the actual contracted capacity put to use by concerned DISCOM. Such stipulation in ARR Orders by the Commission results into under recovery or over recovery due to variation in capacity contracted of Approved ARR for such year by the Commission. Regulation 65 of the RERC Tariff Regulation, 2019 provides recovery of Transmission Charges based on Network Usage Charges – fixed charges based on capacity contracted or agreed. Stipulation of provision for recovery of transmission charges based on the contracted capacity actually put to use by concerned DISCOM for such year is resulting into under/over recovery from ARR approved in the tariff order. The Petitioner has proposed the Transmission Charges from DISCOMs based on fixed monthly charges as provided in Regulation 66(1) worked out on the basis of % allocation for each DISCOM. The Petitioner has proposed the recovery of transmission charges from open access consumers based on the actual capacity in Rs./kW/month or Paisa/kWh as the case may be subject to truing-up based on audited accounts.

4.68 Based on the above, the monthly transmission charges proposed by RVPN is as shown in the Table below:

Table 56: Monthly Transmission Charges Proposed for FY 2024-25

Recovery of Transmission Charges	% Allocation	MW Allocation	Annual Transmission Charges(Rs. Crore)	Monthly Transmission Charges (Rs. Crore)
JVVNL	37.39%	7088.77	1420.38	118.37

Recovery of Transmission Charges	% Allocation	MW Allocation	Annual Transmission Charges(Rs. Crore)	Monthly Transmission Charges (Rs. Crore)
AVVNL	28.80%	5460.19	1094.06	91.17
JDVVNL	33.81%	6410.04	1284.38	107.03
Total Transmission Charges for DISCOMs	100%	18959	3798.83	316.57
Recovery from Open Access Consumers		818.99	164.10	13.68
Annual Transmission Charges		19777.99	3962.93	330.24

Commission's Analysis

4.69 RVPN in its Petition projected Peak demand of 19777.99 MW for FY 2024-25. Further, RVPN vide data gap reply dated 03.05.2024 has submitted actual Peak demand 18128 MW. The Commission for the purpose of calculation of tariff has considered the Peak demand of 19034.40 MW (escalated by 5% of actual peak demand of 18128 MW) as total contracted capacity.

4.70 RVPN in its Petition projected Energy transmission of Discoms as 112769.68 MUs for FY 2024-25. The Commission has considered Energy transmission of Discoms as 112769.68 MUs as claimed by the Petitioner during approval of ARR for FY 2024-25.

4.71 Regulation 65 and Regulation 66 of the RERC Tariff Regulations, 2019 specifies the transmission pricing mechanism. In accordance with the same and the approach adopted by the Commission in the earlier tariff orders, the Transmission Tariff approved by the Commission for FY 2024-25 is as shown in the table below:

Table 57: Transmission Tariff approved for FY 2024-25

Sl. No.	Particulars	Units	Approved For the FY 2024-25
1	Annual Transmission Charges	Rs. Crore	3583.60
2	Transmission Capacity for DISCOMs	MW	18,347.14
3	Transmission Capacity for Long Term and Medium Term Open Access	MW	687.26
4	Total Transmission Capacity	MW	19,034.40
5	Transmission Tariff for DISCOMs, Medium Term and Long Term Open Access	Rs./kW/month	156.89

Sl. No.	Particulars	Units	Approved For the FY 2024-25
6	Transmission Tariff for Short Term Open Access	Rs./kW/day	5.16
7	Transmission Charges to be recovered from DISCOMs	Rs. Crore	3,454.21
8	Transmission Charges to be recovered from Medium Term and Long Term Open Access	Rs. Crore	129.39
9	Energy requirement of DISCOMs	MU	112,769.68
10	Energy requirement of Long Term, Medium Term and Short Term Open Access	MU	808.04
11	Total Energy requirement	MU	113,577.72
12	Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power exchange transactions	Paise/kWh	31.55

4.72 The Tariff determined vide this Order shall be effective from 01.04.2024 to 31.03.2025, thereafter it shall remain applicable provisionally till next order of the Commission. However, in the case of short-term open access transactions, the tariff shall be applicable w.e.f. 01.08.2024 till next order of the Commission and there shall be no retrospective adjustment of transmission tariff.

4.73 The transmission charges as determined under this order for DISCOMs would be shared amongst them in proportion to their contracted/allotted capacity for the FY 2024-25.

Transmission Loss

RVPN's Submission

4.74 RVPN has claimed the transmission loss of 4.50% for FY 2024-25 in its Petition.

Commission's Analysis

4.75 In reply to the Commission's query, RVPN has submitted that as per the decision of Govt. of Rajasthan for proper utilization of solar power the supply to the agriculture consumers is being arranged in two blocks in daytime in number of districts instead of three blocks supply (as being done in preceding years) which is resulting in increase of loading of

transmission lines, transformer during day time. RVPN has submitted that the transmission loss upto Dec., 23 is 3.84% and for the month of Dec., 23 is 4.24%. During finalization of State energy accounts after completion of the year, due to revision in draws to Discom's figure, availability figures during the year due to revisions by NRPC, the transmission losses figures tend to increase. Further RVPN vide data gap reply dated 03.05.2024 has submitted that the transmission losses upto March, 24 was 3.97%(provisional).

- 4.76 In view of the above, the Commission has considered it appropriate to approve the transmission losses of 4.50% for FY 2024-25. However, Commission directs RVPN to investigate into the reasons for such huge losses and take suitable action for reduction in losses.
- 4.77 The Commission observes that Intra State Transmission Infrastructure is equipped with various technologies to meet the future requirements. However, there is opportunity to integrate latest technologies in the intra state transmission system. Latest techniques requires for modernization of existing transmission infrastructure to cope with growing penetration of renewable capacity as part of energy transition and meeting demand with reliability and security, as well as making it smart & future ready. RVPN is directed to study the Global best practices and adopt these technologies as per the requirement of the State.
- 4.78 The transmission loss of 4.50% approved for FY 2024-25 may be borne in kind by the transmission system users.
- 4.79 Copy of this order may be sent to the Petitioner, Respondents, Objectors, CEA and Government of Rajasthan.

(Dr. Rajesh Sharma)
Member

(Hemant Kumar Jain)
Member

(Dr. B.N. Sharma)
Chairman