ASSAM ELECTRICITY REGULATORY COMMISSION

(AERC)

TARIFF ORDER

March 25, 2025

True-Up for FY 2023-24, APR for FY 2024-25, ARR for the Control Period from FY 2025-26 to FY 2029-30 and Tariff for FY 2025-26

for

Assam Electricity Grid Corporation Limited (AEGCL)

Petition No. 23/2024

Table of Contents

List of Abbreviations

A&G	Administrative and General
ABITA	Assam Branch of Indian Tea Association
ADB	Asian Development Bank
AEGCL	Assam Electricity Grid Corporation Limited
AERC	Assam Electricity Regulatory Commission
APDCL	Assam Power Distribution Company Limited
APGCL	Assam Power Generation Corporation Limited
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AS	Accounting Standards
ASEB	Assam State Electricity Board
BST	Bulk Supply Tariff
CAG/C&AG	Comptroller and Auditor General
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPC	Central Pay Commission
CPI	Consumer Price Index
CSGS	Central Sector Generating Stations
CTU	Central Transmission Utility
CWIP	Capital Work-In-Progress
DA	Dearness Allowance
DISCOM	Distribution Company
EAP	Externally Aided Projects
FINER	Federation of Industry & Commerce of North Eastern Region
GFA	Gross Fixed Assets
GoA	Government of Assam
GPF	General Provident Fund
H1	First Half of the year
H2	Second Half of the year
IWC/IoWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt hour
MU	Million Units

MW	Mega Watt
MYT	Multi Year Tariff
NERLDC	North Eastern Region Load Despatch Centre
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
R&M	Repairs and Maintenance
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
SAC	State Advisory Committee
SBI	State Bank of India
SLDC	State Load Despatch Centre
SLM	Straight Line Method
STOA	Short Term Open Access
STU	State Transmission Utility
TSC	Transmission Service Charges
TVS	Technical Validation Session
WPI	Wholesale Price Index

ASSAM ELECTRICITY REGULATORY COMMISSION

Guwahati

Present

Shri K. S. Krishna, Chairperson

Shri A. Bhattacharyya, Member

Petition No. 23/2024

Assam Electricity Grid Corporation Limited (AEGCL) - **Petitioner**

ORDER

(Passed on March 25, 2025)

(1) AEGCL filed the Petition for approval of Truing up for FY 2023-24 and Annual Performance Review (APR) for FY 2024-25 as per MYT Regulations, 2021, Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30, Capital Investment Plan for the Control Period from FY 2025-26 to FY 2029-30, and determination of Tariff for FY 2025-26 as per MYT Regulations, 2024 on December 14, 2024 after grant of extension by the Commission vide Order against the condonation of delay Petition No.17/2024. The same was registered as Petition No. 23/2024.

(2) The Commission held an Admissibility Hearing on December 20, 2024, and admitted the Petition (Petition No. 23/2024) vide Order dated December 20, 2024 with direction to furnish the additional data and clarifications, as sought vide letter dated January 17, 2025.

(3) On admission of the Petition (Petition No. 23/2024), in accordance with Section 64 of the Electricity Act, 2003 (EA 2003), the Commission directed AEGCL to publish a summary of the ARR and Tariff filing in local dailies to facilitate due public participation.

(4) A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL, and offices of the Deputy General Manager of each circle of AEGCL. A copy of the Petition was also made available on the websites of the Commission and AEGCL.

(5) Accordingly, a Public Notice was issued by the AEGCL inviting objections/suggestions from respondents to be submitted on or before January 22, 2025. The notice was published in five (5) leading newspapers of the State on December 27, 2024 and December 29, 2024, as shown in the table below:

Date	**Name of Newspaper**	**Language**
December 27, 2024 and December 29, 2024.	The Assam Tribune	English
	Thekar	Karbi
	Dainik Agradoot	Assamese
	Purbanchal Prahari	Hindi
	Bodosa	Bodo

(6) In response to the Commission's letter dated January 17, 2025, AEGCL submitted their replies on January 30, 2025.

(7) A Technical Validation Session (TVS) was also held on February 10, 2025 at the conference room of the Commission.

(8) The Petitions were also discussed in the 35th Meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the EA 2003) held on February 27, 2025 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

(9) The Commission received suggestions/objections from three (3) stakeholders on the Petition filed by AEGCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A notice was also published in Newspapers inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on March 12, 2025 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions. The details are discussed in the relevant Chapters attached to this Order.

(10) The Commission, now in exercise of its powers and functions vested under Sections 61, 62, 86 and 181 of the EA 2003 and all other powers enabling it in this behalf and taking into consideration the submissions made by the Petitioner, objections and suggestions received from stakeholders and all other relevant materials on record, has approved the Truing up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30 and determined the Tariff for FY 2025-26 as detailed in Chapters attached to this Order.

(11) The Commission directs AEGCL to publish a Public Notice intimating the revised Transmission Tariff before the implementation of this Order, in English and Vernacular newspapers and on the website of AEGCL.

(12) The approved Transmission Tariff shall be effective from April 1, 2025 and shall continue until replaced by any subsequent Order of the Commission.

Accordingly, the Petition No. 23/2024 stand disposed of.

Sd/-	**Sd/-**
(A Bhattacharyya)	**(K. S. Krishna)**
Member, AERC	**Chairperson, AERC**

1 INTRODUCTION

1.1 Constitution of the Commission

1.1.1 The Assam Electricity Regulatory Commission (hereinafter referred to as the AERC or the Commission) was established under the Electricity Regulatory Commissions Act, 1998 (14 of 1998) on February 28, 2001. The first proviso of Section 82(1) of the Electricity Act, 2003 (hereinafter referred as the Act or the EA 2003) has ensured continuity of the Commission under the EA 2003.

1.1.2 The Commission is mandated to exercise the powers and functions conferred under Section 181 of the EA 2003 (36 of 2003) and to exercise the functions conferred on it under Section 61, 62 and 86 of the Act from June 10, 2003.

1.2 Tariff related Functions of the Commission

1.2.1 Under Section 86 of the Act, the Commission has the following tariff related functions:

a) To determine the tariff for electricity, wholesale, bulk or retail, as the case may be;
b) To regulate power purchase and procurement process of the distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
c) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.2.2 Under Section 61 of the Act in the determination of tariffs, the Commission is to be guided by the following:

a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
b) That the electricity generation, transmission, distribution and supply are conducted on commercial principles;
c) That factors which would encourage efficiency, economical use of the resources, good performance, optimum investments, and other matters which the State commission considers appropriate for the purpose of this Act;

d) The interests of the consumers are safeguarded and at the same time, the consumers pay for the use of electricity in a reasonable manner based on their customer category cost of supply;
e) That the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency and also gradually reduces cross subsidies;
f) The National Power Plans formulated by the Central Government including the National Electricity Policy and Tariff Policy.

1.3 Background

1.3.1 AEGCL is the successor corporate entity of erstwhile Assam State Electricity Board (ASEB) formed pursuant to the notification of the Government of Assam (GoA), notified under sub-sections (1), (2), (5), (6) and (7) of Section 131 and Section 133 of the EA 2003 (Central Act 36 of 2003), for the purpose of transfer and vesting of functions, properties, interests, rights, obligations and liabilities, along with the transfer of personnel of the ASEB to successor entries.

1.3.2 AEGCL owns and operates the transmission system previously owned by ASEB. AEGCL has started functioning as a separate entity from December 10, 2004.

1.4 Multi Year Tariff Regulations, 2021

1.4.1 The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021 (herein after referred as “MYT Regulations, 2021”) on September 18, 2021. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of three financial years from April 1, 2022 onwards up to March 31, 2025. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

1.5 Multi Year Tariff Regulations, 2024

1.5.1 The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2024 (herein after referred as "MYT Regulations, 2024") on November 05, 2024. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of five financial years from April 1, 2025 onwards up to March 31, 2030. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

1.5.2 Regulation 4.2 of the MYT Regulations, 2024, specifies the MYT framework, as reproduced below:

"4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Companies, Transmission Licensee, SLDC, Distribution Wheeling Business and Retail Supply Business:

(i) Submission of a Multi-Year Tariff Petition by the Applicant at the beginning of the control period, comprising forecast of Aggregate Revenue Requirement for the entire Control Period and expected revenue from existing tariff and Charges, expected revenue gap or surplus, for each year of the Control Period, and proposed tariff and charges for ensuing year, i.e. first year of the Control Period:

Provided that the Distribution Licensees shall propose the category-wise tariff for the first year of the Control Period:

Provided also that Multi-Year Tariff Petition shall also include truing up for FY 2023-24 and the Annual Performance Review for FY 2024-25 to be carried out under Assam Electricity Regulatory Commission (Terms & Conditions of Multi-Year Tariff) Regulations, 2021;

(ii) A detailed Capital Investment Plan for each year of the Control Period, shall be submitted by the applicant for the Commission's approval;

(iii) The applicant shall submit operating norms and trajectories of performance parameters for each year of the Control Period, for the Commission's approval;

(iv) The applicant shall submit the forecast of Aggregate Revenue Requirement

and expected revenue from existing tariff for each year of the Control Period, and the Commission shall approve the tariff for Generating Companies, SLDC, Transmission Licensee, Distribution Wheeling Business and Retail Supply Business, for each year of the Control Period. The tariff shall be reviewed at the time of the true-up and annual performance review;

(v) *In its tariff petition, a generating company shall submit information to support the determination of tariff for each generating station;*

(vi) *Annual Performance review vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors beyond the control of the applicant (uncontrollable items) shall be undertaken by the Commission;*

(vii) *True up of the past years based on audited annual accounts of the licensees and the Generation companies shall also be undertaken;*

(viii) *The applicant shall, along with the tariff petition, submit a statement on the status of compliance of directives, if any, issued by the Commission in its previous tariff order;*

(ix) *The mechanism for pass-through of approved gains or losses on account of uncontrollable items as specified by the Commission in these Regulations;*

(x) *The mechanism for sharing of approved gains or losses arising out of controllable items as specified by the Commission in these Regulations;*

(xi) *There shall be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. The variations in the controllable items, as defined in regulation 10, over and above the norms specified will be governed by incentive and penalty framework specified in these regulations;*

(xii) *The tariff determined by the Commission and the directions given in the MYT order shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the time period specified in the order, be subject to the compliance of the directions by the generating company and the licensees to the satisfaction of the Commission. Non-compliance of directions given in the tariff order may also lead to invocation of the provisions of section 142 of the*

Act.

(xiii) *The tariff determined by the Commission shall continue to operate till it is modified or revised by the Commission."*

1.6 Procedural History

1.6.1 As per Regulation 4.2 of the MYT Regulations, 2024, AEGCL is required to file an application for approval of Truing up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and determination of Tariff for FY 2025-26, not less than 120 days before the close of the current financial year.

1.6.2 AEGCL filed its Petition for approval of Truing up for FY 2023-24 and APR for FY 2024-25 as per MYT Regulations 2021, ARR for FY 2025-26 to FY 2029-30, and determination of Tariff for FY 2025-26 as per MYT Regulations, 2024 on December 14, 2024. The same was registered as Petition No. 23/2024.

1.6.3 The Commission held an Admissibility Hearing on December 20, 2024, and admitted the Petition (Petition No. 23/2024) with direction to furnish the additional data and clarifications, as sought vide letter dated January 17, 2025.

1.6.4 On admission of the Petitions in accordance with Section 64 of the EA 2003, the Commission directed AEGCL to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.

1.6.5 A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL, and offices of the Deputy General Manager of each circle of AEGCL. A copy of the Petition was also made available on the websites of the Commission and AEGCL.

1.6.6 Accordingly, a Public Notice was issued by AEGCL inviting objections/suggestions from respondents to be submitted on or before January 22, 2025. The notice was published in five (5) leading newspapers of the State on December 27, 2024 and December 29, 2024.

Date	Name of Newspaper	Language
December 27, 2024 and December 29,	The Assam Tribune	English
	Thekar	Karbi
	Dainik Agradoot	Assamese
	Purbanchal Prahari	Hindi

Date	Name of Newspaper	Language
2024.	Bodosa	Bengali

1.6.7 In response to the Commission's letter dated January 17, 2025, AEGCL submitted its replies on January 30, 2025.

1.6.8 The Commission received suggestions/objections from three (3) stakeholders on the Petition filed by AEGCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A newspaper notice was also published inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on March 12, 2025 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions.

1.6.9 All the written representations submitted to the Commission and oral submissions made before the Commission in the Hearing and the responses of AEGCL have been carefully considered while issuing this Tariff Order. The major issues raised by different consumers and consumer groups along with the response of AEGCL, and views of the Commission are elaborated in Chapter 3 of this Order.

1.7 State Advisory Committee Meeting

1.7.1 A meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Act) was convened on February 27, 2025 at Bidyut Niyamak Bhawan, Six Mile, Guwahati, and members were briefed on the MYT Petition of AEGCL. The Minutes of the SAC Meeting are appended to this Order as **Annexure 1**.

2 Summary of AEGCL's Petition

2.1 Background

2.1.1 AEGCL submitted the Petition on November 14, 2024 seeking approval of True up for FY 2023-24, APR for FY 2024-25, ARR for the Control Period from FY 2025-26 to FY 2029-30 and determination of Transmission Charges for FY 2025-26. The Transmission Charges are to be recovered from the Assam Power Distribution Company Limited (APDCL), IPPs and other generators, traders and others who utilize the transmission system.

2.2 True-up for FY 2023-24

2.2.1 AEGCL submitted the True-up for FY 2023-24 based on the audited accounts. The summary of ARR and Revenue Gap/(Surplus) claimed by AEGCL for FY 2023-24 is shown in the following Table:

Table 1: True-up for FY 2023-24 as submitted by AEGCL (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
1	O&M Expenses	239.07	233.41
a	Employee Cost	196.94	195.41
b	R&M Expenses	30.60	26.49
c	A&G Expenses	11.53	11.51
2	Depreciation	117.69	160.40
3	Interest & Finance Charges	9.97	6.68
4	Interest on Working Capital	17.72	19.43
5	BST for Pension Trust Fund	230.34	236.56
6	Return on Equity	111.65	127.94
7	Other debits	-	0.22
8	Contribution to Contingency Reserve	2.89	3.02
9	Less: Non-Tariff Income/ Other Income	58.45	106.68
10	**Aggregate Revenue Requirement**	**670.87**	**681.00**
11	Add: Incentive on higher transmission availability	-	6.68
12	Add: Sharing of (Gains)/Loss	-	(2.80)

Sl. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
13	**ARR after Sharing (Gains)/Losses and Incentive**	**670.87**	**684.88**
14	Less: Revenue from STOA/MTOA Charges	12.00	2.71
15	**Net Aggregate Revenue Requirement**	**658.87**	**682.17**
16	**Revenue Gap /(Surplus) for FY 2023-24**	**-**	**23.30**

2.3 Annual Performance Review of FY 2024-25

2.3.1 AEGCL submitted the APR of FY 2024-25 based on the actual expenses incurred in the first half of FY 2024-25, as shown in the Table below:

Table 2: Annual Performance Review for FY 2024-25 as submitted by AEGCL (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt 27.06.2024	FY 2024-25 H1	FY 2024-25 H2	AEGCL Estimation
1	O&M Expenses	252.55	126.32	126.32	252.64
a	Employee Cost	207.87	104.07	104.07	208.13
b	R&M Expenses	32.33	16.08	16.08	32.17
c	A&G Expenses	12.35	6.17	6.17	12.34
2	Depreciation	98.37	64.95	64.95	129.90
3	Interest & Finance Charges	0.40	0.01	0.01	0.01
4	Interest on Working Capital	20.21	10.11	10.11	20.22
5	BST for Pension Trust Fund	260.69	130.57	130.57	261.13
6	Return on Equity	125.96	57.39	57.39	114.79
7	Other debits	-	0.40	-	0.40
8	Contribution towards Contingency Reserve	-	1.63	1.63	3.25
9	Less: Non-Tariff Income/Other Income	85.33	38.07	73.09	110.70
10	**Aggregate Revenue Requirement**	**672.85**	**353.31**	**317.88**	**671.64**

Sl. No.	Particulars	Approved in T.O. dt 27.06.2024	FY 2024-25 H1	FY 2024-25 H2	AEGCL Estimation
11	Less: Revenue from STOA/MTOA Charges	4.58	0.36	2.00	2.36
12	**Net ARR**	**668.27**	**352.95**	**315.88**	**669.29**
13	**Revenue Gap for FY 2024-25**				**1.01**

2.4 Multi Year Tariff Determination for FY 2025-26 to FY 2029-30

2.4.1 AEGCL has projected the ARR for each year of the Control Period from FY 2025-26 to FY 2029-30, as detailed in the Table below:

Table 3: ARR for FY 2025-26 to FY 2029-30 as submitted by AEGCL

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	O&M Expenses	291.43	308.22	334.64	356.20	370.66
A	Employee Cost	221.68	236.12	251.49	267.86	285.30
B	R&M Expenses	56.51	57.91	67.94	72.02	67.86
C	A&G Expenses	13.24	14.19	15.22	16.32	17.49
2	Depreciation	132.66	195.43	141.77	174.60	209.65
3	Interest & Finance Charges	0.01	0.01	0.01	0.01	10.37$
4	Interest on Working Capital	18.72	20.72	21.38	23.15	24.84
5	BST for Pension Trust Fund	273.84	294.27	315.59	338.34	362.99
6	Return on Equity	115.19	115.19	115.19	115.19	115.19
7	Contribution to Contingency Reserve	3.53	5.12	5.80	6.00	7.32
8	Less: Non-Tariff Income/ Other Income	113.17	113.17	113.17	113.17	113.17
9	**ARR**	**722.28**	**825.79**	**821.22**	**900.31**	**987.86**
10	Less: Revenue from STOA/MTOA Charges	2.36	2.36	2.36	2.36	2.36
11	**Net ARR**	**719.86**	**823.44**	**818.86**	**897.95**	**985.51**

Note: $ *In Table 3 of the Petition, the amount is mentioned s Rs. 8.40 Crore; however, the actual amount claimed by AEGCL is Rs. 10.37 Crore as shown in Table 66 of the Petition*

2.5 Prayers of AEGCL

2.5.1 AEGCL, in its Petition, has prayed as under:

1. *"The present petition provides, AEGCL's approach for formulating the proposed tariff for ensuing year, the broad basis for projections used, summary of the proposals being made to the Hon'ble Commission.*
2. *In order to align the thoughts and principles behind the Tariff Proposal and the ARR, AEGCL respectfully seeks an opportunity to present their case prior to the finalization of the Tariff Order. AEGCL believes that such an approach would go a long way towards providing a fair opportunity to all the stakeholders including AEGCL and may eliminate the need for a review or clarification.*
3. *AEGCL may also be permitted to propose suitable changes to the ARR and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.*
4. *In view of the above, the Petitioner respectfully prays that Hon'ble Commission may:*
    - *Accept the Annual Revenue Requirements and Tariff proposal for Transmission Business respectively in accordance with:*
    - *The guidelines outlined in previous AERC Orders passed in various matters relating to AEGCL; and*
    - *To admit the True-up for FY 2023-24, APR for FY 2024-25 and ARR and MYT for FY 2025-26 to FY 2029-30 as per the provisions of the AERC (MYT) Regulations 2021 and AERC (MYT) Regulations 2024 and consider present Petition for further proceedings before the Hon'ble Commission;*
    - *To approve the total recovery of Aggregate Revenue Requirement and revenue gap for FY 2023-24 along with other claims as proposed by AEGCL;…"*

3 Brief Summary of Objections Raised, Response of the AEGCL and Commission's Comments

3.1.1 The Commission has received suggestions/objections from three (3) stakeholders on the Petition filed by AEGCL, from the following objectors:

Sl. No.	Name of objector
1	Federation of Industries and Commerce of North Eastern Region (FINER)
2.	Assam Branch of Indian Tea Association (ABITA)
3.	Consumer Advocacy Cell (CAC)

3.1.2 AEGCL submitted its responses to the objections/suggestions received from the above objectors.

3.1.3 The Commission has considered the objections/suggestions received and notified the objectors to take part in the Hearing process by presenting their views in person before the Commission, if they so desired.

3.1.4 The Commission held the Hearing at the Court room of AERC, Guwahati on March 12, 2025.

3.1.5 The objectors attended the Hearing and submitted their views/suggestions. All the written representations submitted to the Commission and the oral submission made before the Commission in the Hearing and the responses of APDCL have been carefully considered while issuing this Tariff Order.

3.1.6 The objections/suggestions made by the objectors and responses of the Petitioner are briefly dealt with in this Chapter. The major issues raised by the objectors are discussed below along with the response of the Petitioner (AEGCL) and views of the Commission.

3.1.7 While all the objections /suggestions have been given due consideration by the Commission, only major responses/objections received on the Petitions and also those raised during the course of Hearing have been grouped and addressed issue-wise, in order to avoid repetition.

Issue 1: Operation and Maintenance (O&M) Expenses

Objections:

FINER and CAC submitted that while truing up O&M expenses in previous years, the Petitioner has been allowed expenses higher than the actual (audited) expenses. For FY 2023-24, the Petitioner has claimed O&M expenses exceeding actual expenses of Rs. 233.41 Crore. Given that normative expenses are higher than actuals, it is submitted that norms specified by the Commission are too high. The Respondent requested the Commission to consider O&M expenses at the lower of actuals or normative, in line with the Electricity Act, 2003 and Tariff Policy 2016, especially considering the rising power purchase costs.

The Petitioner has also claimed Rs. 3 Crore for "Provision for Colony Maintenance of AEGCL" and Rs. 0.21 Crore for "Additional amount for Cyber Security." While these proposals were appreciated previously, the MYT Regulations, 2021 do not allow such provisions. These expenses should be included in the O&M Expenses as per the Regulations. Therefore, the Respondent submitted that these claims should be disallowed.

ABITA submitted that the Petitioner has claimed O&M expenses of Rs. 233.41 Crore based on the methodology specified in the MYT Regulations, 2021. ABITA has reviewed the calculations and actual expenses as per the audited accounts and considered the lower of the actual or normative expenses as per the MYT Regulations, 2021.

FINER and ABITA raised concerns about AEGCL's projected O&M expenses for FY 2024-25. FINER requested the Commission to approve O&M expenses by escalating the lower of actual or normative expenses from FY 2023-24, using CPI/WPI for each component, and also sought for the employee numbers to be submitted. Additionally, FINER objected to the inclusion of Rs. 5.93 Crore for colony maintenance and Rs. 1.01 Crore for cybersecurity, stating that these are not allowed under MYT Regulations 2021. ABITA submitted that AEGCL's projection of Rs. 252.64 Crore is too high compared to actual FY 2023-24 expenses and suggested using the audited figures to estimate normative expenses for FY 2024-25, estimating a lower amount of Rs. 209.73 Crore.

FINER has raised multiple concerns regarding AEGCL's claimed O&M expenses, pointing out that the Petitioner's projected expenses exceed the actual audited expenses for FY 2023-24 (Rs. 233.41 Crore), suggesting that previous normative expenses may have been inflated. FINER requested the Commission to base the O&M expenses on the lower of actual and normative figures as per the Electricity Act and Tariff Policy 2016. Additionally, FINER highlighted that the Petitioner has failed to propose O&M norms as required by Regulation 68.6.2 and argues that the 0.75% K-factor proposed for R&M expenses lacks justification and does not align with regulatory guidelines. FINER also objected to several additional claims by the Petitioner, including expenses for "Colony Maintenance" (Rs. 5.93 Crore), "Emergency Restoration" (Rs. 23.13 Crore), "Cyber Security" (Rs. 13.71 Crore), and "ERP-related services" (Rs. 23.98 Crore), all of which are not supported by the MYT Regulations, 2024 and exceed allowable O&M expenses. FINER requested the Commission to disallow these additional expenses.

ABITA projected lower O&M expenses for FY 2025-26 to FY 2029-30, using the WPI and CPI indices from the 2024 Regulations. ABITA submitted that AEGCL's figures are overstated in comparison to their own projections based on more realistic data and indices.

Response of AEGCL

AEGCL submitted that it has claimed the O&M Expenses as per the provisions of the MYT Regulations, 2021. Also, the actual R&M Expenses of Rs. 17.87 crore, as mentioned by FINER is not correct. The actual R&M expenses are Rs. 18.23 Crore as mentioned in the Tariff Petition submitted by AEGCL.

AEGCL submitted that the figures considered by ABITA seem to be incorrect and there is no clarity on the figures, however, AEGCL has submitted the true-up Petition as per MYT Regulations, 2021.

AEGCL submitted that the O&M expenses for the period from FY 2025-26 to FY 2029-30 have been projected as per the provisions of the MYT Regulations, 2024. AEGCL requested the Commission to approve the Normative O&M Expenses claimed by AEGCL in the Tariff Petition.

Commission's View

The Commission has approved the normative O&M expenses after truing up for FY 2023-24 and has also passed through 1/3rd of efficiency gains/(losses) on account of the variation between the normative O&M expenses and actual O&M expenses to the beneficiaries, in accordance with the provisions of the MYT Regulations, 2021. The detailed computations are elaborated in **Chapter 4** of this Order.

The Commission has approved the normative O&M expenses after APR for FY 2024-25 in accordance with the provisions of the MYT Regulations, 2021. The detailed computations are elaborated in **Chapter 5** of this Order. Further, the applicability of growth rate for projection of employee expenses shall be considered based on actuals, at the time of truing up of FY 2024-25.

The Commission has approved the normative O&M expenses for the Control Period from FY 2025-26 to FY 2029-30 in accordance with the provisions of the MYT Regulations, 2024. The detailed computations are elaborated in **Chapter 6** of this Order. The Commission has also discussed and given its ruling on the additional R&M expenses claimed by AEGCL in addition to the normative R&M expenses, as elaborated in **Chapter 6** of this Order.

<u>Issue 2: Interest on Loan</u>

Objections

FINER submitted that the Petitioner has proposed zero loan addition for FY 2023-24 and for FY 2024-25. The Commission, in its FY 2022-23 truing up order, allowed an interest rate of 0.58%, much lower than the Petitioner's claimed rate of 9.88%. Based on the actual interest paid by the Petitioner in FY 2023-24, the allowable rate of interest was calculated to be 0.46%, rather than 8.18% claimed by the Petitioner.

The Respondent suggested that the allowable interest rate for the Control Period from FY 2025-26 to FY 2029-30 should align with the 0.46% rate considered for FY 2023-24, in line with the Commission's approach in its June 2024 order.

ABITA submitted that AEGCL has proposed interest and finance charges of Rs. 6.68 Crore in the truing up of FY 2023-24, which is significantly higher than the Rs. 0.83 Crore approved in the 2024 Order. The actual interest on the outstanding loan for FY 2023-24 is Rs. 1.70 Crore. ABITA has adopted the principles from previous Tariff Orders and Regulation 34 of the MYT Regulations, 2021 to determine the normative opening loan, leading to an interest and finance cost calculation of Rs. 17.01 Crore.

For FY 2024-25, AEGCL has proposed interest and finance charges of Rs. 0.01 Crore, but ABITA, following the previous methodology, has calculated the charges to be Rs. 0.26 Crore, considering debt additions and repayment equal to depreciation.

Additionally, ABITA noted that AEGCL's calculation for the MYT Control Period is based on debt additions and an interest rate of 8.69%, with Rs. 0.01 Crore of finance charges added each year. ABITA has calculated the projected interest and finance charges for the MYT Control Period based on the normative closing loan for FY 2024-25.

Response of AEGCL

AEGCL submitted that it has claimed interest on loan for FY 2023-24 and FY 2025-26 based on MYT Regulations, 2021, and for the Control Period from FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations, 2024, and requested the Commission to approve the same.

Commission's View

The Commission has allowed interest on loan in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2024-25 to FY 2029-30. The same is detailed in the relevant Chapters of this Order.

Issue 3: Depreciation

Objection

FINER submitted that the Petitioner should provide very clearly if any transmission works have been done against "Deposit Works", i.e., on payment by the beneficiary, which may be generator or an Open Access customer. FINER submitted that depreciation should be allowed on asset additions excluding grants, in addition to the depreciation already approved for FY 2022-23. FINER proposes lower depreciation of Rs. 52.89 Crore against the claim of Rs. 129.90 Crore for FY 2024-25, based on their assessment.

ABITA raised concerns regarding the depreciation claimed by AEGCL for FY 2023-24 and FY 2024-25. ABITA, following the methodology from previous Tariff Orders, proposed a lower depreciation figure of Rs. 80.58 Crore. For FY 2024-25, AEGCL has claimed Rs. 129.90 Crore in depreciation, but ABITA has estimated Rs. 96.70 Crore, based on the same methodology used in previous Tariff Orders.

ABITA requested the Commission to carefully analyse the details of AEGCL's capital expenditure (capex) and capitalization schemes to ensure they are approved judiciously, in accordance with the MYT Regulations, 2024.

Response of AEGCL

AEGCL submitted that it has claimed depreciation as per AERC MYT Regulations, 2021. Moreover, rate of depreciation as per Audited Accounts is not 4.64%. The item-wise rates of depreciation are mentioned in Note 2.3 of the Audited Accounts for FY 2023-24, submitted along with the Tariff Petition

AEGCL submitted that the projected depreciation from FY 2025-26 to FY2029-30 has been computed based on the ongoing projects and new projects that are expected to be capitalised during the Control Period.

AEGCL submitted that the asset addition through Deposit Works has been considered as Grant and all assets capitalized through Grant have not been considered under Depreciation.

AEGCL submitted that the Depreciation for the Control Period has been computed as per the provisions of MYT Regulations, 2024 and in accordance with the methodology adopted by the Commission in the previous Tariff Orders and considering the impact of conversion of Govt. Loans and Grants into equity as approved by the Cabinet, GoA, details of which is submitted along with the tariff petition.

AEGCL requested the Commission to approve the depreciation as claimed in the AEGCL Petition.

Commission's View

The Commission has allowed depreciation in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2024-25 to FY 2029-30, and the methodology adopted in previous Tariff Orders. The same is detailed in the relevant Chapter.

Issue 4: Capital Expenditure and Capitalization

Objection

FINER submitted that Note 3(a) of the Petitioner's Audited Accounts reveals that the Addition to GFA is Rs. 127.86 Crore only as against Rs. 230.32 Crore claimed by the Petitioner. There is no reasoning/ reconciliation provided by the Petitioner with respect to GFA addition claimed in deviation from the audited accounts. The

Petitioner may be directed to provide the reconciliation of capitalization claimed with the capitalization reported in the Audited Accounts.

FINER submitted that in view of the above, the Capitalization of Rs. 127.86 Crore should be approved instead of Rs. 230.32 Crore claimed by the Petitioner.

As per the Petitioner's submissions, a grant of Rs. 215.65 Crore has been received. Against this amount, Rs. 127.86 Crore is deemed an allowable addition to the GFA. Consequently, the remaining grant of Rs. 87.79 Crore has not been utilized during FY 2023-24 and should be accounted for in subsequent years.

FINER submitted that the Petitioner has claimed a capitalization of Rs. 274.69 crore for FY 2024-25, of which Rs. 261.72 crore is funded through grants, and Rs. 12.97 crore is funded through equity. Given that a balance grant of Rs. 87.79 crore remained unutilized in FY 2023-24, the remaining Rs. 12.97 crore should be considered as funded from the unutilized grant, rather than equity or debt. As a result, Rs. 76.35 crore of the grant remains unutilized and should be carried forward to subsequent years. Additionally, FINER requested the Commission to direct the Petitioner to submit the Fixed Asset Register, make it publicly available, and subject it to review.

FINER submitted that the remaining grant be utilized during FY 2025-26 to offset the proposed debt addition of Rs. 28.11 crore. Furthermore, the balance grant should be proportionally adjusted against the debt and equity additions projected by the Petitioner for FY 2029-30. This approach will ensure optimal utilization of the grant while reducing reliance on debt and equity in alignment with prudent financial management.

Accordingly, the Respondent requested the Commission to consider the allowable funding pattern and capitalization.

FINER submitted that the Petitioner has claimed Capitalisation of Rs. 169.46 Crore in the True-up of FY 2023-24. However, the Scheme-wise capitalisation is unclear and there is no clarity regarding how many assets were commissioned during FY 2023-24. The Commission is requested to direct the Petitioner to furnish the Capitalization Report and Energization Report for FY 2023-24.

Response of AEGCL

AEGCL submitted that the reconciliation of GFA addition claimed in the True Up for FY 2023-24 and GFA addition as per the Audited Accounts for FY 2023-24 has already been submitted to the Commission in the reply to the Data Gap Queries raised by the Commission.

AEGCL submitted that Capitalisation for FY 2024-25 has been claimed based on the first six months actual data and estimation for the next six months, aligned with ongoing projects expected to be completed by the end of the fiscal year. The actual capitalization for FY 2023-24, as per audited accounts, was Rs. 230.31 crore, including Rs. 102.52 crore for prior period assets and Rs. 127.79 crore for current period assets. The prior period assets were transferred based on commissioning dates and restated in line with Indian Accounting Standards (Ind AS). AEGCL requested the Commission to approve capitalization of Rs. 274.69 crore for FY 2024-25.

Commission's View

The Commission sought and obtained the reconciliation of GFA addition claimed in the True Up for FY 2023-24 and GFA addition as per the Audited Accounts for FY 2023-24. The GFA addition approved by the Commission after true-up of FY 2023-24 has been elaborated in **Chapter 4** of this Order.

The GFA addition approved by the Commission after APR of FY 2024-25 has been elaborated in **Chapter 5** of this Order.

The Commission has approved the GFA addition for the Control Period from FY 2025-26 to FY 2029-30 and the funding of the approved Capitalisation, in accordance with the provisions of the AERC MYT Regulations, 2024 and the methodology adopted in previous Tariff Orders. The detailed computations are elaborated in **Chapter 6** of this Order.

Issue 5: Interest on Working Capital

Objection:

FINER submitted that based on earlier submissions, the allowable IoWC should be allowed at lower levels for all years, as proposed by the Respondent.

ABITA submitted that it has re-computed the working capital requirement considering the norms and receivables and proposed IOWC accordingly.

Response of AEGCL

AEGCL submitted that detailed computation of IOWC for FY 2023-24 and FY 2024-

25 in accordance with the MYT Regulations, 2021 have been submitted in the Petition. For the Control Period, AEGCL has based its claims on the MYT Regulations, 2024, and requested the Commission to approve these claims.

Commission's View

The Commission has approved the IOWC in accordance with the MYT Regulations, 2021 for true-up for FY 2023-24 and APR for FY 2024-25 and MYT Regulations, 2024 for the Control Period, as elaborated in the relevant Chapters.

Issue 6: BST for Pension Trust Fund

Objections

FINER submitted that the Petitioner has claimed Rs. 236.56 Crore for the Pension Trust Fund for FY 2023-24 and Rs. 261.13 Crore for FY 2024-25, which is based on rates approved by the Commission. The pension liabilities stem from 2011 when the State Government (GoA) failed to provide funding, and the Commission created the Pension Trust Fund to cover these costs.

The Respondent submitted that it is unfair for consumers to bear this burden, as pensioners do not contribute directly to the transmission business. The pension expenses account for nearly 35-39% of the ARR, inflating the cost of service and impacting electricity rates. The Respondent suggested that the State Government should fund these liabilities, as is common in other States, and that the funding should not come from consumers.

Additionally, the Respondent proposed that instead of annual cash payouts, a dedicated Fund should be established to manage pension liabilities. The Respondent urged the Commission to direct AEGCL to seek proper funding from the State Government to reduce the impact on consumers.

ABITA requested the Commission to do prudency check and only allow BST as applicable for the energy injected into Discom.

CAC submitted that the Pension Fund should have been managed by the State Government or the Holding Company as per the Agreement that evolved during the unbundling of ASEB after Electricity Act, 2003 was enacted. However, GoA is yet to fulfil its part of the commitment after the unbundling of ASEB towards the unfunded liabilities. As a result, the Commission had to take care of the Pension fund. AEGCL, as the Holding Company, should take up the matter with GoA to fulfil the unfunded part of the Pension Fund. The Commission is requested to take up the matter with GoA so that consumers do not have to bear the brunt of Pension Fund.

Response of AEGCL

AEGCL clarified that the Bulk Supply Tariff (BST) has been claimed in accordance with the GoA order, subject to the Commission's approval.

AEGCL explained that the Special Charges on Bulk Supply Tariff have been calculated at Rs. 0.20/kWh, as per the Commission's approval in the MYT Order dated 21.03.2022, based on the actual energy sent out to APDCL. AEGCL requested the Commission to approve the proposed rate.

Commission's views

The Commission has noted the submissions. The BST for Pension Trust Fund has been allowed at the rate of 20 paise/kWh in the true-up for FY 2023-24 and APR for FY 2024-25, in line with the approach adopted in the previous MYT Order, as elaborated in the relevant Chapters. For the Control Period from FY 2025-26 to FY 2029-30, the Commission has reduced the rate to 18 paise/kWh, as elaborated in **Chapter 6** of this Order.

Issue 7: Transmission Loss

Objections

ABITA submitted that the Petitioner has submitted actual transmission loss of 3.28% for FY 2023-24 as against 3.25% approved by the Commission in the Tariff Order. ABITA submitted that AEGCL has projected transmission loss of 3.24% for FY 2024-25 as against 3.23% approved by the Commission in the Tariff Order. It is pertinent to mention that the transmission losses of various STUs are in the range of 2-3% while that of AEGCL would be amongst the highest in the country. Reduction of transmission loss would help in reducing the overall cost of delivered power to the consumer and AEGCL should be continuously working towards the same.

ABITA requested the Commission not to relax the norms for AEGCL.

CAC submitted that AEGCL's performance with respect to transmission loss is laudable as it also helps APDCL to reduce their losses. As per the Petition, AEGCL has done number of changes including change of old conductors to HTLS and replacing old transformers with new transformers of higher capacity. AEGCL needs to develop its own load flow analysis for accommodating the load demand for future on the basis of expected load growth in tandem with the improvement in infrastructure. Additionally, AEGCL has installed manually operated 33 kV capacitor banks in some substations. These should be upgraded to automatic power factor control mode with vacuum contactors to better handle system fluctuations, in consultation with OEMs. Transmission losses are voltage-dependent, and as the sole Transmission Company in the State, AEGCL should focus on reducing its reliance on external agencies, aiming to lower transmission costs. Notably, PGCIL has a transmission loss of 2.77% in Assam, and AEGCL should outline plans to match or exceed this target to benefit consumers. Previously, CAC had pointed out that the interface voltage between AEGCL and APDCL at 33 kV was not in compliance with the Regulations, which was acknowledged by AEGCL. CAC requested the Commission to direct AEGCL to submit an action report on addressing the interface voltage issue, aiming to reduce APDCL's distribution losses.

ABITA submitted that the Petitioner has projected transmission loss of 3.21%-3.13% for the Control Period from FY 2025-26 to FY 2029-30. However, the Petitioner has not provided projections for Transmission Availability Factor for the Control Period.

FINER submitted that the Petitioner has not provided sufficient details regarding load losses or seasonal variations, despite system upgrades aimed at reducing transmission loss. The Respondent urged the Commission to direct the Petitioner to submit detailed data on load losses, including voltage-wise breakdown and seasonal variations for the Control Period.

Reply of AEGCL

AEGCL submitted that it has inherited its transmission system from the erstwhile ASEB, primarily consisting of 132 kV and 66 kV networks, with limited 220 kV lines and a weak downstream distribution network. In contrast, northern and western India had a more robust 220 kV and higher voltage system connected to improved distribution networks. Despite this historical legacy, AEGCL has made significant progress since 2009/2010, commissioning more grid substations and transmission lines, including a 400 kV substation in 2013.

These efforts have reduced transmission losses from over 5% to 3.28%. AEGCL remains committed to further reducing transmission losses, aiming to achieve levels lower than the target approved by the Commission.

AEGCL submitted that transmission loss has decreased to 3.28% in FY 2023-24 from 3.31% in FY 2022-23 due to system enhancements. AEGCL submitted that the transmission loss percentage has substantially come down from 3.28% in FY 2023-24 to estimated 3.24% in FY 2024-25. This signifies a loss reduction of 0.04% against the Commission's stipulation of 0.02%.

AEGCL submitted that it conducts the load flow analysis regularly. Based on the study, the planning for infrastructure development is done to cater the future load growth.

AEGCL submitted that installation of 33 kV CB in AEGCL substation was intended to cater to the dip in overall 33 kV Voltage. The process was restricted to AEGCL substations delivering Industrial loads. It follows the cautious upward trend of Reactive Power Management in AEGCL network, which can only be achieved with proper selection as well as installation. However, the meet up of reactive compensation could rightly be achieved at APDCL end. Furthermore, any kind of Automation with requisite AVR shall only be considered with due funding from appropriate authority.

Commission's views

The Commission has considered the transmission loss of 3.25% in the truing up for FY 2023-24, and computed the sharing of efficiency losses on account of the actual transmission being higher at 3.28%, as transmission losses are a controllable parameter in accordance with the MYT Regulations, 2021. Further, the target level of transmission loss has been specified based on the past trend, and considering the capital investment being undertaken by AEGCL, as elaborated in **Chapter 6** of this Order.

<u>Issue 8: Non-submission of Auditors Report and CAG Report</u>

Objections

FINER and CAC submitted that the Petitioner has failed to submit the Auditor's Report or the CAG Report along with the current Petition. These reports are vital as they offer an independent evaluation of the Petitioner's financial statements and operations, highlighting any discrepancies or issues in financial management and compliance. The Auditor's Report confirms the accuracy of the financial statements, while the CAG Report assesses the broader governance and financial propriety of the entity.

The absence of these Reports raises significant concerns regarding the transparency and accountability of the Petitioner's operations. This omission undermines the credibility of the ARR claimed by the Petitioner and could impact the assessment of its financial health. The Respondent has repeatedly highlighted this issue, stressing that such lapses reflect negatively on the Petitioner's affairs and may distort financial evaluations.

The objectors requested the Commission allow the Respondent sufficient time to review these Reports and submit detailed comments.

Response of AEGCL

AEGCL submitted that the Audited Annual Accounts for FY 2023-24 have been submitted along with the Tariff Petition, as per requirement of MYT Regulations, 2021.

Commission's views

The Commission is of the view that it is essential for the Petitioners to submit the Auditor's Report and the CAG Report, along with the Audited Accounts for the year of truing up. Accordingly, the Commission has given certain directives in this regard, as elaborated in **Chapter 9** of this Order.

<u>Issue 9: Return on Equity</u>

Objection

FINER and CAC submitted that the Petitioner has proposed equity addition of Rs. 127.94 Crore by converting loans and grants into equity. They submitted that the Petitioner has not provided any substantiation for which scheme justifies this conversion, nor has it presented proof of prior approval from the Commission.

Without such approval, the claim is inappropriate, as it alters the cost-benefit analysis that was initially approved, which impacts consumers unfairly.

Additionally, the Government of Assam had waived the interest on loans during a Cabinet meeting in December 2021, but the Petitioner has failed to disclose the details of this interest waiver. The Petitioner’s approach of only presenting expenses favourable to the Company is unjustified, and the Commission should consider the interest waiver while reviewing the proposal.

The Respondent also requested that the Commission should disallow the Petitioner’s claim of equity addition for FY 2024-25 and instead consider the opening equity as assessed by the Respondent, in line with the Tariff Policy 2016, MYT Regulations 2021, and the Electricity Act 2003. The allowable Return on Equity (RoE) for FY 2024-25, according to the Respondent, is Rs. 13.49 Crore, as opposed to the Petitioner’s claim of Rs. 114.79 Crore.

Furthermore, the Petitioner has proposed zero equity addition for FY 2025-26 to FY 2029-30 period. FINER requested the Commission to take these factors into account and reject the Petitioner’s claims for equity addition and instead focus on the opening equity as calculated by the Respondent. This would ensure fair treatment of consumers and adherence to the regulatory framework.

ABITA submitted that it has calculated the ROE for FY 2023-24 at Rs. 57.73 Crore, while AEGCL claimed Rs. 194.49 Crore, which is significantly higher than both the approved ROE and the actual ROE for FY 2022-23. For FY 2024-25, ABITA computed the ROE at Rs. 104.36 Crore, based on MYT Regulations, 2021. ABITA submitted that it has taken into account opening equity, additional equity permitted up to 30% as per MYT Regulations, 2024 and remaining as debt and computed RoE on the average equity for each year of the Control Period from FY 2025-26 to FY 2029-30.

Response of AEGCL

AEGCL submitted that the conversion of Government Loans and Grants into Equity is the decision of the Cabinet, GoA. The conversion had already been intimated to the Commission and also submitted along with the Tariff Petition vide Annexure-7. AEGCL has claimed the Return on Equity as per the norms of the MYT Regulations, 2021.

AEGCL submitted that the Rate of RoE has been considered at 15.50% for achieving more than 100% of approved capitalization for previous year, as per Regulation 34 of

MYT Regulations, 2021. Addition of equity has been considered as per the conversion of Government Grants and Loans into equity during FY 2023-24, as approved by the Cabinet GoA and existing debt-equity ratio norms of MYT Regulations, 2021. AEGCL requested the Commission to approve RoE as claimed in the Petition.

AEGCL submitted that the opening equity has been considered equal to the closing Equity of the previous year and addition of Equity during the Control Period has been computed as per MYT Regulations, 2024.

Commission's view

The RoE has been allowed as per the MYT Regulations, 2021 in the truing up of FY 2023-24 and APR of FY 2024-25, and as per the MYT Regulations 2024 for the Control Period from FY 2025-26 to FY 2029-30, as elaborated in the relevant Chapters. The issue of conversion of Grants to equity has also been addressed. In line with the approach adopted in the earlier Orders, conversion of loans into equity has not been approved, for the purpose of determination of ARR and Tariff.

<u>Issue 10: Contingency Reserves and Other Debits</u>

Objection

FINER and ABITA submitted that the Petitioner has claimed Rs. 3.02 Crore towards the Contingency Reserve for FY 2023-24. FINER submitted that the Petitioner has not provided documentary evidence to substantiate the claim, and therefore, requested the Commission to disallow the amount. ABITA acknowledged the expenses, stating that the reserve was used for repairs due to flood-related damage, but urged the Commission to exclude other debits while determining the true-up of ARR for FY 2023-24

Response of AEGCL

AEGCL submitted that it has claimed contingency reserves amounting to Rs. 3.02 Crore for FY 2023-24, for towers that have either collapsed or have become vulnerable to collapse during the monsoon period due to storm or turbulent flow of flood water.

AEGCL submitted that Other Debits amounting to Rs. 0.22 Crore for FY 2023-24 have not been claimed under Contingency Reserve as such expenses were not caused due to natural calamities.

Commission's view

The Contribution to Contingency Reserves has been allowed as per the MYT Regulations, 2021 in the truing up of FY 2023-24 and APR of FY 2024-25, and as per the MYT Regulations 2024 for the Control Period from FY 2025-26 to FY 2029-30, as elaborated in the relevant Chapters. However, the contingency fund can be utilised only after prior approval from the Commission.

Issue 11: Non-Tariff Income

Objection

FINER and ABITA submitted that the Petitioner has claimed Non-Tariff Income (NTI) of Rs. 106.68 Crore in the true-up of FY 2023-24. FINER pointed out that the Audited Accounts show Rs. 208.07 Crore as Other Income, and the Petitioner has not provided an explanation for the deviation or reconciliation of the difference. Therefore, FINER requested that the amount be adjusted to Rs. 208.07 Crore, as per the Audited Accounts. ABITA also urged the Commission to review the audited accounts and adjust the Non-Tariff Income accordingly in the true-up of FY 2023-24.

Response of AEGCL

AEGCL submitted that NTI has been claimed as per the norms of the MYT Regulations, 2021, whereas the Annual Accounts has been prepared as per the provisions of the Companies Act, 2013.

AEGCL submitted that the break-up of details of Non-Tariff Income has already been submitted to the Commission along with the tariff petition.

Commission's view

The Commission has considered NTI in the true-up of FY 2023-24 as per the MYT Regulations, 2021, as elaborated in **Chapter 4** of this Order.

Issue 12: Summary of True-up of FY 2023-24

Objections

FINER submitted that based on the submissions made in the preceding sections, the Commission is requested to consider the allowable ARR after True up of FY 2023-24 based on FINER's assessment.

The net Surplus after True-up of ARR for FY 2023-24 works out to Rs. 327.23 Crore against the Gap of Rs. 23.27 Crore claimed by the Petitioner. FINER requested the Commission to allow a net ARR of Rs. 331.65 Crore and a Surplus of Rs. 327.23 Crore as computed above.

ABITA submitted that the actual income as per the Audited Accounts is Rs. 829.61 Crore, which includes NTI of Rs. 208.07 Crore.

There is a Revenue Surplus of Rs. 244.11 Crore for FY 2023-24 as against the Revenue Gap of Rs. 23.28 Crore proposed by the Petitioner. The Commission is requested to take into account the above Surplus in the ARR while approving the truing-up for AEGCL.

CAC submitted that AEGCL had calculated its ARR for FY 2023-24 on the basis of cost reflected in the audited balance sheet. At the same time, it has considered the MYT Regulation, 2021 for truing up. Therefore, AEGCL should provide a distinct true up account indicating the head and norm (actual or normative) it is praying for. Further, in order to assess performance, it will be prudent to have two separate accounts, one as per MYT Regulations and the other as per actual expenditure during the period of true-up so as to improve upon the actual performance.

Response of AEGCL

AEGCL submitted that the True-up Petition for FY 2023-24 has been submitted in accordance with the MYT Regulations, 2021 and Audited Accounts for FY 2023-24.

AEGCL submitted that the Annual Accounts of AEGCL are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, as AEGCL is registered under the Companies Act. However, the True-up Petition of AEGCL has been prepared in accordance with the MYT Regulations, 2021.

AEGCL requested the Commission to approve the ARR and Revenue Gap for FY 2023-24, as submitted by AEGCL in the Petition.

Commission's views

The Commission has trued-up each component of the ARR of AEGCL and approved the Revenue Gap/(Surplus) after truing up for FY 2023-24, as elaborated in **Chapter 4** of this Order.

Issue 13: Software Procurement and Cyber Security Arrangement

Objections

CAC submitted that in order to meet the business requirements of AEGCL, software updating and cyber security are undoubtedly necessary. However, the business priorities of AEGCL must first be clearly defined. This thought process should not be outsourced, and AEGCL must assess its existing strengths and weaknesses to optimize its operational and maintenance costs. The focus areas for cyber security appropriate for AEGCL need to be determined internally by the IT professionals available within AEGCL, before making any investments. In this context, it is pertinent to mention that AEGCL purchased costly software for load flow studies, which was barely used for the purpose it was procured.

Response of AEGCL

AEGCL acknowledges that the power sector is recognized as critical infrastructure by the Government of India. As part of its ongoing modernization efforts, AEGCL has implemented various IT and OT systems, such as SAS, ERP, and SDWAN, to improve operational efficiency. To safeguard these assets, AEGCL has adopted comprehensive cybersecurity measures aligned with guidelines from CERT-In, CEA, and NCIIPC. These measures address risks from legacy software vulnerabilities, raise employee awareness on cybersecurity, protect IT devices with antivirus security, and ensure secure network management for accessing critical systems. Additionally, AEGCL has implemented Webmail for better email access control and privacy and conducts Vulnerability Assessment and Penetration Testing (VAPT) in compliance with CEA's Cyber Security in Power Sector guidelines.

Commission's views

The Commission has noted the submissions.

Issue 14: Need for Load Flow Study

Objections

CAC submitted that the demand for power will grow as the State develops to meet aspirations of people. AEGCL should draw a growth trajectory for the next ten years. A load flow study is necessary to accommodate the growth centres across the State and to include substations already in circuit to meet demand for power from industrial, commercial and domestic consumers.

FINER submitted that the Petitioner has not provided load flow studies or voltage-wise analysis, which are essential for assessing system stability and the impact of capital expenditure. FINER requested that load flow studies be submitted for each year of the Control Period.

Response of AEGCL

AEGCL submitted that it regularly conducts load flow studies, factoring in the growth centres across the State, including industrial, commercial, and domestic sectors, to anticipate and accommodate increasing load demands before initiating construction. These studies are primarily carried out using the PSSE software, which is widely used by States and acknowledged by the CEA. The CEA approves upcoming infrastructure projects based on these studies, and once approval is obtained, construction proceeds to meet future load requirements. AEGCL has already mapped the growth trajectory until FY 2031-32, in line with CEA’s recommendations.

Commission’s views

The Commission has noted the submissions.

<u>Issue 15: Co-ordination between APDCL and AEGCL</u>

Objections

CAC submitted that the Commission had previously directed the formation of a Committee between APDCL, AEGCL, and APGCL to address operational and maintenance issues in the State's power system. During a field visit to Dibrugarh Circle on 17th December 2024, it was revealed by a senior electrical manager at Brahmaputra Gas Cracker Polymer (BCPL) that frequent power supply disruptions, caused by voltage fluctuations at 132 kV, resulted in production losses. Despite over a year of discussions between AEGCL and APDCL, the issue remains unresolved. BCPL had even offered to install a precision breaker, but the matter is still pending. It is urged that AEGCL, APDCL, and BCPL engage in direct discussions to resolve the issue. The lack of co-ordination between APDCL and AEGCL is concerning, and it is requested that the Commission direct both entities to work together to avoid further inconvenience to such key consumers.

Response of AEGCL

AEGCL submitted that SLDC conducts the Coordination Committee meeting among APDCL, AEGCL, APGCL and SLDC from time to time as per directives from the Commission. The matter regarding APDCL and BCPL has not been raised in the Co-ordination Committee Meetings.

Commission's views

The Commission has already issued directives in this regard, which continue to be in force, and the State Utilities should work together in close co-ordination to ensure against unnecessary delays in resolving issues.

<u>Issue 16: Summary of ARR after APR for FY 2024-25</u>

Objections

FINER requested the Commission to consider the allowable ARR after APR of FY 2024-25 based on its assessment, and approve the net Surplus for FY 2024-25 as Rs.311.58 Crore against the Gap of Rs. 1.01 Crore claimed by the Petitioner. FINER requested the Commission to allow a net ARR of Rs. 359.05 Crore and a Surplus of Rs. 311.58 Crore as computed above.

ABITA submitted that there is a net Revenue Surplus of Rs. 93 Crore against AEGCL claim of Gap of Rs. 1.01 Crore after APR for FY 2024-25.

Response of AEGCL

AEGCL requested the Commission to approve the Net ARR for FY 2024-25, as submitted in its Petition.

Commission's views

The Commission has done the provisional truing-up of each component of the ARR of AEGCL and computed the Revenue Gap/(Surplus) after APR for FY 2024-25, as elaborated in **Chapter 5** of this Order. However, it is clarified that this is only indicative, and the Revenue Gap/(Surplus) computed after APR has not been passed through, and shall be approved for pass through at the time of final truing up for FY 2024-25.

Issue 17: Revenue from Open Access

FINER submitted that the Petitioner has projected flat revenue of Rs. 2.36 Crore annually from open access, which appears unrealistic given expected industrial growth under Advantage Assam 2.0. FINER requested the Petitioner to provide updated projections for open access usage and corresponding revenue estimates.

Response of AEGCL

AEGCL submitted that the open access market is evolving, with more long-term consumers expected in the coming years, and asserted that projections for open access revenue are higher due to this growth.

Commission's views

The Commission has considered the projected revenue from short-term open access as estimated by AEGCL in this Order. The actual revenue earned in this regard shall be considered at the time of truing up.

4 Truing up for FY 2023-24

4.1 Methodology for Truing Up

4.1.1 The Commission had approved the ARR for FY 2023-24 in the Order dated March 29, 2023.

4.1.2 AEGCL submitted the Truing-up Petition for FY 2023-24 based on audited annual accounts and provisions of MYT Regulations, 2021, wherever applicable. AEGCL has sought true-up for FY 2023-24, with the Revenue Gap/(Surplus) to be recovered/adjusted during FY 2025-26.

4.1.3 The Commission approves the cost parameters through approval of the ARR at the beginning of the year, keeping in view the data available at that point of time. The cost approvals for each of the items are based on projection of expenses and revenue before beginning of the year and the provisions of MYT Regulations, 2021. The projections might vary over the course of the year.

4.1.4 The actual cost/values for certain elements/parameters may vary as against the approved cost during the year due to various controllable and uncontrollable factors. The Licensee may end up with higher or lower expenditure, as the case may be, at the end of the year as against the approved cost.

4.1.5 The Commission analyses the actual expenditure for the previous year based on the audited Annual Accounts of the Licensee and allows/disallows the recovery of the actual expenditure through the ensuing year's tariff, subject to prudence check.

4.1.6 In the present Chapter, the Commission has carried out the Truing up for FY 2023-24 based on the submissions of AEGCL, audited annual accounts for FY 2023-24 and provisions of MYT Regulations, 2021.

4.1.7 In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of AEGCL for FY 2023-24, and undertaken the truing-up of expenses and revenue in accordance with the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between AEGCL and its beneficiaries, in accordance with Regulation 12 of the MYT Regulations, 2021.

4.2 Transmission Loss

4.2.1 AEGCL submitted the Transmission Loss of 3.28% for FY 2023-24 for the purpose of Truing up, as shown in the following Table:

Table 4: Transmission Loss for FY 2023-24 as submitted by AEGCL (MU)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
1	Energy Injected (MU)		12276.14
2	Energy Sent Out to APDCL (MU)		11828.17
3	Energy Sent Out to OA Consumers (MU)		45.92
4	Total Energy Sent Out		11874.09
4	Transmission Loss (MU)		402.05
5	Transmission Loss (%)	**3.30%**	**3.28%**

Commission's Analysis

4.2.2 The Commission has verified the Transmission Loss through documentary evidences submitted by AEGCL. It is noted that the actual Transmission Loss for FY 2023-24 is higher than the Transmission Loss of 3.25% approved by the Commission in the Tariff Order for FY 2023-24.

4.2.3 For the true-up, the Commission has considered the actual Transmission Loss of 3.28% for FY 2023-24, for the purpose of Energy Balance for APDCL. However, as Transmission Loss is a controllable performance parameter for AEGCL, the Commission has computed the efficiency loss on account of the higher than approved Transmission Loss, and shared the same with the beneficiaries, as elaborated later in this Chapter.

4.3 O&M Expenses

4.3.1 AEGCL submitted the O&M expenses for FY 2023-24 comprising the following heads:

a) Employee expenses;
b) Repairs and Maintenance (R&M) expenses;
c) Administrative and General (A&G) expenses

The claim of AEGCL under various heads of O&M expenses are discussed below:

4.3.2 Employee Expenses

AEGCL submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity funding, leave encashment, and staff welfare expenses. AEGCL has claimed normative employee expenses of Rs. 195.41 Crore for FY 2023-24 as against Rs. 196.94 Crore approved in the Tariff Order dated March 29, 2023. The actual employee expenses have been claimed as Rs. 190.26 Crore, based on the Audited Accounts for FY 2023-24

4.3.3 Repairs and Maintenance (R&M) Expenses

AEGCL submitted that R&M Expenses are incurred for the day-to-day upkeep of the transmission network of the Company and form an integral part of the Company's efforts towards reliable and quality power transmission as also in reduction of losses in the system.

AEGCL submitted that it is carrying out R&M activities in order to maintain the assets in a more efficient way. AEGCL has claimed normative R&M expenses of Rs. 26.49 Crore for FY 2023-24 as against Rs. 30.60 Crore approved in the Tariff Order dated March 29, 2023.

AEGCL submitted that the "K" factor of AEGCL has been considered as 0.75% as approved by the Commission vide MYT Order dated 21.03.2022. AEGCL clarified that the above normative R&M expenses are exclusive of SLDC expenses.

Further, the normative R&M expenses claimed by AEGCL includes the provision for Colony Maintenance and Cyber Security as elaborated below:

Provision for Colony Maintenance

AECGL submitted that it had earlier requested the Commission to allow a separate amount for improvement of its existing colonies associated with major Grid Sub-stations. Most of the residential buildings, interior roads, drains, security walls, etc. needed major maintenance/reconstruction. The Commission, vide Tariff Order dated March 21, 2022 approved Rs. 17.79 Crore to be utilised specifically for colony maintenance to be spent in three financial years, i.e., FY 2022-23, FY 2023-24, and FY 2024-25. Accordingly, the entire amount was booked for FY 2023-24 against the works. AEGCL submitted that it has made all efforts to judiciously expend the amount by chalking out plans for works in all the three regions towards Repair of residential quarters, Repair of colony roads, Repair of Community Halls, Beautification of colony landscape, Improvement of children's playground, etc.

AEGCL added that in many of the GSS colonies there remains a lot of maintenance works to be undertaken to repair and give a face lift to the colonies. AEGCL also informed that there has been surge of applicants (from employees) requesting residential quarters in AEGCL colonies

Provision for Cyber Security

The Commission, vide Tariff Order dated March 29, 2023 approved additional amount for cyber security. Accordingly, AECGL has utilized the amount in various works. AEGCL has planned for many training programs on cyber security for its employees at various levels. Moreover, AEGCL submitted that all the necessary works will be done in order to protect the system from cyber threats.

In view of the above, AEGCL requested the Commission to approve the normative R&M expenses of Rs. 26.49 Crore for FY 2023-24.

The actual R&M expenses have been claimed as Rs. 18.23 Crore, based on the Audited Accounts for FY 2023-24

4.3.4 **Administrative and General (A&G) expenses**

A&G expenses comprise rents, telephone and other communication expenses, professional charges, and conveyance and traveling allowances. AEGCL has claimed normative A&G expenses of Rs. 11.51 Crore for FY 2023-24 as against Rs. 11.53 Crore approved in the Tariff Order dated March 29, 2023. The actual A&G expenses have been claimed as Rs. 16.54 Crore, based on the Audited Accounts for FY 2023-24

4.3.5 In accordance with the MYT Regulations, 2021, the Commission in the Order dated March 29, 2023 allowed O&M Expenses on normative basis. The normative O&M expenses claimed by AEGCL in the Truing up for FY 2023-24 are shown in the Table below:

Table 5: Normative O&M Expenses for FY 2023-24 as submitted by AEGCL (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
1	Employee Cost	196.94	195.41
2	R&M Expenses	30.60	26.49

Sl. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
3	A&G Expenses	11.53	11.51
	O&M Expenses	**239.07**	**233.41**

Commission's Analysis

4.3.6 For the purpose of truing up for FY 2023-24, the Commission has computed the revised normative O&M Expenses as per Regulation 67 of the MYT Regulations, 2021. The variation between normative O&M expenses and actual O&M Expenses has been considered under sharing of gains and loss on account of controllable items as per Regulation 12 of the MYT Regulations, 2021.

Employee Expenses

4.3.7 For computation of normative employee expenses for FY 2023-24, the Commission has adopted the following approach:

a) The base employee expenses for FY 2022-23 have been considered as Rs. 183.56 Crore, as approved in the truing up for FY 2022-23 in the Tariff Order dated 27.06.2024;

b) The base employee expenses for FY 2022-23 have been escalated by the Consumer Price Index (CPI) inflation computed as average increase of CPI for the period from FY 2020-21 to FY 2022-23, which works out to 5.40%, to determine the employee expenses for FY 2023-24;

c) The growth factor of 1% has not been considered as number of employees has reduced due to retirement, rather than increased.

4.3.8 The normative employee expenses approved in the true-up for FY 2023-24 are shown in the following Table:

Table 6: Approved Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
Actual Employee Expenses for the previous year	183.56	183.56
Growth factor	1.00%	0.00%
CPI Inflation	5.40%	5.40%
Normative Employee Expenses	**195.41**	**193.47**

R&M Expenses

4.3.9 For computation of R&M Expenses for FY 2023-24, the Commission has considered the following approach:

a) Wholesale Price Index (WPI) inflation has been computed as average increase of WPI index for period from FY 2020-21 to FY 2022-23, which works out to 7.90%;

b) K-factor governs the relationship between R&M expenses and Gross Fixed Assets (GFA); the K-factor for FY 2023-24 has been approved as 0.75%, in the MYT Order dated 21 March, 2022 and the same K-factor has been considered for computation of normative R&M Expenses for FY 2023-24;

c) The amount against 'Provision for Colony Maintenance' and 'Provision for Cyber Security' has been considered as claimed by AEGCL.

4.3.10 The normative R&M expenses approved in the true-up for FY 2023-24 are shown in the following Table:

Table 7: Approved R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
Opening GFA for previous year	2731.97	2731.97
Closing GFA for previous year	3022.08	3022.08
Average GFA for previous year	**2877.02**	**2877.02**
K Factor	0.75%	0.75%
WPI Inflation	7.89%	7.90%
Normative R&M Expenses for the year	**23.28**	**23.28**
Provision for Colony Maintenance of AEGCL	**3.00**	**3.00**
Additional amount for Cyber Security	**0.21**	**0.21**
Net Normative R&M Expenses for the year	**26.49**	**26.49**

A&G Expenses

4.3.11 For computation of A&G expenses for FY 2023-24, the Commission has adopted the following approach:

a) The base A&G expenses for FY 2022-23 have been considered as Rs. 10.67 Crore, as approved in the truing up for FY 2022-23 in the Tariff Order dated June 27, 2024;

b) The base A&G expenses for FY 2022-23 have been escalated by the Wholesale Price Index (WPI) inflation computed as average increase of WPI for the period from FY 2020-21 to FY 2022-23, which works out to 7.90%, to determine the

A&G expenses for FY 2023-24.

4.3.12 The revised normative A&G expenses for FY 2023-24 are shown in the following Table:

Table 8: Approved A&G Expenses for FY 2023-24 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
A&G Expenses for Previous Year	10.67	10.67
WPI Inflation	7.89%	7.90%
Normative A&G Expenses for the year	**11.51**	**11.51**

4.3.13 **The normative O&M expenses approved by the Commission in the truing up for FY 2023-24 are shown in the following Table**:

Table 9: Normative O&M Expenses approved by Commission for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL	Approved after Truing up
1	Employee Expenses	196.94	195.41	193.47
2	R&M Expenses	30.60	26.49	26.49
3	A&G Expenses	11.53	11.51	11.51
Total		**239.07**	**233.41**	**231.48**

4.3.14 The Commission has examined the actual O&M expenses incurred by AEGCL in FY 2023-24. After prudence check, the Commission approves the actual employee expenses of Rs. 190.26 Crore for FY 2023-24 as per the Audited Accounts. The Commission also approves the actual R&M expenses of Rs. 18.23 Crore for FY 2023-24 as per the Audited Accounts.

4.3.15 The Commission observed that AEGCL has claimed Contributions/Donations of Rs. 2.53 Crore and expenses of Rs. 0.34 Crore under the actual A&G expenses for FY 2023-24, And hence, sought the details of such expenditure and the justification from AEGCL for claiming pass through of such expenses. AEGCL submitted the details of donations made in FY 2023-24, which primarily comprises Contribution of Rs. 2.50 Crore to Chief Minister's Relief Fund.

4.3.16 As regards justification for claiming pass through of such expenses, AEGCL submitted that CSR activity is mandatory, as the Net Profit for the preceding 3 years stood at Rs. 16.84 Crore, hence, CSR contribution was made to the PM National Relief Fund at 2% of the average net profit. AEGCL submitted that it had made the donations for flood relief and cultural development. AEGCL submitted that the entire Revenue Gap/(Surplus) is passed on to the consumers after true-up and AEGCL does not retain any funds to be spent towards CSR activities and Donations.

4.3.17 The Commission is of the view that the CSR activity is 'Corporate Social Responsibility' rather than Consumer Social Responsibility and AEGCL has to incur such expenses from its net profit, hence, such expenses cannot be recovered from the consumers. Similarly, the MYT Regulations, 2021 clearly specify the allowable expenses, and Donations are not a pass-through expense, hence, AEGCL has to incur such expenses from its Return on Equity (RoE). Hence, the Commission has allowed actual A&G expenses of Rs. 13.67 Crore, after disallowing Rs. 2.87 Crore (Donations of Rs. 2.53 Crore and CSR expenses of Rs. 0.34 Crore).

4.3.18 Further, MYT Regulations, 2021 specifies O&M Expenses (excluding terminal liabilities with regard to employees on account of changes in pay scales or dearness allowance due to inflation) as controllable factor. Hence, for undertaking sharing of gains or losses, the Commission has excluded the terminal liabilities from normative as well as actual Employee expenses. Accordingly, terminal liabilities are allowed on actual basis.

4.3.19 The sharing of (gains)/losses on account of O&M Expenses after truing up for FY 2023-24, is shown in the following Table:

Table 10: Sharing of (gains)/losses for O&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Actual	Normative	Gains/ (losses)	Gains/(Losses) to be shared with APDCL
		A	B	c=(b-a)	d=c x 1/3
1	Employee Cost	190.26	193.47	3.22	
2	Less: Terminal Benefits	28.78	28.78	-	
3	Employee Cost excl. Terminal benefits	161.47	164.69	3.22	1.07
4	R&M expenses	18.23	26.49	8.27	2.76
5	A&G Expenses	13.67	11.51	(2.16)	(0.72)
6	**Total**	**193.37**	**202.70**	**9.33**	**3.11**

4.3.20 Since, normative O&M expenses are higher than actual expenses, the gain of Rs.

3.11 Crore has been shared and passed on through the ARR.

4.4 Capitalisation

4.4.1 AEGCL submitted that the Capital Expenditure and Capitalisation for FY 2023-24 have been considered based on the Audited Accounts. Funding has been considered based on the impact of conversion of Government Grants and Loans to Equity. The funding of Capitalisation of AEGCL excluding SLDC is shown in the following Table:

Table 11: Actual Capitalisation as submitted by AEGCL for FY 2023-24 (Rs. Crore)

Sl. No.	Scheme Name	Actual Capitalisation
1	AIIB	76.77
2	ADB	0
3	Annual Plan	1.91
4	PSDF	5.68
5	TDF	124.41
6	Total Deposit work	6.62
7	AIFA	0.25
8	AIIMS	0
9	Own Source	14.74
	TOTAL	**230.31**

4.4.2 The funding of capitalisation as submitted by AEGCL is shown in the following Table:

Table 12: Funding of Capitalisation for FY 2023-24 as submitted by AEGCL (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL Submission
1	Grant	224.66	215.65
2	Equity	-	14.67
3	Debt	0.34	-
4	**Total Capitalization**	**225.00**	**230.31**

Commission's Analysis

4.4.3 The Commission had approved the scheme-wise capital expenditure and capitalisation in the Tariff Order dated March 29, 2023. The Commission observed that the actual capitalisation claimed by AEGCL in FY 2023-24 is higher than the values approved in the Tariff Order dated March 29, 2023, and also higher than the GFA addition shown in the Audited Accounts. The Commission sought justification from AEGCL for claiming capitalisation higher than that reported in the Audited Accounts.

4.4.4 In reply, AEGCL submitted that the actual GFA addition during FY 2023-24 was Rs. 230.31 Crore, which includes assets related to prior periods amounting to Rs. 102.52 Crore, which were transferred to FY 2022-23 and the FY 2021-22, based on their date of commissioning, by restating the figures of FY 2022-23 and FY 2021-22 in the Audited Annual Accounts for FY 2023-24, as per the requirement of the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013.

4.4.5 The balance amount of GFA amounting to Rs. 127.79 Crore was booked as asset addition during FY 2023-24. The Prior Period Assets arose because of some technical reasons. AEGCL clarified that it has neither booked these prior period assets nor claimed their benefits in the earlier Tariff Petitions. Hence, AEGCL requested the Commission to approve GFA addition of Rs. 230.31 Crore during FY 2023-24.

4.4.6 In view of AEGCL's explanation, which has been verified from the details provided by AEGCL, the Commission approves the capitalisation of Rs. 230.31 Crore for FY 2023-24 as claimed by AEGCL, after reducing GFA addition of Rs. 0.07 Crore pertaining to SLDC.

4.4.7 As regards funding of capitalisation, Regulation 32 of the MYT Regulations, 2021 specifies that the normative Debt: Equity ratio shall be considered as 70:30, after reducing the grant contribution. In case actual equity contribution is greater than 30% of GFA less Grant contribution, the equity in excess of 30% shall be considered as normative debt. In other words, the Grant contribution should first be reduced from the GFA addition, and the balance GFA shall be considered as funded by 70:30 debt: equity ratio, with maximum equity contribution being allowed up to 30% of GFA less Grant contribution, and excess equity contribution being considered as normative loan.

4.4.8 In view of the above, the Capitalisation and its funding approved by the Commission in the true-up for FY 2023-24 is shown in the following Table:

Table 13: Capitalisation for FY 2023-24 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL	Approved after Truing up
1	Capitalisation	225.00	230.31	230.31

Sr. No.	Particulars	Approved in T.O. dt. 29.03.2023	AEGCL	Approved after Truing up
	Funding			
3	Grant	224.66	215.65	215.57
4	Equity	0	14.67	4.42
5	Loan	0.34		10.31
6	**Total**	**225.00**	**230.31**	**230.31**

4.4.9 Hence, the allowable debt and equity addition for FY 2023-24 are Rs. 10.31 Crore and Rs. 4.42 Crore, respectively. The addition to equity on account of conversion of grant to equity has been elaborated in the Section on Return on Equity. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, 2021, and equity cannot exceed 30% of the GFA.

4.5 Depreciation

4.5.1 The Commission had approved the Depreciation of Rs. 117.69 Crore for FY 2023-24 in the Order dated March 29, 2023. As against this, AEGCL has claimed depreciation of Rs. 160.40 Crore in the Truing up for FY 2023-24.

4.5.2 AEGCL submitted that it has converted Government Loan of Rs. 11.52 Crore and Government Grant of Rs. 134.40 Crore as on 31.03.2023 into Equity in FY 2023-24, as approved by the GoA, notified vide letter No. E377979/55 dated 28.09.2023.

Commission's Analysis

4.5.3 The Commission has considered the opening GFA for FY 2023-24 equal to the closing GFA approved in the True up of FY 2022-23, after excluding the assets of SLDC. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

4.5.4 As per Regulation 32 of the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of Asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation in excess of 90% of the original cost of asset under different asset heads. Further, in accordance with the MYT Regulations, 2021, once the accumulated depreciation of any asset reaches 70%, the balance depreciation has been spread over the remaining Useful Life of the asset.

4.5.5 In line with the approach adopted in the previous Orders and as specified in the MYT Regulations, 2021, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for FY 2023-24. As stated earlier, the addition to equity on account of conversion of grant to equity has been elaborated in the Section on Return on Equity. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt: equity ratio is governed by the provisions of the MYT Regulations, and equity cannot exceed 30% of the GFA.

4.5.6 The depreciation approved in the truing up for FY 2023-24 is given in the Table below:

Table 14: Depreciation approved for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned under full ownership	47.66	(0.06)	-	-
2	Building	65.20	7.67	3.34%	1.73
3	Hydraulic	2.64	-	5.28%	-
4	Other Civil Works	159.98	4.48	3.34%	5.42
5	Plant & Machinery	1,426.63	96.89	5.28%	73.90
6	Lines & Cable Net work	1,300.46	118.06	5.28%	50.67
7	Vehicles	4.95	0.06	9.50%	0.07
8	Furniture & Fixtures	8.35	0.86	6.33%	0.44
9	Office Equipment	4.40	2.35	6.33%	0.29
10	Computer and Accessories	1.81		15.00%	0.27
11	**Grand Total**	**3022.08**	**230.31**		**132.80**
12	Less: Depreciation for Grants/ Consumer Contribution				52.72
13	**Net Total**				**80.08**
14	Less: Depreciation towards CC				3.70
15	**Net Depreciation after CC & Grants**				**76.37**

4.5.7 **The Commission accordingly approves Depreciation of Rs. 76.37 Crore after truing up for FY 2023-24.**

4.6 Interest and Finance Charges

4.6.1 The Commission had approved Interest and Finance Charges of Rs. 9.97 Crore for FY 2023-24 in the Order dated March 29, 2023. As against this, AEGCL has claimed Interest and finance charges of Rs. 6.68 Crore for FY 2023-24.

Commission's Analysis

4.6.2 The Commission has approved Interest on loan capital for FY 2023-24 on normative basis as per the MYT Regulations, 2021. The normative loan outstanding as on April 1, 2023 has been considered equal to the closing normative loan approved in the Truing up for FY 2022-23, i.e., Rs. 178.98 Crore.

4.6.3 The addition of loan has been considered equal to debt portion of capitalised works as approved by the Commission in this Order. The normative loan repayment has been considered equivalent to depreciation approved in this Order.

4.6.4 The actual weighted average rate of interest on actual loans has to be applied on the normative loan, to arrive at the interest expenses on the normative loan. AEGCL has computed the weighted average interest rate as 8.18%, by considering the applicable interest rate of each loan on the opening loan balance. The Commission has computed the average interest in line with the approach adopted in the earlier Orders, based on the weighted average interest rate during the year. Accordingly, weighted average interest rate has been computed as 6.83% for computation of interest on loan capital. The finance charges of Rs. 42,000 have been allowed based on the actuals as reported in the Audited Accounts of AEGCL. However, the 'Other Finance Charges' claimed by AEGCL have not been allowed, as this amount is the actual interest on long-term loan, which cannot be allowed separately, as the Commission is already allowing interest on the normative loan, with the actual interest on actual loans being considered for computing the average interest rate.

4.6.5 The Interest on loan capital approved by the Commission for FY 2023-24 is shown in the following Table:

Table 15: Approved Interest on loan Capital for FY 2023-24 (Rs. Crore)

Particulars	Approved in T.O. dt. 29.03.2023	AEGCL	Approved after Truing up
Net Normative Opening Loan	159.58	159.58	178.98
Addition of normative loan during the year	0.34	-	10.31
Normative Repayment during the year	117.69	160.40	76.37

Particulars	Approved in T.O. dt. 29.03.2023	AEGCL	Approved after Truing up
Net Normative Closing Loan	41.33	0.00	112.92
Interest Rate	9.92%	8.18%	6.83%
Interest Expenses on Loan	9.96	6.53	9.97
Finance Charges	0.01	0.15	0.004
Total Interest and Finance Charges	**9.97**	**6.68**	**9.97**

4.6.6 **The Commission approves Interest on loan Capital as Rs. 9.97 Crore after truing up for FY 2023-24.**

4.7 Return on Equity

4.7.1 AEGCL has claimed the Return on Equity of Rs. 127.94 Crore for FY 2023-24 as compared to the RoE of Rs. 111.65 Crore approved by the Commission in the Tariff Order dated March 29, 2023.

4.7.2 As stated earlier, AEGCL submitted that the GoA has converted Government Loan of Rs. 11.52 Crore and Government Grant of Rs. 134.40 Crore as on 31.03.2023 into Equity in FY 2023-24, as notified vide letter No. PEL.58/2021/pt./105 dated 03.02.2022. Hence, addition to equity in FY 2023-24 has been considered as Rs. 43.78 Crore, by considering the normative debt:equity ratio of 70:30.

4.7.3 AEGCL submitted that in accordance with Regulation 34 of the MYT Regulations, 2021, RoE shall be calculated at 13.50%, with additional 1% RoE for achieving 80% approved capitalization for previous year, and additional 2% RoE for achieving 100% approved capitalization for previous year. AEGCL submitted that the capitalisation achieved in FY 2023-24 is more than 100% of the capitalization approved by the Commission for the year, as Rs. 230.31 Crore has been capitalised against approved capitalisation of Rs. 225 Crore. Therefore, the RoE has been computed at 15.5% on the average equity balance.

Commission's Analysis

4.7.4 The Commission has approved RoE for FY 2023-24 in accordance with the MYT Regulations, 2021. The equity as on April 1, 2023 has been considered equal to the closing equity approved in the Truing up for FY 2022-23. The addition of equity has been considered equal to equity portion of capitalised works as approved by the Commission in this Order.

4.7.5 The addition to equity on account of conversion of grant to equity is limited to 30% of GFA. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, 2021 and equity cannot exceed 30% of the GFA.

4.7.6 Further, it is observed that AEGCL is claiming conversion of Grants given by other entities such as Government of India (GoI), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB) also, apart from the Grants given by GoA. However, Grants given by other entities cannot be converted to equity by the GoA, and only conversion of GoA Grants can be considered, subject to the ceiling of 30% of GFA. Hence, the Commission has reduced the Grants given by other entities, for computing the allowable conversion of Grant to equity.

4.7.7 The conversion of Grant to equity allowed by the Commission for FY 2023-24 is shown in the Table below:

Table 16: Conversion of Grant to Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Amount
Average GFA	3137.23
Average Grant towards GFA	1285.60
If conversion of Rs. 134.40 Cr of grant considered along with previous year's remaining grant	1392.41
Net Grant towards GFA	0.00
Average Consumer Contribution towards GFA	52.19
Average Central Govt. Grant towards GFA	342.59
Net assets to be funded	2742.45
Max. Equity that can be considered	822.74
Equity already considered	807.98
Equity that can be additionally allowed	14.75

4.7.8 Thus, the Commission has considered additional equity of Rs. 14.75 Crore due to conversion of Grant to equity in FY 2023-24.

4.7.9 As regards the RoE rate, the higher RoE rate as proposed by AEGCL has not been considered, as AEGCL has over-achieved with respect to approved capitalisation only because of prior period capitalisation being accounted for in FY 2023-24. Also, there was no dispensation for higher RoE in those previous years for such over-achievement, hence, AEGCL is not eligible for the higher RoE rate for FY 2023-24.

The approved Return on Equity for FY 2023-24 is shown in the Table below

Table 17: Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.23	AEGCL	Approved after Truing up
1	Opening Equity Capital	827.01	803.56	803.56
2	Equity addition due to GFA addition	0	43.78	4.42
3	Equity addition due to conversion of Grant to equity			14.75
4	Closing Equity	827.01	847.34	822.74
5	Average Equity	827.01	825.45	813.15
6	Rate of Return on equity	13.50%	15.50%	13.50%
7	**Return on Equity**	**111.65**	**127.94**	**109.77**

4.7.10 **The Commission approves the Return on Equity of Rs. 109.77 Crore after Truing up for FY 2023-24.**

4.8 Interest on Working Capital (IoWC)

4.8.1 AEGCL has claimed IoWC of Rs. 19.43 Crore in the Truing Up for FY 2023-24, as against Rs. 17.72 Crore approved in the Tariff Order dated 29 March 2023. AEGCL has considered the rate of interest for computation of IoWC as 11.57%, based on the monthly average of 1-year Marginal Cost of Lending Rate (MCLR) of State Bank of India (SBI).

Commission's Analysis

4.8.2 The Commission has computed IoWC in accordance with the MYT Regulations,

2021. The rate of Interest has been considered equal to average 1-year MCLR Rate of SBI during FY 2023-24 plus 300 basis points, i.e., 11.57%.

4.8.3 The Commission observed that AEGCL has considered Receivables based on the revised ARR computed by AEGCL in the true-up Petition, rather than the actual revenue based on the tariff approved for FY 2023-24. For computation of working capital requirement, the Commission has considered the normative O&M Expenses and Receivables based on actual revenue billed. IoWC approved by the Commission in the truing up for FY 2023-24 is shown in the following Table:

Table 18: Interest on Working Capital for FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 29.03.23	AEGCL	Approved after True-up
1	O&M expenses for one month	19.92	19.45	19.29
2	Maintenance spares @ 15% of O&M Expenses	35.86	35.01	34.72
3	Receivables for two months	111.82	113.50	110.27
4	Total Working Capital requirement	167.60	167.96	164.28
5	Rate of Interest	10.58%	11.57%	11.57%
6	**Interest on Working Capital**	**17.72**	**19.43**	**19.00**

4.8.4 **Accordingly, the Commission approves Interest on Working Capital of Rs. 19.00 Crore after Truing up for FY 2023-24.**

4.9 Other Debits

4.9.1 AEGCL has claimed Other Debits of Rs.0.22 Crore for FY 2023-24 based on the Audited Accounts as against NIL approved in the Order dated March 29, 2023.

Commission's Analysis

4.9.2 The Commission has analysed the details and justification submitted by AEGCL for Other Debits for FY 2023-24. The Commission notes that Other Debits claimed by AEGCL includes expenses of Rs. 0.04 towards interest for default/delay in payment of taxes. The Commission is of view that such penal expenses cannot be passed on to the consumers through the ARR. Hence, the **Commission has allowed only Loss on sale of scrap of Rs. 0.18 Crore under Other Debits for FY 2023-24**.

4.10 BST for Pension Fund (Special Charges for Terminal Benefits)

4.10.1 In the Order dated March 29, 2023, the Commission had approved special charges on Bulk Supply Tariff at 20 paise per unit amounting to Rs. 230.34 Crore for FY 2023-24. AEGCL has claimed Rs 236.56 Crore as BST for Pension Fund as per the Audited Accounts for FY 2023-24.

Commission's Analysis

4.10.2 **The Commission approves the BST for Pension Fund (Special Charges for Terminal Benefits) of Rs. 236.50 Crore for FY 2023-24** at 20 paise per unit on the actual energy input to APDCL at the T<>D periphery.

4.11 Contribution to Contingency Reserve

4.11.1 The Commission vide its Tariff Order dated 29 March 2023 approved Rs. 2.89 Crore towards Contribution to Contingency Reserve for FY 2023-24, in accordance with Regulation 67.9 of the MYT Regulations, 2021, at the rate of 0.1% of Opening GFA for FY 2023-24. AEGCL has claimed the contribution to contingency reserve as Rs. 3.02 Crore based on actual Opening GFA for FY 2023-24.

4.11.2 AEGCL submitted that the fund created under contingency reserves for FY 2023-24 was utilized for repairing of damaged and rusted tower legs, stubs, emergency replacement of damaged conductor, temporary protection of tower, replacement of insulator due to fault, re-tensioning of conductors, construction of new towers in place of river eroded towers, etc., in several transmission lines due to the floods in the State.

4.11.3 AEGCL requested the Commission to continue the "Contingency Reserves" as a number of towers either collapse or become vulnerable to collapse during the monsoon period particularly in the north bank due to storm or turbulent flow of flood water.

Commission's Analysis

4.11.4 The allowable Contribution to Contingency Reserve works out to Rs. 3.02 Crore for FY 2023-24 at the rate of 0.1% of Opening GFA, in accordance with Regulation 67.9 of the MYT Regulations, 2021, which specifies as under:

"67.9.1 The Transmission Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.1 per cent of the gross fixed assets approved by the Commission at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement:

67.9.2 The Contingency Reserve shall not be drawn upon during the term of the licence except to meet such charges as may be approved by the Commission as being the expenses arising out of accidents, natural calamities or circumstances beyond the control of the Licensee…."

4.11.5 In previous Tariff Order dated June 27, 2024, the Commission has decided not to allow Contribution to Contingency Reserve in FY 2023-24 and FY 2024-25 as AEGCL has utilized the funds against Contingency Reserve for regular R&M works without the prior approval from the Commission. However, AEGCL has been utilising these funds with prior approval from the Commission from FY 2023-24 onwards. **Hence, in view of AEGCL's changed approach and compliance with the MYT Regulations, 2021, the Commission approves the Contribution to Contingency Reserve in the true-up of FY 2023-24 at the rate of 0.1% of Opening GFA, amounting to Rs. 3.02 Crore.**

4.12 Reduction in ARR due to higher Transmission Losses

4.12.1 AEGCL has not submitted the computation of reduction in ARR due to higher than approved Transmission Losses for FY 2023-24.

Commission's Analysis

4.12.2 As Transmission Losses are a controllable performance parameter for AEGCL, the Commission has computed the reduction in ARR due to higher than approved Transmission Losses for FY 2023-24, in accordance with the MYT Regulations, 2021.

4.12.3 In accordance with the MYT Regulations, 2021, the efficiency gain/loss due to lower/higher than approved Transmission Loss has to be shared with the beneficiaries in the ratio of 2/3:1/3, i.e., the Transmission Licensee has to bear 2/3rd of the efficiency losses. Hence, the Commission has computed the efficiency losses of AEGCL for FY 2023-24 due to excess Transmission Loss, as shown in the Table below:

Table 19: Efficiency Loss due to higher Transmission Loss for FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	AEGCL	Approved after True-up
1	Energy injected into Transmission system (MU)	12276.14	12276.14
2	Energy sent out to APDCL (MU)	11828.17	11828.17
3	Energy sent out to Open Access customers (MU)	45.92	45.92
4	Total Energy Sent out (MU)	11874.09	11874.09
5	Actual Transmission Loss (MU)	402.05	402.05
6	Actual Transmission Loss (%)	3.28%	3.28%
7	Approved Transmission Loss (%)		3.25%
8	Approved Transmission Loss (MU)		398.97
9	Excess Transmission Losses (MU)		3.08
10	Approved Transmission Tariff (Rs/kWh)		0.57
11	Total Efficiency Losses (Rs. Crore)		0.18
12	AEGCL share of efficiency losses (Rs. Crore)		**0.12**

4.12.4 **Accordingly, the Commission approves Efficiency Losses of Rs. 0.12 Crore to be reduced from AEGCL's ARR after Truing up for FY 2023-24**.

4.13 Incentive for Transmission Availability

4.13.1 AEGCL submitted that it has billed the amount of Rs 6.68 Crore in FY 2023-24 towards incentive for Transmission Availability higher than normative Availability as per the MYT Regulations, 2021. This had been calculated based on the actual monthly transmission availability data.

Commission's Analysis

4.13.2 The MYT Regulations, 2021 specifies Normative Transmission Availability of 98% for full recovery of transmission charges and 98.5% for incentive consideration.

4.13.3 The actual Transmission Availability for AEGCL for FY 2023-24 is 99.50% on annual basis. Also, the computation and payment of Transmission Charges has been linked to monthly Transmission Availability computed as per the MYT Regulations, 2021. Accordingly, the Commission has computed the Incentive on Transmission Availability as shown in the following Table:

Table 20: Incentive on Transmission Availability for FY 2023-24 as approved by the Commission (Rs. Crore)

Sl. No.	Month	No. of days in month	Monthly transmission charges (Rs. Crore)	Actual transmission availability (%)	Transmission charges inclusive of incentive (Rs. Crore)	Incentive/ Unrecoverable TC (Rs. Crore)
1	Apr-23	30	47.24	99.55	47.75	0.50
2	May-23	31	48.82	99.24	49.19	0.37
3	Jun-23	30	47.24	99.63	47.79	0.54
4	Jul-23	31	48.82	99.65	49.39	0.57
5	Aug-23	31	48.82	99.64	49.39	0.57
6	Sep-23	30	47.24	99.61	47.78	0.53
7	Oct-23	31	48.82	99.47	49.30	0.48
8	Nov-23	30	47.24	99.25	47.61	0.36
9	Dec-23	31	48.82	99.54	49.33	0.51
10	Jan-24	31	48.82	99.45	49.29	0.47
11	Feb-24	29	45.67	99.54	46.15	0.48
12	Mar-24	31	48.82	99.42	49.27	0.45
	Total	**366**	**576.39**	**99.50**	**582.23**	**5.83**

4.13.4 **The Commission approves the Incentive of Rs. 5.83 Crore on account of higher Transmission Availability, which has been added to the ARR.**

4.14 Non-Tariff Income

4.14.1 The Commission had approved the Non-Tariff Income (NTI) of Rs. 58.45 Crore for FY 2023-24 in the Tariff Order dated March 29, 2023. AEGCL has submitted that NTI mainly comprises income from investments, supervision charges, and miscellaneous receipts. AEGCL submitted that it has considered actual NTI of Rs. 106.68 Crore earned during FY 2023-24 in the truing up.

4.14.2 AEGCL submitted that in accordance with Regulation 68 of the MYT Regulations, 2021, AEGCL has not considered Dividend from North East Transmission Company

Limited (NETCL) for FY 2023-24 under NTI.

4.14.3 As regards the deduction of interest on GPF from NTI, AEGCL submitted that AEGCL has been utilizing GPF subscription from its employees as internal resources and the fund has been parked at different banks from which AEGCL has been earning interest. It has been shown as the Other Income in the Profit and Loss account of AEGCL, which has been adjusted with the ARR at the time of filing Tariff Petition. AEGCL added that the Commission vide Tariff Order dated 29.03.2023 has approved deduction of interest on GPF from Non-Tariff Income, therefore, AEGCL requested the Commission to deduct the interest on GPF amounting to Rs. 1.25 Crore from NTI in the truing-up for FY 2023-24.

4.14.4 AEGCL submitted that Other Income as per the Audited Accounts for FY 2023-24 includes Income from Fibre Optic Network amounting to Rs. 3.46 crore. This income has not been claimed in the True Up for FY 2023-24 because the income has been generated by investing AEGCL's own equity as the work is funded through ADB Funds received before 31-03-2021, which are now converted to equity as per approval of the Hon'ble Cabinet, GoA.

4.14.5 AEGCL submitted that Other Income amounting to Rs. 93.39 Crore as reflected in the Audited Accounts for FY 2023-24 is the waiver of interest on State Government Loan as on 31.03.2021. It has no financial implication as it was executed through book adjustment only as per approval of Hon'ble Cabinet, Govt. of Assam. AEGCL added that the Commission approves Interest on Loan Capital on normative basis as per the MYT Regulations and does not allow the Interest on Loan as per the Audited Accounts. The Hon'ble Cabinet, GoA had approved the conversion of loan to equity and waived off the Interest on such loans in order to improve the financial health of AEGCL. However, the Commission while approving ARR after Truing up of FY 2022-23 vide T.O. dated 27.06.2024 had not considered any conversion of Govt. Loan to Equity, as the debt: equity ratio is governed by the provisions of MYT Regulations, 2021. Hence, AEGCL has not considered the amount equal to waiver of interest on Govt. Loan as per the Accounts under Non-Tariff Income.

4.14.6 In view of the above, AEGCL requested the Commission to approve the NTI amounting to Rs. 106.68 Crore for FY 2023-24.

Commission's Analysis

4.14.7 The Commission has verified the head-wise NTI from the Audited Accounts of AEGCL for FY 2023-24. All the heads of NTI claimed by AEGCL are as per the figures reflected in the Audited Accounts and are hence, approved by the Commission. The Dividend from investment in NETCL and interest on GPF have not been considered as NTI, in line with the Regulations and approach adopted in previous Orders.

4.14.8 The Commission has also not considered the Other Income of Rs. 93.39 Crore reflected in the Audited Accounts for FY 2023-24 on account of the waiver of interest on State Government Loan as on 31.03.2021, as the Commission has not considered the actual interest on State Government loan as an expense, and approves the interest on the normative loan balance.

4.14.9 However, the Commission has considered the Other Income of Rs. 3.46 Crore earned from the Fibre Optic Network amounting to Rs. 3.46 crore. This income has not been claimed in the True Up for FY 2023-24 because the income has been generated by investing AEGCL's own equity as the work is funded through ADB Funds received before 31-03-2021, which are now converted to equity as per approval of the Hon'ble Cabinet, GoA. However, as stated earlier, ADB grants cannot be converted to equity by GoA, hence, this transaction has been considered as income from investment in Other Business, and 1/3rd of such income has been considered under NTI, in accordance with the provisions of Regulation 69 of the MYT Regulations, 2021.

4.14.10 **In view of the above, the Commission approves the Non-Tariff Income at Rs. 107.84 Crore after truing up for FY 2023-24.**

4.15 Revenue from Operations

4.15.1 AEGCL has claimed Revenue of Rs. 658.87 Crore for FY 2023-24 for Truing up purpose.

Commission's Analysis

4.15.2 The Commission had approved the Transmission Tariff of Rs. 658.88 Crore for AEGCL for FY 2023-24 in the Order dated March 29, 2023. During FY 2023-24, AEGCL has billed APDCL based on the Order dated March 29, 2023. The audited accounts for FY 2023-24 reflects the actual revenue of Rs. 658.88 Crore.

4.15.3 **In view of the above, the Commission approves the actual revenue of Rs. 658.88 Crore as per the audited accounts, after Truing up for FY 2023-24.**

4.16 Revenue from Wheeling Charges from Open Access Consumers

4.16.1 AEGCL has considered the wheeling charges from Open Access consumers amounting to Rs. 2.71 Crore as additional revenue of AEGCL in the True-up for FY 2023-24.

Commission's Analysis

4.16.2 The Commission has considered the income from wheeling charges levied to Open Access consumers as Rs. 2.71 Crore for FY 2023-24, based on the Audited Accounts.

4.17 ARR after Truing Up of FY 2023-24

4.17.1 Considering the above heads of expense and revenue as per the Audited Accounts for FY 2023-24 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2023-24 is shown in the following Table:

Table 21: ARR approved after Truing up for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Proposed by AEGCL	Approved after truing up
1	**O&M Expenses**	239.07	233.41	231.48
a	*Employee Cost*	*196.94*	*195.41*	193.47
b	*R&M Expenses*	*30.60*	*26.49*	26.49
c	*A&G Expenses*	*11.53*	*11.51*	11.51
2	Depreciation	117.69	160.40	76.37
3	Interest & Finance Charges	9.97	6.68	9.97
4	Interest on Working Capital	17.72	19.43	19.00
5	BST for Pension Trust Fund	230.34	236.56	236.50
6	Return on Equity	111.65	127.94	109.77
7	Other Debits		0.22	0.18
9	Contribution to Contingency Reserve	2.89	3.02	3.02
10	Less: Non-Tariff Income/ Other Income	58.45	106.68	107.84
11	**Aggregate Revenue Requirement**	**670.88**	**681.00**	**578.46**
12	Sharing of (Gains)/Losses	-	(2.80)	(3.11)

Sr. No.	Particulars	Tariff Order	Proposed by AEGCL	Approved after truing up
13	**ARR after sharing**	**670.88**	**678.20**	**575.35**
14	Less: Reduction due to excess Transmission Loss	-	-	0.12
15	Add: Incentive on Transmission Availability	-	6.68	5.83
16	**ARR after Incentive**	**670.88**	**684.88**	**581.07**
17	Revenue with Approved Tariff	670.88	658.87	658.88
18	Revenue from STOA/MTOA Charges	12.00	2.71	2.71
19	**ARR after reducing Revenue from STOA/MTOA charges**	**658.88**	**682.17**	**578.88**
	Revenue Gap/(Surplus)		**23.30**	**(80.53)**

4.17.2 **The Commission has approved the Net ARR after sharing of (Gains)/Losses, Incentive after Truing-up for FY 2023-24 as Rs. 581.07 Crore. After considering the Revenue at approved Tariff and Revenue from STOA/MTOA charges, the Revenue Surplus of Rs. 80.53 Crore is approved after truing up for FY 2023-24, with associated Holding Cost. This Surplus has been considered for adjustment in the net ARR of APDCL during FY 2025-26.**

5 Annual Performance Review for FY 2024-25

5.1 Methodology for Annual Performance Review

5.1.1 The Commission had approved the ARR and Tariff for FY 2024-25 vide the Tariff Order dated June 27, 2024.

5.1.2 The MYT Regulations, 2021, specifies that the Commission shall undertake the APR and True-up for the respective years of the Control Period from FY 2022-23 to FY 2024-25, as reproduced below:

"9.3 The scope of the annual review and True up shall be a comparison of the actual performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following:

…

b) Annual Review: a comparison of the revised performance targets of the applicant for the current financial year with the approved forecast in the Tariff order corresponding to the Control period for the current financial year subject to prudence check including adjusting trajectories of uncontrollable and controllable items."

5.1.3 AEGCL submitted the APR Petition for FY 2024-25, supported by actual information available till September 2024 and estimated values for the next six months.

5.1.4 In accordance with the above said Regulation, it is clear that the main objective of APR is to compare the estimated performance for FY 2024-25 vis-à-vis approved forecast in the Tariff Order dated June 27, 2024. The Revenue Gap/(Surplus) arising out of APR for FY 2024-25 shall not be passed on to the beneficiaries, and the same shall be considered at the time of Truing-up of FY 2024-25 only.

5.1.5 In the present Chapter, the Commission has analysed the submission of all the elements of ARR vis-à-vis approved values in the Tariff Order for FY 2024-25. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2024-25. No sharing of gains/(losses) has been undertaken at this stage and the same shall be considered at the time of Truing up for FY 2024-25.

5.2 Transmission Loss

5.2.1 AEGCL projected the Transmission Loss of 3.24% for FY 2024-25, as shown in the following Table:

Table 22: Transmission Loss for FY 2024-25 as submitted by AEGCL (MU)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	AEGCL Estimation
1	Energy Injected (MU)		13505.60
2	Energy Sent Out to APDCL (MU)		13056.59
3	Energy Sent Out to OA Consumers (MU)		10.96
4	Total Energy Sent Out		13067.55
5	Transmission Loss (MU		438.05
6	Transmission Loss (%)	3.23%	3.24%

Commission's Analysis

5.2.2 The Commission observes that the Transmission Loss estimated by AEGCL is higher than the targeted loss level approved in the Tariff Order dated June 27, 2024. AEGCL should strive to meet the target set by the Commission, as increase in the Transmission Loss levels will result in increase in the power purchase quantum and cost of APDCL, thereby increasing the burden on the consumers. Further, in case the actual Transmission Loss in FY 2024-25 is higher than the targeted loss level, the Commission shall compute the efficiency loss and adjust 2/3rd of such efficiency loss from the ARR of AEGCL at the time of truing up for FY 2024-25.

5.3 Operation and Maintenance Expenses

5.3.1 AEGCL submitted that O&M expenses for FY 2024-25 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis in accordance with Regulation 102 of the MYT Regulations, 2021. The normative expenses as claimed in the true-up for FY 2023-24 have been considered as the base expenses. The average WPI and CPI have been considered as 7.22% and 5.46%, respectively. The normative O&M expenses submitted by AEGCL for FY 2024-25 are shown in the Table below:

Table 23: Normative O&M Expenses Projected by AEGCL for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 27.06.2024	AEGCL Submission
1	**O&M Expenses**	**252.55**	**252.64**
a	Employee Cost	207.87	208.13
b	R&M Expenses	32.33	32.17
c	A&G Expenses	12.35	12.34

5.3.2 AEGCL has also submitted the revised estimates of each component of O&M expenses for FY 2024-25, based on the actual expenses in the first six months and estimates for the remaining six months. The claim of AEGCL under various heads of O&M expenses is discussed below.

5.3.3 **Employee Expenses**

AEGCL submitted that the normative employee cost for FY 2023-24 of AEGCL has been considered as base employee cost for FY 2024-25 after deducting the approved base employee cost of SLDC for previous year. The Gn (Growth Factor) of AEGCL has been considered as 1.00% as approved by the Commission in the Tariff Order dated 27 June 2024, and CPI escalation has been considered as 5.46%. AEGCL requested the Commission to approve the normative Employee expenses amounting to Rs. 208.13 Crore for FY 2024-25.

AEGCL submitted that 70 employees would be recruited, as against retirement of 32 employees in FY 2024-25.

AEGCL submitted that the actual employee costs for FY 2024-25 have been estimated based on 6 months actual data and estimation for the next 6 months. AEGCL estimated the actual employee expenses at Rs. 208.13 Crore for FY 2024-25.

5.3.4 **R&M Expenses**

AEGCL submitted that it has computed the normative R&M expenses for FY 2024-25 in accordance with the MYT Regulations, 2021. The closing GFA for FY 2023-24 has been considered as opening GFA for FY 2024-25. The K factor of AEGCL has been considered as 0.75% as approved in the Tariff Order dated March 9, 2023 and WPI escalation rate of 7.22% has been considered. AEGCL requested the Commission to approve the normative R&M expenses amounting to Rs. 32.17 Crore for FY 2024-25, including the Provision for Colony Maintenance and Provision for Cyber Security, as detailed below:

Provision for Colony Maintenance of AEGCL

5.3.5 AEGCL submitted that the Commission vide Tariff Order dated 29 March 2023 approved an amount of Rs. 5.93 Crore for FY 2024-25 for restoration of old colony buildings, roads, beautification of colonies etc. AEGCL has already done some maintenance works in the H1 (Actual) of FY 2024-25 and many other works have been initiated and expenses on the same will be incurred during H2 of FY 2024-25.

Provision for Cyber Security of AEGCL

5.3.6 AEGCL submitted that in order to cope with the existing Cyber Threats and remain updated, various steps need to be undertaken which require financial involvement. In this regard, AEGCL submitted that the Commission vide Tariff Order dated 29 March 2023 approved an amount of Rs. 1.01 Crore for FY 2024-25, over and above the R&M expenses for FY 2024-25. AEGCL has utilised the approved amounts in H1 and shall incur the balance expenditure in H2 of FY 2024-25.

5.3.7 AEGCL submitted that while estimating R&M expenses for FY 2024-25, actual R&M expenses incurred during first 6 months plus estimate for the next 6 months has been considered. It is pertinent to note that the R&M works of assets is minimal during H1, on account of monsoon. Assam receives abundant rainfall in the monsoon. The rain season starts in the month of June and lasts till October. Hence, the R&M works are carried out post-monsoon and hence, H2 expenses are usually twice the H1 expenses. AEGCL estimated the actual R&M expenses at Rs. 32.17 Crore for FY 2024-25.

5.3.8 **A&G Expenses**

AEGCL has considered the normative A&G expenses for FY 2023-24 as base A&G expense for FY 2024-25 and escalated the same by WPI escalation of 7.22% and requested the Commission to approve the normative A&G expenses amounting to Rs. 12.34 Crore for FY 2024-25. AEGCL has estimated the actual A&G expenses for FY 2024-25 at Rs. 21.52 Crore, based on actual A&G expenses incurred during first 6 months plus estimate for the next 6 months.

Commission's Analysis

5.3.9 The Commission has approved the O&M Expenses on normative basis in the Tariff Order as per MYT Regulations, 2021.

5.3.10 For computation of normative employee expenses for FY 2024-25, the Commission has adopted the following approach:

a) The normative employee expenses approved for FY 2023-24 have been considered as base expenses for FY 2024-25;
b) The normative employee expenses for FY 2023-24 have been escalated by applicable CPI inflation factor of 5.46% from FY 2021-22 to FY 2023-24;
c) Considering the estimated increase in number of employees, growth factor of 1% has been considered. However, in case there is no increase in number of employees in FY 2024-25, then the growth factor of 1% shall not be considered at the time of true-up for FY 2024-25.

5.3.11 The normative employee expenses approved for FY 2024-25 is shown in the following Table:

Table 24: Approved Employee Expenses for FY 2024-25 (Rs. Crore)

Particulars	AEGCL	APR FY 2024-25
Base Employee Cost	195.41	193.47
CPI Inflation	5.46%	5.46%
Growth factor	1.00%	1.00%
Employee expenses	**208.13**	**206.07**

5.3.12 For computation of normative R&M Expenses for FY 2024-25, the Commission has considered the following approach:

a) WPI inflation for computation of R&M Expenses works out to 7.23% as per MYT Regulations, 2021, based on average increase of WPI for the period from FY 2021-22 to FY 2023-24;
b) K-factor has been considered as 0.75% as approved in Tariff Order dated March 29, 2023;
c) Since K-factor has been computed on the basis of average GFA for projection of R&M expenses, average GFA for the previous year has been considered;
d) The Commission has considered the entire provision for colony maintenance as estimated by AEGCL. The Commission shall consider the actual expenses based on prudence check during true up of FY 2024-25;
e) The Commission has provisionally considered the additional amount for Cyber Security, as estimated by AEGCL, by approving half of the amount, given that AEGCL has been spending approximately Rs. 0.2 Crore in past years. The

Commission shall consider the actual expenses based on prudence check during true up of FY 2024-25.

5.3.13 The normative R&M expenses approved for FY 2024-25 is shown in the following Table:

Table 25: Approved R&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	AEGCL	Approved after APR
Opening GFA for previous year	3,022.08	3022.08
Closing GFA for previous year	3,252.39	3,252.32
Average GFA for previous year	3,137.23	3,137.20
K Factor	0.75%	0.75%
WPI Inflation	7.22%	7.23%
Normative R&M Expenses	**25.23**	**25.23**
Provision for Colony Maintenance of AEGCL	5.93	5.93
Additional amount for Cyber Security	1.01	0.51
Net Normative R&M Expense	**32.17**	**31.67**

5.3.14 For computation of normative A&G expenses for FY 2024-25, the Commission has adopted the following approach:

a) The normative A&G expenses approved for FY 2023-24 have been considered as base expenses for computation of normative A&G expenses for FY 2024-25;

b) The Commission has escalated the normative A&G expenses for FY 2023-24 by applicable WPI inflation factor of 7.23% from FY 2021-22 to FY 2023-24.

5.3.15 The normative A&G expenses approved for FY 2024-25 is shown in the following Table:

Table 26: Approved A&G Expenses for FY 2024-25 (Rs. Crore)

Particulars	AEGCL	Approved after APR
A&G Expenses for Previous Year	11.51	11.51
WPI Inflation	7.22%	7.23%
A&G Expenses	**12.34**	**12.35**

5.3.16 In view of the above, the Commission provisionally considers the O&M expenses as shown in the following Table in the APR for FY 2024-25:

Table 27: Approved O&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Approved in T.O. dt. 27.06.24	Proposed by AEGCL	Approved after APR
Employee Expenses	207.87	208.13	206.07
R&M Expenses	32.33	32.17	31.67
A&G Expenses	12.35	12.34	12.35
Total O&M Expenses	**252.55**	**252.64**	**250.08**

5.4 Capitalisation

5.4.1 AEGCL submitted that the Capitalisation for FY 2024-25 has been estimated based on 6 months actual addition of assets and estimation of asset addition for the next 6 months. AEGCL requested the Commission to approve the proposed Capitalisation of Rs.274.69 Crore for FY 2024-25. The funding for FY 2024-25 is envisaged through Grants and Equity considering the impact of conversion of Government Grants and Loans to Equity. The funding of capitalisation has been considered as Rs 261.72 Crore and Rs 12.97 Crore from grants and equity, respectively.

Commission's Analysis

5.4.2 The Commission had approved the Capitalisation of Rs. 273.16 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024.

5.4.3 AEGCL has estimated capitalisation of Rs.274.69 Crore in the APR for FY 2024-25. As FY 2024-25 is almost completed, the Commission provisionally approves the Capitalisation submitted by AEGCL in the APR of FY 2024-25.

5.4.4 The Commission has considered the funding of Capitalisation through Grants in proportion to the funding pattern proposed by AEGCL, and balance funding has been considered in normative debt:equity ratio of 70:30, as shown in the following Table

Table 28: Funding of capitalised works for FY 2024-25 as considered by the Commission (Rs. Crore)

Particulars	Approved in T.O. dt. 27.06.2024	Proposed by AEGCL	Approved after APR
Grant	245.05	261.72	261.72
Equity		12.97	3.89

Particulars	Approved in T.O. dt. 27.06.2024	Proposed by AEGCL	Approved after APR
Debt	28.11	0.00	9.08
Total Capitalisation	**273.16**	**274.69**	**274.69**

5.5 Depreciation

5.5.1 AEGCL submitted that Depreciation has been calculated considering the opening balance of assets and the capitalization estimated for FY 2024-25. AEGCL submitted that the Depreciation has been computed on assets excluding the assets funded through grants.

5.5.2 AEGCL has converted Government Loan of Rs. 11.52 Crore and Government Grant of Rs. 134.40 Crore as on 31.03.2023 into equity during FY 2023-24, as approved by the GoA, in its meeting held on 8th September 2023 notified vide letter No. E 377979/4 dated 15th September 2023.

5.5.3 Further, conversion of Govt. Loan of Rs. 6.21 Crore and Government Grant of Rs. 13.52 Crore as on 31.03.2024 into equity during H2 of FY 2024-25 as per proposal submitted to the GoA, has been considered.

Commission's Analysis

5.5.4 The Commission has considered the opening GFA for FY 2024-25 equal to the closing GFA approved in True up of FY 2023-24, after excluding the assets of SLDC. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

5.5.5 As per Regulation 32 of the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of Asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation in excess of 90% of the original cost of asset under different asset heads.

5.5.6 In line with the approach adopted in the previous Orders and as specified in the MYT Regulations, 2021, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for FY 2024-25. The addition to equity on account of conversion of grant to equity has been elaborated in the Section on Return on Equity. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, and equity cannot exceed 30% of the GFA.

5.5.7 The depreciation provisionally approved for FY 2024-25 in the APR is given in the Table below:

Table 29: Depreciation approved for FY 2024-25 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned under full ownership	47.60		-	
2	Building	72.87	0.62	3.34%	1.87
3	Hydraulic	2.64	-	5.28%	-
4	Other Civil Works	164.46	107.03	3.34%	7.28
5	Plant & Machinery	1523.52	135.03	5.28%	80.03
6	Lines & Cable Network	1418.52	17.40	5.28%	54.24
7	Vehicles	5.01	-	9.50%	0.07
8	Furniture & Fixtures	9.21	4.71	6.33%	0.62
9	Office Equipment	6.75	9.87	6.33%	0.67
10	Computer and accessories	1.81	-	15%	0.27
11	**Grand Total**	**3252.39**	**274.67**		**145.04**
12	Less: Depreciation for Grants/ Consumer Contribution				59.31
13	**Net Total**				**85.73**
14	Less: Depreciation towards CC				4.17
15	**Net Depreciation after CC & Grants**				**81.56**

5.5.8 **The Commission provisionally approves Depreciation of Rs. 81.56 Crore after APR for FY 2024-25.**

5.6 Interest and Finance Charges

5.6.1 The Commission had approved Interest and Finance Charges of Rs. 0.40 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, AEGCL has claimed Interest and finance Charges of Rs. 0.01 Crore in the APR for FY 2024-25.

Commission's Analysis

5.6.2 The Commission has approved Interest on loan capital for FY 2024-25 on normative basis as per MYT Regulations, 2021. The normative loan outstanding as on April 1, 2024 has been considered equal to the closing normative loan approved in the Truing up for FY 2023-24. The addition of loan has been considered equal to debt portion of capitalised works as approved by the Commission in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order

5.6.3 The weighted average rate of interest has been considered equal to the interest rate considered in the truing up for FY 2023-24. Accordingly, weighted average interest rate has been considered as 6.83% for computation of interest on loan capital.

5.6.4 The Interest on loan capital as approved by the Commission for FY 2024-25 is shown in the following Table:

Table 30: Approved Interest on loan Capital for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.24	AEGCL Submission	Approved after APR
1	Net Normative Opening Loan	102.28	-	112.92
2	Addition of normative loan during the year	28.11	-	9.08
3	Normative Repayment during the year	98.37	129.90	81.56
4	Net Normative Closing Loan	32.02	0.00	40.44
5	Interest Rate	0.58%	8.69%	6.83%
6	**Interest Expenses**	**0.39**	**-**	**5.24**
7	Finance Charges	0.01	0.01	-
8	**Total Interest and Finance Charges**	**0.40**	**0.01**	**5.24**

5.6.5 **The Commission provisionally approves Interest on loan Capital of Rs. 5.24 Crore after APR for FY 2024-25**.

5.7 Return on Equity

5.7.1 The Commission approved the RoE of Rs. 125.96 Crore for FY 2024-25 in the Tariff

Order dated June 27, 2024. As against this, AEGCL has claimed RoE of Rs. 114.79 Crore for FY 2024-25, calculated at the rate of 13.50% as specified in the MYT Regulations, 2021.

5.7.2 AEGCL submitted that Rs. 19.73 Crore is estimated to be converted to equity (i.e. Grant of Rs. 13.52 Crore and Loans of Rs. 6.21 Crore). Further, addition of equity during the year is considered at 30% of Rs. 19.73 Crore, which works out to Rs. 5.92 Crore.

Commission's Analysis

5.7.3 The Commission has approved RoE for FY 2024-25 as per MYT Regulations, 2021. The equity as on April 1, 2024 has been considered equal to the closing equity approved in the Truing-up for FY 2023-24. The addition of equity has been considered equal to equity portion of capitalised works as approved by the Commission in this Order.

5.7.4 The addition to equity on account of conversion of grant to equity is limited to 30% of GFA. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, and equity cannot exceed 30% of the GFA. The conversion of Grant to equity allowed by the Commission for FY 2024-25 is shown in the Table below:

Table 31: Conversion of Grant to Equity approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Amount
Average GFA	3389.72
Average Grant towards GFA	1406.28
Balance Grant to be converted to equity	1391.17
Net Grant towards GFA	15.10
Average CC towards GFA	86.16
Average Central Govt. Grant towards GFA	435.70
Net assets to be funded	2867.86
Max. Equity that can be considered	860.36
Equity already considered	826.63
Equity that can be additionally allowed	33.73

5.7.5 Thus, the Commission has considered additional equity of Rs. 33.73 Crore due to conversion of Grant to equity in FY 2024-25.

5.7.6 The RoE approved in the APR for FY 2024-25 is shown in the Table below:

Table 32: Return on Equity for FY 2024-25 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	AEGCL Submission	Approved after APR
1	Opening Equity Capital	891.20	847.34	822.74
2	Equity addition due to GFA addition	83.73	5.92	3.89
3	Equity addition due to conversion of Grant to equity			33.73
4	Closing Equity	974.93	853.26	860.36
5	Average Equity	933.07	850.30	841.55
6	Rate of Return on equity	13.50%	13.50%	13.50%
7	**Return on Equity**	**125.96**	**114.79**	**113.61**

5.7.7 **Accordingly, the Commission provisionally approves RoE of Rs. 113.61 Crore after APR for FY 2024-25**.

5.8 Interest on Working Capital (IoWC)

5.8.1 The Commission approved IoWC of Rs. 20.21 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, AEGCL has claimed IoWC of Rs. 20.22 Crore for FY 2024-25, calculated as specified in the MYT Regulations, 2021.

Commission's Analysis

5.8.2 The Commission has computed IoWC in accordance with the MYT Regulations, 2021. The rate of Interest has been considered equal to average SBI 1-year MCLR rate for the last six months at the time of filing of the Petition, plus 300 basis points, i.e., 11.85%. For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the revenue approved for FY 2024-25 in the Tariff Order for FY 2024-25. The IoWC approved by the Commission for FY 2024-25 is shown in the following Table:

Table 33: Interest on Working Capital for FY 2024-25 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	AEGCL	Approved after APR
1	O&M expenses for 1 month	21.05	21.05	20.84
2	Maintenance spares @ 15% of O&M Expenses	37.88	37.90	37.51
3	Receivables for two months	116.27	111.94	111.77
4	**Total Working Capital**	**175.20**	**170.89**	**170.12**
5	Rate of Interest	11.53%	11.83%	11.85%
6	**Interest on Working Capital**	**20.21**	**20.22**	**20.16**

5.8.3 **Accordingly, the Commission provisionally approves IoWC of Rs. 20.16 Crore after APR for FY 2024-25.**

5.9 BST for Pension Fund

5.9.1 The Commission had approved BST for Pension fund at 20 paise per unit amounting to Rs. 260.69 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. AEGCL has claimed BST for Pension Fund of Rs. 261.13 Crore as per the energy estimated to be sent out to APDCL for FY 2024-25.

Commission's Analysis

5.9.2 The Commission approves BST for Pension Fund at 20 paise per unit on the energy transmitted to APDCL, as shown in the following Table:

Table 34: Approved BST for Pension Fund for FY 2024-25 (Rs. Crore)

Particulars	Approved in T.O. dt. 27.06.2024	AEGCL	Approved after APR
Energy transmitted to APDCL (MU)			13141.97
BST for Pension Fund at 20 paise per unit	**260.69**	**261.13**	**262.84**

5.9.3 **Accordingly, the Commission provisionally approves BST for pension fund of Rs. 262.84 Crore in the APR for FY 2024-25.**

5.10 Other Debits

5.10.1 AEGCL has considered Other Debits of Rs. 0.40 Crore for FY 2024-25.

Commission's Analysis

5.10.2 **The Commission provisionally approves the Other debits as estimated by AEGCL**, subject to prudence check at the time of true up FY 2024-25 based on documentary evidence.

5.11 Non-Tariff Income

5.11.1 The Commission had approved the Non-Tariff Income at Rs. 85.33 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, AEGCL has submitted Non-Tariff Income of Rs. 110.70 Crore for FY 2024-25.

Commission's Analysis

5.11.2 **The Commission provisionally considers NTI of Rs. 112.35 Crore,** by considering a 5% increase in some of the heads of NTI for FY 2024-25 over the actual levels in FY 2023-24. The actual Non-Tariff income will be allowed at the time of truing up, subject to prudence check.

5.12 Contribution to Contingency Reserves

5.12.1 AEGCL submitted that the Commission vide its MYT Order dated 21.03.2022 has approved Contribution to Contingency Reserves of Rs. 3.16 Crore for FY 2024-25. The fund created under contingency reserves for FY 2024-25 shall be utilized for repairing of damaged and rusted tower legs, stubs, emergency replacement of damaged conductor, temporary protection of tower, replacement of insulator due to fault, re-tensioning of conductors, construction of new towers in place of river eroded towers, etc., in several transmission lines due to recent floods in the State. AEGCL has estimated the Contribution to Contingency Reserve based on estimated GFA for FY 2024-25 at Rs. 3.25 Crore.

Commission's Analysis

5.12.2 As stated in the earlier Chapter, in previous Tariff Order dated June 27, 2024, the

Commission had decided not to allow Contribution to Contingency Reserve in FY 2024-25 as AEGCL had utilized the Contingency Reserve funds in FY 2022-23 for regular R&M works without the prior approval from the Commission. However, from FY 2023-24 onwards, AEGCL has been utilising these funds for appropriate purposes, with prior approval from the Commission. Hence, the Commission has approved the Contingency Reserve for FY 2024-25, as originally envisaged in the MYT Order, as shown in the following Table:

Table 32: Contribution towards Contingency Reserves as approved after APR for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	AEGCL Submission	Approved after APR
1	Opening GFA for Previous year	3252.39	3252.39
2	%Contribution to Contingency Reserves	0.10%	0.10%
3	**Contingency Reserves (1*2)**	3.25	3.25

5.12.3 **Accordingly, the Commission provisionally approves Contribution to Contingency Reserves of Rs. 20.16 Crore after APR for FY 2024-25.**

5.13 ARR after Annual Performance Review of FY 2024-25

5.13.1 Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2024-25 is shown in the following Table:

Table 35: ARR approved after APR for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	Proposed by AEGCL	Approved after APR
1	O&M Expenses	252.55	252.64	250.08
A	*Employee Cost*	*207.87*	*208.13*	*206.07*
B	*R&M Expenses*	*32.33*	*32.17*	*31.67*
C	*A&G Expenses*	*12.35*	*12.34*	*12.35*
2	Depreciation	98.37	129.90	81.56
3	Interest and Finance Charges	0.40	0.01	5.24
4	Interest on Working Capital	20.21	20.22	20.16

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	Proposed by AEGCL	Approved after APR
5	BST for Pension Trust Fund	260.69	261.13	262.84
6	Return on Equity	125.96	114.79	113.61
7	Other Debits		0.40	0.40
8	Contribution to Contingency Reserve	-	3.25	3.25
9	Less: Non-Tariff Income	85.33	110.70	112.35
10	**Aggregate Revenue Requirement**	**672.85**	**671.64**	**624.80**

5.14 Revenue Gap/(Surplus) for FY 2024-25

5.14.1 AEGCL has claimed Revenue Gap of Rs. 1.01 Crore after APR for FY 2024-25.

Commission's Analysis

5.14.2 The Commission has computed the Revenue Gap/(Surplus) after APR for FY 2024-25 as shown in the following Table:

Table 36: Revenue Gap/(Surplus) after APR for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Proposed by AEGCL	Approved after APR
1	Net ARR	671.64	624.80
2	Revenue with Approved Tariff	672.85	672.85
3	Revenue from STOA/MTOA Charges	2.36	2.36
4	Revenue Gap/(Surplus)	1.01	(50.41)

5.14.3 **The APR reveals a Revenue Surplus of Rs. 50.41 Crore for FY 2024-25. It is only indicative, in the absence of Audited Annual Accounts for FY 2024-25. It will be considered during the Truing up process for FY 2024-25, after the Audited Annual Accounts are made available**.

6 CAPITAL INVESTMENT PLAN OF AEGCL FOR FY 2025-26 TO FY 2029-30

6.1 Capital Investment Plan of AEGCL

6.1.1 AEGCL has submitted the Capital Investment Plan (CIP) for the Control Period from FY 2025-26 to FY 2029-30 against various Projects grouped under the following major Schemes, viz.,

1) AIIB
2) Annual Plan/SOPD
3) TDF
4) Total Deposit work
5) AIFA
6) AIIMS
7) NESIDS
8) Augmentation of Existing Transformer by Higher Capacity
9) Revival of 220 kV Samaguri - Mariani circuit 1
10) Intra State Transmission Infrastructure Development Project under 10% GBS
11) Upcoming substation along with associated line
12) PSDF 2

6.1.2 Scheme-Wise projects, year-wise capital expenditure and capitalization, mode of funding, and requirement of the project, as submitted by AEGCL are discussed in the following Sections, along with the Commission's analysis and approval.

6.2 Asian Infrastructure Investment Bank (AIIB) Scheme

6.2.1 AEGCL submitted that the Government of India has already planned to make power available for all for 24x7. To meet such demands, the following works are proposed by AEGCL to be executed under Assam Intra-State Transmission System Enhancement Project with financial assistance from AIIB. AEGCL submitted that the entire project was split in two phases and the First Phase of the Project has been finalized with the scope of work based on the present availability of land for execution of the Project as per discussion with AIIB.

Present Status of Works

Table 37: Details of Projects to be executed under AIIB Scheme

Sl. No.	Description of work	Name of the TKC/Supplier	Date of Award	Scheduled date of completion	Target Date of completion	Percentage of completion of work		Status as on 30.11.2024
						Physical Progress	Financial Progress	
1	Construction of 220/33 kV, 2x100 MVA GIS at two locations (Bihpuria & Jakhalabandha) and associated Transmission Lines (Package A)	M/s NECCON Power & Infra Limited	26.07.2021	22.12.2024	31-12-2025	26%	17%	1. Delay in supply of major items 2. Delay in submission of design and drawings. 3. Deployment of insufficient manpower at site. 4. No site activity has started for Transmission Line. 5. 220 kV GIS slab casting completed at Jakhlabandha
2	Construction of 220/33 kV, 2x100 MVA GIS at two locations (Nagaon-2 & Chaygaon) and Associated Transmission Lines (Package-B)	Consortium Of M/S R.S. Infra Projects Pvt. Limited & M/S Siemens Limited	28.07.2021	01.02.2025	30-04-2025	28%	21%	1. Works fronts are available as per approved drawings, however engagement of separate gang of labour has not been done. 2.Delay in supply of major items, only 220 kV GIS has been supplied at Nagaon-2 GIS. 3. Stubs delivered at site. Site activity for Transmission line will be started. 4. Transformer Pad work under progress 220 kV GIS building internal cable trench works under progress
3	Construction of 132/33kV, 2x50 MVA GIS at locations Burhigaon and associated Transmission Lines (Package C)	M/s Siddhartha Engineering Limited, JV with M/S New Modern Technomech Pvt.	30.07.2021	06.12.2024	31-03-2026	41%	32%	1. Major equipment like CRP/SAS, 132/33 KV Transformer, Gantry and Equipment structures etc. are yet to be supplied. 2. Failure to deploy

Sl. No.	Description of work	Name of the TKC/Supplier	Date of Award	Scheduled date of completion	Target Date of completion	Percentage of completion of work		Status as on 30.11.2024
						Physical Progress	Financial Progress	
		Limited (JV Partner)						sufficient and skilled manpower at the site. 3.Transmission Line works started from 27th November'24. 4. Stub delivered at site. 5. The 132 kV GIS and 33 kV CRB building construction works under progress
4	Construction of 220/132 kV, 2x160 MVA; 132/33 kV, 2X50 MVA GIS at location (Khumtai) and its associated lines and bay extension (Package-D)	M/s R. S. Infraprojects Pvt. Ltd. JV with M/s Parth Electricals & Engineering Pvt. Ltd.	04.05.2022	30-06-2025	30-12-2025	36%	28%	1. Major equipment like CRP/SAS, Transformer, gantry and equipment structures are yet to be supplied. 2. Foundation work of Transmission line Towers are under progress. 3. 220 kV and 132 kV GIS equipment with mandatory spares supplied at site. 4. The 220 kV and 132 kV GIS Shuttering and reinforcement work and for 33 kV CRB building column casting work under progress
5	Construction of 220/132 kV, 2x160 MVA GIS at two location (Sankardevnagar & Agamoni) and its associated lines(Package-E)	M/s Godrej and M/s Boyce Mfg. Co Ltd.	14.10.2021	08.04.2025	31-12-2025	48%	45%	1.All major equipment supplied at site. 2. 2 nos. of 160 MVA Transformers delivered at Agomoni and 2 no. Transformer delivered at Shankardev Nagar 3. No site activity has started for the associated Transmission lines.

Sl. No.	Description of work	Name of the TKC/Supplier	Date of Award	Scheduled date of completion	Target Date of completion	Percentage of completion of work		Status as on 30.11.2024
						Physical Progress	Financial Progress	
								4. CRB/SAS, gantry and equipment structures delivered at Sankardevnagar and Agomoni 5. The GIS construction work under progress 6. Erection of gantry structure under progress.
6	Construction of 132/33 kV GIS Scheme Conversion from AIS at location (Gohpur) (Package-F)	M/s Sumaja Electro Infra Pvt. Ltd.	07.11.2022	07.04.2026	07-04-2026	33%	10%	Inspection call for 132 kV GIS raised. Cable termination kit delivered at site. The 132 kV GIS building slab work under progress Project will be completed as scheduled
7	Construction of 400/220 kV, 2x500 MVA; 220/132 kV 1x160 MVA Rangia GIS and 132/33 kV, 2x50 MVA Kumarikata AIS (Package-G)	M/s Shyama Power India Limited	09-03-2024	08-07-2026	08-07-207	09%	07%	Earth filling and compaction under progress Kiosk Building Pile work under progress
8	Construction of 400/220 kV, 2x500 MVA GIS at Sonapur GIS and its associated lines and bay extension (Package-H)	M/s Techno Electric & Engineering Company Limited	Yet to be awarded	24 Month from the date of Award	Yet to be awarded	03%	0%	NOA issued on 13.09.2024. PBG amounting to 61.59 cr. submitted. ABG amounting to 49 cr. submitted. Contract Agreement signed on 19.11.2024 Contract effective date 29.11.2024 Contour survey completed. SLD for electrical layout submitted.
9	Construction of Approach Road for 400 kV Sonapur GIS	M/s High-Tech Eco Green Contractors	15-02-2024	21-02-2025	21-02-2025	20%	0%	Retaining wall works are under progress.

Sl. No.	Description of work	Name of the TKC/Supplier	Date of Award	Scheduled date of completion	Target Date of completion	Percentage of completion of work		Status as on 30.11.2024
						Physical Progress	Financial Progress	
		LLP						
10	Augmentation of Existing Transformer Capacity at Narengi, Kahilipara, Rangia, Kukurmara and Boko Substations of Assam (Package I)	M/S Blue Star Limited	06.09.2021	06.12.2023	30-09-2024	95%	91%	Works at Rangia GSS (50 MVA) and Boko GSS (160 MVA) are under progress.
11	Augmentation of Transformer Capacity at Barnagar, Gauripur, Panchgram and Agia Sub-stations (Package-J)	M/S Hi-Tech Corporation (Jv With M/S Tal)	19.07.2021	06.12.2023	Completed on July-2024	100%	97%	Project completed
12	Augmentation of Transformer Capacity at Moran, Dibrugarh, Depota, Golaghat & Sankardevnagar sub stations in Assam (Package K)	M/S Siddhartha Engineering Limited	30.09.2021	06.12.2023	Completed on June-2024	100%	94%	Project completed
13	Augmentation of Existing Transmission Lines Capacity (Three Lines) by High Temperature Low Sag (HTLS) Conductor (Package-L)	M/S APAR Industries Limited	23.07.2021	14.08.2023	13-05-2024	97%	98%	1. All TLs under original contract were strung and charged. 2. New scope added 132 kV Kamakhya-Kahilipara and 132 kV Sarusajai-Kamakhya. 3. Due to shut-down issue, work is pending.
14	Augmentation of the communication backbone - Replacement of existing ground wire by OPGW (636 KM) (Package M)	M/s Sterlite Power Transmission Ltd.	30.10.2021	16.01.2025	16-01-2025	92%	64%	1. Running as per L2 Schedule
15	Procurement of Enterprise Resource Planning (ERP) (Package N)	M/s Yash Technologies Pvt. Ltd.	28.07.2022	11.11.2026	11-11-2026	95%	33%	ERP GO LIVE ON 03-09-2024
16	Selection of Project Management	PT Feedback	02.12.2020	02.12.2025				1. E&S and Civil

Sl. No.	Description of work	Name of the TKC/Supplier	Date of Award	Scheduled date of completion	Target Date of completion	Percentage of completion of work		Status as on 30.11.2024
						Physical Progress	Financial Progress	
	Consultancy (PMC) (Package O)	Infra Ltd, Indonesia JV with Jade Consult, Nepal and NIPSA, Spain						related Site visit. 2. Reviewing Design and Electrical Drawings submitted by EPC. 3. Preparation of Monthly and Quarterly progress reports. 4. Preparation of E&S related Documents are in process.

Table 38: Summary of Projected Capital Expenditure of AIIB Projects from FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	Projected Capital Expenditure (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Construction of 220/33 kV, 2x100 MVA GIS at two locations (Bihpuria & Jakhalabandha) and associated lines-Pkg A					
	Bihpuria	46.04	130.64	-	-	-
	Jakhalabandha	25.00	65.60	-	-	-
2	Construction of 220/33 kV, 2x100MVA GIS at two locations (Nagaon-2 & Chyagaon) and associated lines-Pkg-B					
	Nagaon	50.46	-	-	-	-
	Chaygaon	56.13	-	-	-	-
3	Construction of 132/33 kV, 2x50 MVA GIS at location (Burhigaon) and its associated lines-Pkg-C	35.59	-	-	-	-
4	Construction of 220/132 kV, 2x160 MVA; 132/33 kV, 2x50 MVA GIS at location (Khumtai) and its associated lines and bay extension-Pkg-D	112.31	-	-	-	-

Sl. No.	Particulars	Projected Capital Expenditure (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
5	Construction of 220/132kV, 2X160 MVA GIS at two location Sankardevnagar & Agamoni) and its associated lines-Pkg-E					
	Sankardevnagar	57.12	-	-	-	-
	Agamoni	55.63	-	-	-	-
6	Construction of 132/33 kV GIS Scheme Conversion from AIS at location (Gohpur)-Pkg-F	18.92	6.60	-	-	-
7	Construction of 400/220 kV, 2x500 MVA GIS; 220/132 kV 1x160 MVA GIS; 132/33 kV, 2x50 MVA AIS (Kumarikata) at one location (Rangia) and its associated lines and bay extension, Pkg-G					
	Rangia	50.00	250.00	535.53	-	-
8	Construction of 400/220 kV, 2x500 MVA GIS at location (Sonapur) and its associated lines and bay extension - Pkg-H	100.00	200.00	305.93	-	-
13	Augmentation of the communication backbone - Replacement of existing ground wire by OPGW (615 km)	14.86	-	-	-	-
14	Project Management Consultant (PMC) services	13.44	-	-	-	-
15	ERP	13.21	-	-	-	-
16	220/33 kV, 2x100 MVA Boragaon GIS with Associated Line	10.00	40.00	80.00	65.65	-
17	132/33 kV, 2x50 MVA Lumding GIS with Associated Line	10.00	20.00	30.00	46.01	-
18	132/33 kV, 2x50 MVA Morigaon AIS with Associated Line	10.00	30.00	70.00	110.95	-
19	132/33 kV, 2x50 MVA Amayapur AIS with Associated Line	15.00	20.00	25.00	7.40	-
20	132/33 kV, 2x50 MVA Ghungur (Udarband) GIS with Associated Line	10.00	20.00	20.00	3.65	-
21	132/33 kV, 2x50 MVA Chabua GIS with Associated Line	10.00	20.00	20.00	5.71	-
22	132/33 kV, 2x50 MVA Dhing AIS with Associated Line	10.00	10.00	20.00	24.03	-

Sl. No.	Particulars	Projected Capital Expenditure (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
23	132/33 kV, 2x50 MVA Dhupdhara AIS with Associated Line	10.00	20.00	15.00	22.40	-
24	132/33 kV, 2x50 MVA Titabor GIS with Associated Line	20.00	20.00	20.00	25.58	-
25	132/33 kV, 2x50 MVA Serfanguri AIS with Associated Line	15.00	15.00	15.00	17.58	-
26	220/132 kV, 2x160 MVA Rowta GIS with Associated Line	25.00	30.00	50.00	93.20	-
27	220/33 kV, 2x100 MVA Panjabari GIS with Associated Line	20.00	20.00	20.00	27.13	-
28	132/33 kV, 2x50 MVA Agamoni AIS with Associated Line	15.00	15.00	15.00	19.95	-
29	132/33 kV, 2x50 MVA Zoo Road GIS with Associated Line	25.00	30.00	30.00	61.07	-
	Total	**853.71**	**962.84**	**1271.45**	**530.32**	**-**

Table 39: Summary of Projected Capitalisation of AIIB Projects from FY 2025-26 to FY 2029-30 (Rs. Crore)

SN	Particulars	Projected Capitalisation (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Construction of 220/33 kV, 2x100 MVA GIS at two locations (Bihpuria & Jakhalabandha) and associated lines-Pkg A					
	Bihpuria	25.00	75.00	78.00	-	-
	Jakhalabandha	20.00	45.00	19.72	-	-
2	Construction of 220/33 kV, 2X100 MVA GIS at two locations (Nagaon-2 & Chyagaon) and associated lines-Pkg-B					
	Nagaon	20.00	33.62	-	-	-
	Chaygaon	25.00	35.57	-	-	-
3	Construction of 132/33 kV, 2x50 MVA GIS at location (Burhigaon) and its associated lines-Pkg-C	15.00	21.33	-	-	-

SN	Particulars	Projected Capitalisation (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
4	Construction of 220/132 kV, 2x160 MVA; 132/33 kV, 2x50 MVA GIS at location (Khumtai) and its associated lines and bay extension-Pkg-D	50.00	140.65	-	-	-
5	Construction of 220/132 kV, 2x160 MVA GIS at two locations Sankardevnagar & Agamoni) and its associated lines-Pkg-E					
	Sankardevnagar	10.00	94.67	-	-	-
	Agamoni	10.00	90.71	-	-	-
6	Construction of 132/33 kV GIS Scheme Conversion from AIS at location (Gohpur)-Pkg-F	10.00	30.52	-	-	-
7	Construction of 400/220 kV, 2x500 MVA GIS; 220/132 kV 1x160 MVA GIS; 132/33 kV, 2x50 MVA AIS (Kumarikata) at one location (Rangia) and its associated lines and bay extension, Pkg-G					
	Rangia	3.00	10.00	50.00	769.83	-
8	Construction of 400/220 kV, 2x500 MVA GIS at location (Sonapur) and its associated lines and bay extension -Pkg-H	2	10.00	50.00	553.88	-
9	Augmentation of Transformation Capacity at five substations (Narengi, Kahilipara, Rangia, Kukumara & Boko)-Pkg-I					
	Nalbari	2.71	-	-	-	-
	Narengi	5.79	-	-	-	-
	Kahilipara	6.16	-	-	-	-
	Kukurmara	2.00	-	-	-	-
	Boko	9.27	-	-	-	-
	Sishugram	2.92	-	-	-	-
	Rangia	6.83	-	-	-	-
10	Augmentation of Transformation Capacity at four substations (Barnagar, Panchgram, Agia & Gauripur)-PkG-J					
	Barnagar	1.19	-	-	-	-
	Panchgram	0.79	-	-	-	-
	Gauripur	3.45	-	-	-	-
	Agia	3.15	-	-	-	-

SN	Particulars	Projected Capitalisation (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Hailakandi	1.00	-	-	-	-
11	Augmentation of Transformation Capacity at five substations (Dibrugarh, Depota, Golaghat, Sankardevnagar & Moran) Pkg-K					
	Dibrugarh	1.46	-	-	-	-
	Depota	1.83	-	-	-	-
	Golaghat	0.00	-	-	-	-
	Sarusajai	3.25	-	-	-	-
	Moran	0.59	-	-	-	-
	Rowta	1.00	-	-	-	-
	Sishugram	1.00	-	-	-	-
	Samaguri	1.57	-	-	-	-
12	Augmentation of the communication backbone - Replacement of existing ground wire by OPGW (615 km)	28.35	-	-	-	-
13	Project Management Consultant (PMC) services	10.00	13.44	-	-	-
14	ERP	10.00	13.21	-	-	-
15	220/33 kV, 2x100 MVA Boragaon GIS with Associated Line	-	-	-	-	195.65
16	132/33 kV, 2x50 MVA Lumding GIS with Associated Line	-	-	-	-	106.01
17	220/132/33 kV, 2x50 MVA Morigaon AIS with Associated Line	-	-	-	-	220.95
18	132/33 kV, 2x50 MVA Amayapur AIS with Associated Line	-	-	-	-	67.40
19	132/33 kV, 2x50 MVA Ghungur (Udarband) GIS with Associated Line	-	-	-	-	53.65
20	132/33 kV, 2x50 MVA Chabua GIS with Associated Line	-	-	-	-	55.71
21	132/33 kV, 2x50 MVA Dhing AIS with Associated Line	-	-	-	-	64.03
22	132/33 kV, 2x50 MVA Dhupdhara AIS with Associated Line	-	-	-	-	67.40
23	132/33 kV, 2x50 MVA Titabor GIS with Associated Line	-	-	-	-	85.58
24	132/33 kV, 2x50 MVA Serfanguri AIS with Associated Line	-	-	-	-	62.58
25	220/132 kV, 2x160 MVA Rowta GIS with Associated	-	-	-	-	198.20

SN	Particulars	Projected Capitalisation (Rs. Crore)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Line					
26	220/33 kV, 2x100 MVA Panjabari GIS with Associated Line	-	-	-	-	87.13
27	132/33 kV, 2x50 MVA Agamoni AIS with Associated Line	-	-	-	-	64.95
28	132/33 kV, 2x50 MVA Zoo Road GIS with Associated Line	-	-	-	-	146.07
	Total	**294.31**	**613.72**	**197.72**	**1323.71**	**1475.32**

Table 40: Funding of AIIB Projects as proposed by AEGCL (Rs. Crore)

Capitalisation	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Grant (AIIB)	241.34	503.25	162.13	1085.44	1209.76
Grant (GOA)	52.98	110.47	35.59	238.27	265.56
Total	**294.31**	**613.72**	**197.72**	**1323.71**	**1475.32**

6.3 Trade Development Fund (TDF)

6.3.1 AEGCL has proposed the following works under TDF:

a) **Construction of 132 kV S/C line on D/C tower from Salakati to APM**

b) To improve the system stability and to feed quality power to the distribution network via grid sub-stations at Dhaligaon, APM, and Nalbari, construction of 132 kV S/C BTPS-APM line on D/C tower is urgently required. This line is very much essential from the redundancy plan point of view, and it will give an alternative route of power feeding to the aforesaid sub-station. It will thus reduce probability of the systems instability of power feeding to the distribution network of concerned areas covering entire Chirang, Bongaigaon, Abhyapuri and Chapar area.

c) Currently, Forest Clearance is yet to be received at 2 locations under Aie Valley Forest Division and Stage I forest clearance is received for 3 locations under Haltugaon Division.

Table 41: Status of Ongoing TDF Projects:

Sl. No	Project Name	Status	Start Date of Project	Original Date of Completion	Target Date of Completion	Reasons for delay in start/completion
3	132 kV S/C line on D/C tower from Salakati to	Around 76% of Work completed	Feb, 2015	Aug, 2016	Jan, 2025	1. Forest clearance is yet to be received at 2 locations under

Sl. No	Project Name	Status	Start Date of Project	Original Date of Completion	Target Date of Completion	Reasons for delay in start/completion
	APM	Total (Nos): 157 Stub Cons (Nos): 142 Erected (Nos): 122 Stringing: Nil				Aie Valley Forest Division 2. Stage I forest clearance received for 3 locations under Haltugaon Division.

Table 42: Summary of TDF Projects and Capitalisation as projected by AEGCL (Rs. Crore)

Sl. No.	Particulars	Projected Capital Expenditure		Projected Capitalisation	
		FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
1	Construction of 132 kV S/C line on D/C tower from Salakati to APM	8.10	0	5.14	0
2	Construction of 132 kV S/C line on D/C tower from Agia to Hatsingimari (Package_A&B)	-		0	0
	Trans. Lines Total	**8.10**	**0**	**5.14**	**0**
	Total (S/S and Trans. Line)	**8.10**	**0**	**5.14**	**0**

Table 43: Funding of TDF Projects (Rs. Crore)

Sr. No.	Capitalisation	Funding Pattern	FY 2025-26
A	GoA- Grant	100%	5.14
	Total		**5.14**

6.4 NERPSIP

6.4.1 GOI sanctioned the "North Eastern Region Power System Improvement Project" (NERPSIP) on 1st December, 2014 for six North Eastern Region States (Assam, Meghalaya, Manipur, Tripura, Nagaland and Mizoram) for strengthening of Intra-

State Transmission and Distribution System. The Scheme is implemented as Central Sector Scheme through POWERGRID with completion schedule of 48 months from the date of release of 1st instalment of funds to PGCIL. The Implementation/Participation Agreement between Assam (AEGCL/APDCL) and PGCIL was signed on 29th May, 2015. The project is funded 50% through World Bank funds and 50% by GoI through MoP budget. State Government shall reimburse all form of State level taxes, duties and levies. The Government of India (Ministry of Power) shall be the borrower of the Bank loan and the total loan (the Bank loan and GoI/MoP budgetary support) shall be made directly available by GoI to Implementing Agency, POWERGRID for phase-wise implementation on behalf of AEGCL. The ownership of the assets lies with AEGCL and upon progressive commissioning, the project elements shall be taken over by AEGCL for operation and maintenance on their own at their own cost.

6.4.2 In the scope of NERPSIP-Assam, the following are being done by POWERGRID:

a) Eleven (11) nos. of new EHV Sub stations, of which three (3) will be GIS and rest will be AIS.
b) Augmentation of two (2) existing sub stations at Samaguri and Dhaligaon.
c) The scheme also involves Turnkey Tower Package at various locations.
d) Procurement of 27 nos. of transformers
e) Pile foundation work at 9 locations over River Brahmaputra
f) Approximately 740 km of OPGW including existing and new Transmission lines (216 km).
g) Capacity Building and Institutional Strengthening of Assam electricity transmission and distribution scenario has been taken up.

Table 44: Summary of NERPSIP Projects and Capitalisation as projected by AEGCL (Rs. Crore)

Sr. No.	Package Name	Projected Capitalisation
		FY 2025-26
1	ASM-SS-01	82.32
2	ASM-SS-02	103.42
3	ASM-SS-03	57.76
4	ASM-SS-04	287.17
5	ASM Tr-01	124.07
6	ASM P01	36.64
7	TW02	50.26

Sr. No.	Package Name	Projected Capitalisation
		FY 2025-26
8	TW04	27.24
9	TW05	28.40
10	TW-07	84.19
11	ASM OPGW01	10.06
12	Other compensation	55.43
	Total	**946.96**

AEGCL has submitted that the ongoing projects were commenced in the previous/current years and thus, the capital expenditure has been incurred directly by GOI. Hence, capital expenditure is not reflected in the account of AEGCL. However, the projects once capitalised, shall reflect as capitalisation in accounts of AEGCL as the ownership of the assets shall lie with AEGCL and the project elements shall be taken over by AEGCL for operation and maintenance on their own at their own cost.

Table 45: Funding of NERPSIP Projects (Rs, Crore)

Sl. No.	Capitalisation	FY 2025-26
A	Grant-Central Fund	946.96
	Total	**946.96**

6.5 Assam Infrastructure Funding Authority (AIFA)

6.5.1 The proposal for construction of 132/33 kV, 2x50 MVA Nathkuchi Substation and associated Transmission Lines has been approved by Govt. of Assam under the Assam Infrastructure Funding Authority (AIFA) vide Revised AA No. No. PEL.192/2017/103 dated 11th October, 2019. The 132/33 kV Nathkuchi substation has been charged on 03.12.2023. This has helped to address the load demand at Pathsala, Bhabanipur, Harupather, Nathkuchi, Khudra Bhaluki, Boorman and Mushalpur as there is a trend of increase in domestic, commercial and industrial loads. The project will further lead to:

i. Increase in power transformation capacity and improvement in voltage profile of the grid system as well as power distribution network in and around Pathsala.

ii. Minimization of overloading condition of Nalbari and Barnagar Grid sub-stations erasing the load shedding scenario around the area.
iii. Increase in revenue through additional installed capacity.
iv. Enhanced power reliability and better customer service.
v. Turnkey construction has been split into two parts, considering the nature of works, as follows:
   a) Turnkey construction of 2x50 MVA, 132/33 kV Nathkuchi Substation with associated Transmission Line (LILO of 132kV Transmission Line from Rangia GSS to Barnagar GSS at Nathkuchi). The construction of substation and Transmission Line has already been completed in Dec' 2023. However, some related civil works are going on.
   b) Supply and Erection of HTLS Conductors along with all accessories from 132 kV Rangia Substation to Nathkuchi Substation on turnkey basis. The work has been completed in April 2022.

Table 46: Summary of Capital Expenditure and Capitalisation as projected by AEGCL (Rs. Crore)

Sr. No.	Particulars	Projected Capital Expenditure	Projected Capitalisation
		FY 2025-26	FY 2025-26
1	Turnkey Construction of 2x50 MVA, 132/33 kV Nathkuchi Substation with associated Transmission Line (LILO of 132 kV Transmission Line from Rangia GSS to Barnagar GSS at Nathkuchi)	10.50	55.59
	Total	**10.50**	**55.59**

Table 47: Funding of Projects as projected by AEGCL (Rs. Crore)

Sr No.	Capitalisation	Funding Pattern (%)	FY 2025-26
A	GoA- Grant	100%	55.59
	Total	**100%**	**55.59**

6.6 AIIMS

6.6.1 In order to supply power to the upcoming AIIMS at Changsari, Guwahati, AEGCL has completed construction of 1x25 MVA, 132/33 kV substation at AIIMS campus along with associated transmission line.

6.6.2 The Health & Family Welfare Deptt., Govt. of Assam has approved the project and issued Administrative Approval vide letter no. AA/DME_2019-20(I)_309 dated 19th July, 2019 for Rs. 4198.74 Lakh. The substation along with associated transmission line was made operational on 30.12.2022. Some related civil works are under progress and shall be completed by 2025-26.

Table 48: Summary of AIIMS Capital Expenditure and Capitalisation (Rs. Crore)

Sr. No.	Particulars	FY 2025-26	
		Capital Expenditure	Capitalisation
1	1x25 MVA, 132/33 kV AIIMS GSS, Changsari along with associated Line	6.56	11.46
	Total	**6.56**	**11.46**

Table 49: Funding of AIIMS Projects (Rs. Crore)

Sr. No.	Capitalisation	FY 2025-26
A	Grant-consumer contribution	11.46
	Total	**11.46**

6.7 Annual Plan/State Owned Priority Development (SOPD-G)

6.7.1 **Construction of 220 kV D/C Sonabil- Biswanath Chariali line with 2 nos. of 220 kV line bay for Sonabil Sub-station**

This proposal would contribute to enhance the current power situation on the north bank of the Brahmaputra River as the system will be directly connected to 220 kV thereby enhancing the power scenario. Also, in turn it would enhance commercial and trade activities in Upper Assam Region, hence, improving the socio-economic scenario and directly benefiting residents/workers of the connected region. The construction of transmission line is halted and will resume shortly.

6.7.2 **2nd Circuit Stringing of 132 kV, 41.923 km Samaguri-Khaloigaon (Nagaon) line on D/C tower of AEGCL.**

The 220 kV GSS Type-I Samaguri was connected to the 132 kV GSS Type-II Khaloigaon through the 132 kV 41.923 Im Samaguri-Khaloigaon (Nagaon) S/C line on D/C tower. As this line was the only circuit linking power to both the substations without any redundancy, it was proposed to string a second circuit on the existing D/C tower so that the power supply from the substations will be more reliable in addition to the fulfilment of (n-1) contingency of CEA Guidelines. The substations supply power to the connected region in major part of the Nagaon and Morigaon district, which was already suffering from severe load shedding especially during peak Load hours of summer season. Thus, for reliability of power, stringing of second circuit between Samaguri-Khaloigaon (Nagaon) was an essential requirement and have greatly impacted the beneficiaries.

6.7.3 **Hotline stringing of 2nd circuit of 132 kV Kukurmara (Mirza) – Azara transmission line**

132/33 kV Azara substation is radially connected to 400/220/132/33 kV Kukurmara (Mirza) substation through the 132 KV Azara-Kukurmara (Mirza) S/C line on D/C tower, which was completed in December, 2019. As this line is the only circuit that feeds power to Azara substation without any redundancy, it was proposed to string a second circuit on the existing D/C tower so that the power supply from the Azara substation will be more reliable in addition to the fulfilment of (n-1) contingency of CEA Guidelines. The 132/33 kV Azara substation supplies power to Palashbari, Mirza and vital areas of Airport and nearby. Thus, for reliability of power, stringing of second circuit between Kukurmara (Mirza)- Azara was an essential requirement and will have a great impact on the beneficiaries.

6.7.4 **Construction of 01 no. of 132 kV line bay at 132/33 kV Azara substation along with associated PLCC work at 400/220/132/33 kV Kukurmara (Mirza)**

132/33 kV Azara substation is radially connected to 400/220/132/33 kV Kukurmara (Mirza) substation through the 132 kV Azara-Kukurmara (Mirza) S/C line on D/C tower, which was completed in December, 2019. As this line is the only circuit that feeds power to Azara substation without any redundancy, it was proposed to string a second circuit on the existing D/C tower so that the power supply from the Azara substation will be more reliable in addition to the fulfilment of (n-1) contingency of CEA Guidelines. The 132/33 kV Azara substation supplies power to Palashbari, Mirza and vital areas of Airport and nearby. Thus, for reliability of power, stringing of second circuit between Kukurmara (Mirza) - Azara was an essential requirement. Also, the envisaged work for constructing the second circuit will also require construction of one no. of 132 kV bay at Azara GSS. The bay at Kukurmara end is ready with all equipment installed. However, the PLCC equipment for the link at both ends is required. The supply of equipment is completed and erection/commissioning is underway.

6.7.5 **Revival of Srikona-Panchgram Line using Composite Insulated Cross-Arm Technology**

132KV Panchgram-Srikona line is a vital transmission link for stability & reliability at Panchgram, Srikona & Pailapool GSS's, which cater to the major share of load demand of Barak Valley. Prolonged outage of this section of the line has resulted in loss of redundancy of transmission corridor linking these sub-stations as in the event of outage of 132KV S/C Badarpur (PGCIL) – Panchgram line & 132KV S/C Panchgram-Hailakandi line, there is every likelihood of power collapse at Panchgram (in the absence of 132KV Panchgram-Srikona link). Srikona GSS being situated near the Silchar (PGCIL) sub-station, the voltage stability is higher and re-commissioning of 132KV Panchgram-Srikona line will enable Panchgram GSS to get better voltage stability. Also, due to capacity constraint at 132KV Jiribam (PGCIL)-Pailapool S/C Line, security of Srikona GSS is at lower side, as in the event of outage of 132KV Silchar (PGCIL) – Srikona line, Srikona & Pailapool GSS either face bus collapse or severe load restriction. Prolonged outage of 132KV Srikona-Panchgram line has resulted in the lowering of availability factor which has impacted AEGCL financially since the AERC's tariff offers either entails penalty charge or slash of incentive. So, for stability & reliability of power system in the entire Barak Valley region, revival of collapsed section of 132KV Srikona-Panchgram Line is urgently needed. All drawings have been approved. Inspection call and despatch is in progress. Works at site are under progress. The project is expected to be completed during 2024-25.

6.7.6 **Augmentation of 2x100 MVA, 220/132 KV Rangia GSS By 2x200 MVA Auto-Transformer (Phase-I)**

220/132 kV Rangia GSS caters load demand of several 132/33 kV GSS viz. Nalbari, Sipajhar, Kamalpur and Barnagar including Rangia. 220/132 kV Rangia GSS presently has two nos. of 100 MVA auto-transformer installed. During the peak load, both the transformers get loaded almost up to full capacity. Due to these transformer constraints, the incoming power from Deothang Hydroelectric project is affected/interrupted in case of sudden tripping of 100 MVA transformers due to overload. Also, frequent blackout occurs due to the saturation of 2x100 MVA transformers at Rangia GSS. Hence, to improve the power scenario in Lower Assam region and to enhance grid stability, it is necessary to augment the transformation capacity of Rangia GSS from 2x100 MVA to 2x200 MVA. This will not only improve the present power scenario but will also cope with the increased demand in the coming years. The project has been taken up in phased manner. In the phase-I, 1 no. of 200 MVA transformer along with augmentation of 2 no. bays has been taken up and the work is in progress. The project is 35% completed however, additional Inspection, dispatch of equipment are in progress. Civil works at site have commenced, after shutdown approval from 1st Dec, 2024. The 200 MVA, 220/132/33 KV transformer is expected to reach site by Feb-March, 2025. In this regard, commissioning is targeted by March 2025, after necessary approval. The project shall be completed during 2024-25.

Table 50: Summary of SOPD-G Capital Expenditure (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27
1	Construction of 220 kV D/C Sonabil – Biswanath Charali line with 2 nos. 220 KV line bay. (42.768 km long as per tower schedule)	11.45	-
2	"Supply of spares for transformer bay equipments for 132/33 kV, 50 MVA Transformer at 132 kV GSS, Sipajhar"	0.12	-
3	Revival of Srikona-Panchgram Line using Composite Insulated Cross-Arm Technology	2.55	-
4	Augmentation of 2x100 MVA, 220/132 KV Rangia GSS By 2x200 MVA Auto-Transformer (Phase-I)	20.43	-
5	Stringing of 2nd Circuit of 132kV Nazira-Jorhat (Garmur) Line alongwith associated terminal equipment	11.12	-
6	Height raising/erection of two numbers of new towers due to low ground clearance between tower loc no. 29 & 30 of Samaguri-Mariani Circuit-1	0.73	-
7	Construction of 132 KV D+0 tower (01 No) on pile foundation in place of river eroded tower at loc. No. 136 of 132 KV Dibrugarh-Tinsukia near sesa river, Lahoal, Dibrugarh	1.39	-
8	Construction of flood affected tower along with associated works of transmission line at loc 225 A of 132 KV Nalkata Gohpur line and loc 73 of Nalkata Dhemaji line	0.40	-
9	Augmentation of the existing 132 KV Bus (ACSR Zebra Conductor) by HTLS Drake Conductor at 132/33 KV Kahilipara GSS, AEGCL	7.63	-
	Total	**55.82**	-

Table 51: Summary of SOPD-G Capitalisation (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27
1	Augmentation of transformer capacity of 132/33 kV Nalbari sub-station from 1x40 MVA + 1x16 MVA to 1x50 MVA + 1x40 MVA	5.62	-

Sl. No.	Particulars	FY 2025-26	FY 2026-27
2	Construction of 220 kV D/C Sonabil - Biswanath Charali line with 2 nos. 220 kV line bay. (42.768 km as per tower schedule)	-	25.56
3	Supply of spares for transformer bay equipments for 132/33 kV, 50 MVA Transformer at 132 kV GSS, Sipajhar	0.12	-
4	Augmentation of 2x100 MVA, 220/132 kV Rangia GSS By 2x200 MVA Auto-Transformer (Phase-I)	20.77	-
6	State support to execute the project under "Power System Development Fund" (PSDF) of the Govt. of India	42.28	-
7	Stringing of 2nd Circuit of 132 kV Nazira-Jorhat (Garmur) Line along with associated terminal equipment	11.12	-
8	Height raising/erection of two numbers of new towers due to low ground clearance between tower LOC No. 29 & 30 of Samaguri-Mariani Circuit-1	0.83	-
9	SAS Upgradation at 220/132 kV Rangia GSS, AEGCL	-	-
10	Construction of 132 kV D+0 tower (01 No) on pile foundation in place of river eroded tower at LOC. No. 136 of 132 kV Dibrugarh-Tinsukia near sesa river, Lahoal, Dibrugarh	1.96	-
11	Construction of flood affected tower along with associated works of transmission line at LOC 225 A of 132 kV Nalkata Gohpur line and LOC 73 of Nalkata Dhemaji line	1.98	-
	Augmentation of the existing 132 kV Bus (ACSR Zebra Conductor) by HTLS Drake Conductor at 132/33 kV Kahilipara GSS, AEGCL	9.63	-
	Total	**94.31**	**25.56**

Table 52: Funding of SOPD-G Projects (Rs. Crore)

Sl. No.	Capitalisation	FY 2025-26	FY 2026-27
A	GoA-grant	94.31	25.56
	Total	**94.31**	**25.56**

6.8 <u>Deposit Works</u>

6.8.1 Deposit Works Funded by NRL

Rapid expansion of the production capacity of the petroleum sector in Assam is expected to increase the load demand significantly. As the refineries gear up to start production of BS-VI petroleum products, it will increase their power demand. To meet up with the increased load demand of the refineries in Assam, several projects are being executed under deposit scheme.

Table 53: Summary of NRL Deposit Works Capitalisation (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	Construction of 220 kV LILO to NRL substation from Smaguri-Mariani-2	13.12
	Total	**13.12**

6.8.2 **Deposit Scheme funded by Railways**

Railways are executing electrification of railway network in Assam at a rapid pace through RVNL, RITES, IRCON, NF Constructions and CORE. Projects are being executed with a vision to reduce dependency on imported fossil fuel-based petroleum products. This will enable Railways to use greener power and reduce its carbon footprint. As a part of this ambitious project, AEGCL has been entrusted with construction of several 132 kV transmission lines to the Railway Traction substation and terminal line bays at AEGCL end.

Table 54: Summary of Railways Deposit Scheme Capitalisation

A) Deposit Scheme funded by NFCON (Rs. Crore)

Sl. No.	Particulars	Capitalisation
		FY 2025-26
1	Construction of 132 kV S/C TL from Sonabil GSS to Balipara TSS	9.17
2	Construction of 132 kV S/C TL from Rowta GSS to Udalguri TSS	8.32
3	Construction of 132 kV S/C TL from Gohpur GSS to Gohpur TSS	9.36
4	Construction of 132 kV S/C TL from Nalkata GSS to North Lakhimpur TSS	7.60
5	Construction of 132 kV S/C TL from Dhemaji GSS to Dhemaji TSS	5.16
6	Construction of 132 kV S/C TL from Silapathar GSS to Laimekuri TSS	24.06
7	Construction of 132 kV S/C TL from Jorhat west GSS to Barua Bamungaon TSS	9.02
8	220 kV bay at Sonabil GSS	3.32
9	132 kV bay at Nalkata GSS	2.37
10	132 kV bay at Dhemaji GSS	2.53
11	132 kV bay at Gohpur GSS	2.25
12	132 kV bay at Silapathar GSS	2.17
13	132 kV bay at Jorhat west GSS	1.32
14	132 kV bay at Khaloigaon GSS	2.35

Sl. No.	Particulars	Capitalisation
		FY 2025-26
15	132 kV Bay at Bordubi GSS	3.57
	Total	**92.57**

B) Deposit Scheme funded by CORE (Rs. Crore)

Sl. No.	Particulars	Capitalisation
		FY 2025-26
1	Construction 132 kV TL from Agia GSS to Goalpara TSS	4.37
	Total	**4.37**

C) Deposit Scheme funded by IRCON (Rs. Crore)

Sl. No.	Particulars	Capitalisation
		FY 2025-26
1	Behiating to Dibrugarh TL	26.10
2	Nazira to Nazira TL	
3	Namrup to Naharkatiya TL	
4	Golaghat to Furkating TL	
5	Diphu to Dhansiri TL	
6	Karimganj to Baraigram TL	
7	Pailapool to Sribar TL	
8	Panchgram to Badarpur TL	
9	Durlavchera to Ramnathpur TL	
10	Gauripur to Golakganj TL	
11	132 kV bay at Panchgram GSS	1.62
12	132 kV bay atGolaghat GSS	2.99
13	132 kV bay at Diphu GSS	0.00
14	220 kV bay at Namrup GSS	2.77
15	132 kV bay at Karimganj GSS and Pailapool GSS	3.00
16	132 kV bay at Nazira GSS and behiating GSS	3.78
17	132 kV bay at Dullavcherra GSS	3.69
18	Construction of Quarter, Boundary Wall & Installation, testing and commissioning of ODEX (Deep Well) along with all other associated works at 132 kV GSS, Diphu	0.71
19	Construction of Boundary wall, Sub-station Main Gate, Security Booth, RCC Drain, Culvert, Security Fencing, Quarter (Type- B, C1 &; V) &; Construction of new Pavement Block Road along with all other associated works at 132kV GSS, AEGCL, Golaghat	1.45
20	Additional works for construction of one no. of 132 kV Railway traction bay at 132 kV GSS Behiating	0.00
21	132 kV Bay at Gauripur GSS	5.67
22	Associated Civil Works for 132 kV Bay at Gauripur GSS	2.44

Sl. No.	Particulars	Capitalisation
		FY 2025-26
23	Height raising of 220 kV Samaguri Mariani TL from LOC. No. 494 – 495	1.83
	Total	**56.06**

6.8.3 **Deposit Scheme funded by APDCL**

APDCL is requesting AEGCL for 33 kV feeders in various locations. AEGCL under deposit scheme has taken up following projects.

Table 55: Summary of Deposit Scheme funded by APDCL Capital Expenditure and Capitalisation (Rs. Crore)

Sr. No.	Particulars	Capital Expenditure	Capitalisation
		FY 2025-26	FY 2025-26
1	Construction of 33 kV IT Park feeder at Kukurmara GSS	-	2.03
2	Construction of 33 kV Nagaon Medical College Bay at 132 KV Khaloigaon GSS	-	1.23
3	Construction of 33 kV Kukurmara-Rani Feeder at 400kV Kukurmara GSS	-	1.25
4	Construction of 2 No of 33 kV Bays for APDCL at Namrup GSS	-	1.75
5	Turnkey Construction of 1 no. of 33 kV bay along with associated works at 132 kV Sishugram GSS (JICA)	0.38	0.74
6	Turnkey Construction of one no. of 33 kV feeder bay at 132 kV Azara GSS, AEGCL under Deposit Scheme	-	1.45
7	Turnkey Construction of 1 no. of 33 kV Pangram Feeder Bay along with Bay Extension including Civil Works at 132kV Pailapool GSS, AEGCL	-	1.56
8	Turnkey Construction of 1 no. of 33 kV Feeder Bay along with Bay Extension including Civil Works at 220 kV Sarusajai GSS, AEGCL	-	**10.01**
	Total	**0.38**	

6.8.4 **Deposit Scheme funded by various entities**

Table 56: Summary of Deposit Scheme funded by various entities Capital Expenditure and Capitalisation (Rs. Crore)

Sr. No.	Particulars	Capital Expenditure	Capitalisation
		FY 2025-26	FY 2025-26
1	Construction of 2 No of 33 kV Bays for APGCL at Namrup GSS	-	1.23
2	Construction of 2 No of 33 kV Bays for BVFCL at Namrup GSS	-	1.22
3	Shifting of the 132 kV D/C Jorhat - Mariani TL at Loc No 21B to 28A on turnkey basis	-	2.03
4	Diversion of 132 kV Dibrugarh - Behaiting SC TL for construction of multipurpose sports complex at Khanikar Dibrugarh	-	1.24
5	Turnkey construction of 33 kV Feeder Bay along with associated works at 132 kV Sishugram GSS for power supply to National Data Centre	1.56	1.56
6	Turnkey construction of 33kV feeder bay along with associated works at 132 kV Narengi GSS for power supply to OIL	1.68	1.68
8	Turnkey Construction of 33 kV dedicated Feeder bay at 132 kV Umrangso GSS for 2nd Lower Kopili HEP of APGCL	-	0.02
9	132kV Bay at Haflong GSS	-	1.53
10	Execution of Preliminary Survey, Route Alignment and Detailed Survey for Construction of 132 KV Transmission Line from 132/33 KV Umrangso GSS, AEGCL to Langting TSS	-	0.34
11	Civil Works for Construction of 33 kV Dedicated feeder bay at 132 kV Sishugram GSS AEGCL North Guwahati for JICA Water Supply Project	-	1.04
	Total	**3.25**	**11.90**

Table 57: Funding of Deposit works (Rs. Crore)

Sr. No.	Capitalisation	FY 2025-26
A	Grant-Consumer Contribution	188.03
	Total	**188.03**

6.9 North Eastern Special Infrastructure Development Scheme (NESIDS)

The proposal for “Construction of 2x50 MVA, 132/33 kV GIS Substation at the existing switchyard of 220/132 kV Amingaon GIS” was started by AEGCL under NESIDS scheme after getting sanction from GoA. The proposal was to construct the downstream network of 220/32 kV Amingoan GIS (under NERPSIP).

The construction of downstream network of Amingaon GIS will boost the power quality and reduce transmission loss. Moreover, this will also help in catering the rapid increase in industrial load in the nearby area.

The project has already been awarded with completion period of 2 years.

Present Status of Works:

SN	Scheme Name	Project Name	Status	Start Date of Project	Original Date of Completion	Board Approved Cost (Rs. Crore)
1	North Eastern Special Infrastructure Development Scheme (NESIDS)	Turnkey Construction of 2x50 MVA, 132/33 kV GIS (Gas Insulated Substation) at Existing 220/132 kV Amingaon GIS	Civil work 80% Completed Supply work 30% Completed. Erection work 10% Completed.	23.08.2023	22.08.2025	Board Approved Cost is Rs. 37.68 Crore NESIDS- Rs. 30.00 Crore Internal Source of AEGCL- 7.68 Crore

Table 58: Summary of NESIDS Projects Capital Expenditure and Capitalisation (Rs. Crore)

Particulars	Capital Expenditure FY 2025-26
Turnkey Construction of 2x50 MVA, 132/33 kV GIS at Existing 220/132kV Amingaon GIS	27.88
Total	**27.88**

Particulars	Capitalisation FY 2025-26	Capitalisation FY 2026-27
Turnkey Construction of 2x50 MVA, 132/33kV GIS at Existing 220/132kV Amingaon GIS	0	37.88
Total	**0**	**37.88**

Table 59: Funding of NESIDS Projects (Rs. Crore)

Capitalisation	Funding Pattern	FY 2026-27
Grant-Central Fund	100%	37.88
Total	**100%**	**37.88**

6.10 PSDF 2

6.10.1 AEGCL has submitted project proposals to NLDC for funding under PSDF Scheme. However, approval for the same is under process and expected to start the work from FY 2027-28. Following are the projects submitted to NLDC for approval:

6.10.2 **Implementation of Islanding Scheme of Guwahati**

The Islanding Scheme for Guwahati is very much essential for safeguarding the essential and critical loads of Guwahati. In the event of failure of the national grid, the supply of power to the super-critical and critical loads of Guwahati will be ensured via this scheme. Thereafter, the rest of Assam Grid, NER Grid and Indian Grid can be extended power from this Island.

6.10.3 **Reconductoring & strengthening of 132 kV Transmission Lines of AEGCL by HTLS conductor along with replacement of Terminal Equipment to avoid overloading**

AEGCL want to take advantage of high-capacity conductors, i.e., High Temperature Low Sag (HTLS) type which are capable of carrying current double the existing one without disturbing the most critical factor of transmission line "Sag' and issues with RoW for new transmission line. As such, some of critical transmission lines mainly on 132 kV class are considered for re-conductoring by HTLS conductors. This strengthening would enhance the transmission capacity and stability of the AEGCL grid network.

Table 60: Summary of PSDF 2 Capital Expenditure and Capitalisation (Rs. Crore)

Sr. No.	Particulars	Capital Expenditure	Capitalisation
		FY 2027-28	FY 2029-30
1	Implementation of Guwahati Islanding Scheme	25.56	25.56
2	Assam State Reliable Communication & Data Acquisition System Part A (OPGW)	84.5	84.5
3	Installation of Line Differential Relay in short Transmission line with week feed at one end	23.41	23.41
4	Reconductoring and Strengthening of 132kV Transmission Lines of AEGCL by HTLS Conductor along with Replacement of Terminal equipment to avoid overloading	279.03	279.03
TOTAL		**412.50**	**412.50**

Table 61: Funding details of PSDF2 (Rs. Crore)

Sr. No	Capitalisation	FY 2029-30
A	Grant-Central Fund	412.50
	Total	**412.50**

6.11 Augmentation of Existing Transformer by Higher Capacity

AEGCL has 194 numbers of Power Transformers at different voltage level that operate at 81 numbers of substations, with 26 numbers of substations requiring urgent transformer augmentation to meet growing domestic and industrial demand. Most of these existing transformers operate at 70-90% capacity or are ageing. Given the increasing load demand, these transformers will become saturated by the next summer season. To avoid this, procurement must begin promptly to prevent load shedding to ensure uninterrupted power supply.

6.11.1 **Project Cost**

The estimated cost of the project is Rs. 498.00 crore and will be implemented in 24 months from the date of loan sanctioned. 90% of the Project Cost, i.e., Rs. 448.2 Crore will be borne through debt financing from leading Financial Institutions, and 10% of the Project cost, i.e., Rs. 49.8 Crore will be borne through equity participation by AEGCL. The tenure of the loan will be 15 to 20 years and will be decided during negotiation with the financial institution.

6.11.2 **Present Status of The Proposal:**

AEGCL had submitted a project proposal “Augmentation of Existing Transformer by Higher Capacity” with due approval from the 102nd Board of Directors Meeting. The proposal was then forwarded to PIB for clearance. PIB through Power Department, GoA raised some queries. AEGCL is in process to submit the replies shortly.

The augmentation of Power Transformers is pursuant to requirement and needs to be implemented urgently and as such AEGCL planned to avail the loan from leading Financial Institutions, which involves comparatively less time for approval. While EAP funding is an alternative, its protracted approval and implementation duration in this transformer augmentation project would exacerbate the power crisis in the next summer season due to transformer capacity constraints.

6.11.3 **Proposal & Approval Sought**: The Power Department, Govt of Assam has raised some queries regarding the Commission’s approval on the Upgradation proposal. Based on the query received, AEGCL requests the Commission to kindly approve the above-mentioned proposal for onward submission to Govt. of Assam. The project is expected to start from FY 2027-28.

Table 62: Summary of Capital Expenditure and Capitalisation (Rs. Crore)

Sl. No.	Particulars	Capital expenditure	Capitalisation
		FY 2027-28	FY 2029-30
	220 kV VOLTAGE LEVEL		
1	Augmentation of 220/132kV Transformation capacity of **Rangia GSS** from 1X100+1X200 MVA to 2X200 MVA Auto-Transformer along with terminal equipment		
2	Augmentation of 220/132kV Transformation capacity of **Salakati GSS** from 2X160 MVA to 3X160 MVA Auto-Transformer along with 220kV terminal equipment, CRP, SAS integration and installation of 132kV EHV Cable.		
3	Augmentation of 220/132kV Transformation capacity of **Tinsukia GSS** from 2X100 MVA to 2X200 MVA Auto-Transformer along with terminal equipment		
	132 kV VOLTAGE LEVEL		
4	Augmentation of 132/33 KV Transformation capacity of **APM GSS** from 1X16+1X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		
5	Augmentation of 132/33 KV Transformation capacity of **Bilasipara GSS** from 2X16 MVA to 1X50 +1X16 MVA Power Transformer along with terminal equipment		
6	Augmentation of 132/33kV Transformation capacity of **Bokakhat GSS** from 2X16 MVA to 2X50 MVA Power Transformer along with terminal equipment	498	498
7	Augmentation of 132/33kV Transformation capacity of **Barpeta GSS** from 2X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		
8	Augmentation of 132/33kV Transformation capacity of **Baghjap GSS** from 2X25 MVA to 1X50+1X25 MVA Power Transformer along with terminal equipment		
9	Augmentation of 132/33kV Transformation capacity of **Hatsingimari GSS** from 1X25+1X16 MVA to 2X50 MVA Power Transformer along with terminal equipment		
10	Augmentation of 132/33kV Transformation capacity of **Dhemaji GSS** from 1X50+1X16 MVA to 2X50 MVA Power Transformer along with terminal equipment		
11	Augmentation of 132/33kV Transformation capacity of **Diphu GSS** from 2X16 MVA to 1X50+1X16 MVA Power Transformer along with terminal equipment		
12	Augmentation of 132/33kV Transformation capacity of **Durlavcherra GSS from** 1X10+1X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		

Sl. No.	Particulars	Capital expenditure	Capitalisation
		FY 2027-28	FY 2029-30
13	Augmentation of 132/33kV Transformation capacity of **Gossaigaon GSS** from 1X25+1X16 MVA to 1X25+**1X80 MVA** Power Transformer along with terminal equipment		
14	Augmentation of 132/33kV Transformation capacity of **Jorhat GSS** from 3X25 MVA to 1X50+2X25 MVA Power Transformer along with terminal equipment		
15	Augmentation of 132/33kV Transformation capacity of **Karimganj GSS** from 2X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		
16	Augmentation of 132/33kV Transformation capacity of **Mariani GSS** from 2X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		
17	Augmentation of 132/33kV Transformation capacity of **Magherita(Ledo) GSS** from 2X25 MVA to 2X50 MVA Power Transformer along with terminal equipment		
18	Augmentation of 132/33kV Transformation capacity of **Nalkata GSS** from 1X25+1X50 MVA to 2X50 MVA Power Transformer along with terminal equipment		
19	Augmentation of 132/33kV Transformation capacity of **Nazira GSS** from 1X25+1X40 MVA to 1X50+1X40 MVA Power Transformer along with terminal equipment		
20	Augmentation of 132/33kV Transformation capacity of **Rupai GSS** from 2X25 MVA to 1X50+1X25 MVA Power Transformer along with terminal equipment		
21	Augmentation of 132/33kV Transformation capacity of **Sankardevnagar GSS** from 2X40 MVA to **2X80 MVA** Power Transformer along with terminal equipment		
22	Augmentation of 132/33kV Transformation capacity of **Sarusajai GSS** from 2X31.5+50 MVA to 3X50 MVA Power Transformer along with terminal equipment		
23	Augmentation of 132/33kV Transformation capacity of **Samaguri GSS** from 2X50+1X25MVA to 3X50 MVA Power Transformer along with terminal equipment		
24	Augmentation of 132/33kV Transformation capacity of **Sivsagar GSS** from 2X16 MVA to 2X50 MVA Power Transformer along with terminal equipment		
25	Augmentation of 132/33kV Transformation capacity of **Srikona GSS** from 1X40+1X50 MVA to 2X50 MVA Power Transformer along with terminal equipment		
26	Augmentation of 132/33kV Transformation capacity of **Tinsukia GSS** from 2X40 MVA to 3X50 MVA Power Transformer along with terminal equipment		
TOTAL		**498**	**498**

Table 63: Funding details (Rs. Crore)

Capitalisation	FY 2029-30
Loan-REC/SIDBI	448.20
Equity	49.80
Total	**498.00**

6.12 Revival of 220 kV Samaguri- Mariani circuit 1

The 220 kV Samaguri-Mariani Circuit-I transmission line, which was commissioned several decades ago, has remained out of operation due to significant challenges, including inadequate ground clearance and its passage through the environmentally sensitive Kaziranga National Forest and densely populated areas. To address this, a second circuit (Circuit-II) was built, running parallel to the national highway and partially bypassing some of the areas of the Kaziranga National Forest. Currently, only Circuit-II is operational, resulting in constrained transmission capacity and limited bulk power supply from upper Assam to central and lower Assam. Energizing the dormant Circuit-I is vital, as the combined capacity of both lines could transmit approximately 500 MW of power from upper Assam to other regions. Also, in anticipation of the 5 GW of power evacuation from Arunachal Pradesh by 2030, this revival is crucial for maintaining a robust and reliable power transmission infrastructure that meets the region's growing energy demands.

6.12.1 **Project Cost**

The total length of the transmission line 220 kV Samaguri-Mariani circuit - I is 165 km. Out of this, total 109 km is under Upper Assam Region and 56 k is under Central Assam Region. The total estimate for revival of 220 kV Samaguri-Mariani Circuit-I is Rs. 118.51 crore.

6.12.2 **Present Status of The Proposal**

The project proposal was forwarded to MoP, GoI through Power Department, GoA for approval and expected to commence from FY 2026-27.

Table 64: Summary of Capital Expenditure and Capitalisation (Rs. Crore)

Sl. No.	Particulars	Capital expenditure	Capitalisation

		FY 2026-27	FY 2029-30
1	Revival of 220 kV Samaguri-Mariani circuit 1	118.51	118.51
TOTAL		**118.51**	**118.51**

Table 65: Funding details (Rs. Crore)

SN	Capitalisation	FY 2029-30
A	GoA-Central Fund	118.51
	Total	**118.51**

6.13 Intra-State Transmission Infrastructure Development Project under 10% GBS

AEGCL has submitted the following project proposals along with Concept Paper to Power Department (E), Govt. of Assam for consideration against 10% Gross Budgetary Support (GBS) allocation for NER for FY 2024-25.

6.13.1 **Construction of 2x500 MVA, 400/220kV GIS at existing 220/132/33 kV Khumtai GIS along with construction of 400 kV Biswanath Chariali (PGCIL) to Khumtai (AEGCL) Double Circuit Transmission Line (102 km).**

The authority of Numaligarh Refinery Limited has informed that Cabinet Committee on Economic Affairs (CCEA), Govt. of India has approved the expansion project from its current capacity of 3.0 MMTPA to 9.0 MMTPA with a scheduled completion of 4 years. With the stated capacity expansion, the total power requirement of NRL is estimated to be about 305 MW. To meet the energy demand of NRL expansion projects captive power generation of NRL Plant is not envisaged as per directive of Govt. of India and the required power would have to be imported from State Grid only. Reliable power supply is of utmost necessity for a continuously running hazardous process industry like refinery. The requirement of power to the tune of 305 MW can only be achieved at 400 kV connectivity.

This Substation shall also cater to Distribution Licensee's load at 33 kV level. Establishment of 400 kV Substation is extremely important not only to ensure the upcoming high quantum of load demand of Numaligarh Refinery but also to provide reliability of quality power supply to the adjoining areas including Mariani, Samaguri, Khumtai, Sarupathar, Golaghat, Bokakhat, Jorhat, Bokajan and entire Tourist Places of Kaziranga National Park.

In the event of outage of transmission link between 220 kV Kathalguri Generating Station - Misa (PGCIL) Transmission Line (or for outage of Kathalguri Generators) and 220 kV New Mariani (PGCIL)-Mariani (AEGCL) Transmission Line, the entire eastern part of Upper Assam shall be connected only with 220 kV Namrup-Mariani Feeder as there is no 400 kV linkage with this part of the grid. The line corridor of 220 kV Mariani-Namrup shall be overloaded resulting in complete vulnerability of the entire part of this grid and in all probability this part will be isolated and liable to collapse. Moreover, all the 220 kV link lines from substations mainly Misa (PGCIL) and Samaguri substations of Central Assam are loaded to more than 100%, as such system security is at stake. Further, the entire Upper Assam will be deprived of the upcoming hydel substations in Arunachal Pradesh as the only evacuation station is 400/220 kV Misa (PGCIL) substation. On the other hand, entire Upper Assam has only four numbers of 220 kV substation, viz, Tinsukia, Behiating, Namrup and Mariani and these substations are taking care of eighteen numbers of 132/33 kV substations, as such for a single contingency on 220 kV bus, entire Upper Assam is to face severe load curtailment. Hence, at Khumtai, 400/220 kV transformation system is proposed to take care of 132 kV substations like Gormur, Jorhat (West), Bokakhat, Golaghat, Bokajan and Diphu substation and 220 kV substations like Mariani, Samaguri and Khumtai, further, this substation will act as back-up to existing Mariani 220/132/33 kV substation.

6.13.2 Construction of 132 kV North Lakhimpur GSS to Dhemaji GSS Double Circuit Transmission Line on 220kV Tower

Presently, there is one single circuit (S/C) 132kV Line from North Lakhimpur GSS to Dhemaji GSS, which feeds the entire district of Dhemaji and part of Lakhimpur district. This line was constructed more than 30 years back and is strung on single circuit tower foundations, and hence, the second circuit cannot be strung there on. Due to high flood prone area, these foundations also cannot be guaranteed to endure for long. On the other hand, load at this line has already crossed 40 MW. With the commissioning of Silapathar GSS (under NERPSIP Scheme) and accompanied ever increasing growth of load in these areas subsequent upon the construction of two bridges across the river Brahmaputra and expansion of railway lines, it is apprehended that the load at this line (132 kV S/C North Lakhimpur-Dhemaji) will cross 50 MW very soon. Thus, there being no redundancy, there will be severe load restriction in the entire Dhemaji District. To avoid such an eventuality, it is extremely important that the proposal for construction of 132 kV D/C Line from North Lakhimpur GSS to Dhemaji GSS is implemented as early as possible.

This signifies radial feeding of entire Dhemaji District (up to Arunachal Pradesh border) through a single 132 kV circuit thereby giving rise tendency of overloading of 132 kV North Lakhimpur-Dhemaji section. Considering the ever-growing load growth, the prospect is that after one/two years 20-25 MW load curtailment will be inevitable. After the commissioning of 132 kV Silapathar GSS the rise in the growth of load has doubled.

This Transmission Line shall also cater to Distribution Licensee's load at 33 kV level. Establishment of this Transmission Line is extremely important not only to ensure the upcoming high quantum of load demand but also to provide reliability of quality power supply to the adjoining areas including Dhemaji, Silapathar, Jonai, a part of North Lakhimpur and entire Tourist Places of Dhemaji District and Arunachal Pradesh.

6.13.3 Present Status of The Proposal

AEGCL had submitted the DPR for the above-mentioned project proposals to Department (E), Govt. of Assam for onward submission to MOP, Govt of India. CEA has provided the technical Clearance. However, MoP, Govt of India has not yet issued approval for funding.

Table 66: Summary of Capital Expenditure and Capitalisation (Rs. Crore)

Sl. No.	Particulars	Capital expenditure	Capitalisation
		FY 2027-28	FY 2029-30
1	Construction of 132 kV North Lakhimpur GSS to Dhemaji GSS Double Circuit Transmission Line on 220 kV Tower	130	
2	Construction of 2x500 MVA, 400/220 kV GIS at existing 220/132/33 kV Khumtai GIS along with construction of 400 kV Biswanath Chariai (PGCIL) to Khumtai (AEGCL) Double Circuit Transmission Line	1097	
3	Capacity Augmentation of Power Transformer at various substations under AEGCL	66	66
4	Capacity Augmentation of 220 kV, 132 kV 33 kV Bus Conductor by replacement of old conductor with HTLS at various substations under AEGCL	49	49

5	Capacity Augmentation of Transmission Lines by replacement of old conductor with HTLS at various substations under AEGCL	168	168
TOTAL		**1510**	**283**

Table 67: Funding details (Rs. Crore)

Sl. No.	Capitalisation	FY 2029-30
A	Grant-Central Fund	283.00
	Total	**283.00**

6.14 Proposed/Upcoming substation along with associated transmission lines

To meet the demand of Assam by 2032, AEGCL has conducted the load flow study. Based on the study, following transmission system has been approved by CEA and included in the 2030 National Electric Plan (NEP) of MoP, GoI. AEGCL is in the process of preparation of PPR for submission to DEA through Power Department, GoA.

Project Cost: Rs. 4813.36 Crore

Present Status of The Proposal: The preparation of "Project Preliminary Report (PPR)" is under process for availing funding from EAP.

Table 68: Summary of Capital Expenditure (Rs. Crore)

Sl. No.	Particulars	Capital expenditure	
		FY 2028-29	FY 2029-30
	Upgradation at 400 kV level by installation of 400 kV GIS, 3x500 MVA, 400/220 kV at under construction 220/132/33 kV Khumtai GIS substation	2000	2814
	BNC (PGCIL)- Khumtai (400kV) D/C Line by (Twin Moose)		
	Extension of 220 kV GIS Bus at under constructed Khumtai (220/132/33 kV) GSS for interconnection of 3 x 500 MVA, 400/220 kV ICT bays at 220 kV level.		
	Establishment of new 220/132 kV (2x160 MVA) GIS substation at Rowta		
	Establishment of new 132/33 kV, 2x50 MVA Substation at Lower Haflong		
	Lower Haflong-Haflong (Exisitng) 132 kV S/C Line (Single panther)		

Sl. No.	Particulars	Capital expenditure	
		FY 2028-29	FY 2029-30
	Lumding-Lower Haflong 132 kV D/C Line (Single panther)		
	Installation of Capacitor Bank at 33 kV Level at Lower Haflong.		
	Establishment of new 220/132 kV 2x160 MVA substation at Diphu (New)		
	New Mariani (PGCIL-existing)- Diphu (AEGCL-New) 220 kV D/c Line (Single zebra)		
	Sankardevnagar (AEGCL-New)-Diphu (AEGCL-New) 220kV D/c Line (Single zebra)		
	Diphu - Bokajan 132kV D/c (Single panther)		
	Establishment of new 132/33 kV, 2x80 MVA Substation at Silcoorie		
	Silchar (PGCIL)-Silcorie 132 kV D/c Line (Single panther)		
	Two (2) numbers of Bay at Silchar (PGCIL)		
	Establishment of 220/132 kV, 2x160 MVA and 132/33 kV, 2x80 MVA AIS substation at Marigaon		
	LILO of 220 kV Sarusajai-Karbi Langpi D/c Line at Marigaon (AEGCL-New) (Single zebra)		
	Marigaon (AEGCL- New)-Dhing 132 kV D/c Line (Single Panther)		
	Establishment of new 132/33 kV (2x80 MVA) AIS substation at Ishabheel		
	LILO of 132 kV Karimganj - Kumarghat S/C Line by HTLS		
	Establishment of new 220/132 kV, 2x160 MVA; 132/33 kV, 2x80MVA GIS Substation at Digboi		
	Tinsukia-Digboi (New) D/C Line (Single zebra)		
	Establishment of new 132/33 kV 2x80 MVA AIS substation at Jonai		
	Silapathar-Dhemaji 2nd Ckt Stringing (Single Panther)		
	132 kV Silapathar-Jonai D/C (Single Panther)		
	Establishment of new 132/33 kV 2x80 MVA AIS substation at Ghilamora		
	North Lakhimpur to Gogamukh 132 kV D/C with one circuit LILO at Ghilamora (Single Panther)		

Sl. No.	Particulars	Capital expenditure	
		FY 2028-29	FY 2029-30
	Majuli-Ghilamora 132 kV S/C on D/c tower (Single panther)		
	Gogamukh-Dhemaji 132 kV D/c (Single Moose)		
	Establishment of new 132/33 kV, 2x80 MVA substation at Bartari		
	Barnagar (New)-Bartari 132 kV D/c Line (Single panther)		
	Establishment of new 132/33 kV, 2x80 MVA substation at Tikrikilla		
	2nd Circuit stringing of Agia-Hatsingimari 132 kV S/C on D/C (Single Panther)		
	D/c LILO of Agia-Hatsingimari D/C line at Tikrikilla (Single panther)		
	Establishment of new 132/33 kV, 2x80 MVA substation at Modertoli		
	LILO of both circuits of Samaguri (AEGCL-Existing) - Sankardevanagr (AEGCL-Existing) 132 kV D/C Line at Modertoli (Kampur) (Single Panther)		
	Establishment of new 132/33 kV, 2x50 MVA GSS at Missamari		
	132 kV Balipara - Missamari D/C line (Single Panther)		
	S/C LILO of 132 kV Rowta - Depota S/C line at Missamari (Single Panther)		
	Establishment of new 132/33 kV, 2x80 MVA GSS at Kalain		
	S/C LILO of Lumshnong - Panchgram S/C line at Kalain (Single Panther)		
HTLS Re-Conductoring			
	132 kV Sonabil-Depota		
	132 kV Sonabil-Ghoramari		
	132 kV Kamakhya-Sishugram		
	132 kV Sishugram-Amingaon		
	132 kV Kahilipara-AIIMS		
	132 kV AIIMS-Amingaon		
	132 kV Rangia-Kamalpur D/c		
	132 kV Barnagar-Nathkuchi		

Sl. No.	Particulars	Capital expenditure	
		FY 2028-29	FY 2029-30
	132 kV Dhaligaon-Barpeta		
	132 kV Salakati-Kokrajhar 2nd Circuit		
	132 kV Tinsukia-Rupai		
	132 kV Rupai-Ledo		
	132 kV Tinsukia-Ledo		
	132 kV Dibrugarh-Behiating		
	132 kV Rangia(New)-Nalbari D/c		
Strengthening of Existing Transmission Lines by ACSR/AAAC conductor of suitable capacity along with Tower Strengthening			
1	132 kV Srikona-Pailapool		
2	132 kV Hailakandi-Durlavcherra		
3	132 kV Panchgram-Hailakandi		
LILO and 2nd Circuit Stringing			
1	LILO of 132 kV Lakwa- Mariani at Sivasagar GSS		
2	2nd Circuit Stringing of Namrup- Mariani 220 kV		
Total		**2000**	**2814**

6.15 Summary of Capital Expenditure and Capitalization

6.15.1 The summary of scheme-wise Capital Expenditure and Capitalization projected by AEGCL for the Control Period is summarized in the Tables below:

Table 69: Summary of Capital Expenditure projected by AEGCL for the Control Period (Rs. Crore)

Sl. No.	Name of the Scheme	Capital Expenditure				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	AIIB	853.71	962.84	1271.45	530.32	-
2	Annual Plan/SOPD	55.82	-	-	-	-
3	TDF	8.10	-	-	-	-
4	Deposit Work		-	-	-	-
5	AIIMS	6.56	-	-	-	-
6	AIFA	10.50	-	-	-	-
7	NESIDS	27.88	-	-	-	-
8	NERPSIP	-	-	-	-	-
9	Augmentation of Existing Transformer by Higher Capacity	-	-	498.00	-	-

Sl. No.	Name of the Scheme	Capital Expenditure				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
10	Revival of 220 kV Samaguri- Mariani circuit 1	-	118.51	-	-	-
11	Intra State Transmission Infrastructure Development Project under 10% GBS	-	-	1510.00	-	-
12	Upcoming substation along with associated line	-	-	-	2000.00	2814.00
13	PSDF 2			412.5		
	TOTAL	**962.57**	**1081.35**	**3691.95**	**2530.32**	**2814**

Table 70: Summary of Capitalisation projected by AEGCL for the Control Period (Rs. Crore)

Sl. No.	Name of the Scheme	Capitalisation				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	AIIB	294.31	613.72	197.72	1323.71	1475.32
2	Annual Plan/SOPD	94.31	25.56			
3	TDF	5.14				
4	Deposit Work	188.03				
5	AIIMS	11.46				
6	AIFA	55.59				
7	NESIDS	0	37.88			
8	NERPSIP	946.96				
9	Augmentation of Existing Transformer by Higher Capacity					498.00
10	Revival of 220 kV Samaguri- Mariani circuit 1					118.51
11	Intra State Transmission Infrastructure Development Project under 10% GBS					283.00
12	Upcoming substation along with associated line	-	-	-	-	-
13	PSDF 2					412.50
	TOTAL	**1595.8**	**677.16**	**197.72**	**1323.71**	**2787.33**

6.16 Capital Investment Plan approved by the Commission for FY 2025-26 to FY 2029-30

6.16.1 The Commission has analysed the details of different Schemes proposed by AEGCL for the Control Period from FY 2025-26 to FY 2029-30, and observes as under:

a) Some of the Schemes proposed by AEGCL are ongoing Schemes / Spill-over Schemes Like AIIB, Annual Plan/SOPD, TDF, AIIMS etc.;
b) Most of the Schemes are Central Government Schemes, viz., NERPSIP, PSDF2 and TDF or State Government Schemes, viz., State Annual Plan;
c) Majority of the above Schemes are intended to strengthen the transmission network, facilitate evacuation of power, improvement of the quality of supply, etc.;
d) Most of the Schemes are either 100% Grant funded or 90% Grant funded or 100% funded by Consumer Contribution, and only some of the Schemes are to be entirely funded by AEGCL through debt/equity;
e) The AIIB Scheme is the largest Scheme, with huge expenditure envisaged in next 5 years. The Commission notes that majority of the Schemes work have already started and work order has been awarded to a number of projects;
f) Most of the Schemes are required to ensure redundancy (N-1 criteria) and improve the reliability of the system and to reduce the overloading of the existing system;
g) The Commission directs AEGCL to ensure that the capitalisation of projects funded by grants/CC is done at zero cost, as they are funded by grants, and that too only after commissioning of the assets.

6.16.2 In view of the above, the Commission provisionally approves the Scheme-wise Capital Investment Plan as proposed by AEGCL, as summarised in the Table below:

Table 71: Capital Investment Plan provisionally approved by the Commission for the Control Period for AEGCL (Rs. Crore)

Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Expenditure					
AIIB	853.71	962.84	1271.45	530.32	-
Annual Plan/SOPD	55.82	-	-	-	-
TDF	8.10	-	-	-	-
Deposit Work	-	-	-	-	-
AIIMS	6.56	-	-	-	-
AIFA	10.50	-	-	-	-
NESIDS	27.88	-	-	-	-
Own Source	-	-	-	-	-

Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
NERPSIP	-	-	-	-	-
Augmentation of Existing Transformer by Higher Capacity	-	-	498.00	-	-
Revival of 220 kV Samaguri- Mariani circuit 1	-	118.51	-	-	-
Intra State Transmission Infrastructure Development Project under 10% GBS	-	-	1510.00	-	-
Upcoming substation along with associated line	-	-	-	2000.00	2814.00
PSDF 2			412.50		
TOTAL AEGCL	**962.57**	**1081.35**	**3691.95**	**2530.32**	**2814.00**
Capitalisation					
AIIB	294.31	613.72	197.72	1323.71	1475.32
Annual Plan/SOPD	94.31	25.56	-	-	-
TDF	5.14	-	-	-	-
Deposit Work	188.03	-	-	-	-
AIIMS	11.46	-	-	-	-
AIFA	55.59	-	-	-	-
NESIDS	-	37.88	-	-	-
NERPSIP	946.96	-	-	-	-
Augmentation of Existing Transformer by Higher Capacity	-	-	-	-	498.00
Revival of 220 kV Samaguri- Mariani circuit 1	-	-	-	-	118.51
Intra State Transmission Infrastructure Development Project under 10% GBS	-	-	-	-	283.00
Upcoming substation along with associated line	-	-	-	-	-
PSDF 2	-	-	-	-	412.5
TOTAL AEGCL	**1595.8**	**677.16**	**197.72**	**1323.71**	**2787.33**

6.16.3 **AEGCL is directed to maintain database on the individual Projects under each Scheme with the following details:**

a) Details/Scope of Project including activities, area covered, etc.;

b) Start date of Project;

c) Scheduled completion date of Project;

d) Funding Plan;

e) Cost-Benefit-Analysis of the Project (if the Asset is expected to lower

Transmission Loss, recording of previous Transmission Loss and Actual Transmission Loss after commissioning)

f) **Present Status of Project, indicating physical progress in percentage terms and in monetary terms;**

g) **Status of Capitalisation as per Field Reports and as per Accounts in a compiled manner, i.e., individual project-wise and Scheme-wise Capitalisation and Energisation Report, which would include the certificate of Electrical Inspector for asset being put to use, along with the comparison of project-wise and Scheme-wise approved capital cost;**

h) **Whether the intended benefits of the Project have been achieved, etc.**

6.16.4 Maintenance of such project-wise database will help AEGCL track the progress of the Project during execution as well as ensure that the Capitalisation as per Accounts tallies with the asset being physically put to use. AEGCL should submit such Project-wise data to the Commission at the time of true-up for each Year, for the Projects that have been capitalised during that Year. AEGCL should also justify the Projects proposed to be capitalised in the ensuing Year based on the above database.

6.17 Capitalisation approved by the Commission for FY 2025-26 to FY 2029-30

6.17.1 During the TVS, the Commission asked AEGCL to submit the latest status of implementation of projects/schemes, approvals received, funds arranged, orders placed, work commencement, timelines committed by contractor, etc. However, AEGCL has not been able to substantiate the significantly high Capital Expenditure and Capitalisation projected for the Control Period based on latest status.

6.17.2 It is also noted that typically, the actual capital expenditure and capitalisation are both significantly lower than that originally proposed by AEGCL in its MYT/Tariff Petitions. This shows that AEGCL has been generally projecting much higher capital expenditure and capitalisation than that actually achieved/achievable, which needs to be borne in mind, while approving the capitalisation for the Control Period from FY 2025-26 to FY 2029-30.

6.17.3 The comparison of proposed vs. approved vs. actual capitalisation over the period from FY 2019-20 to FY 2023-24 is shown in the Table below:

Table 72: Actual Capitalisation achieved by AEGCL from FY 2019-20 to FY 2023-24 (Rs. Crore)

Particulars	FY 20	FY 21	FY 22	FY 23	FY 24
Capitalisation					

Proposed by AEGCL in Business Plan/ Tariff Petition	844.73	521.07	1073.92	370.74	436.39
Approved in respective Tariff Order	140.00	404.09	682.73	200.00	250.00
Actual	**420.49**	**169.63**	**174.20**	**289.87**	**230.24**

6.17.4 From the above Table, it is seen that the average Capitalisation achieved over last 5-year period is Rs. 256.89 Crore and last 3-year period is Rs. 231.44 Crore, with the maximum capitalisation of Rs. 420.49 Crore being achieved in FY 2019-20, and a minimum capitalisation of Rs. 169.63 Crore.

6.17.5 The Commission observes that there appears to be a disconnect in the Accounting of the capital expenditure and capitalisation, as many times, the asset may be physically completed and electrically charged, but due to some minor accounting related issues, the asset is unable to be capitalised in the Accounts of AEGCL. As a result, the tariff recovery for such assets is delayed, even though the asset is functional and has been put to use for the benefit of the consumers.

6.17.6 AEGCL should seriously investigate this matter and initiate measures to complete the capitalisation as per accounts at the earliest, for schemes that have commenced quite some time ago. If this is done, the amount of CWIP is likely to reduce significantly and the amount of GFA shall increase correspondingly.

6.17.7 Against the above background, the capital expenditure proposed by AEGCL for each year of the Control Period at Rs. 962.57 Crore, Rs. 1081.35 Crore, Rs. 3691.95 Crore, Rs. 2530.32 Crore and Rs. 2814 Crore, and proposed Capitalisation of Rs. 1595.80 Crore, Rs. 677.16 Crore, Rs. 197.72 Crore, Rs. 1323.71 Crore and Rs. 2787.33 Crore appear highly unrealistic.

6.17.8 The Commission has hence, approved Capitalisation for the Control Period, for the purpose of approval of ARR and Transmission Tariff, based on the past trends of capitalisation achieved by AEGCL.

6.17.9 The Commission has considered the Capitalisation for the period from FY 2025-26 to FY 2029-30 based on average capitalisation of last five years. Accordingly, the Commission has considered annual Capitalisation of Rs. 260 Crore each for the Control Period from FY 2025-26 to FY 2029-30, for the purpose of determination of ARR and Transmission Tariff, as shown in the Table below:

Table 73: Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Capitalisation	260.00	260.00	260.00	260.00	260.00

6.17.10 The Commission clarifies that the approach adopted by the Commission does not bar AEGCL from implementing the schemes as approved in the Capital Investment Plan for the Control Period from FY 2025-26 to FY 2029-30. In case AEGCL achieves higher Capitalisation, the same may be submitted at the time of truing up for the respective year.

6.17.11 The funding of capitalisation approved by the Commission is shown in the following Table:

Table 74: Funding of Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Grant/Consumer Contribution	260	260	260	260	213.55
Equity					4.65
Debt					41.81
Total Capitalisation	**260.00**	**260.00**	**260.00**	**260.00**	**260.00**

Therefore, the Commission approves Capitalisation of Rs. 260 Crore each for the Control Period from FY 2025-26 to FY 2029-30.

7 ARR for AEGCL for the MYT Control Period from FY 2025-26 to 2029-30

7.1 Introduction

7.1.1 This Chapter deals with the approval of ARR of AEGCL for the MYT Control Period from FY 2025-26 to 2029-30 in accordance with the provisions of MYT Regulations, 2024.

7.2 Transmission Loss

7.2.1 AEGCL submitted that many new 220 kV substations are coming up under AIIB scheme, which are expected to be charged only after FY 2025-26. Secondly, at APDCL end also, majority of these voltage improvements at downstream levels are expected to be implemented by the end of FY 2025-26. However, AEGCL will make all efforts towards improving the loss reduction process.

7.2.2 AEGCL has projected the Transmission Loss for FY 2025-26 to 2029-30, as detailed in the Table below:

Table 75: Transmission Losses Projected by AEGCL for FY 2025-26 to 2029-30 (MU)

Sl.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Energy Injected	14456.00	15539.00	16671.00	17879.00	19189.00
2	Energy Sent Out to APDCL	13691.96	14713.31	15779.53	16916.80	18149.38
3	Energy Sent Out to OA Consumers	300.00	330.00	363.00	399.30	439.23
4	Total Energy Sent Out	13991.96	15043.31	16142.53	17316.10	18588.61
4	Transmission Loss	464.04	495.69	528.47	562.90	600.39
5	**Transmission Loss (%)**	**3.21%**	**3.19%**	**3.17%**	**3.15%**	**3.13%**

Commission's Analysis

7.2.3 The Commission in the MYT Order dated March 21, 2022, had approved the Transmission Loss trajectory after considering reduction of 0.02% each year. AEGCL has planned several Capital Investment Projects towards system strengthening and loss reduction, etc., which have been approved by the Commission. Hence, the

Commission while approving the Transmission Loss trajectory for the Control Period from FY 2025-26 to FY 2029-30, has approved annual Transmission Loss reduction trajectory of 0.02%, over the Transmission Loss level approved for FY 2024-25.

7.2.4 Accordingly, the Commission has approved the following Transmission Loss trajectory for the Control Period from FY 2025-26 to FY 2029-30:

Table 76: Transmission Losses Approved for FY 2025-26 to 2029-30

Sl.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	**Transmission Loss**	3.21%	3.19%	3.17%	3.15%	3.13%

7.3 Operation and Maintenance Expenses

7.3.1 AEGCL submitted that O&M expenses for FY 2025-26 to FY 2029-30 comprise the following heads:

a) Employee expenses;

b) R&M expenses;

c) A&G expenses;

7.3.2 The normative O&M expenses submitted by AEGCL for FY 2025-26 to FY 2029-30 are shown in the Table below:

Table 77: Normative O&M Expenses Projected by AEGCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	**O&M Expenses**	**291.43**	**308.22**	**334.64**	**356.20**	**370.66**
a	Employee Cost	221.68	236.12	251.49	267.86	285.30
b	R&M Expenses	56.51	57.91	67.94	72.02	67.86
c	A&G Expenses	13.24	14.19	15.22	16.32	17.49

7.3.3 **Inflation Indices**

7.3.4 AEGCL submitted that WPI for immediately preceding three years gives the WPI Inflation for the Base Year. Since, the WPI data is currently available till FY 2023-24, the Inflation factor could be computed till FY 2023-24. Hence, the resulting WPI Inflation is considered for computational purpose throughout the Control Period. Hence, the resulting average WPI of 7.22% has been considered for projecting the O&M expenses for the Control Period.

7.3.5 AEGCL submitted that the average increase in the CPI for immediately preceding three years gives the CPI Inflation for Base Year. Since, the CPI data is currently available till FY 2023-24, the Inflation factor could be computed till FY 2023-24. Hence, the resulting CPI Inflation is considered for computational purpose throughout the Control Period. Hence, the resulting average CPI of 5.46% has been considered for projecting the O&M expenses for the Control Period.

Employee Expenses

7.3.6 AEGCL submitted that the base employee cost for FY 2025-26 has been computed considering the normative employee cost for FY 2024-25 and subsequently computed for each year of the Control Period. The Gn (Growth Factor) of AEGCL has been considered as 1.00% as the number of employees are projected to increase over the Control Period, as shown in the Table below:

Table 78: Manpower Details Projected by AEGCL for FY 2025-26 to FY 2029-30 (Nos.)

Sl.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Manpower as on 1st April (Opening Balance)	1417	1832	1832	1832	1867
2	Retirement during the Fiscal Year	45	45	50	40	45
3	Recruitment during the Fiscal Year	460	45	50	75	75
4	Manpower as on 31st March (Closing balance)	1832	1832	1832	1867	1897

7.3.7 The computation of normative Employee Expenses projected by AEGCL for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 79: Normative Employee Expenses Projected by AEGCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Base Employee Cost (n-1)	208.13	221.68	236.12	251.49	267.86

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
2	Avg. CPI rate of preceding 3 years	5.46%	5.46%	5.46%	5.46%	5.46%
3	Gn (growth factor for nth year)	1.00%	1.00%	1.00%	1.00%	1.00%
4	**Normative Employee Cost**	**221.68**	**236.12**	**251.49**	**267.86**	**285.30**

R&M Expenses

7.3.8 AEGCL submitted that R&M expenses are directly related to the number of substations and lines, age of the assets, and their wear and tear during the period. R&M expenses are generally incurred in order to ensure the maintenance of the transmission lines/systems.

Provision for Colony Maintenance of AEGCL

7.3.9 AEGCL submitted that the Commission, vide MYT Order dated 21st March 2022 approved Rs. 17.79 Crore for colony maintenance through a duration of three financial years, i.e., FY 2022-23, FY 2023-24, and 2024-25. Accordingly, AEGCL has utilized the approved amount for renovation of the colonies such as interior colony roads, water supply schemes, control room buildings, cable trenches, drainage systems etc. This has resulted in increase in occupancy of quarters in colony.

7.3.10 Further, vide Tariff Order dated 27.06.2024 and vide letter dated 27.11.2024, the Commission has approved construction of officer's residential RCC building (G+2) with six units, each at Jorhat (Garmur), Depota and Dhaligaon GSS.

7.3.11 For a prolonged period in the past, no major repair and renovation works could be taken up by erstwhile ASEB/AEGCL due to serious financial crunch. The work carried out was not commensurate with volume of renovation needed for these assets. Despite renovation of quarters in the past 3 financial years, there are many major repair and renovation works, which are yet to be done and could not be considered in the previously approved colony maintenance work. Due to lack of renovation for many years, many areas of the colonies are in dilapidated and uninhabitable condition. This has decreased the morale of the employees as many of the employees are travelling from far areas for the daily duties due to non-availability of the habitable quarters and associated facilities. This has also affected the efficiency of the employees. Gradual deterioration of these infrastructure will lead to the obvious consequence for more and more deployment of monetary resources.

7.3.12 A comprehensive analysis of the requirement towards the renovation of these infrastructure indicates a tentative requirement of Rs. 30.10 Crore. The crux of the problem is that the required amount far exceeds the normative R&M expenses computed by AEGCL. On the other end, these works do not fall under the category to merit sanction of grant from Govt./other Agencies as fund from such agencies are received only for new projects. Unless a separate coffer is available through approval by the Commission, it shall become more and more difficult for AEGCL to undertake repair and renovation of civil assets.

7.3.13 After the last colony maintenance works executed by AEGCL, it is observed that employees are willing to move into the quarters and many of the employees have already moved in or have requested for allotment of quarters. However, due to non-availability of quarters with better facilities, new allotment of quarters could not be done. The better facilities have increased the urge to reside in the quarters which in turn is assisting AEGCL as more work force was observed during emergencies in odd hours. Also, considering the recent recruitment drive, more number of newly recruited employees have joined the organization. As such, for further assisting the newly joined employees and to improve the morale, residential quarters with better facilities are required.

7.3.14 As the Commission has allowed for construction of new RCC (G+2) Building for all the three regions, AEGCL is already preparing for tendering of the said works. The estimated amount of amount is around Rs. 11.22 Crore. The completion of the construction of three new buildings (G+2) is estimated as 18 months. The entire amount approved by the Commission for FY 2022-23 to FY 2024-25 for colony maintenance has already been booked for each year for various repair and maintenance works for existing quarters and roads of the colonies. Therefore, AEGCL requested the Commission to approve construction of the three new residential buildings for FY 2025-26. AEGCL also requested the Commission to approve additional fund for colony maintenance of Rs. 30.10 Crore for FY 2026-27 to FY 2029-30, i.e., Rs. 7.53 Crore each for 4 Years from FY 2026-27 to FY 2029-30.

Emergency Restoration System (ERS) for FY 2025-26

7.3.15 Emergency Restoration System (ERS) structures are temporary arrangements to bypass the existing transmission towers. These towers are used until the main line is reconductored or restored. The ERS is an essential component required for maintenance of transmission line and for new projects where long shutdown of an existing line is required but cannot be afforded.

7.3.16 AEGCL is presently having 5395.48 ckm of transmission lines in its network. The transmission lines run through fields, forests, hills, and valleys. Since, the command area of AEGCL consists of large nos. of rivers, it is often seen that towers far away from river course come within the river course within a few years of time, threatening the tower. In such scenarios and in extreme cases of tower collapse, during erection of new towers, ERS is very much essential so that construction can be completed without prolonged shutdown of the line. In FY 2023-24, AEGCL has seen two major natural calamities, one at 220 kV Rangia-Salakati D/C Line and other at 132 kV Tinsukia-Rupai Transmission Line. For both the cases, the lines were charged on the ERS till the completion of the restoration work.

7.3.17 At present, AEGCL has eight (8) Nos. of ERS towers, which are located at Mariani (4 nos. towers) and Kahilipara (4 nos. towers). These towers are of Lindsey, USA make and were procured in 2008. During the past 10-12 years, these ERS were extensively and successfully used. However, considering the flood situation in Assam, AEGCL does not have sufficient nos. of ERS Towers. It may be noted that generally more than one (sometimes 3 to 4 towers) are required for restoration/bypassing the transmission line. Moreover, due to wear and tear of the ERS tools/spares, all the towers cannot be used simultaneously. Therefore, usually only two locations can be served with the existing ERS.

7.3.18 Moreover, North Eastern Region Power Committee (NERPC) in several Operation Coordination Sub-Committee Fora has requested all the North Eastern States to procure ERS so that the power flow is not interrupted during the emergency situation. However, due to non-availability of the requisite funds, AEGCL could not procure the required number of ERS towers.

7.3.19 In view of the above, it is felt necessary to add more ERS towers to AEGCL inventory so that more ERS are in usable condition and can be deployed simultaneously if the need arises. AEGCL appreciates that the Commission granted Rs.2.30 Crore vide Tariff Order dated 21.03.2022 for procurement of 2 (Two) nos. of ERS towers. Accordingly, AEGCL prepared an estimate based on the quotation received from M/s Lindsey dated 10.02.2020 with the price escalation @ 5% for 2 years (w.e.f. 2020 to 2022) amounting to Rs. 3.44 Crore. Based on this estimate, tender was floated on 03.02.2023 and finally price bid of the tender was opened on 28.04.2023. However, quoted price of the L1 bidder was found to be Rs.6.04 Crore including GST, which is

75.58% higher than the estimated value. AEGCL requested the L1 bidder for justification on the matter and found that due to the devaluation of INR against Dollar and increase in the price of aluminium in last 3 years (from 2020 to 2023), the cost of ERS became very high. It is to be noted that the manufacturing of ERS is mostly done in the western countries like USA, Netherlands, etc., due to which price of ERS is on the higher side.

7.3.20 As the quoted rate of L1 bidder exceeds the maximum allowable limit as per the AEGCL norms, the tender was cancelled. As such, AEGCL could not procure ERS in FY 2022-23 with the amount approved by the Commission.

7.3.21 A fresh provisional estimate has been prepared taking the average of the price from quotations collected from the last published tender. The estimated amount is Rs. 7.97 Crore (including GST). AEGCL requested the Commission to approve the proposed provision for ERS for FY 2025-26 without any disallowance.

Emergency Spare Materials for FY 2025-26 to FY 2028-29 (ERS)

7.3.22 AEGCL is presently having 82 Nos. of Grid Substation at various voltage levels. Most Grid substations are currently operating 24x7 and there is shortage of adequate spares for prompt replacement during equipment failures. In order to provide un-interrupted power supply to the consumer, network strengthening, and immediate restoration is utmost necessary. The replacement of old equipment and panel for Grid Substations was done under PSDF Phase-I in the year 2016, after which procurement of spare material was not done. AEGCL has faced significant challenges in replacing failed equipment. To ensure preparedness for emergencies, it is essential to procure a minimal quantity of spare equipment. Having spare equipment on hand helps to ensure that substations operate reliably and consistently, reducing the down time in case of equipment failures. Power outage due to such incidences have direct impact not only on day-to-day life of general public but also on the industrial output, thereby impacting economy of the country.

7.3.23 Power utilities generally procure mandatory spares along with the supply of equipment/material. However, these spares may not be adequate to restore the power transmission network damaged during natural disasters. Availability of adequate spares for transmission assets helps in faster restoration of power supply. It avoids delay in tendering process, transportation of new/repaired transmission assets from manufacturer’s works to site, and minimization of financial loss to the affected utility by reducing the downtime significantly and alleviate the inconvenience to the consumers, in general.

7.3.24 CEA was also directed to take up the issue of availability of spares and inventory management with the power utilities, standardize the inventory list of the minimum spare requirement, specific for similar kind of power establishments, set up a monitoring mechanism for ensuring its compliance and ensure mandatory digitization of spare management by all power utilities. Accordingly, CEA has also formulated a guideline for mandatory spare for EHV substations and transmission lines that needs to be kept by the power utility.

7.3.25 AEGCL requested the Commission to allow procurement of spare substation equipment of Rs. 10.29 Crore to meet these expenses over and above the normative R&M expenses at the rate of Rs. 2.57 Crore for each year from FY 2025-26 to FY 2028-29.

Provision for Upgradation of Substation Automation System (SAS) for FY 2025-26 to FY 2028-29

7.3.26 Substation Automation System (SAS) allows for remote monitoring and operation of all the equipment of the sub-station along with transmission lines. The remote monitoring of the entire system helps to better keep track of the healthiness of the system and therefore, enables to take both preventive and remedial steps in case of any disturbance like faults, low gas alarm in SF6 CBs, etc. Further, the disturbances of the system are also recorded in the SAS. Ready and accurate availability of disturbance data guarantees better analysis of the causes and initiation of necessary steps to minimize similar occurrences. By accurate and timely record keeping without allowing for human inaccuracies, remote monitoring and operation, SAS play a vital role in improvement of the overall efficiency the system.

7.3.27 AEGCL submitted that the SAS in some Grid Substations such as 220 kV Jawaharnagar, 220 kV Sonabil GSS, 132 kV Kokrajhar GSS, 132 kV Bilasipara GSS, 132 kV Sipajhar GSS, 132 kV Matia GSS, 132 kV Umrangso GSS, 132 kV Dekiajuli GSS, etc., are very old and outdated. As such, the Substations are facing difficulty in SAS operation. Malfunctioning of the SAS may occur, which may result in faulty trippings. There is an urgency for upgradation of SAS for many of the substations of AEGCL for smooth functioning of the Substations. However, the required amount far exceeds the normative R&M expenses computed by AEGCL. On the other end, these works do not fall under the category to merit sanction of grant from Govt./other Agencies as fund from such agencies are received only for new projects. A comprehensive analysis of the requirement towards the upgradation of SAS would be for 47 numbers of GSS. As such, a tentative amount of Rs. 28.66 Crore would be required for the said work from FY 2025-26 to FY 2028-29.

Provision for Cyber Security for FY 2025-26 to FY 2029-30

7.3.28 Cyber Security of critical infrastructure in power sector organizations has become a matter of fundamental priority with respect to national defence strategy. Cyber Security is very important in increasing Cyber Security Awareness among the public and private sectors to enhance the overall cyber resilience of the nation. The GoI has also created NCIIPC (National Critical Information Infrastructure Protection Centre) under Section 70A of the information Technology Act, 2000 (amended 2008) as the Nodal Agency in respect of Critical information Infrastructure Protection. Further, it has been clearly mentioned in CEA (Cyber Security in Power Sector) Guidelines, 2021 under Article 1(j) that the responsible Entity shall allocate sufficient Annual budget for enhancing Cyber Security posture, enhanced year over year.

7.3.29 AEGCL requested the Commission to approve the amount of Rs. 7.55 Crore towards Cyber Security.

Provision for Annual Technical Support (ATS) Services for ERP Product, Application Maintenance Support (AMS) Services for ERP Solution and Recurring charges of DC-DR for ERP Database for FY 2026-27 to FY 2029-30

7.3.30 AEGCL has implemented the ERP system in FY 2024-25. The Go-Live of the said project was on 3rd September 2024. As such, the recurring costs such as Annual Technical Support (ATS) for ERP Product, Application Maintenance Support for ERP Solution and Recurring charges of DC-DR for ERP Database will be coming in the future. The Annual Technical Support (ATS) includes supply of new versions / releases (including next generation release) upgrades, bug fixes, functionality enhancements and patches as well as other technical support from ERP Product Vendor’s help desk. The ATS for Lot 1 and Lot 2 SAP ERP Licenses has started since 01.08.2022 and 01.10.2023, respectively.

7.3.31 For Application Maintenance Support (AMS), the Supplier will provide on-site post implementation application maintenance support for next three (3) calendar years after the “Go Live” of the ERP system. The AMS includes Help Desk Support as well as Technical Support which includes, but not limited to, installation of new versions / releases, upgrades, bug fixes, functionality enhancements, patches to cater to changes, any modification or enhancement to existing business, changes to configurations, customizations, database administration, re-installation of base software, performance tuning and optimization data back-up and archiving, security and other technical assistance etc.

7.3.32 The project for DC-DR for ERP database has already been completed and the validity of the contract agreement is till April 2027, thereafter, the fund against the recurring charge of the DC-DR will arise.

7.3.33 As the loan tenure of phase I of AIIB will be up to 31.12.2026, therefore, AEGCL requested the Commission to approve Provision for Annual Technical Support (ATS) Services for ERP Product, Application Maintenance Support (AMS) Services for ERP Solution and Recurring charges of DC-DR for ERP Database for FY 2026-27 to FY 2029-30.

7.3.34 The closing GFA for FY 2024-25 has been considered as opening GFA for FY 2025-26. The "K" factor of AEGCL has been considered as 0.75% as approved by the Commission in the MYT Order dated 21.03.2022 for FY 2022-23 to FY 2024-25.

7.3.35 The computation of normative R&M Expenses projected by AEGCL for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 80: Normative R&M Expenses Projected by AEGCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA for previous year	3,252.39	3,527.06	5,122.87	5,800.02	5,997.74
2	Closing GFA for previous year	3,527.06	5,122.87	5,800.02	5,997.74	7,321.45
3	Average GFA for previous year	3,389.72	4,324.96	5,461.44	5,898.88	6,659.59
4	K Factor	0.75%	0.75%	0.75%	0.75%	0.75%
5	WPI Inflation	7.22%	7.22%	7.22%	7.22%	7.22%
6	**Normative R&M Expenses**	**27.26**	**34.78**	**43.92**	**47.44**	**53.55**
7	Expenditure for Colony Maintenance of AEGCL	11.22	7.53	7.53	7.53	7.53
8	Expenditure for Emergency Restoration System	7.96	0.00	0.00	0.00	0.00
9	Additional amount for procurement of Emergency Spare materials	2.57	2.57	2.57	2.57	0.00
10	Upgradation of SAS at various substation	6.35	7.48	7.13	7.70	0.00
11	Additional amount for Cyber Security	1.15	1.15	1.75	1.75	1.75
12	Annual Technical Support (ATS)	0.00	0.46	1.11	1.11	1.11

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Services for ERP Product					
13	Application Maintenance Support (AMS) Services for ERP Solution	0.00	0.42	0.40	0.40	0.40
14	Recurring charges of DC-DR for ERP Database	0.00	3.52	3.52	3.52	3.52
15	**Net Normative R&M Expenses**	**56.51**	**57.91**	**67.94**	**72.02**	**67.86**

A&G Expenses

7.3.36 AEGCL has considered the normative A&G expenses for FY 2024-25 as base A&G expense for the Control Period and escalated the same by WPI escalation of 7.22%. The computation of normative A&G Expenses projected by AEGCL for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 81: Normative A&G Expenses Projected by AEGCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	A&G Expenses for previous year	12.34	13.24	14.19	15.22	16.32
2	Avg. WPI rate	7.22%	7.22%	7.22%	7.22%	7.22%
3	**Normative A&G Expenses**	**13.24**	**14.19**	**15.22**	**16.32**	**17.49**

Commission's Analysis

7.3.37 The Commission has computed the O&M Expenses for the Control Period on normative basis as per MYT Regulations, 2024. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and loss on account of controllable items as per MYT Regulations, 2024 at the time of truing up for respective year.

7.3.38 For computation of employee expenses for Control Period, the Commission has adopted the following approach:

a) The average of actual employee expenses for the period from FY 2019-20 to FY 2023-24 has been escalated by applicable CPI inflation factor for FY 2022-23, FY

2023-24 and FY 2024-25, to derive the base expense for FY 2024-25, which works out to Rs. 193.52 Crore;

b) The base employee expenses for FY 2024-25 have been escalated by applicable CPI inflation for FY 2021-22 to FY 2023-24, which works out to 5.46%;

c) Considering the projected increase in number of employees over the Control Period, growth factor of 1% has been considered.

7.3.39 The normative employee expenses approved for the Control Period are shown in the following Table:

Table 82: Approved Employee Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Base Employee Expenses	193.52	206.12	219.54	233.83	249.05
CPI Inflation	5.46%	5.46%	5.46%	5.46%	5.46%
Growth factor	1.00%	1.00%	1.00%	1.00%	1.00%
Normative Employee Expenses	**206.12**	**219.54**	**233.83**	**249.05**	**265.27**

7.3.40 For computation of R&M Expenses for the Control Period, the Commission has considered the following approach:

a) WPI inflation has been computed for FY 2021-22 to FY 2023-24, which works out to 7.23%;

b) K-factor governs the relationship between R&M expenses and Gross Fixed Assets. The Commission has analysed the relationship between approved R&M expenses and Gross Fixed Assets for the period from FY 2021-22 to FY 2023-24. The K-factor for the Control Period has been considered as average of K-factor computed for FY 2021-22 to FY 2023-24, as shown in the following Table:

Table 83: Computation of K-factor for Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Actual R&M Expenses	13.42	19.01	18.23
2	Average GFA of previous year	2473.04	2644.87	2,877.15
3	K-Factor	0.54%	0.72%	0.63%
4	**K-Factor for Control Period**	**0.63%**		

c) Since, K-factor has been computed on the basis of average GFA, for projection of R&M expenses for the Control Period, average GFA for previous years has been considered;

d) Provision for Colony Maintenance has been allowed at Rs. 11.22 Crore for FY 2025-26 as claimed by AEGCL and as Rs. 4 Crore for each year from FY 2026-27 to FY 2029-30 based on past trends;

e) The Commission has allowed 50% of the amount projected by AEGCL for Cyber Security based on past trends;

f) The Commission has allowed the amount of Rs. 6.04 Crore towards Provision for ERS, based on the competitively discovered amount as submitted by AEGCL;

g) The Commission has not allowed separate Provisioning for procurement of Emergency Spare materials and Upgradation of SAS at various substations, as AEGCL should undertake this within the normative R&M budget. AEGCL has earned efficiency gains of Rs. 8.27 Crore and Rs. 8.63 Crore in FY 2023-24 and FY2022-23, respectively, on account of actual R&M expenses being lower than normative R&M expenses; hence, the R&M budget is sufficient for undertaking such expenses;

h) The Commission has provisionally allowed the Annual Technical Support (ATS) and Application Maintenance Support (AMS) as projected by AEGCL for the Control Period and allowed 50% of the amount for DC-DR for ERP database.

7.3.41 The normative R&M expenses approved for the Control Period are shown in the following Table:

Table 84: Approved R&M Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Opening GFA for previous year	3,252.32	3,527.01	3,787.01	4,047.01	4,307.01
Closing GFA for previous year	3,527.01	3,787.01	4,047.01	4,307.01	4,567.01
Average GFA for previous year	3,389.67	3,657.01	3,917.01	4,177.01	4,437.01
K Factor	0.63%	0.63%	0.63%	0.63%	0.63%
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
Normative R&M Expenses	**22.96**	**24.77**	**26.53**	**28.29**	**30.05**
Provision for Colony Maintenance of AEGCL	11.22	4.00	4.00	4.00	4.00
Expenditure for Emergency Restoration System	6.04	-	-	-	-
Additional amount for procurement of Emergency Spare materials	-	-	-	-	-
Upgradation of SAS at various substation	-	-	-	-	
Additional amount for Cyber Security	0.58	0.58	0.88	0.88	0.88
Annual Technical Support (ATS) Services for ERP Product		0.46	1.11	1.11	1.11

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Application Maintenance Support (AMS) Services For ERP Solution		0.42	0.40	0.40	0.40
Recurring charges of DC-DR for ERP Database		1.76	1.76	1.76	1.76
Net Normative R&M Expenses	**40.79**	**31.98**	**34.68**	**36.44**	**38.20**

7.3.42 For computation of A&G expenses for the Control Period, the Commission has adopted the following approach:

a) The average of actual A&G expenses for the period from FY 2019-20 to FY 2023-24 has been escalated by applicable WPI inflation factor for FY 2022-23, FY 2023-24 and FY 2024-25, to derive the base expense for FY 2024-25, which works out to Rs. 14.47 Crore;

b) WPI inflation has been computed for FY 2021-22 to FY 2023-24, which works out to 7.23%.

7.3.43 The approved A&G expenses for the Control Period are shown in the following Table:

Table 85: Approved A&G Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
A&G Expenses for Previous Year	14.47	15.52	16.64	17.85	19.14
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
Normative A&G Expenses	**15.52**	**16.64**	**17.85**	**19.14**	**20.52**

7.3.44 **The summary of normative O&M expenses approved by the Commission for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below**:

Table 86: Approved O&M Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Employee Expenses	206.12	219.54	233.83	249.05	265.27
R&M Expenses	40.79	31.98	34.68	36.44	38.20
A&G Expenses	15.52	16.64	17.85	19.14	20.52
O&M Expenses	**262.43**	**268.16**	**286.35**	**304.63**	**323.99**

7.4 Capitalisation

7.4.1 The Capital Investment Plan projected by AEGCL has been elaborated in the previous Chapter.

7.4.2 AEGCL submitted that the funding of Capital Expenditure is envisaged through Grants, Equity, and Loans, as per funding pattern of the respective Schemes, as shown in the following Table:

Table 87: Capital Expenditure and Capitalisation submitted by AEGCL (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Capital Expenditure	962.57$	1081.35	3691.95	2530.32	2814
Capitalisation	**1595.8**	**677.16**	**197.72**	**1323.71**	**2787.33**
Funding of Capitalisation					
Grant	1595.8	677.16	197.72	1323.71	2289.33
Equity					49.80
Debt					448.20

***Note**: $ as per the reply to data gaps; in the Petition, amount is mentioned as Rs. 966.20 Crore*

Commission's Analysis

7.4.3 The Commission has approved the Scheme-wise Capital Expenditure and Capitalisation as elaborated in Chapter 6 of this Order.

7.4.4 Accordingly, the Commission has considered annual Capitalisation of Rs. 260 Crore for each year of the the Control Period for the purpose of determination of ARR and Transmission Tariff, as shown in the Table below:

Table 88: Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Capitalisation	260.00	260.00	260.00	260.00	260.00

7.4.5 The Commission clarifies that the approach adopted by the Commission does not bar AEGCL from implementing the schemes as approved in the Capital Investment Plan for the Control Period from FY 2025-26 to FY 2029-30. In case AEGCL achieves higher Capital Expenditure and Capitalisation, the same may be submitted at the time of truing up for the respective year.

7.4.6 As regards funding of capitalisation, Regulation 32 of the MYT Regulations, 2024 specifies that the normative Debt:Equity ratio shall be considered as 70:30, after reducing the grant contribution. In case actual equity contribution is greater than 30% of GFA less Grant contribution, the equity in excess of 30% shall be considered as normative debt. In other words, the Grant contribution should first be reduced from the GFA addition, and the balance GFA shall be considered as funded by 70:30 debt:equity ratio

7.4.7 The funding of Capitalisation approved by the Commission for the Control Period is shown in the following Table:

Table 89: Funding of Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Grant/Consumer Contribution	260	260	260	260	213.55
Equity					4.65
Debt					41.81
Total Capitalisation	**260.00**	**260.00**	**260.00**	**260.00**	**260.00**

7.5 Depreciation

7.5.1 AEGCL submitted that depreciation has been computed as per MYT Regulations, 2024 for the Control Period. Depreciation has been calculated taking into consideration the opening balance of assets for the respective year and the projected capitalization. The Closing Gross Fixed Assets (GFA) for FY 2024-25 has been considered as the opening GFA for FY 2025-26. As specified in MYT Regulations, 2024, depreciation is calculated as per SLM at the rates specified in the MYT Regulations, 2024 considering depreciation to the extent of 90% of the Asset Value. The Depreciation of assets created through Grant has been reduced before arriving at Net depreciation. As mentioned in previous sections, AEGCL has converted Govt. Loan amounting of Rs. 11.52 Crore and Govt. Grant of Rs. 134.46 Crore, as on 31.03.2022 into equity during FY 2023-24 and further, AEGCL has proposed to convert Govt. Loan amounting to Rs. 6.21 Crore and Govt. Grant of Rs. 13.51 Crore into equity during H2 of FY 2024-25 as per proposal submitted to GoA.

7.5.2 AEGCL submitted that the GFA of SLDC has been segregated from AEGCL's GFA. AEGCL claimed the depreciation of Rs. 132.66 Crore, Rs. 195.43 Crore, Rs. 141.77 Crore, Rs. 174.60 Crore, and Rs. 209.65 Crore for FY 2025-26 to FY 2029-30, respectively.

Commission's Analysis

7.5.3 For computation of depreciation, the Commission has considered the closing GFA for

FY 2024-25 as approved in this Order, as the Opening GFA for FY 2025-26. The capitalisation approved for the respective years of the Control Period has been considered as asset addition during the year. The Commission has considered the depreciation rates as specified in Appendix I (for existing assets) and Appendix II (for new assets) to the MYT Regulations, 2024.

7.5.4 As per the MYT Regulations, 2024, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has capped the depreciation on assets at 90% of the original cost of asset under different asset heads.

7.5.5 In line with the approach adopted in the previous Orders and as specified in the MYT Regulations, 2024, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for the Control Period. The addition to equity on account of conversion of grant to equity has been elaborated in the Section on Return on Equity. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, and equity cannot exceed 30% of the GFA.

7.5.6 In view of the above, **the Commission has approved depreciation for the period from FY 2025-26 to FY 2029-30 as per MYT Regulations, 2024, as given in the Tables below**:

Table 90: Depreciation approved for FY 2025-26 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.60	-		-
2	Land under lease				-
3	Building	73.49	-	3.34%	1.88
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	271.49	51.83	3.34%	9.93
6	Plant & Machinery	1,658.55	128.77	4.22%	86.11
7	Lines & Cable Network	1,435.92	78.59	4.22%	56.36
8	Vehicles	5.01	-	9.50%	0.06
9	Furniture& Fixtures	13.92	0.33	6.33%	0.76

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
10	Office Equipment	16.62	0.49	6.33%	0.99
11	Computer and accessories	1.81	-	15.00%	0.27
12	**Grand Total**	**3,527.06**	**260.00**		**156.36**
13	Less: Depreciation for Grants/Consumer Contribution				68.79
14	**Net Depreciation**				**87.57**
15	Depreciation towards CC				5.17
16	**Net Depreciation**				**82.40**

Table 91: Depreciation approved for FY 2026-27 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.60	-		-
2	Land under lease				-
3	Building	73.49	-	3.34%	1.88
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	323.32	52.00	3.34%	11.67
6	Plant & Machinery	1,787.32	128.08	4.22%	89.83
7	Lines & Cable Network	1,514.51	78.00	4.22%	59.66
8	Vehicles	5.01	-	9.50%	0.03
9	Furniture& Fixtures	14.25	0.77	6.33%	0.79
10	Office Equipment	17.11	1.15	6.33%	1.03
11	Computer and accessories	1.81	-	15.00%	0.19
12	**Grand Total**	**3,787.06**	**260.00**		**165.09**
13	Less: Depreciation for Grants/Consumer Contribution				78.04
14	**Net Depreciation**				**87.05**
15	Depreciation towards CC				5.78
16	**Net Depreciation**				**81.26**

Table 92: Depreciation approved for FY 2027-28 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.60	-		-
2	Land under lease				-
3	Building	73.49	-	3.34%	1.88
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	375.32	52.00	3.34%	13.40
6	Plant & Machinery	1,915.40	123.42	4.22%	94.42
7	Lines & Cable Network	1,592.51	78.00	4.22%	62.78
8	Vehicles	5.01	-	9.50%	0.01
9	Furniture& Fixtures	15.01	2.63	6.33%	0.89
10	Office Equipment	18.27	3.95	6.33%	1.18
11	Computer and accessories	1.81		15.00%	0.07
12	**Grand Total**	**4,047.06**	**260.00**		**174.63**
13	Less: Depreciation for Grants/Consumer Contribution				87.56
14	**Net Depreciation**				**87.08**
15	Depreciation towards CC				5.73
16	**Net Depreciation**				**81.35**

Table 93: Depreciation approved for FY 2028-29 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.60	-		-
2	Land under lease				-
3	Building	73.49	-	3.34%	1.88

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	427.32	52.00	3.34%	15.14
6	Plant & Machinery	2,038.82	129.02	4.22%	98.24
7	Lines & Cable Network	1,670.51	78.00	4.22%	63.43
8	Vehicles	5.01	-	9.50%	0.01
9	Furniture& Fixtures	17.64	0.39	6.33%	0.97
10	Office Equipment	22.21	0.59	6.33%	1.30
11	Computer and accessories	1.81		15.00%	-
12	**Grand Total**	**4,307.06**	**260.00**		**180.97**
13	Less: Depreciation for Grants/Consumer Contribution				96.08
14	**Net Depreciation**				**84.89**
15	Depreciation towards CC				5.59
16	**Net Depreciation**				**79.30**

Table 94: Depreciation approved for FY 2029-30 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.60	-		-
2	Land under lease				-
3	Building	73.49	-	3.34%	1.88
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	479.32	42.71	3.34%	16.72
6	Plant & Machinery	2,167.84	152.76	4.22%	93.64
7	Lines & Cable Network	1,748.51	64.06	4.22%	64.91
8	Vehicles	5.01	-	9.50%	0.01
9	Furniture& Fixtures	18.04	0.19	6.33%	0.96
10	Office Equipment	22.80	0.28	6.33%	1.32
11	Computer and accessories	1.81		15.00%	-
12	**Grand Total**	**4,567.06**	**260.00**		**179.44**
13	Less: Depreciation for				99.07

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
	Grants/Consumer Contribution				
14	**Net Depreciation**				**80.36**
15	Depreciation towards CC				5.23
16	**Net Depreciation**				**75.13**

7.6 Interest on Loan Capital

7.6.1 AEGCL has considered the closing net normative loan for FY 2024-25 as per its submissions, as the opening net normative loan for FY 2025-26 and the same has been computed for the subsequent years. AEGCL submitted that the loan addition during FY 2025-26 to FY 2029-30 has been considered as per the funding of the Capital Investment Plan. The normative repayment has been considered equal to the depreciation. The weighted average interest rate has been considered as 8.69% for each year of the Control Period.

7.6.2 Accordingly, AEGCL has projected the Interest and Finance Charges for FY 2025-26 to FY 2029-30 as Rs. 0.01 Crore, Rs. 0.01 Crore, Rs. 0.01 Crore, Rs. 0.01, Crore and Rs. 10.37 Crore, respectively.

Commission's Analysis

7.6.3 The Commission has considered the opening net normative loan as on April 1, 2025 as Rs. 40.44 Crore, based on the closing net normative loan of FY 2024-25 and after segregating the loan for SLDC. The addition of loan has been considered equal to debt portion of capitalized works as approved by the Commission in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order.

7.6.4 The weighted average rate of Interest of 6.83% applicable for FY 2024-25 has been considered for computing the normative interest for each year of the Control Period. **The interest on loan capital as approved by the Commission for the Control Period is shown in the following Table**:

Table 95: Approved Interest on Loan for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Net Normative Opening Loan	40.44	-	-	-	-
Addition of normative loan during the year	-	-	-	-	41.81
Normative Repayment during the year	82.40	81.27	81.35	79.30	75.13
Net Normative Closing Loan	-	-	-	-	-
Interest Rate	6.83%	-	-	-	-
Interest Expenses	1.38	-	-	-	-
Finance Charges	-	-	-	-	-
Total Interest and Finance Charges	1.38	-	-	-	-

7.7 Return on Equity

7.7.1 AEGCL submitted that the Return on Equity has been computed at 13.50% on average balance of equity based upon the opening balance of equity and normative additions during the year. Accordingly, AEGCL has projected the RoE as Rs. 115.19 Crore for each year from FY 2025-26 to FY 2029-30.

Commission's Analysis

7.7.2 The Commission has approved the RoE in accordance with the MYT Regulations, 2024. The equity as on April 1, 2025 has been considered equal to the closing equity approved in the APR for FY 2024-25. The addition of equity has been considered equal to equity portion of capitalised works as approved by the Commission in this Order.

7.7.3 The addition to equity on account of conversion of grant to equity is limited to 30% of GFA. As the conversion of grant to equity is itself limited to 30% of the GFA addition, the Commission has not considered any conversion of loan to equity, as the debt:equity ratio is governed by the provisions of the MYT Regulations, and equity cannot exceed 30% of the GFA. The conversion of Grant to equity allowed by the Commission for the Control Period as discussed earlier is shown in the Table below:

Table 96: Conversion of Grant to Equity approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Average GFA	3657.06	3917.06	4177.06	4437.06	4697.06
Average Grant towards GFA	1587.94	1847.94	2070.37	2330.36	2567.14
Balance Grant available for conversion to equity	1343.92	1357.44	1343.92	1319.87	1306.35
Net Grant towards GFA	244.02	490.50	726.45	1010.49	1260.79
Average CC towards GFA	96.03	119.31	135.56	135.56	135.56
Average Central Govt. Grant towards GFA	948.42	967.36	967.36	967.36	1374.36
Average ADB/AIIB Grant towards GFA	120.67	251.62	81.06	542.72	604.88
Net assets to be funded	2491.94	2578.76	2993.07	2791.42	2582.25
Max. Equity that can be considered	747.58	773.63	897.92	837.43	774.68
Equity already considered	860.36	860.36	860.36	897.92	902.57
Equity that can be additionally allowed	0.00	0.00	37.56	0.00	0.00

7.7.4 **The Commission has approved the RoE at 13.50% as shown in the Table below:**

Table 97: Return on Equity approved by the Commission for the Control Period(Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Opening Equity	860.36	860.36	860.36	897.93	897.93
Addition due to Capitalisation	-	-	-	-	4.65
Addition due to conversion of Grant to equity	-	-	37.57	-	-
Less: Reduction during the year	-	-	-	-	-
Equity (Closing Balance)	860.36	860.36	897.93	897.93	902.57
Average Equity	860.36	860.36	879.14	897.93	900.25
Rate of Return on Equity	13.50%	13.50%	13.50%	13.50%	13.50%
Return on Equity	**116.15**	**116.15**	**118.68**	**121.22**	**121.53**

7.8 Interest on Working Capital

7.8.1 AEGCL submitted that the normative IoWC has been computed in accordance with the MYT Regulations, 2024. The rate of interest provided on the working capital is the normative interest rate of 300 basis points above the average SBI 1-year MCLR prevalent during last available six months for the determination of tariff. Accordingly, AEGCL has projected the IoWC as Rs. 18.72 Crore, Rs. 20.72 Crore, Rs. 21.38 Crore, Rs. 23.15 Crore, and Rs. 24.84 Crore for FY 2025-26 to FY 2029-30, respectively.

Commission's Analysis

7.8.2 The Commission has computed normative IoWC in accordance with the MYT Regulations, 2024. The rate of Interest has been considered equal to State Bank of India MCLR (One Year Tenor) prevalent during last 6 months plus 300 basis points i.e., 11.85%. For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the ARR approved for the Control Period in this Order. **Normative IoWC approved by the Commission for the Control Period is shown in the following Table**:

Table 98: IoWC approved by the Commission for the Control Period (Rs. Crore)

Sr. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	O&M expenses for 1 month	21.87	22.35	23.86	25.39	27.00
2	Maintenance spares @ 15% of O&M Expenses	39.36	40.22	42.95	45.69	48.60
3	Receivables for 45 days	63.52	78.22	82.69	87.59	92.10
4	**Total Working Capital**	**124.75**	**140.79**	**149.50**	**158.67**	**167.70**
5	Rate of Interest	11.85%	11.85%	11.85%	11.85%	11.85%
6	**Interest on Working Capital**	**14.78**	**16.68**	**17.72**	**18.80**	**19.87**

7.9 BST for Pension Fund

7.9.1 AEGCL submitted that the special charges on account of Bulk Supply Tariff have been computed considering the Bulk Supply Tariff at 20 paise per unit of energy sent out to APDCL as approved by the Commission vide Order dated March 21, 2022, as shown in the Table below:

Table 99: Special charges - BST for Control Period as projected by AEGCL (Rs. Crore)

Sr No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30

1	Energy Sent Out to APDCL (MU)	13691.96	14713.31	15779.53	16916.80	18149.38
2	BST Charge (Rs./kWh)	0.20	0.20	0.20	0.20	0.20
3	**Total**	**273.84**	**294.27**	**315.59**	**338.34**	**362.99**

Commission's Analysis

7.9.2 The Commission is of the view that pension payment to the employees is a statutory obligation of the Companies. Based on the original funding sources identified by the GoA, the maximum BST allowable is 20 paise/unit.

7.9.3 In the MYT Order dated March 21, 2022, the Commission increased the BST from 15 paise/unit to 20 paise/unit on energy transmitted to APDCL for the Control Period from FY 2022-23 to FY 2024-25. However, the Commission recognised that this increase from 15 paise/unit to 20 paise/unit will not be sufficient to make up for the shortfall in the Pension Trust, and directed AEGCL to pursue with the GoA for release of sufficient funds to make up the shortfall in the Pension Trust, in accordance with the commitment of the GoA in this regard.

7.9.4 While the Commission increased the BST rate from 15 paise/kWh to 20 paise/kWh in the previous MYT Order, it is undeniable that the primary obligation for meeting the shortfall in the Pension Trust is of the State Government, as envisaged in the original Transfer Scheme. It is also a fact that the BST comprises a major share of the ARR of AEGCL, and is claimed over and above the O&M expenses.

7.9.5 The Commission queried AEGCL about the status of the Fund parked with the Pension Trust, amount received from the State Government, income from investments made, and yearly shortfall amount vis-à-vis payments made. AEGCL replied that the funding received by the Pension Trust from AEGCL has increased from Rs. 153.88 Crore in FY 2021-22 to Rs. 233.03 Crore in FY 2023-24, while the amount received from investments has increased from Rs. 74.11 Crore in FY 2021-22 to Rs. 85.56 Crore in FY 2023-24. The total disbursement has increased from Rs. 781.81 Crore in FY 2021-22 to Rs. 828.85 Crore in FY 2023-24. AEGCL submitted that it claims the annual shortfall amount from GoA, which is received, and the total funding from GoA has reduced from Rs. 539.62 Crore in FY 2021-22 to Rs. 493.53 Crore in FY 2023-24. In terms of overall Fund status, the shortfall of Rs. 1527 Crore at the beginning of FY 2021-22 has reduced to Rs. 1486 Crore at the end of FY

2023-24.

7.9.6 The Commission observes that in recent years, the shortfall in Pension Fund has decreased, despite reduction in contribution by GoA, which has been made up by the increase in BST and income from investments. The Commission is of the opinion that the original shortfall in Pension Fund was to be met from Government of Assam only. However, due to scarcity of funds, the entire amount was not received in the past, leading to shortfall in the Fund requirement. Hence, the Commission allowed a Bulk Supply Tariff to be recovered so that a reasonable amount of shortfall of Pension Fund could be met from Tariff, in order to ensure that the pension payments are made on time.

7.9.7 The Commission also observes that the amount recovered through BST constitutes a major part of ARR of AEGCL. In the next five years, it is projected to recover up to Rs. 400 Crore per year, at the existing rate of 20 paise/kWh. The Commission is of the opinion that the BST rates need to be lowered so that transmission tariffs could be rationalised.

7.9.8 Hence, the Commission has decided to reduce the rate of BST from 20 paise/kWh to 18 paise/kWh for the Control Period from FY 2025-26 to FY 2029-30, on the energy transmitted to APDCL, as approved in the MYT Order of APDCL, as shown in the following Table:

Table 100: BST for Pension Fund as approved by the Commission (Rs. Crore)

Sr No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Energy Sent Out to APDCL (MU)	14101.48	15233.09	16470.62	17825.61	19311.07
2	BST Charge (Rs./kWh)	0.18	0.18	0.18	0.18	0.18
3	**Total (3=1*2/10)**	**253.83**	**274.20**	**296.47**	**320.86**	**347.60**

7.9.9 **The reduction in BST will ensure that the burden on consumers will reduce, while at the same time, the interest of the pensioners will also be protected, as the contribution from BST will still increase in line with the increase in energy input to APDCL, and the contribution by the GoA will also have to be increased, in line with the original scheme.**

7.9.10 **AEGCL is directed to pursue with the GoA for release of more funds to make up the shortfall in the Pension Trust, so that the Fund can become self-**

sustaining and the contribution through BST can be reduced further or even eliminated altogether in due course.

7.10 Non-Tariff Income

7.10.1 AEGCL has projected the Non-Tariff income as Rs. 113.17 Crore for each year of the Control Period from FY 2025-26 to FY 2029-30. AEGCL submitted that the interest/dividend earned from NETCL by AEGCL has not been considered under NTI, in accordance with the MYT Regulations, 2024. The GPF liability is payable to an employee only after completion of 25 years of qualifying services. The accumulation of GPF is utilised as internal resources by AEGCL. Interest on GPF has been deducted from NTI.

Commission's Analysis

7.10.2 Regulation 69.1 of the MYT Regulations, 2024 specifies that,

"69.1 …

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the regulated business of the Transmission Licensee shall not be included in Non-Tariff Income.

…"

Hence, for projection of NTI for the Control Period from FY 2025-26 to FY 2029-30, the Dividend Income earned by AEGCL in FY 2023-24 has not been considered.

7.10.3 The Commission approves the Non-Tariff Income for each year of the Control Period from FY 2025-26 to FY 2029-30 by considering a 5% escalation on the NTI estimated for FY 2024-25. The actual Non-Tariff income shall be considered at the time of truing up for each year of the Control Period, after prudence check. **The Commission approves the Non-Tariff Income as shown in the following Table below**:

Table 101: Non-Tariff Income as approved by the Commission (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Non-Tariff Income	119.80	125.79	132.08	138.69	145.62

7.11 Contribution to Contingency Reserves for FY 2025-26 to FY 2029-30

7.11.1 Regulation 68.9 of the MYT Regulations, 2024 specifies regarding the contribution to contingency reserves. The creation of contingency reserves for FY 2025-26 to FY 2029-30 shall provide a coffer for protection of flood demised assets/construction of new towers in place of collapsed towers. The river basins of Assam in general and north bank river basins in particular bear a pattern, which is totally different from other basin rivers in the country.

7.11.2 The contribution to Contingency Reserves claimed by AEGCL for the Control Period is shown in the Table below:

Table 102: Contribution towards Contingency Reserves for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Opening GFA for the current year	3527.05	5122.86	5800.02	5997.74	7321.44
2	% Factor	0.10%	0.10%	0.10%	0.10%	0.10%
3	**Contingency Reserves (1*2)**	**3.53**	**5.12**	**5.80**	**6.00**	**7.32**

Commission's Analysis

7.11.3 Regulation 68.9.1 specifies as under:

"67.9.1 The Transmission Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.1 per cent of the gross fixed assets approved by the Commission at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement:

Provided that where the amount of such Contingency Reserve exceeds one (1) per cent of the gross fixed assets, no such appropriation shall be allowed, which would have the effect of increasing the reserve beyond the said maximum:

Provided further that the amount so appropriated may be invested in securities and fixed deposit. Interest earned shall be added to the Contingency Reserve.

Provided also that the Transmission Licensee shall maintain separate account for such reserve"

7.11.4 As stated in the earlier Chapter, in previous Tariff Order dated June 27, 2024, the Commission had decided not to allow Contribution to Contingency Reserve in FY 2024-25 as AEGCL had utilized the Contingency Reserve funds in FY 2022-23 for regular R&M works without the prior approval from the Commission. However, from

FY 2023-24 onwards, AEGCL has been utilising these funds for appropriate purposes, with prior approval from the Commission. AEGCL is directed that in next Control Period also, any utilisation from contribution to contingency reserve must be with prior approval of the Commission. Hence, the Commission has approved the Contribution towards Contingency Reserves for FY 2025-26 to FY 2029-30, in accordance with the MYT Regulations, 2024 based on approved opening GFA of that year, as shown in the Table below:

Table 103: Approved Contribution towards Contingency Reserves for FY 2025-26 to FY 2029-30 (Rs. Crore)

S. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Opening GFA for the current year	3527.06	3787.06	4047.06	4307.06	4567.06
2	% Factor	0.10%	0.10%	0.10%	0.10%	0.10%
3	**Contingency Reserves**	**3.53**	**3.79**	**4.05**	**4.31**	**4.57**

7.11.5 Thus, **the Commission approves the Contribution towards Contingency Reserves as shown in the above table for the period from FY 2025-26 to FY 2029-30**.

7.12 Revenue from STOA/MTOA Charges

7.12.1 AEGCL submitted that the Income from open access consumers has been projected based on estimated income for FY 2024-25. AEGCL has projected income from open access consumers as Rs. 2.36 Crore for each year of the Control Period.

Commission's Analysis

7.12.2 The Commission has considered the Revenue from STOA/MTOA Charges as Rs. 2.36 Crore for each year of the Control Period, as projected by AEGCL. The actual Income from STOA/MTOA shall be considered at the time of true-up for the respective year.

7.13 Summary of ARR for Control Period from FY 2025-26 to FY 2029-30

7.13.1 The summary of ARR as submitted by AEGCL and as approved by the Commission for the Control Period is given in the Table below:

Table 104: ARR for Control Period from FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Proposed by AEGCL	Approved	Proposed by AEGCL	Approved	Proposed by AEGCL	Approved	Proposed by AEGCL	Approved	Proposed by AEGCL	Approved
1	O&M Expenses	291.43	262.43	308.22	268.16	334.64	286.35	356.20	304.63	370.66	323.99
a	*Employee Cost*	*221.68*	206.12	*236.12*	219.54	*251.49*	233.83	*267.86*	249.05	*285.30*	265.27
b	*R&M Expenses*	*56.51*	40.79	*57.91*	31.98	*67.94*	34.68	*72.02*	36.44	*67.86*	38.20
c	*A&G Expenses*	*13.24*	15.52	*14.19*	16.64	*15.22*	17.85	*16.32*	19.14	*17.49*	20.52
2	Depreciation	132.66	82.40	195.43	81.26	141.77	81.35	174.60	79.30	209.65	75.13
3	Interest and Finance Charges	0.01	1.38	0.01	-	0.01	-	0.01	-	10.37	-
4	Interest on Working Capital	18.72	14.78	20.72	16.68	21.38	17.72	23.15	18.80	24.84	19.87
5	BST for Pension Trust Fund	273.84	253.83	294.27	274.20	315.59	296.47	338.34	320.86	362.99	347.60
6	Return on Equity	115.19	116.15	115.19	116.15	115.19	118.68	115.19	121.22	115.19	121.53
7	Contribution to Contingency Reserve	3.53	3.53	5.12	3.79	5.80	4.05	6.00	4.31	7.32	4.57
8	Less: Non-Tariff Income/ Other Income	113.17	119.80	113.17	125.79	113.17	132.08	113.17	138.69	113.17	145.62
9	**Aggregate Revenue Requirement**	**722.22**	**614.70**	**825.79**	**634.45**	**821.22**	**672.53**	**900.31**	**710.43**	**987.86**	**747.07**
10	Revenue from STOA/MTOA Charges	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
11	**Net Revenue Requirement**	**719.86**	**612.34**	**823.44**	**632.09**	**818.86**	**670.17**	**897.95**	**708.07**	**985.51**	**744.71**

8 Transmission Tariff for FY 2025-26

8.1 Cumulative Revenue Gap/(Surplus) and Net ARR for recovery

8.1.1 AEGCL has computed the Revenue Gap after True-up for FY 2023-24 along with the holding Cost as shown in the Table below. The Interest rate has been considered equal to the average State Bank of India MCLR (1-Year tenure) prevalent for the last available six months plus 300 basis points, i.e., 11.83% (8.83% plus 300 basis points) as per the MYT Regulations, 2024.

Table 105: Cumulative Revenue Gap/(Surplus) (Rs. Crore)

Particulars	Amount
Revenue Gap for FY 2023-24	23.30
Carrying cost on Revenue Gap for FY 2023-24	5.48
Total Gap/(Surplus)	**28.78**

Commission's Analysis

8.1.2 For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2023-24 as approved in this Order, along with Carrying/(Holding)Cost. The Revenue Gap/(Surplus) arising out of APR of FY 2024-25 has not been considered for recovery through tariff in FY 2025-26, in accordance with the MYT Regulations, 2024. The Revenue Gap/(Surplus) computed by AEGCL and approved by the Commission in this Order is shown in the Table below:

Table 106: Revenue Gap/(Surplus) for FY 2023-24 approved for recovery/adjustment in FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	AEGCL	Approved in this Order
1	Net ARR	658.88	682.17	578.36
2	Revenue from Transmission Charges	658.88	658.87	658.88
3	Revenue Gap/(Surplus)	-	23.30	(80.53)
4	Carrying/(Holding) cost		5.48	(18.97)

8.1.3 The Commission has computed the Carrying/ (Holding) cost as shown in the following Table:

Table 107: Carrying/ (Holding) Cost for Revenue Gap/(Surplus) for FY 2023-24 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Balance	-	(80.53)	(80.53)
2	Recovery /(Addition) during year	(80.53)	-	(80.53)
3	Closing balance	(80.53)	(80.53)	-
4	Rate of Interest (%)	11.57%	11.85%	11.85%
5	Carrying /(holding) Cost	(4.66)	(9.54)	(4.77)
	Total Holding Cost	**(18.97)**		

8.1.4 **The Commission has considered the recovery of total Holding cost, i.e., Rs. 18.97 Crore on Revenue Surplus for FY 2023-24. The Commission approves the cumulative Revenue Surplus of AEGCL as Rs. 99.50 Crore. This Surplus is to be refunded to APDCL in twelve monthly equal instalments of Rs. 8.29 Crore in FY 2025-26 as adjustment to the monthly bills.**

8.2 Transmission tariff for FY 2025-26

8.2.1 AEGCL has considered the maximum Contracted Capacity as 2952.70 MW, by considering a 10% increase over Peak Load of 2684.27 MW as on 20th September 2024. AEGCL has proposed the Transmission Tariff for FY 2025-26 based on the cumulative Revenue Gap/(Surplus) after Truing up of FY 2023-24 and based on the projected ARR for FY 2025-26, as shown in the Table below:

Table 108: Transmission Tariff Proposed by AEGCL for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
Stand-alone Aggregate Revenue Requirement	719.86
Previous Revenue Gap / (Surplus) with carrying cost	28.78
Net Aggregate Revenue Requirement	748.64
Transmission Charge (Rs. / kWh)	0.54
Transmission Access Charge (Rs/MW/day)	**7913.07**

Commission's Analysis

8.2.2 In accordance with MYT Regulations, 2024, the Commission has determined the Annual Transmission Charges and Transmission System Access Charges for FY 2025-26. The Annual Transmission Charges payable by APDCL and Transmission system access charges payable by other users of AEGCL transmission system are arrived at based on Net ARR of AEGCL and the energy handled by the transmission system.

8.3 Annual Transmission Charges for APDCL

8.3.1 **The Annual Transmission Charges for FY 2025-26 shall be equal to Net ARR approved for recovery for FY 2025-26, i.e., Rs. 612.34 Crore.**

8.3.2 The Commission has determined the Annual Transmission Charges in terms of Rs./kW/ month and per unit charges. The Commission has considered the maximum Contracted capacity of 2,952.70 MW as submitted by AEGCL and estimated energy supplied to APDCL and Open Access consumers as 14569 MU as approved in Tariff Order of APDCL for FY 2025-26.

8.3.3 The Annual Transmission Charges shall be recovered on monthly basis as transmission charge from the users who shall share the Transmission Charge in proportion of the allotted transmission capacity.

8.3.4 AEGCL shall raise the bill for the transmission charge (inclusive of incentive) for a month based on its estimate of Transmission System Availability Factor for the month computed as per MYT Regulations, 2024. The adjustments, if any, shall be made on the basis of the Transmission System Availability Factor to be certified by the SLDC within 30 days from the last day of the relevant month.

8.3.5 The approved Transmission System Access Charges works out to Rs. 0.42/kWh for FY 2025-26, as shown in the Table below:

Table 109: Transmission Access Charges approved by the Commission for FY 2025-26

Sr. No.	Particulars	FY 2025-26
1	Net ARR for Transmission (Rs Crore)	612.34
2	Energy transmitted to APDCL (MU)	14,569.00
3	Transmission Access Charges (Rs./kWh)	0.42
4	Transmission Charges for LTOA/ MTOA (Rs./MW/day)	5,681.72

For short-term Open Access customers, the Transmission Charges shall be: Rs. 0.42/kWh.

Note:

1) The Commission has considered Annual Maximum Peak for FY 2025-26 as 2952.70 MW.

2) Any recovery on account of short-term/medium-term open access charges shall be considered as Non-Tariff Income.

8.4 Applicability of Tariff

8.4.1 The approved Transmission tariff for FY 2025-26 shall be effective from April 1, 2025 and shall continue until replaced/modified by Order of the Commission.

Sd/-	**Sd/-**
(A. Bhattacharyya)	**(K. S. Krishna)**
Member, AERC	**Chairperson, AERC**

9 Directives

The Commission has issued certain directives to AEGCL in the past Orders, with an objective of attaining operational efficiency and streamlining the flow of information, which would be beneficial to the sector and the Petitioner, both in the short-term and long-term.

As regards the directives issued by the Commission in the Tariff Order dated June 27, 2024, AEGCL has submitted the report to the Commission on compliance. The Commission has reviewed the compliance of directives submitted by AEGCL, and the status is as follows:

Status of compliance of directives in the Tariff Order dated June 27, 2024

Directive 1: Rationalisation of Organisation Structure

9.1.1 It is understood that AEGCL has recruited additional employees against its sanctioned manpower strength in the month of March 2024. In this regard, AEGCL should undertake a study to properly assess its manpower requirement at Head Office (HO) and field level, based on the prevalent employee norms for its transmission infrastructure, duly benchmarked against the best practices followed in other Transmission Licensees. Based on such study, AEGCL may recast its organisational structure to achieve optimal results, by ensuring that adequate manpower is available to undertake all the operations and capital expenditure projects. Future recruitment should be based on the revised assessment of manpower requirement based on such study. Periodic status report of preparation of this study should be submitted to the Commission. AEGCL is directed to submit half-yearly reports on the status of this study to the Commission by 30th September and 31st March each year till final report is submitted to the Commission.

AEGCL Submission

9.1.2 AEGCL submitted that the report on the Rationalisation of Organisation Structure has been submitted before the Commission on 30.09.2024

Commission's Views

9.1.3 The Commission notes the submission of the report.

Directive 2: Contingency Reserve

9.1.4 AEGCL should ensure that it utilises the balance Funds under the Contingency

Reserve strictly in accordance with the provisions of the MYT Regulations, 2021, after receiving prior approval from the Commission and only for the intended purposes for which the Contingency Reserve has been created. AEGCL should submit the details of utilisation of the balance Funds under Contingency Reserve on a half-yearly basis, and submit the details of balance Funds under Contingency Reserve, along with every true-up Petition, till the balance Funds are utilised fully.

AEGCL Submission

9.1.5 AEGCL submitted that the details of utilisation have been submitted along with the true-up Petition for FY 2023-24.

Commission's Views

9.1.6 AEGCL is directed to submit the same details with each of the true up Petitions for the next Control Period as provided in the new Directive 1.

<u>New Directives:</u>

The Commission hereby issues the following directives to AEGCL as under:

Directive 1: Contingency Reserve

9.1.7 AEGCL should ensure that it utilises the balance Funds under the Contingency Reserve strictly in accordance with the provisions of the MYT Regulations, 2024, after receiving prior approval from the Commission and only for the intended purposes for which the Contingency Reserve has been created. AEGCL should submit the details of fund available and utilisation of the balance Funds under Contingency Reserve on a half-yearly basis, and submit the details of balance Funds under Contingency Reserve, along with every true-up Petition.

Also, AEGCL is strongly encouraged to invest the funds available in the Contingency Reserve in safe instrument like Government Securities so that the amount does not sit idle, and the value of the Fund shall keep increasing and be utilised as and when required.

Directive 2: BST Fund

9.1.8 AEGCL is directed to pursue with the GoA for release of more funds to make up the shortfall in the Pension Trust, so that the Fund can become self-sustaining and the contribution through BST can be reduced further or even eliminated altogether in due course.

9.1.9 Also, AEGCL should provide the details of the Pension Fund at the beginning of the year, fund received from Government of Assam and Special BST tariff received, interest accrued and funds disbursed during the year, balance Pension fund at the time of submission of report. AEGCL should ensure the report should be submitted half-yearly (by 30th September and by 31st March of the year) for each year of the next Control Period.

Directive 3: Coordination Committee

9.1.10 It has been observed by the Commission that there are common planning and operational issues relating to power generation, transmission, and distribution, which have been adversely affecting optimum utilisation of the power system and power supply to consumers and which can be resolved by effective coordination between the three Companies namely, APGCL, AEGCL and APDCL.

- **The Commission, therefore, directs that the existing Coordination Committee consisting of senior Officers from APGCL, AEGCL, SLDC and APDCL shall convene quarterly meetings.**
- **The Minutes of Meeting of each Coordination Committee meeting shall be submitted to the Commission within 15 days of such meeting.**

Directive 4: CAG Report

9.1.11 AEGCL is directed to submit the CAG report of the Year along with True up petition for that year. If for any reason CAG report is not available with the Petitioner for that year during submission of True up petition, the Petitioner is directed to ensure a copy of the report is submitted to the Commission and is published in the website of the Petitioner for viewing of public whenever it becomes available.

Sd/-	**Sd/-**
(A. Bhattacharyya)	**(K. S. Krishna)**
Member, AERC	**Chairperson, AERC**

10 Annexure-1

10.1 Minutes of the 35th Meeting of the State Advisory Committee

Venue: AERC Conference Hall.

Day/Dated: Friday, 27th February 2025.

List Of Members/Special Invitees: At Annexure-1 (Enclosed)

The 35th Meeting of State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Kumar Sanjay Krishna, IAS, (Retd.).

At the onset, Hon'ble Chairperson, AERC welcomed all members and invitees and introduced the new members who could not attend the last SAC meeting. The Hon'ble Chairperson stated that the main purpose of this meeting was to discuss the Multi Year Tariff petitions filed by the State Power Utilities. He informed that in their tariff Petitions, the Generation Company, APGCL has requested for approval of ARR for FY 2025-26 of Rs 1306.49 Cr, Transmission (AEGCL) an ARR of Rs 722.28 Cr, and SLDC an ARR of Rs 16.73 Cr.

He further informed that the cumulative revenue requirement claimed by APDCL to be recovered in tariff for FY 2025-26 works out to Rs. 11,652.49 Cr against proposed retail sale of 12,015 MU. Thus, the average cost of supply to recover entire cumulative ARR is Rs. 9.70 per unit. APDCL, in their petition, proposed to continue with the prevalent tariff structure approved in the last tariff order without any hike for all categories of consumers for FY 2025-26 although there is a gap of Rs 357 Crore with the existing tariff.

The Hon'ble Chairperson stated that in the last tariff Order, APDCL claimed an ARR of Rs 10,121.92 Cr for FY 2024-25 along with a gap of Rs 1904.17 Cr in the true up of FY 2022-23. The Commission after prudent check, reduced the claim by Rs 999 Cr and finally approved an ARR of Rs 9,519.44 Cr along with a true up gap of Rs 1507.68 Cr. The Commission had not considered any subsidy for the FY 2024-25 from the State Government while deciding the tariff.

The Hon'ble Chairperson further informed that in their petition, APDCL has introduced a Time-of-Day (ToD) tariff for all consumer categories with a connected load exceeding 10 kW, where smart meters have been installed. Further, APDCL has incorporated "solar hours" along with other ToD time slots and corresponding tariffs, ensuring conformity with Rule 8A of the Rights of Consumers Rules, 2020 and its subsequent amendments. For Commercial and

Industrial consumers, during peak periods the normal tariff is increased by 20%, and for other consumers, it is increased by 10%. The TOD tariff for solar hours, is kept at twenty percent less than the normal tariff. The time slot for peak hours has been changed from evening 5 pm to 10 pm to 5 pm to 12 pm, considering the trend in peak demand.

The Commission would be required to approve TOD tariff for next year (as envisaged in the Rules) and the distribution loss trajectory for the next MYT period of 5 years. It may be brought to the notice of the members that although a distribution loss of 14.75 % was approved for FY 2023-24, APDCL could achieve only 15.5% which led to an excess power purchase of 131.53 MU and Rs 71.02 Cr. Also, it is observed that APDCL could achieve only 25-30% of the capitalization that was approved by the Commission. It has also been observed that during FY 2023-24, APDCL procures short term power at an average rate of Rs 6.06/unit while exporting the same at much lower price of Rs 4.86/ unit.

Concluding his address, the Hon'ble Chairperson mentioned that only a brief outline of the tariff proposals has been stated before the SAC members, and the power Companies would make detailed presentations on the same. He requested the SAC members to put forward their suggestions and concerns during the discussions.

The important points discussed by the members during the course of the meeting are briefly recorded below.

Agenda Item No.2: Brief presentation by APDCL on the Tariff Petition.

A Power Point Presentation was made by Shri. Rakesh Kumar, IAS, MD, APDCL on the Tariff Petitions. MD, APDCL mentioned that the peak demand in Assam has been growing at a Compound Annual Growth Rate (CAGR) of 8%. The average daily consumption has shown a steady increase from FY 2016-17 to FY 2024-25, with peak demand expected to reach 2942 MW in FY 2025-26 and 3836 MW in FY 2029-30. However, the total availability in FY 2025-26 against the peak demand is expected to be 2900 MW and 3640 MW in FY 2029-30. He informed that the demand profile varies between summer and winter, with higher demand during the summer months. APDCL has long-term PPAs with various generators, including hydro, gas, coal, and solar power plants. The total entitlement share from all sources presently is 2502 MW and to meet the future demand, additional capacity will be added through various projects, including Subansiri, Ghatampur, Lower Kopili, and SECI Solar Hybrid. Further, any shortfall in power availability will be met through the power exchange. MD, APDCL mentioned that in the consumer mix, domestic consumers account for 91% of the total consumer base, followed by commercial (6%) and others (3%). However, domestic consumers contribute only 43% of the revenue despite accounting for 49% of energy sales, indicating cross-subsidization, and commercial consumers contribute 19%, and industrial consumers contribute 23% of the total revenue mix.

MD, APDCL also highlighted that APDCL has significantly expanded its infrastructure, including 33/11 kV substations, 33 kV lines, and 11 kV lines, which will lead to gradual improvement in LT:HT ratio as well as distribution losses.

Shri Kumar also mentioned that the ACS-ARR gap improved from -0.52 Rs/kWh in FY 2021-22 to -0.24 Rs/kWh in FY 2023-24. Also, there has been an improvement in number of days receivable, which indicates efficiency in collection initiatives after the implementation of Smart Meters. Further, there is a year-on-year achievement of AT&C loss reduction targets fixed by the Ministry of Power under RDSS.

MD, APDCL stated that in the True up of FY 2023-24, there was a 32% increase in power purchase costs, primarily due to higher costs from gas-based stations. And, distribution Losses were 15.50% in actual, slightly higher than the approved 14.75%. A net revenue gap of Rs. 440 Cr was claimed after considering the State Government support of Rs. 287.30 Cr, and a special allowance of Rs. 457.09 Cr regarding FPPPA recovery. Shri Kumar also mentioned that the total proposed CAPEX. is Rs. 18,296 Cr over next five years, which includes Universal Service Obligation (5%), Standard upkeep of the network (21%), Decarbonization & Clean Energy (30%) and System Modernization (44%) under scheme-wise projects such as RDSS and Assam Distribution System Enhancement and Loss Reduction (ADSELR) etc.

Shri Kumar informed that the projected standalone ARR for FY 2025-26 is Rs 11,109.16 Cr, and Energy sales projected to be increased at a CAGR of 8%. The Power Purchase cost is the major contributor to the ARR with levelized share of 87% over the MYT period. However, the share of Power Purchase cost is projected to be reduced over the years with prudent planning and optimization. MD, APDCL also mentioned that the recovery of OPEX costs in smart metering has not been claimed in the ARR petition in line with the Hon'ble Commission's order. However, APDCL shall reflect the actual cost at the time of truing up for the year.

MD, APDCL mentioned that the gross revenue at the existing tariff with projected retail sale quantum during FY 2025-26 is estimated at Rs. 11295.14 Cr., leaving a shortfall of Rs.

357.35 Cr. over the cumulative requirement. He informed that the revenue gap on cumulative requirement is proposed to be recovered through an added revenue stream with various policy interventions like green tariff, green energy open access, etc. MD, APDCL also mentioned that for the FY 2025-26, APDCL proposed no hike in tariffs for any consumer category, and also, a Time of Day (TOD) Tariff has been introduced for consumers with a connected load exceeding 10 kW, with three time slots: Solar, Peak, and Night. For Commercial and Industrial consumers, the proposed TOD tariff during the peak period of the day is kept at 1.20 times the normal tariff, and for other consumers, it is at 1.10 times the normal tariff. Further, the TOD tariff for solar hours of the day is kept at 20% less than the normal tariff for that category of consumers.

Presentation by AEGCL

A PowerPoint presentation was made by the CGM, AEGCL on behalf of the MD, AEGCL on the salient features of Tariff petition submitted by AEGCL and SLDC. Important points of the discussion are noted below

In True-up for FY 2023-24, AEGCL has shown ARR of Rs.682.17 Crore and a gap of Rs. 23.30 Crore. For SLDC, in True-Up, ARR of Rs. 8.93 Crore and surplus of Rs. 1.13 Crore is shown.

In APR for FY 2024-25, AEGCL has shown ARR of Rs.669.29 Crore and a marginal gap of Rs. 1.01 Crore. For SLDC, in APR for FY 2024-25, ARR of Rs. 14.28 Crore and surplus of Rs. 0.27 Crore is shown.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for AEGCL and SLDC:

AEGCL	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	719.86	823.44	818.86	897.95	985.51
Transmission Loss (%)	3.21%	3.19%	3.17%	3.15%	3.13%

SLDC	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	16.73	18.83	20.80	23.21	26.49

AEGCL has submitted a transmission loss of 3.28% for True-up against the approved loss of 3.30%. AEGCL has projected a loss of 3.24% in APR for FY 2024-25. AEGCL has a projected transmission charge of Rs.0.54 Rs/kwh and SLDC charge of Rs. 141.80/MW/Day for FY 2025-26.

Presentation by APGCL

A Power Point Presentation by Shri. Bibhu Bhuyan, MD, APGCL on approval of True up for FY 2023-24, Annual Performance Review for FY 2024-25, CAPEX plan for FY 2025-26 to 2029-30, ARR for FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26.

MD, APGCL brought to the notice of SAC that APGCL has been rated in A++ category and can be considered equivalent to a Mini Ratna Company. Provided there is government support, the company has the capability to raise funds from the market for its expansion and survivability. Shri Bhuyan stated that the generating plants of APGCL are mostly gas based and due to the exorbitant hike in natural gas prices the cost of power in each generating station of APGCL increased significantly and this has an impact in consumer retail Tariff. MD, APGCL also appraised the Committee that the old unit of NTPS has to be closed down as there are no spare parts, service support, etc. on account of it being very old. A member recommended that APGCL may take initiatives for upgrading the station rather than closing down, if viable.

MD, APGCL mentioned that with execution of more and more renewable projects grid stability might be disturbed because of the intermittent nature of renewable energy. Shri Bhuyan also pointed out that increase in solar, small hydro, etc will not be sufficient to meet the peak demand. As such Gas based station will be an asset for the state as such stations are easy to ramp up and ramp down to adjust the demand. Besides, Gas based stations can be used to provide the base load.

MD, APGCL mentioned that in the True Up for the FY 2023-24, APGCL has shown a Net Revenue of Rs. 1198.23 Cr and actual revenue gap of Rs. 51.02 Cr. The revenue gap with carrying cost is Rs. 62.78 Cr. The actual claimed Gross generation is 2008.05 MU.

In the APR for the FY 2024-25, APGCL has shown a ARR of Rs. 86.58 Cr and gap of Rs. 7.39 Cr for NTPS, ARR of Rs. 419.33 Cr and gap of Rs. 33.10 Cr for LTPS, ARR of Rs. 371.86 Cr and gap of Rs. 19.67 Cr for LRPP, ARR of Rs. 374.14 Cr and gap of Rs. 1.26 Cr for NRPP, ARR of Rs. 82.28 Cr and surplus of Rs. 1.05 Cr for KLHEP, overall ARR of Rs. 1334.21 Cr with Rs. 60.35 Cr gap and estimated gross generation of 2186.72 MU for APGCL.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for APGCL:

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
Total Revenue Requirement	1,306.49	1,491.85	1,578.82	1,557.59	1,517.40

APGCL has proposed a tariff of Rs. 6.24/kWh for the FY 2025-26 (fixed charge of Rs. 2.11/kWh and energy charge of Rs. 4.13/kWh).

Agenda No-3 Discussions by the SAC Members on the Tariff Petitions:

SAC Member Shri Amarendra Goswami submitted a list of infirmities observed in the MYT Petitions of APDCL some of which are briefly noted hereunder:

a) True-up petition for FY 2023-24

i) The new item- 'Unrecovered FPPPA for 2022-23' is shown under item-8 with a value of Rs 457.09 Cr. FPPPA cannot appear in the ARR for the simple reason that in that case, FPPPA shall be included in the tariff determination process and no FPPPA could be levied additionally under the FPPPA Regulations.

ii) By adding of un-recovered FPPPA in the true up, surplus has been converted to shortfall which would impact the process of tariff determination.

iii) There seems to be a calculation error in summation from item-17 to item18 in the column-b (Actual) which may be verified and rectified.

iv) There is lack of clarity, regarding adjustment of cumulative shortfall and surplus in the true-up processes under the respective tariff orders. It is suggested that one sheet may be submitted showing the shortfall/ surplus due for adjustment till FY 2023-24 showing adjustments already made in the previous FYs.

b) On APR for 2024-25:

i) Increase in revenue in % has always been found to be higher that the corresponding % increase in sale of power. However, the percentage increase in revenue from sale of power is abnormally high in 2023-24. Therefore, careful analysis is necessary before approving the projected the value of revenue from sale of power.

ii) It is observed that no actual data for 6 months has been presented in the APR in respect to financial performances including revenue from sale of power. Without these vital inputs, it would be a constraint for the Hon'ble Commission to approve the projected value in the APR for 2024-25 and the corresponding targeted values for the year 2025-26 for determination of tariff. APDCL may be requested to submit all relevant data in the form of revised APR.

c) On proposed Tariff:

Shri Goswami made the following comments in respect to the proposed TOD tariff for all categories above 10 KW.

i) Duration of solar hours has been fixed from 6.00 hrs to 17.00 hrs (11 hours). This is against the stipulation under Rule 8(A) of the Electricity (Rights of Consumers) Amendment Rules 2023 which states that "solar hours" means the duration of eight hours in a day.

ii) Introduction of TOD tariff for domestic (and also bulk consumers like educational institutes) will cause big impact on students and children as usually their study hours are from 18.00hrs t0 22.00hrs. This is a societal issue which needs to be taken into consideration by the Commission while considering the proposal.

iii) We need to deliberate thoroughly whether TOD is an opportunity or burden for the domestic consumers. It is apprehended that actual tariff burden will be more than the normal tariff rate because of the consumption pattern. TOD tariff should not be implemented for domestic as well as commercial consumers until proper analysis of consumption patterns. Unlike industries, domestic consumers have little opportunity to reduce consumption without compromising on essential needs, which may defeat the very objective.

iv) Since TOD tariff can be applied only to consumers having smart meters, there would be different categories of consumers with smart meters and without smart meters. This will go against Section 62(3) of the Act. APDCL need to submit the smart meter installation data for above 10KW load consumers against total consumers in such group.

v) APDCL need to show the justification for extending peak load hours to 24.00hrs with actual load curves.

vi) Introduction of TOD tariff will create problem for the bulk single point bulk consumers like Universities, IIT, AIIMS, NIPER and many similar institutions for collecting revenue from their quarters. They will also have to install smart meters and have proper billing infrastructure of their own or through other agencies.

Shri Goswami also enquired about the status of rebate to be provided to the consumers covered under prepayment mode. He further enquired regarding the observations made by the independent auditors about not booking of income from deposit works by APDCL of Rs. 472.09 Cr and Rs. 464.28 Cr for FY 2023-24 & FY 2022-23 respectively amounting to total of Rs. 936.37 Cr. He requested the Commission to look into the matter.

MD, APDCL replied that the Company follows all the procedures as per the accounting and regulatory norms. He assured the Committee that the queries raised by the member shall be replied to in writing. He further stated that TOD is optional as of now, as smart meters are still not installed completely. Also, TOD is applicable to those consumers whose connected load exceed 10 kW and it is observed that only 3 to 4 Lakhs consumers which are high end consumers shall actually be come under this new regime. Further, Shri Kumar stated that inconsistencies observed by the Independent auditors have already been taken up and replies submitted to the auditors as per the accounting procedure followed by the Company. However, he assured that the same will be forwarded to the Commission.

On the aforesaid points, one learned SAC member highlighted that the evaluation of tariff is on basis of the Regulatory Accounts which is different from the normal accounts of a Company which seems to be the crux of the issue. Thus, although audited balance sheet may show surplus but that may not be the surplus from regulatory/ commercial angle. The EA 2003 aims at mainly two objectives: 24x7 quality power and commercial turnaround of all utilities. Hence, the government needs to look into the issues being faced by the State utilities, without which the future looks very bleak. The main issue observed in the context of APDCL is that 87% of their budget is spent on power purchase and only 13% is left with them to run the distribution business. The Committee acknowledged that the company is making best efforts to carry out the distribution business properly but the Company may not be able to sustain their operations if this continues for very long and the Government may have to provide significant financial support for the same. He observed that unless the power purchase cost is optimized, the two trajectories of growth of APDCL namely the real and the normative, will always be divergent. Also, the approach adopted for depiction of capital grants and subsidies as income of the Company should be revisited by the Government. The member further added that some state-of-the-art software is required for monitoring and planning of the power purchase, which the Committee has recommended at several earlier instances. The committee members also stated that APDCL should carry out a pragmatic manpower planning and the recruitment (which is currently being done by the State Government), should be taken up as per the planning. Regarding safety, CAC has formulated a safety management policy which has already been placed by APDCL before the APDCL Board for approval. The member also observed that APDCL has been taking steps for reduction of distribution loss, but it will take some time and requires further investment.

Regarding AEGCL, the SAC member pointed out that the 54 paise transmission charge claimed in Tariff petition, if calculated as per actual balance sheet, will be much lower and observed that 54 paisa itself is on the higher side as a hike of 17 paisa in transmission charge has been claimed in two years. The members enquired whether proper load flow study is being done while planning for new substations. This matter has already been raised in earlier meetings and the evacuation planning needs to be done in co-ordination with APDCL and should not only be based on theoretical studies. The matter was raised in the context of 400 KV substation being constructed by AEGCL at Rangia (Tamulpur), which is a huge investment. Another issue to be dealt with by AEGCL is voltage management at grid substations. AEGCL should refer to the list of substations submitted in earlier meeting which registered low voltage and submit a substation-wise report on what action has been taken to resolve the issues at those substations along with the expected timeline of completion. Reference was made to BCPL, which is connected to the grid but have been facing grid disturbances which causes their system to collapse and face huge losses. The issue observed is that the Behiating substation of AEGCL has two transformers running in parallel with unequal impedances, which causes the system to trip. BCPL has offered to pay for the technical equipments required to be installed at the AEGCL substation so as to run the transformers in isolation for the time being and the member commented that AEGCL must accept the fund. Hon'ble Chairperson intervened and requested the members to confine the discussions to tariff matters only. He assured that a separate meeting will be held to discuss regarding matters of infrastructure and projects.

With regards to APGCL, the SAC member pointed out that the cost of power is highest as compared to other sources of power for APDCL because of which they also cannot afford to buy all power from APGCL. Therefore, the government as well as APGCL should devise some strategy, without which the company might suffer in future. APGCL should aim to reduce the auxiliary power consumption and station heat rate to bring down their cost of generation. Further, APGCL's balance sheet shows a surplus, considering which, they should endeavour to reduce the tariff.

SAC member enquired as to why the solar consumers should opt for TOD tariff and how will they be benefited. MD, APDCL replied that they can take benefit of the solar TOD tariff by shifting their load to off-peak period when tariff is lower. MD, APDCL also informed that whoever opts for TOD, the company will install smart meters free of cost.

SAC members enquired regarding the rebate to the smart meters consumers, a point already raised earlier in the discussion, to encourage consumers to go for smart meters. APDCL stated that since smart meter installation is only around 50%, the full picture is not yet clear. However, the Honb'le Commission or the government may allow rebate, in which case, the consumers will be benefited. The members commended APDCL for their achievement in being one of the top Discoms in installation of smart meters in the country.

Another point raised by a learned member was that APDCL has projected the power purchase is going to go up by 8% whereas the revenue is going to go up by only 4%. MD, APDCL clarified that the demand is projected to go up by 8% and they are arranging low cost power to achieve the 4% increase in revenue. One of the members enquired regarding the means how APDCL proposes to bridge the gap of Rs 357 Cr shown by APDCL. MD, APDCL stated that they are hoping to bridge the gap from green premiums, efficiency gain, etc and hence has not proposed any hike in tariff. The member stated that any increase in losses on part of AEGCL and increase in cost of generation of APGCL is eventually loaded on APDCL and hence the consumers, and this vicious cycle continues. Hence, AEGCL and APGCL should also be mindful of this fact and make best efforts to reduce their cost.

SAC member raised a query regarding levy of FPPPA the last year. MD, APDCL informed that the sudden rise in fuel prices in FY 2023-24 has been recovered through tariff and additional subsidy given by the government to the domestic consumers. He further stated that last year no FPPPA was levied. One of the members suggested that whenever APDCL recovers FPPPA, the FPPPA should be shown as a separate tariff item in the respective petition. APDCL clarified that since there was no FPPPA, therefore, it has not been shown in the petition. Also, since FPPPA was merged with the tariffs earlier, hence these could not be shown separately.

Regarding extension of the peak hours from 5-10 pm to 5-12 pm, the Committee enquired whether the decision was backed by statistics. Further concern was also raised on the impact it will create on the student community and their households, owing to TOD tariff and the extended peak period. The member also suggested that domestic consumers should be given relief and the TOD rates should be graded instead of being flat. MD, APDCL clarified that the peak hours has been proposed considering the last 2-3 years of consumption pattern where peak in summers has gone up to 2 am. However, the Commission and the Committee may discuss and recommend on the matter. He also added that TOD tariff is optional in nature and the consumers may or may not opt for the same. Also, its applicable to consumers having load >10 kW, which leaves out most of the domestic consumers. One of the members added that if the peak hours are increased, then industries' operations will shift from 10 pm to 2 am and that impact should also be studied. Another member enquired as to whether an industry such as tea, Coffee, etc will also be given the option to choose between new TOD and normal tariff. MD, APDCL remarked that the shift may be possible from this new TOD to the earlier scheme.

A SAC member enquired if APDCL has adopted all existing methods for loss reduction, taking examples from other peer states who succeeded to contain their losses. MD, APDCL informed the SAC that they are adopting best practices followed by other discoms of which some have already been implemented and some are in implementation stage like smart meters which have been installed to reduce the commercial losses, the upgradation of lines for the technical losses, etc. But to reach the ideal scenario of 1:1, massive investment shall be required as they are currently at 2.8:1. So, the steps are being gradually taken up. To another query as to whether APDCL has the technology to determine the losses feeder-wise, MD, APDCL replied that they are doing it at present and especially when smart meters will be completely installed, they will be able to pin-point the energy drainage. One of the members observed that AEGCL plays a vital role in reducing the technical losses and such efforts have been made through installation of capacitors. However, he expressed concern as to whether these have been done after technical studies. He remarked that if AEGCL takes steps to maintain the voltage to APDCL, around 33-36 kV, further loss reduction will be possible. The member also enquired if AEGCL has benchmarked their losses with their peers. The

Committee also expressed concern regarding the viability of investment has been checked since it is a public investment. AEGCL mentioned that the losses can be reduced by increasing the number of injection points (with PGCIL, etc.) and by reducing the length of transmission lines, which is the main reason for voltage drop. Example was cited of BTPS which is getting power from NTPC and PGCIL, but it is transmitted to Rangia through a 160km long line. 400 kV Rangia (Tamulpur) GSS which is coming up will be directly fed from PGCIL, which will improve the voltage profile manifold. The members suggested that load flow study should be carried out for better assessment. AEGCL informed the SAC that the load flow study has already been carried out by AEGCL and they are doing it regularly. The results are forwarded to CEA which are then verified by the central agency. It is only after approval was granted, the projects are implemented. AEGCL further informed that the current load is around 2600 MW and this is projected to increase to almost 5000 MW in 2030. A major share of this comes from the refineries connecting with the grid, as mandated by the central government policy and without the 400 kV substations being constructed at Rangia (for lower Assam), Sonapur (for central Assam) and Khumtai (for upper Assam), AEGCL will not be able to cater to such demand. The Committee also asked regarding installation of reactors at such substations to which, AEGCL responded in the affirmative to maintain the stability of the entire grid.

SAC Member appreciated APDCL for introducing the TOD mode of determining tariff basically for the industrial consumers. He stated that it is a win win situation for both the Discom and the consumer. He also mentioned that industries can take advantage of the night charge of tariff which is lower than normal tariff. The member added that the TOD mode of tariff determination will be beneficial for the upcoming industries to be established after Advantage Assam 2.0 initiative and the solar power consumption will increase even further with such industries. Hence, APDCL may look into increasing the TOD relief from 20% to 30% in order to encourage more participation. Further, he enquired regarding the plan for absorption of the peak solar generation during the day time in the upcoming future, which will be quite significant.

MD, APDCL replied that as the things will unfold in future, the strategy would change and there may be a separate tariff slab for the peak solar during day hour which may be even more subsidised.

SAC member enquired that since massive industrialization is upcoming in the next 5 years, will increase the consumption of electricity and whether in that situation the tariff rate will go down. In reply to this MD, APDCL stated that it will depend upon the costs of the power at that time. The member also enquired regarding commissioning of Lower Kopili Hydro Electric Project (LKHEP). MD, APGCL replied that it will be commissioned in June, 2025 and generation will start from the month of August-September.

In reply to the query of a SAC member regarding estimated load consumption of Jal Jeevan Mission and Agricultural sector, MD, APDCL stated that exact load consumption of Jal Jeevan Mission cannot be determined at this stage but agricultural connections are almost 20,000 as they might be using power from the domestic connection for agricultural purposes. The Committee suggested that for more connections from departments such as irrigation, public health etc. would help increase the revenue of APDCL and the discom should pursue the matter with these departments.

A SAC member enquired regarding the Capex plan for SLDC for modernization of infrastructure. SLDC replied that a proposal for backup SLDC building which is mandated under national critical infrastructure, upgradation of existing and cyber security related infrastructure and several others have been included in the petition. The member raised a query if APGCL has completely written off NTPS, as no capex plan has been observed. MD, APGCL replied that as soon as the Lower Kopili Hydro Electric Project starts generation, then the old unit of NTPS will be shut down. SAC member suggested that gas based generating stations must be operated simultaneously along with solar generation. SAC members also discussed about feasibility of wind and other renewable powers in Assam in future.

Agenda Item No- 4: Future RE trajectory for the state-

Thereafter, MD, APDCL gave a presentation of RE trajectory in the state of Assam. The presentation focused on the 5-Year Renewable Energy (RE) Trajectory of Assam Power Distribution Company Ltd. (APDCL), aligning with the Assam Renewable Energy Policy (AREP)-2022 and the Assam Integrated Clean Energy Policy-2025. The key emphasis was on achieving renewable energy generation targets by 2027 and beyond i.e upto 2030. As per Assam Renewable Energy Policy (AREP)-2022 the State shall strive to achieve 1200 MW by 2027. In addition to that, Govt. of Assam declared an ambitious project of “Mukhya Mantri Souro Shakti Prokolpo” for installation of 1000 MW in free Govt. lands. At present, the total Installed Capacity (On-Grid & Off-Grid) of APDCL is 308 MW. The presentation also highlighted the status of ongoing and projects in pipeline of renewable projects in Assam.

SAC Member recommended that the release of subsidy to the consumers who have installed solar panels under PM Suryaghar scheme must be expedited which would attract more consumers to fall in line as presently there are only around 7000 consumers. He also pointed out that some key questions need to be addressed considering the expansion of renewables, also envisaged during the Advantage Assam 2.0, in the State which include whether we have skilled manpower, energy absorption capacity and land release policy. He stated that in conjunction with the Global Environment Facility (GEF), he urged that the State must take the opportunity to increase the green energy footprint, which is the future. Further, regarding the T&D Losses, Member recommended that adoption of UG cables instead of overhead lines will help reduction in unauthorized connections and pilferage and need to be explored.

SAC Member also enquired about the participation of private players in Small Hydro Electric Plants in the State. MD, APDCL mentioned that the standard policy guidelines of Government are there which has to be followed for any private players to construct a SHP.

SAC member queried as to the process or prescribed guidelines for disposal of the solar panels to address the pollution issue after the end of useful life of the huge number of Solar Panels installed under various schemes. In this regard MD, APDCL stated that there are some standard guidelines of Government which are evolving over time. SAC member from FINER added that Central Pollution Control Board (CPCB) has already formulated policy for the seven (7) categories of e-waste covering 132 items where solar panels are also included as per E-waste Management Rules, 2024.

SAC Member from FINER enquired about the recent announcement in Advantage Assam 2.0 regarding 3000 MW solar panels .MD, APDCL clarified that it the step taken by the GoA to manufacture solar panel upto 3000 MW capacity in Assam.

SAC Member from AEDA stated that in green energy policy and renewable energy policy the role of AEDA is not specified, however they are the nodal agency for small and Off-Grid power plants under MNRE. They added that they could help develop skilled manpower in the State. Hon’ble Chairperson, AERC suggested that AEDA may bring out a policy paper regarding the matter.

There was no other matter discussed.

The meeting ended with the vote of thanks from the Chair.

Sd/-

Secretary,

Assam Electricity Regulatory Commission.

ANNEXURE-1

35th Meeting of SAC - LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT

Members

1. Kumar Sanjay Krishna, IAS (Retd), Chairperson, AERC
2. Shri Alokeswar Bhattacharyya, Member (Law), AERC
3. Shri Syed M.D Zahid Chistie, Addl. Secretary, Power (E) Department, GoA
4. Shri Dipak Kr. Bora, Jt. Secretary, Department of Finance, Assam Sachivalaya, GoA
5. Shri Subodh Sharma, Consumer Activist
6. Shri Abhijit Sharma, Secretary. ABITA
7. Shri Amarendra Goswami, Electrical Consultant, Retd SE
8. Shri Champak Barua, Ex-Member, Technical, APDCL
9. Dr. Chitralekha Mahanta, Professor, IIT Guwahati, E & E Eng. Department
10. Dr. Satyajit Bhuyan, Professor, AEC
11. Dr. Aditya Bihari Kandali, Principal (I/C), Department of Electrical Engineering, JIST
12. Shri Jojneswar Sharma, Ex DG Ministry of Defense
13. Dr. Jaideep Baruah, Director, AEDA
14. Shri Dilip Kr. Sarma, Retd. ED, PGCIL
15. Dr. Bhupati Das, Ex MD, NRL
16. Shri Nikunja Borthakur, Sr. CGM, NRL
17. Shri Saurabh Agarwal, Chairman Power, FINER

SPECIAL INVITEES

1. Shri Rakesh Kumar, IAS, Managing Director, APDCL
2. Shri Biswajit Pegu, Managing Director, AEGCL
3. Shri Bibhu Bhuyan, Managing Director, APGCL

OFFICERS FROM APDCL. AEGCL & APGCL

APDCL

1. Shri Jagadish Baishya, CGM (Com), APDCL
2. Shri Rajiv Kr. Gogoi, GM(PP), APDCL
3. Shri Rupranjan Kalita, GM, APDCL
4. Shri Indrajit Tahbildar, DGM, APDCL
5. Shri Rupjyoti Borah, DGM, APDCL
6. Mrs Ronkita Baruah, AGM, APDCL
7. Shri Paragjyoti Kalita, AGM, APDCL
8. Shri Udayan Dutta, DM, APDCL
9. Shri Adity Bora, AM, APDCL

AEGCL and SLDC

1. Shri Balabanta Basumatary, CGM, AEGCL
2. Mrs Jayashree Devi, CGM (PP&D) AEGCL
3. Mrs Toushita Jigdung, DGM, SLDC, AEGCL
4. Shri Debasish Paul, AGM, AEGCL
5. Mrs Dipmani Nath, AM, AEGCL

APGCL

1. Md. Zakir, CGM, APGCL
2. Mrs Aklantika Saikia, DGM, APGCL
3. Mrs Pinky Deb, DGM, APGCL
4. Shri Pankaj B Sarmah, AGM, APGCL

OFFICERS FROM AERC

1. Shri Ashok Kumar Barman, IAS (Retd), Secretary.
2. Ms. Panchamrita Sharma, Joint Director (T & RA),
3. Shri Nipen Kr. Deka, Joint Director (Engg.)
4. Shri Jayjeet Bezbaruah, Deputy Director (Gen, PPA, P&P)
5. Mrs Jharna Devi, Deputy Director (Engg.)
6. Shri Kishore RajKumar, Assistant Director (IT)
7. Mrs Punam Rabha, Assistant Director (Tariff)
8. Shri Dibbyajyoti Sarma, PS to Member, (Technical)
9. Shri Bikash Deep Baruah, PS to Member, (Law)