RAJASTHAN ELECTRICITY REGULATORY COMMISSION

Petition No: RERC/2373/25

In the matter of approval of true up for FY 2024-25 and Annual Revenue requirement & Tariff for FY 2026-27 of Rajasthan Rajya Vidyut Prasaran Nigam Ltd - Transmission

Coram : Dr. Rajesh Sharma, Chairman
Shri Hemant Kumar Jain, Member
Shri Vijay Pal Singh, Member

Petitioner : Rajasthan Rajya Vidyut Prasaran Nigam Ltd.

Respondent :

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

Date of hearing : 22.01.2026, 18.02.2026, 06.03.2026, 23.03.2026, 27.03.2026, 07.04.2026 and 05.05.2026.

Present :

1) Sh. Ankit Sharma, Representative for Petitioner.
2) Ms. Parinitoo Jain, Advocate for Respondents RUVITL.
3) Sh. Y. K. Bolia, Stakeholder.
4) Sh. Manish Kumar Mahto for CEEP.
5) Sh. D. D. Agarwal, Stakeholder.
6) Sh. G. L. Sharma, Stakeholder.

Date of Order : 21.05.2026.

ORDER

Section 1: General

1.1 Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (in short "RVPN"), a Transmission Licensee under the provisions of the Electricity Act 2003, has filed a petition 04.12.2025 for approval of true up for FY 2024-25 and Annual Revenue Requirement & Transmission Tariff for FY 2026-27.

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

Table 1: Details of Newspapers

Sl. No.	Name of the News Paper	Date of Publishing
(i)	Times of India Jaipur edition	13.12.2025
(ii)	Dainik Bhaskar	13.12.2025
(iii)	Rajasthan Patrika	13.12.2025

1.3 The petition was also placed on the websites of the Commission and the Petitioner. The objection/comment/suggestion were received from Sh. Y.K. Bolia, Sh. D.D. Agrawal (Samta Power), Sh. L.N. Nimawat, M/s CEEP and Sh. G. L. Sharma. Respondent Rajasthan Rajya Vidyut Utpadan Nigam Ltd. did not file its comments/suggestions.

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

1.5 Respondent Rajasthan Urja Vikas & IT Services Limited (RUVITL) submitted its reply in respect of the petition on 21.01.2026.

1.6 The Commission vide letters dated 02.01.2026, 16.01.2026, 02.02.2026 and 04.03.2026 communicated some data gaps and deficiencies in the petition. The Petitioner furnished information vide its letters dated 22.01.2026, 16.02.2026, 19.02.2026 and 19.03.2026.

1.7 The public hearing in the matter was held on 22.01.2026. The Commission granted two weeks time to the Petitioner for filing their reply to the Stakeholder comments/suggestions and rejoinder to the Respondents' reply. Petitioner is further directed to file their reply to data gaps within a week time. The Petitioner replied to the objections/comments/ suggestions made by the stakeholders and respondents vide its letter dated 22.01.2026 and 09.02.2026 respectively.

1.8 Further, Government of Rajasthan has issued Policy directives on 02.02.2026 under section 108 of the Electricity Act 2003 regarding "Regulatory Prudence Test during the approval of the State Transmission Annual Revenue Requirement (ARR) and tariffs discovered under Tariff Based Competitive Bidding (TBCB) and Regulated Tariff Mechanism (RTM) for the state transmission projects".

1.9 The Commission, vide data gap letter dated 10.02.2026, communicated data gaps in relation to the said Policy Directives of GoR.

1.10 The public hearing in the matter was held on 18.02.2026. The Commission directed the Petitioner to submit their data gaps replies including the data gaps issued pursuant to policy directions issued by the Energy Department, GoR u/s 108 of the Electricity Act, 2003 on affidavit within 3 days.

1.11 Accordingly, RVPN furnished its reply vide letter dated 24.02.2026. However, RVPN has not submitted the reply in accordance with the directives issued by Government of Rajasthan under section 108 of Electricity Act, 2003 on certain points. Accordingly, Commission, again vide letter dated 04.03.2026, communicated additional data gaps in this regard.

1.12 The public hearing in the matter was held on 06.03.2026. The Commission on the request of RVPN, granted ten days time to the Petitioner to file their reply to data gaps regarding Policy Directives of GoR. RVPN furnished its reply vide letter dated 19.03.2026.

1.13 Sh. L.N. Nimawat, stakeholder also submitted written submission in respect of the petition on 14.03.2025.

1.14 The public hearing in the matter were further held on 23.03.2026, 27.03.2026 and 07.04.2026. On 07.04.2026, Representative appearing for the Petitioner requested the Commission for granting the Petitioner three weeks time to finalise and file their reply to comply with the direction given under Section 108 of the Electricity Act, 2003.

Commission granted three weeks time to the Petitioner, as requested. Accordingly, RVPN has filed its reply on 20.04.2026.

1.15 The matter was finally heard on 05.05.2026, and the Commission reserved the order.

1.16 In exercise of the powers conferred under Sections 62, 64 and other provisions of Electricity Act 2003, read with RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 & 2025 and other enabling Regulations, the Commission, after carefully considering each of the submissions of the Petitioner and suggestions/objections submitted by the Stakeholder, has passed the following Order.

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

(1) Section 1: General.

(2) Section 2: Summary of objections/comments/suggestions received from Stakeholders and RVPN's response thereon.

(3) Section 3: Approval of true up for FY 2024-25.

(4) Section 4: Determination of tariff for FY 2026-27.

SECTION - 2:

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

Comments on True up Petition of Transmission for FY 2024-25

Stakeholder's Comments/suggestions

Non-segregation of SLDC Accounts

2.1 The Stakeholder submitted that despite assurances given to the Commission long ago regarding ring-fencing of SLDC activities, RVPN continues to maintain combined accounts, making precise segregation of revenue and expenditure impossible. The Stakeholder further submitted that audited accounts are verified by the Commission, i.e., Commission is not interested for separating SLDC from RVPN.

Gross Fixed Assets (GFA)

2.2 The Stakeholder submitted that the petitioner in the instant petition has stated that they have capitalised total asset additions of Rs. 1862.52 crore and these additions are captured for the first time in the audited accounts. The petitioner has not clarified as to from where the details of these have been captured. From the information it may be seen that the petitioner had already claimed the capitalisations from 2015-16 to 2020-21.The stakeholder sought proper clarification.

2.3 The Stakeholder submitted that the petitioner has every time stated that the assets are captured for the first time, but it is not clear up to which period such position will remain. The petitioner is to make it clear up to what period they have finalised such captured assets and for what period it remains new.

2.4 The Stakeholder submitted that the petitioner has claimed Rs. 2.5 Cr. on account of the order passed by the statutory authority in respect of land. But the petitioner has neither submitted / annexed any details of prior approval nor the copy of the order of the statutory authority who has passed such order in pursuance of which Rs.2.5 Cr. has been claimed. the petitioner has not given any satisfactory explanation in respect of the expenses claimed for the land which were commissioned / purchased from year 1995 to 2020 that why the expenses were not accounted for earlier in the tariff petitions.

2.5 The Stakeholder submitted that in respect of the claim for capitalization of Land, the Commission may consider the same as was done in the earlier tariff orders i.e. to allow the capitalization of land in the year of capitalization of respective scheme/work.

2.6 The Stakeholder submitted that the petitioner has not furnished any details specifying the quantum of the amount which was recovered from the contractor/firm and also there is no submission that whether the said amount has been reduced from the overall additional capital cost or not. Therefore, petitioner should be directed to submit the details.

2.7 The Stakeholder submitted that the petitioner under several heads has shown that time over run has occurred, but nowhere it has been shown that cost overrun has also occurred. Therefore, the petitioner may be directed to produce the DPR approved cost along with its claim. If any cost overrun is found in the claimed figure, then the same may be disallowed.

2.8 The Stakeholder submitted that on perusal of the asset addition sheet APPENDIX-1 would reveal that the petitioner has claimed the prior period expenses before March' 2022. The Commission may direct the petitioner to submit the justification of the claim.

2.9 The Stakeholder submitted that the petitioner has not claimed the de-capitalization value or not enclosed any approval from management along with the reason of replacement as per Regulation in respect of replacement claims, then asset addition may be disallowed by the Commission.

2.10 The Stakeholder submitted that assets at S. No. 8,9,13, 129 etc. which were captured in earlier years and for which capitalisation has been claimed in petitions of True-up for FY 2020–21, have again been included in the present petition. The stakeholder requested to disallow all such double claims and considered to put severe penal cost for such double claims.

2.11 The Stakeholder submitted that in the present claim in Appendix-1 (Part-B) , capitalisation has been claimed in respect of replacement of various assets like replacement of C.T., battery sets, LA, etc. As per Hon'ble APTEL decision dated 22-3-2011 in Appeal No. 91 & 92 of 2009, replacement is a part of O&M activity and it is the responsibility of the Appellant for maintenance of healthy transmission system, and as such additional capitalisation is not admissible in all such cases.

2.12 The Stakeholder submitted that purchase of furniture, replacement of desert coolers, furnishing of Vidyut Nivas at Delhi are also not admissible for any capitalisation.

2.13 The Stakeholder submitted that there are cases where augmentation of transformer capacity has been augmented by replacing the existing transformer i.e. by removing the existing one and installing higher-capacity transformers. In such cases, depreciated value of the existing transformer should be deducted from the cost of new transformer.

2.14 The Stakeholder submitted that the assets of deposit works as per Appendix-1, Part-A are not to be considered for capitalisation.

2.15 The Stakeholder submitted that from the statement attached with Annexure (C) of C.A.'s Report, it may be perused that there are various cases where lands are not in the name of RVPN and therefore no lease rent be allowed by the Commission in the present True-up process in such cases.

2.16 The Stakeholder submitted that there has been delay in execution on the part of contractors and even on the part of RVPN itself. Amount of penal charges recovered from contractors has to be stated in each case by RVPN and the same shall be adjusted in capital cost of that asset. Even in respect of delay on the part of RVPN, necessary excess IDC be reduced from the gross capital cost of the asset.

Operation & Maintenance (O&M) Expenses

2.17 The Stakeholder submitted that the petitioner has stated in the petition to allow O&M expenses on actual basis as was allowed in True Up order of FY 17-18 & 18-19. The actual O&M expenses in those financial years were less than the normative 0&M expenses and therefore in the interest of consumers, the Commission had allowed the actual O&M expenses which were less than the normative O&M expenses. Hence, the earlier years cannot be compared with the year in question because the facts and amount was totally different.

2.18 The Stakeholder sought the date of approval by the Commission in case of each asset and total cost approved by the Commission.

2.19 The Stakeholder sought the date on which work started in each case and scheduled date of their completion as per contract awarded.

2.20 The Stakeholder sought the actual date of completion of each asset and their date of commissioning.

2.21 The Stakeholder sought that what has been the total cost of each asset on the date of their COD. Hard cost and IDC be stated separately.

2.22 The Stakeholder submitted that there has been deposit works in respect of transmission lines and MVA capacity as well. While allowing O&M expenses, such deposit works capacity may be deducted by the Commission as they do not form the assets of the RVPN.

2.23 The Stakeholder submitted that petitioner has not provided the actual O&M of FY 2024-25 and has claimed on normative basis, stating them as actuals. Further, as per TTU-2, pages 52-53, normative O&M works out as Rs. 924.84 crore, whereas at the end (page 3) actuals as per Balance Sheet have been shown as Rs. 978.75 crore. How Rs. 978.75 crore have been worked out as per Balance Sheet is not known as there are no such details. The stakeholder sought proper details of Rs. 978.75 crore.

2.24 The Stakeholder requested to ask for a for third-party inspection and audit of contracts given to various vendors, as many complaints of poor services are provided by contracting vendors. Some transmission lines and 400/220/132 GSS are being given to some licensees on a contract basis. Details of such contracts should be provided.

2.25 The Stakeholder submitted that in the True-Up for FY 2024-25, O&M expenses have increased substantially compared to the approved figures (approved vide order dated 23.07.2024), despite there being no major pay revision, manpower increase, or unforeseen operational parameters. Further, actual capital investment was lower than the approved targets.

2.26 The Stakeholder submitted that RVPN continues to indicate approved normative charges based on line bays, transformer capacity, and transmission line length, while Short-Term and Medium-Term Open

Access are charged on a per-day, per-MW basis. The consistency and justification of this methodology need examination.

Terminal Benefits

2.27 The Stakeholder submitted that as per accounts – Note 37, total terminal benefit expenses are only Rs. 306.68 crore. Thus how Rs. 480.00 crore has been stated as per accounts in Table-6. The Stakeholder sought proper clarification.

2.28 The Stakeholder submitted that Petitioner has not provided certificate from Designated Authority about the actual payment made in the designated fund in respect of Terminal Benefits.

Depreciation

2.29 The Stakeholder submitted that the petitioner has claimed Rs.1071.26 Cr. in respect of depreciation for which it is humbly submitted that the Commission may consider the closing gross fixed assets as approved in True Up for FY 2023-24 as the opening gross fixed assets for FY 2024-25 and thereafter the depreciation be computed in accordance with the RERC Tariff Regulations, 2019.

2.30 The Stakeholder submitted that Depreciation has not been calculated at provision of Reg. 22(4) to be read with its proviso of Tariff Regulations, 2019 and as such petitioner may provide proper calculation as per Regulations. In absence of such information being furnished, Commission may allow depreciation on the basis adopted in case of FY 2023-24.

Foreign Exchange Rate Variation Rs.15.80 Cr.

2.31 The Stakeholder submitted that the Petitioner has annexed the mailed copy of SBI only and has written in the intimation letter to Discoms that it has approached various banks for hedging purpose. Therefore, the Commission may direct the petitioner to approach other banks also and intimate the response of other banks (like Bank of Baroda, Union bank etc.) to the Commission. Further, the Commission may take a view strictly in accordance with Regulation 28 of RERC Tariff Regulations 2019.

Return on Equity

2.32 The Stakeholder submitted that while filing the petition for ARR, the petitioner had not claimed RoE. In view of above, the claim of any RoE does not arise.

2.33 The Stakeholder submitted that the petitioner has claimed Rs. 187.15 Cr. but the Commission vide order dated 23.07.2024 did not allow any claim of RoE. Therefore, it is humbly prayed that the Commission may ensure that the petitioner has complied with the conditions laid down by the Finance Department subject to which the approval was granted and also adherence to the Tariff Regulations, 2019.

2.34 The Stakeholder requested to issue directions to the State Government not to issue such directions of reversing ROE in favor of Discoms. In case it is continued, RVUN & RVPN will become sick companies in the future.

2.35 The stakeholder submitted that no reversal was made in the case of AVVNL. The reason for this differential treatment remains unexplained and appears discriminatory.

2.36 The Stakeholder submitted that it is imperative to ensure that RVPNL is allowed a fair and regulatory-consistent RoE, particularly when Central Public Sector Undertakings and private transmission licensees continue to receive such returns. Allowing RoE is essential not only for financial viability but also for incentivising performance, accountability, and long-term system strengthening.

Lease charges

2.37 The stakeholder submitted that Petitioner has not provided any documents about payment of lease charges.

2.38 The stakeholder submitted that Petitioner had not complied the direction of RERC as per para of 3.18 order dated 9.6.25.

Insurance Charges

2.39 The stakeholder submitted that the petitioner has failed to bring on record the documentary evidence and has also not submitted any details of asset for which insurance has been taken. Hence, the petitioner should be suitably directed to justify the claim.

Unitary Charges

2.40 The stakeholder submitted that RVPN may be directed to explain the reasons for the increase in unitary charges and also clarify why higher actual charges were claimed in FY 2024-25 than those approved by the Commission.

System availability

2.41 The stakeholder sought proper calculation for System availability.

Transmission Losses

2.42 The stakeholder requested to explain the reasons for high transmission losses, supported by substation-wise and voltage-level loss data, identify whether the excess losses are attributable to controllable factors, and submit a time-bound loss-reduction roadmap. Pending such justification and corrective commitments, excess transmission losses ought not to be allowed for pass-through in the True-up.

2.43 The stakeholder submitted that the petitioner is spending substantial amount on the capex for improving transmission system and to reduce transmission losses and despite the same, the petitioner has claimed Transmission losses of 4.25% which is though lower than the approved losses of 4.5% but it is substantially higher when compared to other states. The Transmission losses of neighbouring states varies from 2 % to 3.4% therefore, the claim of 4.25% is still higher. The stakeholder requested to conduct a detailed analysis of the transmission losses claimed by the petitioner before considering and allowing the same.

Revenue

2.44 The stakeholder submitted that in TTU-14, revenue from MTOA + LTOA has been shown as Rs. 134.66 Cr, whereas in A/cs at Note 33 it is Rs. 234.42 Cr. Reasons for variations may be provided by the petitioner in detail.

2.45 The stakeholder submitted that in TTU-14, Gross Total of Revenue is Rs. 3588.64 Cr, whereas in A/cs in Note 33 it is Rs. 3718.18 Cr. Reasons for variations may be provided by the petitioner in detail.

2.46 The stakeholder submitted that from Annexure-21, it is noted that a sum of Rs. 19.37 Cr has been recovered from contractors on account of delay in execution of works. In this respect, petitioner may provide the following information:—

(i) In A/cs, under which note this amount has been accounted for, may be stated by the petitioner.

(ii) Whether these recoveries have been adjusted in the capital cost of respective capital works or not, may be clarified by the petitioner.

2.47 The stakeholder submitted that for the year 2024-25, the approved total revenue requirement is Rs. 3,583.60 crore. In comparison, the true-up claim is Rs. 3,413.50 crore, and for the year 2026-27, after adjustment of Rs. 4,883.90 crore (surplus Rs. 278.20 crore), a provision of Rs. 4,605.71 crore has been made. The stakeholder sought explaination.

2.48 The stakeholder submitted that as per the petition, there are many deviations on many heads, though there is a surplus of revenue of Rs. 278.20 crores. These deviations need to be explained.

2.49 The stakeholder submitted that the petitioner has not refunded the surplus as determined by the RERC. The stakeholder sought the copy of stay order issued by Hon'ble APTEL.

RVPN 's Response

2.50 RVPN submitted that it is making all possible efforts to reduce transmission losses. The actual transmission losses are 4.25% against 4.50% approved by Hon'ble Commission during FY 2024-25. The estimated Transmission losses for FY 2025-26 and projected for FY 2026-27 is 4.20% and 4.05% respectively, which are lower than the actual losses for FY 2024-25.

2.51 RVPN submitted that in line with Commission methodology, RVPN from last year onwards has considered the Deposit Work as per Audited Accounts.

2.52 RVPN submitted that projects have been commissioned prior to FY 2024-25, however, the Revenue Authorities being a government body and statutory authority have raised the demand for statutory dues towards land in subsequent years. Thus, the all such statutory dues have been paid and capitalized in books of accounts of RVPN during FY 2024-25 under Regulation 17 (2) (a) of RERC Tariff Regulation, 2019.

2.53 RVPN submitted that there is no cost overrun in respect of the RVPN projects. All payments have been made strictly in accordance with the contractual terms. Payments made beyond the original contract value are primarily on account of crop compensation, statuary claims etc. The detailed break-up of the project cost has already been furnished in Appendix-1.

2.54 RVPN submitted that the closing GFA approved in true up for FY 2023-24 has been considered as the opening GFA for FY 2024-25 and same is considered for the depreciation as per RERC Tariff Regulation, 2019.

2.55 RVPN submitted that 0&M Expenses have been computed as per RERC Tariff Regulations. Further, RERC allowed terminal benefit claim on the basis of payment made to the trust to meet up this liability. RVPN plans to pay trust an amount of Rs. 480 Crore per annum as additional contribution.

2.56 RVPN submitted that separate detail for RVPN and SLDC have been given in Audited Accounts, therefore the all income and expenditure of RVPN and SLDC are being filed and verified by the Commission from many Years.

2.57 RVPN requested to consider the employee cost, A&G, and R&M expenses on an actual basis. There is increase in the 0&M expenses which is uncontrollable in nature, deprecation, ROE has increased due to increase in additional capitalization and reduction in Terminal benefit, interest on term loan and working capital.

2.58 RVPN submitted that the reversal of ROE has been made as per Government of Rajasthan directions.

2.59 RVPN submitted that the True up and ARR petition have been filed as per tariff Regulations. As far as unitary charges are concerned for FY 2024-25 the same has been claimed on actual payment basis, for subsequent years escalation of 5% has been considered for projection of FY 2025-26 and FY 2026-27 charges.

2.60 RVPN submitted that the transmission charges have been proposed to be recovered from the beneficiaries as per RERC Tariff Regulations 2025.

2.61 RVPN submitted that it has been continuously and proactively focusing on maintaining grid stability, reliability, and operational security of the State transmission system. In this regard, RVPN has incurred expenditure on installation, augmentation, and operation of reactive power compensation systems such as capacitor banks, reactors, and static reactive power equipment, as well as synchronizers and other advanced grid management technologies.

2.62 RVPN further submitted that these systems are essential for maintaining voltage profile within permissible limits, managing reactive power flow, ensuring system synchronism, and preventing grid disturbances and cascading failures. The said investments and associated expenditure are incurred in compliance with Grid Code requirements and are necessary for safe, stable, and efficient operation of the grid, particularly under conditions of increasing load, renewable energy integration, and dynamic operating scenarios.

2.63 RVPN submitted that it has filed Appeal before the Hon'ble APTEL against the True Up orders from FY 17-18 to 22-23 except FY 18-19.

2.64 RVPN submitted that the land under reference is being utilized for transmission services. In most cases, the land is recorded in the name of RSEB, and the process of mutation in favor of RVPN is underway. Furthermore, the lease charges for leasehold lands are being borne by RVPN, and accordingly, the claim has been made in line with the provisions of the RERC Tariff Regulations.

2.65 RVPN submitted that as per audited financial statement for the FY 2024-25, there is no prior period addition.

2.66 RVPN submitted that as per the applicable RERC Regulations, RVPN is entitled to claim additional capitalization incurred after the Commercial Operation Date (CoD) of the Project. The objection raised by the stakeholder appears to arise from a clear misunderstanding regarding the distinction between prior-period additional capitalization and additional capitalization incurred after CoD. The additional capitalization claimed by RVPN is in accordance with the provisions of the RERC Regulations and does not relate to any prior-period adjustments.

2.67 RVPN submitted that as far as the issue of replacement is concerned, the stakeholder has incorrectly relied upon certain judgments of the Hon'ble APTEL, which are neither relevant nor applicable to the facts of the present case. The replacements claimed by RVPN have been undertaken strictly in accordance with Regulation 17(3) of the RERC Tariff Regulations.

2.68 RVPN submitted that the purchase of furniture and coolers etc. are claimed as these were pertains to fixed assets and have been capitalised and depreciation have been charges as per rate defined in tariff regulations.

2.69 RVPN submitted that the augmentation of transformers has been undertaken strictly in accordance with the prevailing load requirements of the system. It is further clarified that due diligence has been duly exercised while accounting for the replacement cases in the books of accounts of RVPN. All such replacements and augmentations have been properly evaluated, recorded, and capitalized in accordance with the applicable RERC Tariff Regulations and established accounting practices.

2.70 RVPN submitted that the Liquidated Damages (LD) amount recovered during FY 2024-25 has been duly accounted for and disclosed under Non-Tariff Income while claiming tariff in the Petition, in accordance with the applicable RERC Tariff Regulations.

2.71 RVPN submitted that the details of DPR Cost, Scheduled date of completion, actual date of completion, scheme wise details along with cost & time run over and IDC, have already been provided in Appendix -1 of the main petition.

2.72 RVPN submitted that the 0&M of the works which are carried out as deposit work basis are managed by the RVPN therefore, such works are considered under 0&M head. RVPN further submitted that reimbursement of such expenditure from the owner of such property is also booked under non-tariff income, thus the expenditure and income have null effect on the ARR tariff petition.

2.73 RVPN submitted that the Actuarial Valuation report for the FY 2024-25 along with the details of actual (cash basis) payment made to the trust in the FY 2024-25 under regular & additional contributions has been submitted.

2.74 RVPN submitted that it has approached various banks including State Bank of India (SBI) to obtain a quotation for hedging the foreign currency loans. In response, SBI has informed that since there is no provision of loan disbursement and repayment in foreign currency directly by RVPN hence hedging cannot be done. As evident reasons for not hedging of foreign exchange exposure are not attributable to

RVPN. Further, the intimation regarding hedging policy has also been sent to concerned beneficiaries i.e. State Discoms.

2.75 RVPN submitted that the Return on Equity (ROE) has been claimed in accordance with the provisions of the RERC Tariff Regulations and after receipt of approval from the Government of Rajasthan (GoR) for FY 2024-25. However, the said RoE was not approved by the Commission in the ARR Order and the Review Order on account of delayed Government approval.

2.76 RVPN submitted that Insurance Charges have been claimed strictly in accordance with the applicable Tariff Regulations.

2.77 RVPN further submitted that such non approval on this ground does not extinguish or relinquish RVPN's right to claim RoE at the stage of true-up. In fact, on several occasions in the absence of GoR approval, the Commission has not allowed RoE at the ARR stage but has permitted the Petitioner to claim the same at the time of true-up, subject to submission of the requisite approval prior to filing of the true-up petition. In view of the above, RVPN requested the Commission to consider and approve the RoE as claimed.

2.78 RVPN submitted that Operation & Maintenance (0&M) expenses are recognized based on the voltage level at which the transmission line is actually developed/constructed, not the voltage at which it is charged or operated temporarily.

2.79 RVPN submitted that Railway is the only entity which is not a consumer of Discom and Railway's energy is already mentioned in T-19. Railway's energy already included at sr. no. 2 in TTU-17.

2.80 RVPN submitted that the system availability is calculated as per RERC (Standards of Performance of Transmission Licensee) Regulations, 2021 which is as per given provisions of RERC Tariff Regulations, 2019 (may please refer regulation 17.2 of the RERC (Standards of Performance of Transmission Licensee) Regulations, 2021).

2.81 RVPN submitted that in the annual accounts, the revenue from transmission wheeling charges including the Debit Note issued on account of recovery of excess ROE refunded to Discoms for FY 2022-23 of Rs. 29.58 crore.

2.82 RVPN submitted that the revenue from MTOA/LTOA is Rs. 134.46 crore and other income from transmission charges of Rs. 99.95 crore is from STOA and others. Totaling to Rs. 234.42 crore which is matching with note 33. Income from STOA and others has been claimed in STOA.

Comments on ARR Petition of Transmission for FY 2026-27

Stakeholder's Comments/suggestions

Addition to Assets

2.83 The stakeholder submitted that the petitioner has claimed many additions to the assets which are minor in nature and therefore the Commission is requested to consider such additions under O&M expenses.

2.84 The stakeholder requested to disallow the claim of Deposit work /grant to the petitioner for the addition to gross fixed assets.

2.85 The stakeholder submitted that the perusal of T7 Format would reveal that the petitioner at several points has claimed the additional capitalization for the replacement work. However, stakeholder submitted that the Commission may peruse these replacement claims with reference to the respective de-capitalization value and if it is found that the petitioner has not claimed the decapitalization value then the addition to the assets should be disallowed.

2.86 The stakeholder submitted that regarding provision of depreciation as calculated in Form 3.2 at page 88 & 93, petitioner may provide details of assets where claimed depreciation is more than 90%, less than 10%, and more than 12 years.

2.87 The stakeholder submitted that the petitioner has submitted in the petition that details of capital expenditure for FY 25, FY 26 and FY 27 are available in Form T-8.1, T-8.2 and T-8.3 attached with the petition. But in the petition, the Forms 8.1, 8.2 and 8.3 are not there. These may now be provided by the petitioner.

Transmission Capacity

2.88 The stakeholder submitted that for the period FY 19 to FY 25, petitioner has not provided the actual MW transmission of these years in respect of transmission for DISCOMs, transmission for OA consumers, and RVPN total intra-state transmission of these years. These may now be provided by the petitioner.

2.89 The stakeholder submitted that as per Table-1, the actual ARR for FY25 is Rs. 3,310.44 crore against the approved Rs. 4,291.84 crore. However, estimates for FY26 and FY27 are Rs. 4,288.51 crore and Rs. 4,605.71 crore respectively. Several expense items appear to be rounded off arbitrarily, while others show significant increases without proper justification.

2.90 The stakeholder submitted that for the year 2026-27, the total peak demand has been estimated as 21,175 MW, and the total demand as 22,190.21 MW, while the total energy flow has been shown as 128,141.23 MU. However, considering the continuously increasing renewable energy flow in Rajasthan, a corresponding increase should be reflected in these projections.

Energy Requirement for DISCOMs for FY 2026-27

2.91 The stakeholder submitted that Petitioner in Table 13 has shown gross energy requirement of DISCOMs (MU) as 126,717.16 MU, whereas DISCOMs in their petition have shown only 123,383 MU. The basis on which petitioner has shown requirement of 126,717.16 MU requires proper clarification.

2.92 The stakeholder submitted that even Jaipur DISCOM in their petition for FY 2026-27 has mentioned in Table 3.6 of their petition that energy availability at DISCOMs' periphery is 45,802 MU and at State periphery as 47,021 MU, whereas RVPN in their Table 13 has shown 48,291.91 MU in respect of Jaipur DISCOM.

2.93 The stakeholder submitted that RVPN may therefore provide proper basis for such higher assumptions. There may be such differences in respect of Ajmer and Jodhpur DISCOMs as well. Further, RVPN may provide proper details with basis thereof in respect of their higher projections in respect of each DISCOM.

2.94 The stakeholder submitted that RVPN estimates expenses for the entire system based on energy and peak demand as per the 20th EPS. It is surprising that RUVIT, DISCOMs, and SLDC have submitted different energy and demand figures in various petitions before the Commission. Since transmission tariff is computed by dividing the Gross Revenue

Requirement by annual peak demand (MW) and then allocated among DISCOMs, consistency is critical.

O&M Expenses

2.95 The Stakeholder submitted that compared to Rs. 978.17 crore in 2024-25, for 2025-26 it has been estimated as Rs. 1,145.21 crore, and for the present year it has been taken as Rs. 1,295.20 crore. The reasons for this increase should be clearly explained.

2.96 The stakeholder submitted that FY 2025-26 has since over and therefore data of actual achievements of aforesaid additions must have been there. Petitioner may therefore provide details of actual additions of FY 2025-26, i.e.:—

- Details of 490.61 ckt-km 400 kV lines added during FY 2025-26 with their date of commissioning.
- Details of 284.01 ckt-km 220 kV lines added during FY 2025-26 with their date of commissioning.
- Details of 41.23 ckt-km 132 kV lines added during FY 2025-26 with their date of commissioning.
- Details of 6 Nos. new GSS of 220 kV added during FY 2025-26 with MVA capacity of each GSS along with their date of commissioning.
- Details of 36 Nos. new 132 kV S/S with MVA capacity of each of these GSS along with their date of commissioning.
- Details of 6000 MVA capacity augmentation during FY 2025-26, indicating in each case present capacity and the augmented capacity along with their date of commissioning.
  In respect of above, it may also be stated in each case as to what has been load at present on these transformers and how much load is expected in future for which augmentation has been made.
- In respect of bays of each voltage, it may also be stated in each case as to how many bays have been put to use and by what time the remaining will be put to use. The name of GSS where these bays will be provided be also stated.
- In respect of bays of 33 kV, it may be stated whether these numbers are at the request of DISCOMs and, if so, copy of documents wherein such requirement has been made by the DISCOMs be also submitted

by the petitioner. The name of GSS where these bays will be provided be also stated.

2.97 The stakeholder sought the details in respect of expected additions of FY 2026-27 as below:—

- Details of 220 kV lines of 1,918 ckt-km and 132 kV lines of 2,127.77 ckt-km, with their expected date of commissioning in each case, be provided.
- Details of 30 Nos. new GSS of 220 kV with their MVA capacity in each case along with their expected date of commissioning, be provided.
- Details of 28 Nos. of new GSS of 132 kV with MVA capacity in each case along with their expected date of commissioning, be provided.
- In respect of augmentation of 5000 MVA, information be provided indicating present capacity and capacity proposed to be augmented, along with the name of GSS where such augmentation will be made, and what is the present load on each such station and how much load is expected in future on each of such GSS be also stated.
- In respect of additions of bays of each voltage, it may be stated as to how many bays of each voltage are existing at each station, how many are in use, and how many are lying un-used. Based on above information, additional O&M expenses may be considered for FY 2026-27.
- In respect of transmission lines charged at lower voltages, O&M expenses be considered at the rates applicable for lower voltages.

Terminal Benefits

2.98 The stakeholder submitted that Actuarial valuation reports of FY 2025-26 and FY 2026-27 have not been provided.

2.99 The stakeholder submitted that Petitioner has sought a sum of Rs. 600 Cr, but has not provided the certificate about depositing of the amount in the designated fund from the designated authority. This certificate for FY 2024-25 and FY 2025-26 may be provided.

2.100 The stakeholder submitted that the petitioner has claimed enormously high amount of Rs. 600 Cr. towards terminal benefits. The claim is without any justification. Therefore, as per Tariff Regulations, 2025, the claim should be allowed only on actual basis later on at the time of True up. However, such huge liability being without any estimation and calculation deserves to be disallowed at this stage.

Depreciation

2.101 The stakeholder submitted that as regards the depreciation in respect of additions of assets of FY 2025-26 and FY 2026-27, petitioner may provide the details of assets added during FY 2025-26 and FY 2026-27 with their cost as per approved scheme, actual cost as on COD of each asset, IDC with their date of commissioning, and date of commissioning in FY 2025-26 and FY 2026-27 in each case, to be provided.

2.102 The stakeholder submitted that the Commission should consider the closing gross fixed assets approved in Tariff for FY 2025-26 as the opening gross fixed assets for FY 2026-27 and thereafter the computation of depreciation be done in accordance with the RERC Tariff Regulations, 2025.

Interest on Working Capital

2.103 The Stakeholder submitted that the interest burden on working capital has increased from Rs. 72.08 crore in 2024-25 to Rs. 100.40 crore in 2025-26, and is estimated to further increase to Rs. 108.60 crore in 2026-27. The stakeholder sought the reasons for this increase.

Foreign Exchange Rate Variation

2.104 The stakeholder submitted that the Commission may direct the petitioner to approach other banks also and intimate the response of other banks (like Bank of Baroda, Union bank etc.) which have provided the hedging facility, to the Commission.

Lease Charges

2.105 The stakeholder submitted that the Commission may consider and allow the lease charges, if found reasonable after prudence check of respective Lease agreement and according to the Tariff Regulations, 2025.

Unitary Charges

2.106 The stakeholder submitted that the Unitary Charges of Rs.67.01 Cr. claimed by the petitioner may be allowed only after applying a prudence check and in accordance with the Concession agreement signed between RRVPN and the respective Concessionaire.

Non Tariff Income

2.107 The stakeholder submitted that in Form T-12, miscellaneous receipts of Rs. 117.13 Cr and income from transmission line projects has been shown as Rs. 3.83 Cr. Petitioner may provide the details of these amounts.

2.108 The stakeholder requested to apply a prudence check in this regard and direct the petitioner to find and explore all the possible ways to earn more non-tariff income so that the tariff is reduced and benefit is granted to the end consumers.

Return on Equity

2.109 The stakeholder submitted that Petitioner has not provided the copy of GoR approval in this regard. The stakeholder submitted that the Commission may allow the Return on Equity only as per the approval granted by the Government of Rajasthan and as per RERC Tariff Regulations, 2025.

Transmission Tariff

2.110 The stakeholder submitted that the transmission tariff has been increased from Rs. 156.89 to Rs. 172.96 per kVA per month. The stakeholder sought detailed justification.

Transmission loss

2.111 The stakeholder submitted that the total transmission losses are much higher than many other states. In comparison to last year's 4.50% and 4.25%, this year it has been estimated as 4.25% and 4.05%, which is still quite high compared to other states. A concrete action plan should be prepared and submitted to further reduce these losses.

2.112 The stakeholder submitted that the petitioner has claimed the allowed Transmission losses of 4.05% which is substantially higher when compared to other states. The Transmission losses of neighboring states vary from 2.02% to 3.5% and thus 4.05% is higher. Hence, the Commission may suitably direct the petitioner to put in all possible efforts to reduce the loss below the claimed percentage in True-up petition for FY 2026-27.

General

2.113 The stakeholder requested to clarify the methodology followed for route selection, including the use of surveys, alternative corridor analysis, and avoidance principles adopted to minimise displacement, crop damage, and fragmentation of land holdings. RVPNL should also provide the process for stakeholder engagement with affected landowners and local bodies, the compensation framework followed for RoW and damages, and the grievance redressal mechanism available to impacted persons.

2.114 The stakeholder submitted that RVPNL is required to specify the manner in which it is compensated for discharging these roles, and whether the costs associated with RE zone development and Green Corridor assets are being fully or partly socialised through transmission charges levied on Rajasthan consumers. RVPNL is requested to explain how it ensures that such costs are allocated in a fair, transparent, and non-discriminatory manner, and whether any portion of these costs is recovered from central schemes, generators, or inter-state beneficiaries.

2.115 The stakeholder sought that what is the policy of granting Grid Connectivity to various generators and in the last three years, name out to which such connectivity is permitted and details of availability of connectivity be provided. How many companies got connectivity but did not implement projects? What action RVPN proposes for such companies?

2.116 The stakeholder submitted that there is no segregation of expenses pertaining to the demerger of RVPN into RVPN and RTIL, which needs to be clarified.

2.117 The stakeholder sought the review report of safety audit of GSS along with checking of various parameters of various equipment.

2.118 The stakeholder sought the details of accidents, training programs conducted and compensation details paid.

2.119 The stakeholder sought the impact of TBCB projects on the working of RVPN & RTIL and future proposals of each system, like RVPN, TITL & TBCB projects being implemented by vendors.

2.120 The Stakeholder submitted that a detailed note due to demerger, by creating a new company RTIL, on working, revenue, expenses, new projects, projects in process, employee services and all such issues should be worked out and incorporated in a detailed note.

2.121 The stakeholder sought details of all joint sector companies with RVPN and provides balance sheets of all such companies for the last two years.

2.122 The stakeholder submitted that updated and important information such as generation schedules, system availability, and network constraints should be on the official website/portal to enable Open Access customers to plan power procurement.

2.123 The stakeholder sought certification from DISCOMs and RVPN regarding utilization of bays and capacity within a time-bound framework.

Investment and Financing Plan

2.124 The stakeholder requested to direct RVPN to provide actual contract rates awarded for maintenance of, say, 20 or 50 GSSs, and compare these with RVPN's normative expenses for substations and transmission lines.

2.125 The stakeholder sought the details of Energy Assessment report.

2.126 The stakeholder submitted that in the last two years, 765 kV lines – 0 km, and in 2024-25, only 400 kV – 1 circuit (2000 MVA) and in 2025-26, 0 GSS (Grid Sub-Stations) have been created. Even for 2026-27, zero provision has been kept. Whereas in many parts of the state (such as Udaipur), due to overloading of the transmission system, power supply is facing problems. Adequate provisions should be made for the transmission of increasing renewable energy generation.

2.127 The stakeholder sought the details that "have the joint sector companies achieved the targets it was created for?" If not, RVPN has proposed to stabilize the grids, like installation of STATCOMs, reactive power banks, synchronous reactors, etc.

2.128 The stakeholder sought that what are the locations where new GSS and transmission lines are proposed / are in progress, where RE power could not be evacuated in the last six months ? The stakeholder sought the present status.

RVPN's Response

2.129 RVPN submitted that the peaking capacity of 21175 MW would be required during FY 26-27 as per projections from 20th EPS report. Considering transmission capacity for Long and Medium-Term Open Access (LTOA/MTOA) consumers estimated as 1015.21 MW, for FY 2026-27 the total capacity required will be 22190.21 MW. MUs have been projected based on the past available information. Further these MUs shall not have any impact on tariff.

2.130 RVPN submitted that Projections of energy requirement for FY 26-27 has been assessed by 20th EPS report dated 16.11.2022. Abstract of the report is attached at Annexure -9 of the main petitions.

2.131 RVPN submitted that during FY 2026-27, construction of 1918 KM lines of 220 KV and 2127 KM limes of 132 is likely to be completed. It is further clarified that construction of 400 KV GSS Hanumangadh, Udaipur, Kumher (Bhartapur) are under progress.

2.132 RVPN submitted that the increase in ARR is mainly on account of increase in additional capitalization during FY 2026-27 due to which depreciation, interest on term loan and ROE has increased to that extent. Further there is a huge accumulated liability towards terminal benefit liability; however, RVPN has proposed only Rs. 600 crores on account of terminal benefit for FY 2026-27.

2.133 RVPN submitted that a separate petition for RTIL shall be filed duly disclosing, the revenue and expenses as per Tariff Regulation.

2.134 RVPN submitted that TBCB projects are not part of current petition. It is further submitted RVPN is making all possible efforts to reduce transmission losses. The actual transmission losses are 4.25% against 4.50% approved by Commission during FY 2024-25. The estimated Transmission losses for FY 2025-26 and projected for FY 2026-27 is 4.20% and 4.05% respectively, which are lower than the actual losses for FY 2024-25.

2.135 RVPN submitted that the Commission may allow the 0&M expenses as per RERC Tariff Regulations.

2.136 RVPN submitted that the Actuarial Valuation report for the FY 2024-25 has already been provided in the true up petitions at annexure -16, 17, 18.

2.137 RVPN submitted that the Actuarial Valuation report for the FY 2025-26 and FY 2026-27 will be provided at the time of True up of these years.

2.138 RVPN submitted that the details of capital expenditure have been duly reflected in Format T-7 of the main petition. It is further submitted that the lease rent pertaining to FY 2026 and FY 2027 shall become payable only subsequent to the completion of the land acquisition process, which is presently underway.

2.139 RVPN submitted that a separate petition for approval of Investment plan for FY 2026-27 is filed before the Commission.

2.140 RVPN submitted that Terminal benefit has been claimed as per norms prescribed in the RERC Regulation'2025. It is further clarified that though the accumulated liability of RVPN towards terminal benefit is huge, however, to avoid tariff shock the terminal benefit have claimed only to the extent of Rs. 600 Crore.

2.141 RVPN submitted that the Unitary Charges has been claimed strictly in accordance with the payment made and as per agreement and duly considering the escalation for subsequent years.

2.142 RVPN submitted that the lease charges have been claimed strictly in accordance RERC Tariff Regulations.

2.143 RVPN submitted that approval allowing RoE@14% by the Cabinet Committee of the Government of Rajasthan has already been submitted with petition. Further, RoE has been claimed as per norms prescribed in the RERC Tariff Regulation 2025 and approval of GoR.

2.144 RVPN submitted that Recovery of Transmission tariff has been proposed as per Tariff Regulation and Methodology adopted by the Commission in past years.

2.145 RVPN submitted that it recovered transmission charges as per approved tariff in ARR order by Commission not the source wise.

2.146 RVPN submitted that Commission vide its order dated 10.01.2013, has already clarified that in case of partnership project generation cost and revenue from partnership projects is a direct pass through to Discoms and these will not affect the transmission tariff.

Commission's Views on Issues Raised by Stakeholders

2.147 The Commission has taken note of all the comments/suggestions/ observations of the Stakeholders both in writing as well as during the course of hearing and RVPN's responses to them. The Commission has attempted to capture all the comments/suggestions/observations. However, in case any comment/suggestion/observation is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the Stakeholders and RVPN's response on these issues while carrying out the detailed analysis of the True Up petition for FY 2024-25, ARR and Tariff for FY 2026-27 in accordance with applicable RERC Regulations as detailed in the subsequent Sections of the Order.

Section 3:

Approval of true up for FY 2024-25

3.1 The Commission vide its tariff order dated 23.07.2024 (Petition No. RERC/2193/24), had approved the Transmission Tariff for FY 2024-25. In the instant petition, the Petitioner has claimed the true up for FY 2024-25 based on the audited annual accounts of RVPN for FY 2024-25.

3.2 Further, RVPN vide its additional submission dated 16.02.2026 submitted the claim as per direction of the Commission given vide order dated 27.01.2026 regarding the claim of Rs. 542.65 Crore for the period from 01.04.2020 to 31.03.2024 and Rs. 122.33 crore towards the computation of the consequential impact of the allowed GFA addition of Rs. 964.27 crore for FY 2024-25.

3.3 The Commission has carried out the true up for FY 2024-25 in accordance with the RERC Tariff Regulations, 2019.

Transmission Network

RVPN's Submission

3.4 RVPN has considered the closing transmission network approved in true up for FY 2023-24 as the opening transmission network for FY 2024-25 and claimed accordingly.

Commission's Analysis

3.5 The Commission has considered the closing transmission network approved in true up for FY 2023-24 as the opening transmission network for FY 2024-25. The Commission has considered the network addition and deletion during FY 2024-25 as claimed by RVPN. Accordingly, the transmission network approved for FY 2024-25 is as shown in table below:

Table 2: Details of Transmission Network approved for FY 2024-25

Particulars	FY 2024-25			
	Actual approved			
	Opening	Addition	Deletion	Closing
Lines (Ckt Km)				
765 KV	425.50	0.00	0.00	425.50
400 KV	6899.39	72.02	0.00	6971.41

Particulars	FY 2024-25			
	Actual approved			
	Opening	Addition	Deletion	Closing
220 KV	16138.27	67.95	0.00	16206.22
132 KV	19222.91	473.23	0.00	19696.14
Total	**42686.07**	**613.20**	**0.00**	**43299.27**
Transmission Capacity (MVA)	**94962.00**	**8002.50**	**1957.50**	**101007**
Bays (No.)				
765 KV	32	0	0	32
400 KV	183	16	0	199
220 KV	874	29	0	903
132 KV	3109	109	0	3218
Total	**4198**	**154**	**0**	**4352**

<u>Gross Fixed Assets (GFA) addition during FY 2024-25</u>

RVPN's Submission

3.6 The Commission vide its tariff order dated 23.07.2024, had approved the GFA addition of Rs. 851.52 Crore for FY 2024-25. As against the same, RVPN has claimed the actual GFA addition of Rs. 1862.52 Crores.

3.7 Further, in response to the data gap query regarding reconciliation of GFA amount of Rs. 1862.52 Crore, RVPN vide reply dated 22.01.2026 submitted that it has claimed Rs. 20.66 Crore related to fixed assets which were not allowed in the previous year but are being claimed in the present petition and Rs. 0.86 Crore related to R&M (Natural Calamity). RVPN also submitted that it has not claimed Rs. 88.26 Crore towards Land.

3.8 RVPN, in its reply dated 22.01.2026, submitted that assets which were capitalised in FY 2024-25 have only been claimed. Further, RVPN submitted that as per the books of accounts for FY 2024-25, there is no prior period adjustment.

Commission's Analysis

3.9 It is observed that RVPN for FY 2024-25 has claimed total GFA addition of Rs. 1862.52 Cr.

3.10 The Commission, vide data gap letter dated 02.01.2026, sought the year-wise break-up of assets capitalised. From the submissions, it is observed that several assets pertaining to periods prior to 01.04.2021.

Accordingly, the Commission, vide data gap letter dated 02.02.2026, again sought the year-wise details of assets. In response, RVPN on 19.02.2026 submitted the year-wise break-up of assets capitalised.

3.11 The Commission observed that Petitioner has claimed projects amounting to Rs. 4.58 crore in GFA addition which were pertaining to period prior to 01.04.2021. The Commission deems it fit to consider GFA addition for the projects having date of commissioning falling within three years prior from FY 2024-25 i.e. FY FY 2021-22, FY 2022-23 and FY 2023-24. Accordingly, Commission has disallowed GFA addition of Rs. 4.58 Cr. pertaining to projects prior to FY 2021-22.

3.12 The Commission observed that the actual capitalization includes Rs. 47.96 Crore for FY 2024-25 in respect of minor assets and other expenditures (Furniture, O&M spares and replacement of various O&M equipments excluding replacement of Station/ Power Transformers and PLCC equip.) which are not allowable under capitalization.

3.13 Further, Commission observed that RVPN has claimed scheme "Pur.-Emergency restoration system" amounting to Rs. 22.52 crore in GFA addition for FY 2024-25. The Commission, vide data gap letter dated 04.03.2026, sought investment approval for the above scheme. RVPN vide its data gap reply dated 19.03.2026 submitted that the Emergency Restoration System (ERS) was not the part of investment plan but the same was procured to ensure uninterrupted consumer supply in compliance with CEA directives. The Commission is of the view that the proposed schemes should be carried out as part of O&M expenses. Therefore, Commission deems it fit to disallow the capitalization of Rs. 22.52 Crore claimed by the petitioner in GFA addition for FY 2024-25.

3.14 Accordingly, the Commission deems it fit not to consider the amount of Rs. 70.48 Cr. (Rs. 47.96 crore + Rs. 22.52 crore) under the capitalization for FY 2024-25 as the same are in the nature of O&M Expenses and hence, the Commission has considered the same as part of O&M expenses.

3.15 The Commission observed that RVPN has claimed Rs. 2.50 crore towards capitalisation of Land. From the submission, it is observed that RVPN has claimed capitalisation for land except s.no. 1 with dates of commissioning ranging from 05.10.1995 to 15.09.2020. The Commission vide its data gap letter dated 02.01.2026 sought the clarification and justification for the same. RVPN vide its data gap reply dated

22.01.2026 submitted that projects have been commission prior to FY 2024-25, however, the Revenue Authority and statutory authority have raised the demand for statutory dues towards land in subsequent years. Thus, all such statutory dues have been paid and capitalized in books of accounts of RVPN during FY 2024-25 under Regulation 17(2) (a) of RERC Tariff Regulation, 2019.

3.16 The Commission observed that land amounting to Rs. 0.48 Cr. has been claimed by the Petitioner on account of lease land of 132 kV GSS Bar and 132 kV GSS Ghumati which are assets pertaining to TBCB projects. The Commission vide its data gap letter dated 02.01.2026 sought the reasons that why RVPN has claimed capitalisation for land related to PPP projects.

3.17 RVPN vide its data gap reply dated 22.01.2026 submitted that the land for PPP projects was taken on lease and the same has been capitalized and amortized over its useful life. Further, the land is sub-leased under the PPP model and, to account for the revenue, deferred revenue is being booked corresponding to the lease value received under the PPP model. Thus, the land value is amortized on one hand while deferred revenue is booked in NTI against the lease value under the PPP mode. However, the Commission observed that since the land pertains to PPP/TBCB projects and is subsequently sub-leased, the Commission deems it fit to disallow the amount of Rs. 0.48 Cr. pertaining to above mentioned land. Since the Revenue Authority and statutory authority have raised the demand for statutory dues for remaining 10 Nos. of Land, Commission is of the view to allow Rs. 2.02 crore (Rs. 2.50 crore - Rs. 0.48 crore) towards capitalisation of such Land.

3.18 The Commission observed that Rs. 269.63 Crore has been claimed by the petitioner towards HTLS uprating work under work in progress/ part capitalisation. The Commission vide its data gap letter dated 02.01.2026 sought the justification for capitalization the same. RVPN vide its reply dated 22.01.2026 submitted that the entire scheme of HTLS has been considered in a consolidated manner, covering three groups each of 6 to 7 transmission lines. It involves replacing old ACSR conductors with HTLS conductors on the same towers. The uprating works across all 19 lines are in continuous progress, with some lines fully uprated to HTLS standards. The scheme remains under CWIP until fully completed, and only commissioned (completed) assets are capitalized and claimed in the petition.

3.19 The Commission vide its data gap letter dated 02.02.2026 sought line wise details of asset commissioned during FY 2024-25. In response RVPN vide its data gap reply dated 19.02.2026 submitted the details. It is observed that RVPN has submitted the details for 9 No. HTLS uprating line commissioned during FY 2024-25. However, it is noted that the same lines are included under work in progress in the Investment plan petition for FY 2026-27. The Commission vide its data gap letter dated 04.03.2026 sought clarification for the same. RVPN vide its data gap reply dated 19.03.2026 submitted that in the instant petition additional capitalization of only those line have been claimed which have been commissioned, whereas CWIP has been shown in terms of total schemes.

3.20 The Commission observes that RVPN has claimed capitalization of Rs. 269.63 crore as per Appendix-1 of the instant petition towards HTLS UPRATING work under TN-109, TN-110 and TN-111 comprising 07, 06 and 06 lines respectively. From the RVPN reply dated 19.02.2026 it is noted that 9 out of 19 Nos. of lines have been claimed to be commissioned in FY 2024-25. The Commission further observed that in the Investment Plan for FY 2026-27, RVPN has proposed the scheme "uprating of Existing Transmission corridors", i.e., HTLS uprating works, in three subgroups (Transmission corridor) consisting of 6 to 7 Nos. of Transmission lines in each corridor. Further, in the each corridor group, only 2-4 nos. of Transmission lines have been commissioned and remaining lines are incomplete. Therefore, all lines of the 3 nos. transmission corridors are not commissioned. Commission observed that claim of petition regarding HTLS uprating works comes under the category of part capitalization, which is not permissible.

3.21 Therefore, Commission at this stage, deems it fit to not consider claim of Rs. 269.63 crore towards HTLS uprating works under the capitalization for FY 2024-25. The petitioner may submit such works for consideration and approval of the Commission after commissioning of all transmission lines in any of the sub group/ transmission corridor in the scheme of "HTLS uprating work".

3.22 The Commission observed that the petitioner has claimed Rs. 369.43 Crore as capitalization towards Consumer contribution/Deposit work. However, as per audited accounts and Appendix-1, consumer contribution/ Deposit Work is shown as Rs. 389.32 Cr. and Rs. 361.05 crore respectively. The Commission sought the reasons of the differences along with reconciliation. RVPN vide data gap reply dt.

22.01.2026 submitted that the deposit work related to the "132kV Chambhal- Mansarovar NPH line," amounting to Rs. 19.91 crore is not considered in the instant petition as the same was already dealt and considered in the FY 2023-24 True up order. Thus, the claimed amount is Rs. 369.43 Crore.

3.23 It is observed that Commission has already considered Rs. 19.91 crore towards 132 kV Chambhal- Mansarovar NPH line under Deposit works of FY 2023-24. Therefore, the Commission deems it fit to not include such amount in the Deposit works of FY 2024-25 and resultantly not to consider the amount of Rs. 369.43 Crore of consumer contribution/ deposit works under the capitalization for FY 2024-25 and its corresponding revenue booked in the Non-Tariff Income.

3.24 The Commission observed that the petitioner has claimed Rs. 30.54 Crore as capitalization towards assets received as grants. Regulation 18(2) of the MYT Regulation provides that Debt: Equity ratio in respect of any asset shall be calculated after deducting the grant received in respect of such asset. Accordingly, Return on Equity, Depreciation & Interest on loan is not allowable on the grant portion of the cost of asset. Therefore, the Commission deems it fit not to consider the amount of Rs. 30.54 Crore under the capitalization for FY 2024-25 and its corresponding revenue booked in the Non-Tariff Income.

3.25 The Commission vide data gap query dated 02.01.2026, sought the scheme wise hard cost & IDC, as per "DPR" and as per "Actuals" in respect of projects capitalized during 2024-25 having total DPR cost more than 5 Crore. From the information submitted by RVPN, vide letter dated 22.01.2026, it was observed that there was variation between the actual IDC and the IDC estimated in the DPR. The Commission vide data gap query dated 02.02.2026, sought the clarification and justification for the same.

3.26 In this regard, RVPN vide its letter dated 19.02.2026 submitted that the variation between the actual IDC and the IDC estimated in the DPR is primarily on account of the pattern of fund availability and utilisation during project execution. During actual implementation, the projects were funded through a combination of loan, equity and internal accruals, and the drawdown of loans did not occur strictly in accordance with the DPR assumptions. RVPN further submitted that during FY 2023–24 to 2024–25, the Petitioner received substantial past dues from Discoms and used these funds for ongoing capital expenditure instead of taking new loans. As a result, dependence on interest-bearing borrowings reduced and the actual IDC became lower (or nil) compared to DPR estimates.

3.27 The Commission observes that a general reply has been submitted by RVPN instead of case to case basis. The Commission again vide data gap query dated 04.03.2026, sought the clarification and justification for the same on case to case basis. RVPN vide its data gap reply dated 19.03.2026 again submitted the reply in general manner instead of case to case basis.

3.28 The Commission observes that RVPN could not explain the reason of deviation between the actual IDC and the IDC estimated in the DPR on case to case basis for the assets having total DPR cost more than 5 Crore.

3.29 The Commission, further, vide data gap query dated 16.01.2026, sought reasons and justification in assuming schedule start date beyond 1 year of Investment approval date in Appendix 1 of the instant petition. RVPN vide its data gap reply dated 16.02.2026, submitted that after obtaining due approval of the schemes from the Commission, activities such as land survey, land acquisition, tendering process, issuance of work orders/purchase orders, and execution of contract agreements require considerable time. Consequently, there is an inevitable time lapse between the approval of the scheme and the commencement of the project.

3.30 The Commission further observes that in several schemes there was a time lapse of around 5 years between "Investment approval date" and "Start schedule date" which cannot be justified, solely on the grounds submitted by RVPN e.g. due to land survey, land acquisition, tendering process, issuance of work orders/purchase orders, and execution of contract agreements.

3.31 The Commission vide its data gap letter dated 16.01.2026 sought the details of Investment approval cost, DPR cost and Actual cost. RVPN submitted the details for the same in Annexure-8 of reply dated 16.02.2026. The Commission vide data gap query dated 02.02.2026, sought the DPRs in respect of the schemes having cost more than Rs. 50 crore. RVPN vide its data gap reply dated 19.02.2026, submitted the DPR/ A&Fs / supporting documents for the aforementioned schemes. From the information submitted by RVPN, the Commission observes that there was deviation between the Investment approval cost, DPR cost and Actual cost for which RVPN could not clarify the reasons.

3.32 The Commission vide data gap dated 02.01.2026 sought the justification of time overrun in respect of schemes having claim amount of more than Rs. 5 Cr. In reply to the Commission's query, RVPN vide data gap reply dated 22.01.2026 provided justification for time overrun of such projects along with the project wise IDC. From the reply submitted by RVPN, it is observed that there are cases where delay is partly on account of RoW issue, Covid 19, Court case, Heavy rainfall, Cyclone , Forest department and partially attributable to other reasons. The Commission has observed that the reasons for delay submitted by RVPN are a mix of controllable and uncontrollable factors.

3.33 The Hon"ble APTEL in its Judgment dated 27.04.2011 in Appeal No. 72 of 2010 ruled as under with regards to sharing of impact on account of time overrun due to mix of controllable and uncontrollable factors:

> *"7.12 In view of above, we feel that this case falls under category*
>
> *(iii) described in para 7.4. Accordingly, following the principles of prudence check laid down by us, the cost of time over run has to be shared equally between the generating company and the consumers. Admittedly, there is no enhancement in cost of the contract price of the equipment as no price variation escalation was permissible to BHEL beyond the schedule date of completion of the Project according to the terms of the agreement. The impact of time over run beyond the contractual schedule is only on IDC and overhead costs. Accordingly, the same have to be shared between the generating company and the consumers. Excess IDC and overhead costs for time overrun from scheduled date of commissioning to actual date of commissioning has to be worked out on pro-rata basis with respect to total actual time taken in commissioning of the unit. 50% of the excess IDC and overhead costs will have to be disallowed. Deduction on account of 50% of the Liquidity Damages received by the Appellant from its suppliers/contractors has also to be allowed from the capital cost, to give due credit for LDs to the consumers. This issue is answered accordingly."*

3.34 The Commission observes that the exact impact of delay due to controllable and uncontrollable factors is not directly established.

3.35 Hence, in accordance with the above APTEL judgment, the Commission has decided to allow 50% of increase in IDC and 50 % of the recovery from contractors on account of delay.

3.36 Further, RVPN has not provided calculation & details of IDC attributable towards time overrun and also not provided year wise/quarter wise expenditure and IDC. Therefore, the Commission has to calculate the asset wise extra cost due to time overrun. Accordingly, the Commission has identified extra cost of Rs. 16.56 crore on account of 'time overrun'.

3.37 Hence, in accordance with the above APTEL judgment, the Commission has decided to allow 50% of increase in IDC on account of delay. Therefore, the Commission has computed Rs. 8.28 crore, i.e., 50% of the IDC of Rs. 16.56 Crore for Time over run. Hence, the Commission deems it fit to not consider the amount of Rs. 8.28 Crore towards Time over run under the capitalization for FY 2024-25.

3.38 Further, the Commission observes that RVPN in the instant petition has submitted the details of recovery from contractors on account of delay. RVPN has recovered Rs. 19.37 crore from contractors on account of delay in capital works. The Commission further observed that an amount of Rs. 0.81 crore towards recovery from contractors on account of delay in capital works pertaining to SLDC has been included in the total amount of Rs. 19.37 crore. Accordingly, the Commission has not considered the amount of Rs. 0.81 crore towards recovery from contractors for capital works related to SLDC. Accordingly, the Commission has considered Rs. 18.56 crore on account of recovery from contractors for capital works.

3.39 In accordance with the aforementioned Hon'ble APTEL Judgment, the Commission has computed Rs. 9.28 crore, i.e., 50% of the recovery of Rs. 18.56 Crore for delay period. Hence, the Commission deems it fit to not consider the amount of Rs. 9.28 Crore towards recovery from contractors on account of delay in capital works under the capitalization for FY 2024-25.

3.40 The Commission further directs RVPN to submit complete details of claimed GFA such as DPR cost, scheduled date of completion, actual date of completion etc. and also submit the complete scheme wise details along with cost and time over-run, IDC etc. with justification while claiming actual capitalization from FY 2025-26 onwards in true-up petition for respective years and also submit complete reasons/ details of time over run and cost over run along with supporting documents to substantiate the same along with the True-up petition, otherwise the Commission shall be constrained to disallow the entire claim in respect of such assets.

3.41 The Commission has deducted the capitalization towards Prior Period assets of Rs. 4.58 Crore, minor assets of Rs. 70.48 crore, PPP land of Rs. 0.48 crore, WIP (HTLS uprating work) of Rs. 269.63 crore, Rs. 8.28 crore towards Time over run and recovery from contractors on account of delay of capital works of Rs. 9.28 crore as discussed above.

3.42 The balance capitalization after deducting the capitalization towards Prior Period, minor assets, PPP land, WIP, Time over run and recovery from contractors on account of delay of capital works as discussed above, works out to Rs. 1499.79 Cr. for FY 2024-25. Net Capitalization after deducting deposit works of Rs. 369.43 Crore and Subsidy and Grant on capital assets of Rs. 30.54 Cr. works out as Rs. 1099.82 Cr. for FY 2024-25. Accordingly, the Commission allows the capitalization of Rs. 1099.82 Cr. for FY 2024-25.

Table 3: GFA Approved for FY 2024–25 (Rs. Crore)

S. No.	Particulars	Amount Approved (in Cr.)
1	Capitalization claimed	1862.52
2	Less: Capitalization Prior to 01.04.2021	4.58
3	Less: Minor assets + ERS	70.48
4	Less: Land PPP	0.48
5	Less: WIP	269.63
6	Less: Consumer Contribution/ Deposit Work for the FY 2024-25	369.43
7	Less: Subsidy and Grant on capital assets	30.54
8	Less: Time over run	8.28
9	Less: recovery from contractor on account of delay of capital works	9.28
10	**Net Capitalization**	**1099.82**

GFA deduction during FY 2024-25

RVPN's Submission

3.43 RVPN has claimed the GFA deduction of Rs. 63.60 Crore for FY 2024-25.

Commission Analysis

3.44 The Commission observed that there is a deduction of Rs. 59.86 Cr. (including generation/SLDC) against decapitalisation in GFA as per the Audited Accounts, whereas the amount claimed in the petition is Rs. 63.60 Cr. The Commission, vide data gap letter dated 02.01.2026, has sought reconciliation in respect of the same with the Audited Accounts. In reply to the Commission's query, RVPN vide data gap reply dated 22.01.2026 has submitted that the difference in claimed GFA deduction viz a viz GFA deduction as per audited accounts is due to reason that addition in GFA of Rs. 3.78 Cr. is pertaining to Vehicle Adjustment and Rs. 0.04 crore on account of deduction related to SLDC and Generation.

3.45 It is observed that RVPN, in TTU 3.1, has claimed Rs. 12.57 crore and Rs. 0.15 crore as positive entries towards "Buildings" and "Communication Equipments", respectively, under "Deduction/Adjustment during the year". The Commission, vide its data gap letter dated 16.01.2026, sought clarification in this regard. In response, RVPN, vide its reply dated 16.02.2026, submitted that the aforesaid amounts were earlier wrongly considered under the head "Plant and Machinery", which has been corrected in the current year under the appropriate heads.

3.46 Further, RVPN, vide its data gap reply dated 22.01.2026, submitted Annexure-11 containing details of assets depreciated up to 90% of their asset value, categorized as less than 12 years and more than 12 years. In the said Annexure, amounts of Rs. 14.32 crore (90% depreciated- (0.06) crore, more than 12 years- (1.69) crore and Less than 12 years - 14.32 crore) under "Buildings" and Rs. 0.15 crore under "Communication Equipments" have been indicated. The Commission has examined the submission of RVPN and found that the amounts of Rs. 14.32 crore under "Buildings" and Rs. 0.15 crore under "Communication Equipments" were incorrectly classified under "Plant and Machinery" in the previous year and have been rectified under the appropriate heads during the current year.

3.47 The Commission directs RVPN to ensure that asset classification is carried out strictly in accordance with the applicable accounting standards and regulatory formats in future filings. RVPN shall exercise due diligence to avoid recurrence of such misclassification and ensure proper disclosure and reconciliation in the Annual Accounts and Tariff filings.

3.48 The Commission has approved the total GFA deduction of Rs. 63.60 Crore, as claimed by RVPN.

3.49 In view of above, the details of approved GFA for FY 2024-25 is as shown in the table below:

Table 4: GFA Approved for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Amount Claimed	Amount Approved
1	**Capitalisation**	**1862.52**	**1,099.82**
2	Less: Deduction- during FY 2024-25	63.60	63.60
3	**Net Capitalization approved**	**1798.92**	**1,036.22**

Means of finance of GFA addition for FY 2024-25

RVPN's Submission

3.50 The means of finance of GFA addition for FY 2024-25 submitted by RVPN is as shown in the table below:

Table 5: Means of finance of GFA addition for FY 2024-25 claimed by RVPN

Particulars	Units	Claimed
GFA Addition	Rs. Crore	1862.52
Less: Consumer Contribution/ Deposit	Rs. Crore	369.43
Less: Subsidy and Grant on capital assets	Rs. Crore	30.54
Net GFA addition	Rs. Crore	1462.55
Debt	Rs. Crore	1462.55
Debt	%	-
Equity	Rs. Crore	-
Equity	%	-

Commission's Analysis

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

3.52 In view of the disallowance & deduction of Rs. 762.70 Crores (including Prior Period) from the GFA claimed by the petitioner, the Commission has considered the means of finance of approved GFA addition for FY 2024-25 as under:

- The deposit works considered as claimed by the RVPN for FY 2024-25.
- Subsidy and Grant on capital assets considered as depicted in the audited accounts for FY 2024-25.
- No equity addition has been considered as equity addition claimed by RVPN is Nil for the year.
- The GFA addition has been considered to be funded entirely through loan.

3.53 Based on the above, the means of finance of GFA addition for FY 2024-25 approved by the Commission is as shown in the table below:

Table 6: Means of finance of GFA addition for FY 2024-25 approved by the Commission

Particulars	Units	Approved
Net GFA addition approved	Rs. Crore	1,099.82
Debt	Rs. Crore	1,099.82
Equity	Rs. Crore	-

Availability of the Transmission System

RVPN's Submission

3.54 The Petitioner claimed the system availability of 99.31% for the FY 2024-25.

Commission's Analysis

3.55 It is observed that the actual transmission availability as certified by the SLDC was 99.31%. Therefore, the Commission considered 99.31% as transmission availability for FY 2024-25.

3.56 Regulation 62(2) of the RERC Tariff Regulations, 2019 specifies the normative availability of 98% for recovery of full Annual Transmission Charges. The actual availability for FY 2024-25 is 99.31%. As the actual availability is higher than the normative availability, full Annual Transmission Charges are allowable for FY 2024-25.

Annual Transmission Charges

3.57 In accordance with Regulation 63 of RERC Tariff Regulations, 2019, the Aggregate Revenue Requirement of the Transmission Licensee shall comprise of the following:

a. Operation and Maintenance (O&M) expenses

b. Interest and finance charges on long-term loans

c. Depreciation

d. Interest on Working Capital

e. Return on Equity
Minus

f. Non-Tariff Income

g. Income from other business

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

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

3.60 Further, the petitioner filed an additional submission, pursuant to the directions of the Commission's order dated 27.01.2026, seeking approval of an amount of Rs. 542.65 crore for the period from 01.04.2020 to 31.03.2024, along with the consequential impact of the approved GFA addition of Rs. 964.27 crore for FY 2024–25.

3.61 It is observed that the Commission, vide its order dated 27.01.2026, allowed the capitalization of Rs. 964.27 crore pertaining to assets for the period prior to 01.04.2019. Consequently, the associated cost components, namely Interest on Loan, Depreciation relating to these assets, have also been considered in the opening balance for FY 2024–25, i.e., as on 01.04.2024.

O&M expenses

RVPN's Submission

3.62 The actual O&M expenses claimed by RVPN are Rs. 978.17 Crore for FY 2024-25. O&M expenses claimed by RVPN are as shown in the table below.

Table 7: Actual O&M Expenses claimed for FY 2024-25 (Rs. Crore)

Particulars	Actual Amount
R&M Expenses	181.07
Employee Cost of the Current Year	796.05
A&G Expenses	131.64
Total	**1108.76**
Less: Capitalization of O&M Expenses	123.72
Less: Common Facility expenses related to Discom and Generation	6.87
Grand total	**978.17**

3.63 The Commission vide its tariff order dated 23.07.2024, had approved the normative O&M expenses of Rs. 918.81 Crore for FY 2024-25. As against the same, RVPN claimed the actual O&M expenses of Rs. 978.17 Crore. RVPN further, vide data gap reply dated 22.01.2026 revised the actual O&M expenses to Rs. 964.42 Crore

Commission's Analysis

3.64 It was observed that the R&M Expenses, actual employee cost and A&G Expenses submitted by the petitioner were different from that as per the audited accounts.

3.65 The Commission vide its letter dated 02.01.2026 sought the reconciliation of R&M Expenses, actual employee cost and A&G Expenses with the audited accounts. RVPN in its reply dt. 22.01.2026 has submitted the same.

3.66 The Commission has disallowed Rs. 70.48 Crore towards capitalization of minor assets including Rs. 22.52 crore towards "Pur.- Emergency restoration system" as claimed by the petitioner as the same are in the nature of O&M expenses. The Commission therefore, considered Rs. 70.48 Crore disallowed from the GFA on account of minor assets for calculating actual O&M expenses.

3.67 The Commission has arrived at the actual O&M expenses of Rs. 1048.74 Crore for FY 2024-25. The same is detailed in the table below:

Table 8: Actual O&M expenses arrived by Commission for FY 2024-25

S. No.	Particulars	Amount (Rs. in Crore)
1	R&M Expenses	181.07
2	Employee Cost of the Current Year	796.05
3	A&G Expenses	131.64
4	**Total**	**1108.76**
5	Less: Capitalization of O&M Expenses	123.72
6	Less: Common Facility expenses related to Discom and Generation	6.87
7	Add: Transfer from GFA to O&M (Minor asset)	70.48
8	Add: Insurance Expenses (O&M nature)	0.09
9	**Grand Total**	**1048.74**

3.68 Regulation 64 read with Regulation 24 of the RERC Tariff Regulations, 2019 specifies the norms for O&M expenses on the basis of circuit kilometer of transmission lines, transformation capacity in MVA and number of feeder bays in the substation. The normative O&M expenses has been computed by the Commission based on the transmission network approved for FY 2024-25 and O&M cost has been escalated at the rate of 3.51% per annum year over year considering FY 19-20 as base year. Accordingly, normative O&M expenses arrives at Rs. 924.89 Crore as below:-

Table 9: Normative O&M expenses Approved for FY 2024-25

Particulars	Network Average Value	Applicable O&M Cost as per Norms Rs. Lakh/ Unit	O&M Expenses
Lines (Ckt Km)			
765 KV	425.50	1.22	520.77
400 KV	6935.40	0.77	5356.69
220 KV	16172.25	0.31	4996.38
132 KV	19459.53	0.18	3468.45
Total	**42992.67**		**14342.29**
Transmission Capacity (MVA)	**97984.50**	**0.48**	**46572.43**
Bays (No.)			
765 KV	32.00	71.49	2287.54

Particulars	Network Average Value	Applicable O&M Cost as per Norms Rs. Lakh/ Unit	O&M Expenses
400 KV	191.00	47.65	9101.00
220 KV	888.50	6.64	5901.75
132 KV	3163.50	4.52	14284.43
Total			**31574.73**
Grand Total (Rs. In Crore)			**924.89**

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

Table 10: Details of lines charged at lesser voltage during FY 2024-25

Sl. No.	Transmission Line	Length (in Km)	Rated Voltage (KV)	Voltage Level on which transmission element charged on commissioning (KV)
1	220 KV D/C Chaksu-Sanganer Line	34.195	220 KV	220 KV Chaksu-Sanganer line charged on dated 16.10.2015 at one circuit but with same element (Zebra Conductor) 132 KV Chaksu-Sanganer line charged at Second circuit on dated 03.11.2015 on the same tower.
2	400 KV HND-DCCPP Line	111.40	400 KV	220 KV
3	400 KV KTPS-PGCIL Ckt- I Line	6.25	400 KV	220 KV
4	400 KV KTPS-PGCIL Ckt- II Line	6.25	400 KV	220 KV
5	132 kV Ramgarh Chhatrail line	45.245	220 KV	132 KV

3.70 Since Regulation 64 prescribes the O&M charges for the specific voltage level on which it is operated therefore, Commission deems it fit to allow O&M expenses for voltage level on which it is operated. In view of the above, Rs. 65.57 Lakhs have been deducted from the normative O&M expenses for FY 2024-25 which comes to Rs. 924.24 Crore after such deduction.

3.71 Further, the Commission has disallowed Rs. 22.52 Crore towards capitalization of "Pur.- Emergency restoration system" as claimed by the petitioner as the same is in the nature of O&M expenses. However, it is noted from the RVPN submission that by using the "Emergency restoration system", power availability to consumer can be ensured soon, as well as safety and stability of the transmission system can also be ensured. RVPN further submitted that the same was procured to ensure uninterrupted consumer supply in compliance with CEA directives.

3.72 The Commission observed that there is a large gap in the actual O&M expenditure arrived by the Commission of Rs. 1048.74 crore as against the normative O&M expense of Rs. 924.24 crore determined as per RERC Tariff Regulations, 2019, resulting in a gap of around Rs. 124.50 crore which is significant and it needs consideration.

3.73 Further, the Commission has already notified new RERC Tariff Regulations, 2025 for determination of tariff from FY 2025-26, wherein the O&M norms for RVPN along with % of escalation for O&M has been revised to bridge the gap between actual O&M and Normative O&M expenses.

3.74 It is also observed that regulation 22 of Central Electricity Authority (Grid Standards) Regulations, 2010 provides that each transmission licensee shall have an arrangement for restoration of transmission lines of 400 kV and above and strategic 220 kV lines through the use of Emergency Restoration System in order to minimise the outage time of the transmission lines in case of tower failures.

3.75 The Commission also observes that the ERS scheme involves substantial amount and also the expenditure made on ERS as per the direction of NRPC and CEA regulations/ guidelines. Therefore, the Commission deems it fit to consider and allow Rs. 22.52 Crore towards scheme "Pur.- Emergency restoration system" as over and above the normative O&M expenses, i.e., Rs. 924.24 crore. However, this approval is to be considered as an exception and should not be taken as a precedent.

3.76 Accordingly, the Commission deems it fit to allow the O&M expenses of Rs. 946.76 Crore for FY 2024-25 as detailed below. Further, Commission directs RVPN that it shall not include any asset for O&M claims, asset register or related calculations unless the corresponding capital cost has been approved by the Commission.

Table 11: O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore)

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">FY 2024-25</th></tr>
<tr><th>Approved in Tariff Order</th><th>Claimed for True up</th><th>Approved on True up</th></tr>
<tr><td>O&M Expenses</td><td rowspan="3">918.81</td><td rowspan="3">978.17</td><td>924.24</td></tr>
<tr><td>Add: ERS system</td><td>22.52</td></tr>
<tr><td>Total O&M Expenses</td><td>946.76</td></tr>
</table>

Terminal Liabilities

RVPN's Submission

3.77 RVPN has claimed the amount of Rs. 480 Crore towards terminal liabilities for the FY 2024-25. The Commission vide its tariff order dated 23.07.2024, had approved the terminal liabilities of Rs. 800 Crore for FY 2024-25.

3.78 Further, RVPN vide data gap reply dated 22.01.2026 has submitted that RVPN has made regular contribution of Rs. 41.22 Crore and additional contribution of Rs. 480 Crore.

Commission's Analysis

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

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

3.80 The Commission vide data gap dated 02.01.2026 sought the Actuarial Valuation report for the FY 2024-25 along with the details of actual (cash basis) payment made to the trust in the FY 2024-25 separately under regular & additional contribution and its reconciliation with the audited account. It is observed from the submission of RVPN that it has paid additional contribution of Rs. 480 Cr. during FY 2024-25.

3.81 Therefore, the Commission has allowed additional contribution towards terminal liabilities of Rs. 480 Crore for the FY 2024-25 in terms of Regulation 64.

Table 12: Terminal Liabilities for the FY 2024-25 (Rs. in Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Terminal liabilities	800	480	480

Interest on loan and finance charges

RVPN's Submission

3.82 The petitioner submitted that the interest on loan has been worked out on the opening loan balance, additions during the year, repayment have been considered equivalent to depreciation. The rate of interest has been worked out based on the regulation 21(5) of the Tariff Regulations. RVPN has claimed the interest and finance charges of Rs. 680.98 Crore as per the audited accounts for FY 2024-25. Further, RVPN vide its data gap reply dated 16.02.2026 revised the opening loan balance for FY 2024-25 to Rs. 7271.66 crore instead of Rs. 6770.09 crore.

Commission's Analysis

3.83 RVPN has claimed the interest charges of Rs. 662.89 Crore as per the audited accounts for FY 2024-25 and submitted the actual interest rate of 9.53% for the year as per the audited accounts for FY 2024-25.

3.84 Regulation 21(5) of the RERC Tariff Regulations, 2019 specifies that the rate of interest on loan for True-up shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year. The petitioner in its petition has submitted the loan wise details along with applicable interest rate and interest thereon for the FY 2024-25.

3.85 The Commission has considered the rate of interest of 9.53% as submitted by the petitioner in the petition.

3.86 Further, in the instant order Commission has considered Rs. 63.60 Cr. as decapitalization of assets during FY 2024-25. The petitioner in its data gap reply dated 22.01.2026 has submitted that during FY 2024-25 RVPN has filed deduction of Rs. 63.60 Cr. and the corresponding debt-equity has been considered in accordance to the last approved debt-equity ratio by the Commission in the True up order FY 2023-24. It is further clarified that Net fixed assets (NFA) of the aforesaid assets after reduction of accumulated depreciation of Rs. 44.47 Crore works out to be Rs. 19.13 Crore. RVPN has considered 80% (debt) of such NFA for reduction from Loan and 20% (equity) of such GFA for reduction from equity.

3.87 Therefore, the Commission deems it fit to deduct the same from approved loan and equity balance by considering debt equity ratio of 80:20. Accordingly, the Commission has deducted Rs. 15.30 Cr. towards loan portion of total decapitalization.

3.88 The Commission has considered the closing loan balance of Rs. 7,271.66 crore as approved in the true-up for FY 2023–24 as the opening loan balance for FY 2024–25. Further, RERC, vide its order dated 27.01.2026, approved Rs. 762.38 crore as the closing loan balance for FY 2023–24 for the assets commissioned prior to 01.04.2019. Accordingly, the opening loan balance for FY 2024–25 has been considered as Rs. 8,034.04 crore. The loan addition during the year has been considered based on the approved means of finance of GFA addition. The allowable depreciation for the year has been considered as the normative repayment.

3.89 Accordingly, the interest on loan approved by the Commission is as shown in the table below:

Table 13: Interest on long term loans for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed for True up	**Approved on True up**
Opening Balance	6,770.09	7,271.66
Opening Balance (Assets commissioned prior to 1.4.19)	-	762.38
Total opening Balance	-	8,034.04
Net Addition	1,447.24	1,099.82
Less: Loan portion of De-capitalisation	-	15.30
Less: Repayment	1,071.26	979.76
Closing Balance	7,146.07	8,138.80
Avarage Loan	6,958.08	8,086.42

Particulars	FY 2024-25	
	Claimed for True up	**Approved on True up**
Rate of Interest	9.53%	9.53%
Gross Interest Expenses	662.89	770.64
Less: Capitalisation	-	-
Gross Interest Expenses	**662.89**	**770.64**

3.90 The Commission vide the tariff order dated 23.07.2024 had approved the finance charges of Rs. 70 Crore for FY 2024-25. As against the same, RVPN has claimed the finance charges of Rs. 18.09 Crore as per the audited accounts for FY 2024-25.

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

Table 14: Finance Charges for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Claimed
1	Finance charges as per Audited accounts	48.66
2	Add: Interest on SD and RMD	0.40
3	Add: Interest on SD OAC	0.66
4	Less: Borrowing cost due to foreign exchange difference	31.63
5	**Total Finance charges**	**18.09**

3.92 It is observed that the Petitioner has claimed Rs. 18.09 Cr. towards Finance charges.

3.93 Accordingly, the Commission approves Finance charges of Rs. 18.09 Cr. for the FY 2024-25.

3.94 The Commission has approved the interest and finance charges of Rs. 788.73 Crore for the FY 2024-25 as shown in the table below:

Table 15: Interest and finance charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed for True up	**Approved on True up**
Net Interest Expenses	662.89	770.64
Add: Finance Charges	18.09	18.09
Interest and Finance Charges	680.98	788.73
Net Interest and Finance charges	**680.98**	**788.73**

Depreciation

RVPN's Submission

3.95 The Commission vide tariff order dated 23.07.2024 had approved the depreciation of Rs. 1009.14 Crore for FY 2024-25. As against the same, RVPN has claimed the depreciation of Rs. 1071.26 Crore for FY 2024-25.

Commission's Analysis

3.96 RVPN has claimed the depreciation of Rs. 1071.26 Crore and vide data gap reply dated 22.01.2026 has submitted details of assets depreciated upto 90% of its assets value, assets commissioned less than 12 years and more than 12 years.

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

3.98 RVPN has considered the entire cost of deposit work & asset created out of grant in the GFA. RVPN has included depreciation on such assets in the depreciation for the FY 2024-25.

3.99 The Commission has considered the closing GFA of Rs. 23233.11 crore approved in true up for FY 2023-24 as the opening GFA for FY 2024-25 after considering inter head transfer of assets. Further, RERC, vide its order dated 27.01.2026, approved Rs. 964.27 crore as the closing balance for FY 2023–24 for assets commissioned prior to 01.04.2019. Accordingly, the opening balance for FY 2024–25 has been considered as Rs. 24197.38 crore (Rs 23233.11 crore + Rs. 964.27 crore). The allowable GFA addition of Rs. 1099.82 Crore (excluding deposit work addition of Rs. 369.43 Crore and Grant addition of Rs. 30.54 Crore) has been considered on the pro rata basis in proportion to GFA addition claimed by RVPN. Accordingly, the Commission has computed approved average GFA for the purpose of depreciation calculation for FY 2024-25.

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

Table 16: Depreciation for FY 2024-25 (Rs. Crore)

Particular	Classification of assets	Gross Block claimed as on 31.03.2025	Approved Closing Balance as on 31.03.2025	Average GFA approved for FY 2024-25	Rate of Depreciation	Dep. Approved
Buildings	90% depreciated	73.14	68.77	68.80	0.00%	-
	less than 12 years	565.94	515.44	494.41	3.34%	16.51
	more than 12 years	504.40	476.83	477.68	3.33%	15.90
Furniture & Fixtures	90% depreciated	7.90	7.47	7.56	0.00%	-
	less than 12 years	16.40	16.12	15.89	6.33%	1.01
	more than 12 years	1.81	1.68	1.68	0.94%	0.02
Hardware	90% depreciated	8.26	8.21	8.23	0.00%	-
	less than 12 years	34.19	23.95	18.87	15.00%	2.83
	more than 12 years	0.02	0.02	0.02	0.00%	-
Hydraulic Works	90% depreciated	0.00	-	-	0.00%	-
	less than 12 years	0.09	0.09	0.09	5.28%	0.00
	more than 12 years	0.00	-	-	1.78%	-
Lines & Cable	90% depreciated	250.98	240.41	240.47	0.00%	-
	less than 12 years	7571.52	7,212.84	7,027.92	5.28%	371.07
	more than 12 years	3629.91	3,458.73	3,459.90	1.78%	61.45
Office Equipments	90% depreciated	14.49	14.04	14.17	0.00%	-
	less than 12 years	53.94	48.88	47.33	6.33%	3.00
	more than 12 years	6.44	5.92	5.92	0.94%	0.06
Other Civil Works	90% depreciated	0.88	0.82	0.82	0.00%	-
	less than 12 years	290.89	249.07	236.48	3.34%	7.90
	more than 12 years	60.94	59.21	59.21	3.33%	1.97
Plant & Machinery	90% depreciated	683.72	639.58	646.86	0.00%	-
	less than 12 years	8131.83	7,481.52	7,233.78	5.28%	381.94
	more than 12 years	3572.76	3,401.37	3,409.27	1.78%	60.55
Software	90% depreciated	25.91	25.36	25.36	0.00%	-
	less than 12 years	65.74	41.73	26.41	9.00%	2.38
	more than 12 years	0.00	-	-	0.00%	-
Vehicles	90% depreciated	11.36	10.12	12.31	0.00%	-
	less than 12 years	3.33	3.28	3.01	9.50%	0.29
	more than 12 years	0.00	-	-	0.00%	-
Communication	less than 12 years	803.22	627.65	585.16	6.33%	37.04
Total		26390.02	24639.10	24127.59		963.91
O&M spares		16.98	14.13	13.22	5.28%	0.70
Lease Hold Land		540.13	459.61	453.92	3.34%	15.16
Free Hold Land		130.22	120.73	120.73	0.00%	-
Grand Total		**27075.99**	**25233.57**	**24715.46**		**979.76**

3.101 The depreciation as per the above methodology is computed as Rs. 979.76 Crore. Accordingly, the depreciation approved by the Commission for FY 2024-25 is Rs. 979.76 Crore as shown in the table below:

Table 17: Depreciation for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for True up	Approved on True up
Depreciation	1,009.14	1,071.26	979.76

Interest on Working Capital (IoWC)

RVPN's Submission

3.102 The Commission vide tariff order dated 23.07.2024 had approved the normative IoWC of Rs. 75.15 Crore for FY 2024-25. As against the same, RVPN has claimed the normative IoWC of Rs. 72.08 Crore and net entitlement of Rs. 62.12 Crore. RVPN vide its data gap reply, revised the actual interest rate from 8.34% to 9.53%.

Commission's Analysis

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

3.104 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2019. The normative rate of interest on working capital has been considered as 11.52 % in accordance with RERC Tariff Regulations, 2019.

3.105 RVPN has submitted the actual rate of interest on working capital loans as 8.34% as per the audited accounts. Commission observes that RVPN vide its data gap reply, revised the actual interest rate from 8.34% to 9.53%. however no supporting documents have been produced for the same and also not reconciled with the audited accounts. The

Commission, therefore, deems it fit not to consider the revised rate of interest.

3.106 In accordance with Regulation 27(2), the Commission has considered the sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital. The IoWC approved by the Commission for the FY 2024-25 is as shown in the table below:

Table 18: IoWC for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	As per Petition	Approved
1	O&M Expenses (1 Month)	76.57	81.51	78.90
2	Maintenance Spares (15% of O&M Expenses)	137.82	146.73	142.01
3	Receivables on Target Availibility (1.5 Month)	447.95	413.81	386.62
4	Less: Amount held as Security Deposit	9.94	16.35	16.35
5	Total Working Capital	652.40	625.70	591.18
6	Normative Interest Rate	11.52%	11.52%	11.52%
7	Interest Amount at Normative Interst Rate	75.15	72.08	68.10

Table 19: Net Entitlement of IoWC for the FY 2024-25

Particulars	Normative	Actual	Gain/ Loss	50% Sharing	Net Entitlement
Approved Interst Rate for Truing up (%)	11.52%	8.34%	-	-	**-**
Approved Amount for Truing up (Rs. in Crore)	68.10	49.30	18.80	9.40	**58.70**

<u>Foreign Exchange Rate Variation (FERV) Charges</u>

RVPN's Submission

3.107 RVPN has claimed Foreign Exchange Rate Variation of Rs. 15.80 Crores as per the audited accounts for FY 2024-25.

Commission's Analysis

3.108 The Commission vides data gap dated 02.01.2026 sought explanation that why RVPN was not able to hedge the foreign exchange exposure and to explain that whether these reasons are attributable to RVPN or others.

3.109 RVPN vide its data gap reply dated 22.01.2026 submitted that it has requested SBI bank for quotation to hedge the Foreign Currency Loan. However, SBI in its response has informed that since there is no provision of loan disbursement and repayment in Foreign Currency directly by RVPN, there is no scope of Hedging Foreign Currency. Further, as per the RERC tariff regulation intimation regarding hedging policy has also been sent to concerned beneficiaries i.e. State Discoms.

3.110 In this regard, regulation 28 (1) of Regulations "Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2019" is reproduced as under:-

> *"28. Foreign Exchange Rate Variation*
> *(1.) The Generating Company or the Licensee or SLDC, as the case may be, may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the Generating Station or the Transmission system, in part or in full, <u>at the discretion</u> of the Generating Company or the Licensee."*

3.111 As per the above regulation 28 (1), it is at the discretion of the Licensee (RVPN) to hedge foreign exchange exposure or not. But, in the instant case, RVPN have not exercised its discretion rather they have not even deliberated on it. In the instant case, RVPN was supposed to explore the two options, i.e., to hedge or not to hedge after the due diligence study/deliberations on the above case of the above loans and after which a thoughtful decision based on the outcome should have to be taken at the level of appropriate authority.

3.112 Further, regulation 28 (4) of Regulations "Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2019" is reproduced as under:-

> *"28. Foreign Exchange Rate Variation*
>
> *(4)To the extent the Generating Company or the Licensee or SLDC is not able to hedge the foreign exchange exposure, the extra rupee*

liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the Generating Company or the Licensee or its suppliers or contractors."

3.113 As per the above regulation 28 (4), if Licensee is not able to hedge the foreign exchange exposure and it is attributable to the Licensee, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall not be permissible.

3.114 In the instant petition, it is evident that in FY 2024-25, no decision/efforts was made by the RVPN. Therefore, the foreign exchange Rate variation are attributable to RVPN. Thus, the claim of RVPN regarding Foreign Exchange Rate Variation of Rs. 15.80 Crore is not allowable.

3.115 Accordingly, the Commission has disallowed the Foreign Exchange Rate Variation of Rs. 15.80 Crore as claimed by the petitioner for the FY 2024-25.

<u>Return on Equity (RoE)</u>

RVPN's Submission

3.116 The Commission vide its order dated 23.07.2024 had approved RoE as Nil for FY 2024-25. As against the same, RVPN has claimed RoE of Rs. 187.15 Crore.

Commission's Analysis

3.117 The closing equity balance approved in true up for FY 2023-24 has been considered as the opening equity balance for FY 2024-25. Equity addition during the year has been considered nil as approved in the means of finance.

3.118 Further, in the instant order Commission has considered Rs. 63.60 Cr. as decapitalization of assets during FY 2024-25. Therefore, the Commission deems it fit to deduct the same from approved loan and equity balance by considering debt equity ratio of 80:20. Accordingly, the Commission has deducted Rs. 12.72 Cr. towards equity portion of total decapitalization.

3.119 Government of Rajasthan vide letter dt. 12.04.2021 has conveyed that the power utilities are required to take approval of the State Government for claiming RoE in the ARR & tariff petition.

3.120 We observe that RVPN in its original petition had not claimed the Return on Equity (RoE) for FY 2024-25 which was approved by the Commission in its order dated 23.07.2024. Therefore, the Commission vide letter dated 02.01.2026 sought the reasons for claiming RoE in the instant petition.

3.121 RVPN, vide data gap reply dated 20.01.2026 submitted that Government of Rajasthan, through its UO note dated 28.08.2025, has directed RVPN to refund the ROE charged to JVVNL and JdVVNL for FY 2023-24 & 2024-25. Therefore, as per the direction of GoR's order dt.25.07.2025 read with UO note dated 28.08.2025 RVPN has claimed RoE amounting to Rs. 187.15 Crore in respect of AVVNL and OA Consumers only.

3.122 We observe that RVPN had not claimed the Return on Equity (RoE) for FY 2024-25 in its original petition therefore, the Commission has not approved RoE for the FY 2024-25. Considering the same, Commission issued the order on 23.07.2024 in the matter. Subsequently, the Government of Rajasthan, through its UO note dated 28.08.2025, has directed RVPN to refund the ROE charged to JVVNL and JdVVNL for FY 2023-24 & 2024-25.

3.123 It is settled position that every petition must include the whole of the claims which the petitioner is entitled to make. If petitioner, due to any reason, has relinquished its claim in main petition, it is barred to claim the same at the time of true up.

3.124 Further, it is settled law that court must confine its adjudication with regard to the material which was available at the time of initial decision. The happening of some subsequent event or development cannot be a ground to revise its original claim at the time of true up.

3.125 The Hon'ble Supreme Court vide its Judgment dated 18/10/2022 in Civil Appeal No(s) 4323 and 4324 of 2015 filed by BRPL & BYPL held that Revision or redetermination of the tariff on the pretext of prudence check and truing up would amount to amendment of Tariff Order, which is not permissible in Law. The relevant abstract of the aforementioned Hon'ble Supreme Court order is reproduced as under:-

"66. We have already taken a view that DERC cannot reopen the basis of determination of tariff at the stage of 'truing up'. Revision or redetermination of the tariff already determined by the DERC on the pretext of prudence check and truing up would amount to amendment of tariff order, which is not permissible in law. Truing up stage is not an opportunity for DERC to rethink de novo the basic principles, premises and issues involved in the initial projection of the revenue requirements of the licensee."

3.126 In view of above the Commission deems it fit not to allow the RoE, as shown in the table below:

Table 20: RoE for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed for True up	**Approved on True up**
Opening Equity	4,448.98	4,448.98
Net addition during the year	-	-
Equity portion of decapitalisation	12.72	12.72
Closing Equity	4,436.26	4,436.26
Average Equity	4,442.62	4,442.62
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**187.15**	**-**

Insurance Expenses

RVPN's Submission

3.127 The Commission vide tariff order dated 23.07.2024 had approved nil Insurance expenses for FY 2024-25. As against the same, RVPN has claimed actual Insurance expenses of Rs. 0.09 Crore as per the audited accounts.

Commission's Reply

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

3.129 RVPN in response to stakeholder query, submitted that the insurance expenses are related to Building. The Commission observes that the insurance charges claimed for FY 2024-25 relates to insurance charges incurred for Building which is of O&M nature. It is also observed that

RVPN has not made any insurance for transmission assets. Therefore, the Commission has disallowed the Insurance expenses of Rs. 0.09 Crore as claimed by the petitioner for the FY 2024-25.

Table 21: Insurance Expenses for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
Insurance Charges	-	0.09	-

Unitary Charges

RVPN's Submission

3.130 RVPN has claimed the unitary charges of Rs. 60.78 Crore for FY 2024-25 as per the audited accounts.

Commission's Analysis

3.131 The Commission had earlier approved the unitary charges to be paid by RVPN. Therefore, the Commission has approved the actual unitary charges of Rs. 60.78 Crore claimed for FY 2024-25.

Table 22: Unitary charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
Unitary Charges	60.20	60.78	60.78

Lease Charges

RVPN's Submission

3.132 RVPN has claimed the lease charges of Rs. 20.61Crore for FY 2024-25 as per the audited accounts.

Commission's Analysis

3.133 RVPN has provided details of paid/payable lease liabilities for FY 2024-25 in its petition. Therefore, the Commission has approved the actual lease charges of Rs. 20.61Crore for FY 2024-25.

Table 23: Lease Charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	Claimed for True up	Approved on True up
Lease Charges	16.04	20.61	20.61

Non-Tariff Income

RVPN's Submission

3.134 The Commission vide tariff order dated 23.07.2024 had approved NTI of Rs. 12.02 Crore for FY 2024-25. As against the same, RVPN has claimed actual NTI of Rs. 146.57 Crore in the instant petition. Further, RVPN has revised the non tariff income from Rs. 146.57 Crore to Rs. 125.44 crore vide its data gap reply dated 19.02.2026.

Commission's Analysis

3.135 The Commission vide its letter dated 02.01.2026 sought the reconciliation of Non-Tariff Income with the audited accounts. The Commission also sought the breakup of miscellaneous receipt of Rs. 117.13 Crores included in the Non-tariff Income. RVPN in its reply dt. 22.01.2026 has submitted the same.

3.136 It is observed that RVPN has deducted Rs. 13.75 crore on account of interest income from Barmer Thermal Power Limited (BTPL) from its claimed Non-Tariff Income (NTI) and has also deducted the same amount from A&G expenses. The Commission again vide its letter dated 02.02.2026 sought the details of Advance to Barmer Thermal Power limited written off along with reasons for reversal from NTI. RVPN in its reply dt. 19.02.2026 submitted that Board of RVPN has decided to write of the interest income of Rs. 21.13 Crore and advance of Rs. 13.75 from BTPL, Accordingly, RVPN requested the Commission to reduce the Rs. 13.75 Crore from A&G and Rs. 21.13 Crore from NTI (the NTI reduction of Rs. 13.75 Crore in data gap reply was typo graphical error).

3.137 The Commission observes that reduction of interest income pertaining to previous true-up orders would amount to reopening those true-up orders, which is not permissible. Further, there is no provision under the RERC Tariff Regulations, 2019 for writing off of bad debts for Transmission Licensee. The regulation 26 is reproduced hereunder:-.

"26. Bad and doubtful debts

The Commission may consider a provision for writing off of bad and doubtful debts up to 0.25% of receivables subject to writing off of bad and doubtful debts in the previous year in accordance with the procedure laid down by Distribution Licensee."

3.138 Accordingly, Commission deems it fit not to allow Rs. 21.13 crore as reversal from NTI for FY 2024-25.

3.139 Regarding interest income earned by RVPN from OIPL of Rs. 9.15 Crore, Loss on sale of fixed assets of Rs. 10.73 crore and Interest on IT refund of Rs. 27.76 Crore, the Commission has disallowed the same in the previous True-up orders. The Commission has followed the similar approach as followed in its previous True up order. Accordingly, Commission does not find it prudent to allow the same as reversal from NTI.

3.140 Therefore, the Commission has considered interest income earned by RVPN from OIPL of Rs. 9.15 Crore, Loss on sale of fixed assets of Rs. 10.73 crore, Interest on IT refund of Rs. 27.76 Crore and interest income from Barmer Thermal Power Limited (BTPL) of Rs. 21.13 Crore as part of Non-Tariff income of FY 2024-25.

3.141 The Commission accordingly, approves the Non-Tariff Income as Rs. 194.21 Crore for the FY 2024-25.

Table 24: NTI for FY 2024-25(Rs. Crore)

<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">FY 2024-25</th></tr>
<tr><th>Claimed for True up</th><th>Approved on True up</th></tr>
<tr><td>Net Non-Tariff Income claimed</td><td rowspan="6">146.57</td><td>125.44</td></tr>
<tr><td>Add- Interest income earned by RVPN from OIPL</td><td>9.15</td></tr>
<tr><td>Add-Interest on IT refund</td><td>27.76</td></tr>
<tr><td>Add- loss on Sale of fixed asset</td><td>10.73</td></tr>
<tr><td>Add-interest income from Barmer Thermal Power Limited (BTPL)</td><td>21.13</td></tr>
<tr><td>Non-Tariff Income</td><td>194.21</td></tr>
</table>

Revenue from Short-term open access

RVPN's Submission

3.142 The Commission vide tariff order dated 23.07.2024 had approved the revenue from short-term open access of Rs. 5.49 Crore for FY 2024-25. As against the same, RVPN has claimed actual revenue from short-term open access of Rs. 76.37 Crore as per the audited accounts.

Commission's Analysis

3.143 It is observed that RVPN's claim of Rs. 76.37 Crore on account of short-term open access includes Rs. 48.15 Crore as Revenue from Short Term Open Access, Rs. 3.98 Crore as PGCIL Bay Charges, Rs. 23.05 Cr. as revenue from IEX and Rs. 1.19 Crore from Hindustan Power Exchange (HPX India). RVPN has claimed Rs. 76.37 Crores as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Revenue from IEX, HPX India and PGCIL Bay Charges should be part of aggregate revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has, accordingly, included the revenue on account of IEX, HPX India and PGCIL Bay Charges amounting to Rs. 28.22 Crore in the Aggregate Revenue for the FY 2024-25 and approved it accordingly. In view of the above, the Commission has approved Rs. 48.15 Crore as short-term open access for the FY 2024-25.

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

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
Revenue from Short Term Open Access	5.49	76.37	48.15

Revenue from Inter State Transmission (ISTS) Lines

RVPN's Submission

3.144 The Commission vide its tariff order dated 23.07.2024 had approved the revenue from ISTS lines as nil for FY 2024-25. As against the same, RVPN has claimed actual revenue from ISTS lines of Rs. 23.58 Crore for the FY 2024-25.

Commission's Analysis

3.145 RVPN has claimed Rs. 23.58 Crores on account of Interstate Line User Charges as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Interstate Line User Charges should be part of revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has accordingly, included the Interstate Line User Charges of Rs. 23.58 Crores in the Revenue for the FY 2024-25 and approved it accordingly.

Table 26: Revenue from ISTS lines for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
Revenue from ISTS lines*	-	23.58	-

* Revenue from ISTS lines considered as part of Revenue.

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

Table 27: Annual Transmission Charges for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
O&M Expenses	918.81	978.17	946.76
Terminal Benefit	800	480	480
Interest and finance charges on long term loans	721.76	680.98	788.73
Depreciation	1009.14	1071.26	979.76
Interest on Working Capital	75.15	62.12	58.70
Return on Equity	-	187.15	-
Lease Rent	16.04	20.61	20.61
Insurance Charges	-	0.09	-
Unitary Charges	60.20	60.78	60.78
FERV	-	15.80	-
Less: Non Tariff Income	12.02	146.57	194.21
Aggregate Revenue Requirement	**3589.09**	**3410.4**	**3141.13**
Less: Revenue from Short Term Open Access	5.49	76.37	48.15

Particulars	FY 2024-25		
	Approved in Tariff Order	**Claimed for True up**	**Approved on True up**
Less: Revenue from Interstate Transmission Lines	-	23.58	-
Annual Transmission Charges	**3583.60**	**3310.44**	**3092.98**

Incentive

RVPN's Submission

3.147 RVPN has claimed the incentive of Rs. 29.51 Crore for achieving higher availability than the normative availability. RVPN has claimed the separate recovery of the same.

Commission's Analysis

3.148 Regulation 68 of the RERC Tariff Regulations, 2019 provide for incentive on achieving annual availability above the normative availability. The Commission has approved the incentive for FY 2024-25 in accordance with the same as shown in the table below:

Table 28: Incentive approved for FY 2024-25 (Rs. Crore)

Particulars	Units	Value
Annual Transmission Charges	Rs. Crore	3,092.98
Target Availability for Incentive	%	98.50%
Max. Availability for Incentive	%	99.75%
Actual Availability	%	99.31%
Incentive	**Rs. Crore**	**25.43**

Transmission Loss

RVPN's Submission

3.149 RVPN has claimed Transmission loss of 4.25% for the FY 2024-25.

Commission's Analysis

3.150 The Commission approved transmission loss of 4.50% for the FY 2024-25 in the order dt.23.07.2024. The Commission approves the actual transmission loss of 4.25% as claimed by the RVPN. However, Commission directs RVPN to investigate into the reasons for such huge losses and take suitable action for reduction in losses.

Revenue side true up

RVPN's Submission

3.151 RVPN has claimed the revenue of Rs. 3588.64 Crore for FY 2024-25.

Commission's Analysis

3.152 As discussed in para on Short term open access & Interstate line user charges above, Rs. 3.98 Crores as PGCIL Bay Charges, Rs. 23.05 Cr. as revenue from IEX and Rs. 1.19 Crore from Hindustan Power Exchange (HPX India) and Rs. 23.58 Crores on account of Interstate line user charges have been allowed as part of Revenue instead of reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. Accordingly, the Revenue for the FY 2024-25 considered for true up is as shown in the table below:

Table 29: Revenue for true up for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Claimed for true up	Approved on True up
A	Revenue from Transmission Wheeling Charges		
1	JVVN	1316.39	1316.39
2	AVVN	948.86	948.86
3	JDVVN	1188.93	1188.93
4	Others	-	-
a	Revenue from Short Term Open Access	-	-
b	Revenue from Medium Term Open Access	15.10	15.10
c	Revenue from Long Term Open Access	119.36	119.36
d	Interstate Transmission Line User Charges	-	23.58
e	Revenue from POSOCO	-	
f	PGCIL BAY Charges	-	3.98
g	Revenue from IEX	-	23.05
h	Revenue from Hindustan Power exchange (HPX India)	-	1.19
	Sub-Total	**3588.64**	**3640.44**
B	Incentive		
1	JVVN	10.83	9.33
2	AVVN	7.80	6.72
3	JDVVN	9.78	8.43
4	Others (LTOA and MTOA)	1.10	0.95
	Sub-Total	**29.51**	**25.43**
C	Subsidies & Grants on capital account (Non-Regulatory)	-	-
	Total	**3618.15**	**3665.87**

Summary of true up

Commission's Analysis

3.153 Based on the above, the summary of true up for FY 2024-25 is as shown in table below:

Table 30: Summary of true up for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Claimed	Approved
A	Expenditure side summary		
1	Annual Transmission Charges	3310.44	3092.98
2	Incentive	29.51	25.43
3	**Total**	**3339.95**	**3118.41**
B	**Revenue side summary**		
C	**Revenue for true up**	3618.15	3665.87
D	**Revenue (Gap)/Surplus**	**278.20**	**547.46**

3.154 The Commission has approved the revenue surplus of Rs. 547.46 Crore. RVPN vide its additional submission dated 16.02.2026 submitted the claim of Rs. 542.65 Crore for the period from 01.04.2020 to 31.03.2024 and the computation of the consequential impact of the allowed GFA addition of Rs. 964.27 Crore for FY 2024-25 as per direction of Commission vide order dated 27.01.2026.

3.155 The Commission, vide its Order dated 27.01.2026, directed RVPN to claim the Transmission Charges of Rs. 542.65 Crore along with the True-up for FY 2024-25 and ARR & Tariff Petition for FY 2026-27. It is observed that an amount of Rs. 542.65 Crore have to be adjusted. Accordingly, the Commission directs RVPN to refund the approved surplus of Rs. 4.81 Crore (after adjusting Rs. 542.65 crore) in the next billing cycle from the date of this order in the ratio of contracted capacity of DISCOMs, long-term open access customers and medium term open access customers for FY 2024-25.

3.156 The Commission also directs RVPN that henceforth the claim should be self-contained with all evidence/proofs.

Section 4: Determination of tariff for FY 2026-27

ARR for Transmission function

4.1 The Commission has approved the Transmission Charges for FY 2026-27 in accordance with the RERC Tariff Regulations, 2025.

Availability of the Transmission System

Commission's Analysis

4.2 Regulation 61(2) of the RERC Tariff Regulations, 2025 specifies the normative availability of 98% for recovery of full Annual Transmission Charges for AC system. The Commission approves the normative availability of 98% in accordance with the RERC Tariff Regulations, 2025.

Transmission Network

RVPN's Submission

4.3 RVPN has claimed O&M expenses of Rs. 1295.20 Crores for FY 2026-27 as per norms. The details are as shown in the table below:

Table 31: Details of Transmission Network claimed for FY 2025-26 and FY 2026-27

Particulars	FY 2025-26			FY 2026-27		
	Opening	Addition	Closing	Opening	Addition	Closing
Lines (Ckt km)						
765 KV	425.50	-	425.50	425.50	-	425.50
400 KV	6,971.41	490.61	7,462.02	7,462.02	-	7,462.02
220 KV	16,206.22	284.01	16,490.23	16,490.23	1,918.60	18,408.83
132 KV	19,696.14	941.23	20,637.37	20,637.37	2,127.77	22,765.14
Total	43,299.27	1,715.85	45,015.11	45,015.11	4,046.37	49,061.49
Transformation Capacity (MVA)	101,007.00	8,514.00	109,521.0	109,521.00	12,090.50	121,611.50
MVAr Capacity	10,297.82	781.92	11,079.74	11,079.74	108.60	11,188.34
Bays (No.)						
765 KV	32	-	32	32	-	32
400 KV	199	-	199	199	-	199
220 KV	903	29.00	932	932	140.00	1072
132 KV	3218	187.00	3405	3405	303.00	3708
33 kV	4267	288.00	4555	4555	224.00	4779

Particulars	FY 2025-26			FY 2026-27		
	Opening	Addition	Closing	Opening	Addition	Closing
Total	**8619**	**504.00**	**9123**	**9123**	**667.00**	**9790**

Commission's Analysis

4.4 The transmission network approved by the Commission vide its tariff order for FY 2025-26 dated 18.06.2025 is as shown in the table below:

Table 32: Transmission network approved in the Tariff Order for FY 2025-26

Sl. No.	Particulars	FY 2025-26		
		Opening	Addition	Closing
A	**Lines (ckt km)**			
1	765 KV	425.50	-	425.50
2	400 KV	6899.39	491	7390.39
3	220 KV	16213.05	502	16715.05
4	132 KV	19637.84	1206.75	20844.59
	Total	**43175.77**	**2199.75**	**45375.53**
B	**Transformation Capacity (MVA)**	**98185**	**5251**	**103436**
C	**MVAr Capacity**	**10189.14**	**819.93**	**11009.07**
D	**Bays (No.)**			
1	765 KV	32	-	32
2	400 KV	183	-	183
3	220 KV	888	21	909
4	132 KV	3218	184	3402
5	33 kV	4271	280	4551
	Total	**8592**	**485**	**9077**

4.5 The closing values of transmission network approved for FY 2024-25 has been considered as the opening values for FY 2025-26.

4.6 The Commission has considered the submission made by RVPN regarding the network addition during the FY 2025-26. The Commission shall carry out the prudence check of the same in the true up of FY 2025-26 based on the submissions of RVPN.

4.7 The closing values of transmission network approved for the FY 2025-26 has been considered as the opening values for FY 2026-27. Further, RVPN in its petition for FY 2026-27 has claimed the opening, addition and closing for MVAr capacity and 33 kV Bays. The Commission has provisionally considered the same along with network addition for FY

2026-27 as proposed by RVPN for the purpose of this order. The Commission shall carry out the prudence check of the same in the true up of FY 2026-27 based on the submissions of RVPN.

4.8 Accordingly, the transmission network approved for FY 2025-26 and FY 2026-27 is as shown in table below:

Table 33: Details of Transmission Network approved for FY 2025-26 and FY 2026-27

Particulars	FY 2025-26			FY 2026-27		
	Opening	**Addition**	**Closing**	**Opening**	**Addition**	**Closing**
Lines (Ckt km)						
765 KV	425.50	-	425.50	425.50	-	425.50
400 KV	6,971.41	490.61	7,462.02	7,462.02	-	7,462.02
220 KV	16,206.22	284.01	16,490.23	16,490.23	1,918.60	18,408.83
132 KV	19,696.14	941.23	20,637.37	20,637.37	2,127.77	22,765.14
Total	43,299.27	1,715.85	45,015.12	45,015.12	4,046.37	49,061.49
Transformation Capacity (MVA)	101,007.00	8,514.00	109,521.0	109,521.00	12,090.50	121,611.50
MVAr Capacity	10,297.82	781.92	11,079.74	11,079.74	108.60	11,188.34
Bays (No.)						
765 KV	32	-	32	32	-	32
400 KV	199	-	199	199	-	199
220 KV	903	29.00	932	932	140.00	1072
132 KV	3218	187.00	3405	3405	303.00	3708
33 kV	4267	288.00	4555	4555	224.00	4779
Total	**8619**	**504.00**	**9123**	**9123**	**667.00**	**9790**

Gross Fixed Assets (GFA) addition during FY 2025-26 and FY 2026-27

RVPN's Submission

4.9 RVPN has claimed the GFA addition of Rs. 2658 Crore and Rs. 4007 Crore for FY 2025-26 and FY 2026-27 respectively in its Petition.

Commission's Analysis

4.10 RVPN has claimed the GFA addition of Rs. 2658 Crore for FY 2025-26 in its Petition against the approved GFA addition of Rs. 2295.38 Crore vide tariff order dt.18.06.2025. RVPN has claimed the GFA addition of Rs. 4007 Crore for FY 2026-27 in its Petition.

4.11 The Commission for arriving at Capitalization has considered the sum of opening CWIP and capital expenditure during the year. The closing

CWIP for FY 2022-23 has been considered as the opening CWIP for FY 2023-24.The Commission has considered the approved GFA for FY 2023-24.The closing CWIP for FY 2023-24 has been considered as the opening CWIP for FY 2024-25. The Commission finds that for FY 2024-25, capitalization is 20.42 % of sum of opening CWIP and capital expenditure during the year.

Table 34: Capitalization as % of sum of opening CWIP and capital expenditure(Rs. Crore)

Particulars	FY 2023-24	FY 2024-25
Opening CWIP	3,037.71	3,188.20
Capital expenditure during the year	1,234.00	2,197.31
Transferred to PPE + CWIP Adjustment	1,083.51	1,099.82
Closing CWIP	3,188.20	4,285.69
Capitalization as % of sum of opening CWIP and Capital investment during the year	25.36%	20.42%
Average Capitalization as %		22.89%

4.12 The average capitalization % from FY 2023-24 to FY 2024-25 comes to 22.89 %. The Commission has considered the average capitalization % for the FY 2025-26 and 2026-27. The Commission has considered the capital expenditure of Rs. 3701 Cr. for the FY 2025-26 on pro rata basis. Accordingly, the Commission is considering the capitalization of Rs. 1828.42 Crore for FY 2025-26 by assuming the average capitalization % of FY 2023-24 and FY 2024-25, opening balance of capital work in progress and capital expenditure during the year. The Commission has considered the tentative capital expenditure of Rs. 6172 Cr. for the FY 2026-27. Following the same principle, the Commission approves the capitalization of Rs. 2822.81 Crore for FY 2026-27.

Table 35: Capitalization/ GFA addition (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27
1	Opening CWIP	4,285.69	6,158.27
2	Capital expenditure during the year	3,701.00	6,172.00

3	Capitalization/ GFAaddition	1,828.42	2,822.81
4	Closing CWIP	6,158.27	9,507.46
5	Capitalization as % of sum of opening CWIP and Capital investment during the year	22.89%	22.89%

Means of finance of GFA addition for FY 2025-26 and FY 2026-27

RVPN's Submission

4.13 The means of finance of GFA addition for FY 2025-26 and FY 2026-27 submitted by RVPN is as show in the table below:

Table 36: Means of finance of GFA addition for FY 2025-26 and FY 2026-27 claimed by RVPN

Particulars	Units	FY 2025-26	FY 2026-27
GFA Addition	Rs. Crore	2658	4007
Less: Consumer Contribution/ Deposit	Rs. Crore	-	-
Grant	Rs. Crore	27	27
Net GFA addition	Rs. Crore	2631.28	3979.84
Debt	Rs. Crore	2099.62	3178.48
Debt	%		
Equity	Rs. Crore	531.66	801.37
Equity	%		

Commission's Analysis

4.14 The Commission has considered the means of finance of approved GFA addition for FY 2025-26 and FY 2026-27 as under:

- o The deposit works for the FY 2025-26 and FY 2026-27 has been considered by escalating 5% from FY 2024-25 and 5% from FY 2025-26 respectively.
- o Subsidy and Grant for the FY 2025-26 and FY 2026-27 has been considered as per the submission of RVPN.
- o The actual equity addition proposed by RVPN for the FY 2025-26 and 2026-27 are higher than normative equity ratio of 30%, hence, 30% equity has been considered for FY 2025-26 and FY 2026-27.
- o The balance GFA addition has been considered to be funded from loan.

4.15 Based on the above, the means of finance of GFA addition for FY 2025-26 and FY 2026-27 approved by the Commission is as shown in the tables below:

Table 37: Means of finance of GFA addition for FY 2025-26 and FY 2026-27 approved by the Commission

Particulars	Units	FY 2025-26	FY 2026-27
GFA Addition	Rs. Crore	1,828.42	2,822.81
Less: Consumer Contribution/ Deposit	Rs. Crore	387.90	407.29
Less: Subsidy and Grant on captial assets	Rs. Crore	27.00	27.00
Net GFA addition	Rs. Crore	1,413.53	2,388.52
Debt	%	70.00%	70.00%
Debt	Rs. Crore	989.47	1,671.97
Equity	Rs. Crore	424.06	716.56
Equity	%	30%	30%

Annual Transmission Charges

4.16 In accordance with RERC Tariff Regulations, 2025, the Aggregate Revenue Requirement of the Transmission Licensee shall comprise of the following:

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

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

O&M expenses

RVPN's Submission

4.18 RVPN has claimed O&M expenses of Rs. 1295.20 Crores for FY 2026-27 as per norms.

Commission's Analysis

4.19 Regulation 63 of the RERC Tariff Regulations, 2025 specifies the norms of O&M expenses for FY 2025-26 on the basis of circuit kilometer of transmission lines, transformation capacity in MVA, MVAr capacity and number of feeder bays in the substation.

4.20 The Commission has considered the norms of O&M expenses for FY 2026-27 by escalating 5.25% of O&M norms specified for FY 2025-26 for arriving at the O&M expenses. Accordingly, the Commission has approved the O&M expenses considering the transmission network approved & norms specified in the RERC Tariff Regulations, 2025 as given in the table below:

Table 38: Normative O&M expenses approved for FY 2026-27

Sl. No.	Particulars	Approved			
		Network		Norm	O&M Expenses
		Units	Average Value	Rs. Lakh/ Unit	Rs. Lakh
A	**Lines**				
1	765 KV	Ckt Km	425.50	1.40	595.63
2	400 KV	Ckt Km	7,462.02	0.88	6,597.17
3	220 KV	Ckt Km	17,449.53	0.36	6,244.31
4	132 KV	Ckt Km	21,701.26	0.20	4,339.71
	Sub Total	**Ckt Km**	**47,038.31**	-	
B	**Transformation Capacity**	**MVA**	**115,566.25**	0.52	59,600.40
C	**MVAr capacity**	**MVAr**	11,134.04	0.52	5,742.10
D	**Bays**				
1	765 KV	No.	32	67.84	2,171.01

Sl. No.	Particulars	Approved			
		Network		Norm	O&M Expenses
		Units	Average Value	Rs. Lakh/ Unit	Rs. Lakh
2	400 KV	No.	199	45.22	8,997.86
3	220 KV	No.	1002	9.95	9,966.02
4	132 KV	No.	3556.5	6.00	21,336.33
5	33 kV	No.	4667	0.84	3,929.61
	Sub Total	**No.**	**9456.5**		
	Total (in Crore) (A+B+C+D)				**129,520.17**

4.21 Accordingly, the Commission deems it fit to allow the normative O&M expenses of Rs. 1295.20 Crore for FY 2026-27 as detailed below.

Table 39: Normative O&M expenses approved for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
O&M Expenses	1295.20	1295.20

Terminal liabilities

RVPN's Submission

4.22 RVPN has claimed the amount of Rs. 600 Crore towards terminal liabilities for the FY 2026-27.

Commission's Analysis

4.23 Regulation 63 of the RERC Tariff Regulations, 2025 specifies as under:

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

4.24 It is observed that the RVPN has paid additional contribution of Rs. 480 Cr. during FY 2024-25. RVPN has claimed Rs. 600 Cr. towards terminal liabilities for the FY 2026-27.

4.25 The Commission provisionally allows Rs. 600. Crore towards terminal liability for the FY 2026-27. Any variation shall be adjusted during the truing up exercise for year.

Table 40: Terminal liabilities for FY 2026-27 (Rs. Crore)

Particulars	Claimed	Approved
Terminal liabilities	600	600

Interest on loan and finance charges

RVPN's Submission

4.26 RVPN has claimed the interest and finance charges of Rs. 888.20 Crore for FY 2026-27 considering the interest rate of 9.65%.

Commission's Analysis

4.27 The closing loan balance approved in true up for FY 2024-25 has been considered as the opening loan balance for FY 2025-26. The loan addition for FY 2025-26 has been considered based on the approved means of finance of GFA addition. The Commission has computed average GFA for FY 2025-26 and applied depreciation percentage as per RERC Tariff Regulations, 2025 for the purpose of depreciation for FY 2025-26. The allowable depreciation for the year has been considered as the normative repayment. Accordingly, the closing loan balance has been computed.

4.28 The closing loan balance approved for FY 2025-26 has been considered as the opening loan balance for FY 2026-27 which also includes the loan balance of assets commissioned prior to 01.04.2019. The loan addition during the year has been considered based on the approved means of finance of GFA addition. The allowable depreciation for the year has been considered as the normative repayment. The interest rate of 9.65% as claimed by the petitioner has been considered for FY 2026-27. The interest on loan approved by the Commission for FY 2026-27 is as shown in the table below:

Table 41: Interest on long term loans for FY 2026-27 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	
		Claimed	Approved
Opening balance	8,138.80	8,006.23	8,080.29
Net Addition	989.47	3,178.48	1,671.97
Repayment	1,047.98	1,397.48	1,146.77
Closing balance	8,080.29	9,787.23	8,605.48
Average loan		8,896.73	8,342.88
Rate of Interest		9.65%	9.65%
Gross Interest expenses		**858.20**	**805.09**
Less: Capitalisation		-	-
Net Interest expenses		**858.20**	**805.09**

4.29 RVPN has claimed the finance charges of Rs. 30.00 Crore for FY 2026-27. The Commission at this stage has considered the finance charges of Rs. 30.00 Crore as claimed by RVPN, which shall be subject to true up based on actuals.

4.30 Based on the above, the interest and finance charges approved for FY 2026-27 is as shown in the table below:

Table 42: Interest and finance charges for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed for True up	Approved on True up
Net Interest expenses	858.20	805.09
Add: Finance charges	30.00	30.00
Interest and Finance Charges	**888.20**	**835.09**

4.31 Further, it is observed that RVPN has claimed the interest charges of Rs. 69.97 Crore for FY 2025-26 for the assets commissioned prior to 01.04.2019 and considered the interest rate as per interest rate allowed in ARR order of FY 2025-26.

4.32 RERC, vide its order dated 27.01.2026, approved Rs. 762.38 crore as the closing loan balance for FY 2023–24 for the assets commissioned prior to 01.04.2019. RERC is calculating the impact of assets commissioned prior to 01.04.2019 for the purpose of this petition. Accordingly, the opening loan balance for FY 2024–25 has been considered as Rs. 762.38 crore for prior period assets. The loan addition during the year has been considered as nil. The allowable depreciation for the year has been considered as the normative repayment. The closing loan balance has been computed. The Interest rate has been considered as per the ARR order of FY 2025-26 and the Interest on long term loans has been approved as Rs. 69.97 crore for FY 2025-26 for the purpose of this petition.

Depreciation

RVPN's Submission

4.33 RVPN has claimed the depreciation of Rs. 1397.48 Crore for FY 2026-27.

Commission's Analysis

4.34 The Commission has considered the closing GFA of Rs. 25233.57 crore approved in true up for FY 2024-25 as the opening GFA for FY 2025-26. The allowable net GFA addition for FY 2025-26 has been considered on the pro rata basis in proportion to net GFA addition claimed for FY 2025-26 by the petitioner. Accordingly, the closing GFA has been computed for FY 2025-26.

4.35 Further, the Commission has considered the closing GFA approved for FY 2025-26 as the opening GFA for FY 2026-27. The allowable net GFA addition for FY 2026-27 has been bifurcated in asset class wise addition on the principle followed in FY 2025-26. Accordingly, the Commission has computed approved average GFA for FY 2026-27 and applied depreciation percentage as per RERC Tariff Regulations, 2025 for the purpose of depreciation for FY 2026-27.

4.36 Accordingly, the depreciation approved by the Commission for FY 2026-27 is as shown in the table below:

Table 43: Depreciation for FY 2026-27 (Rs. Crore)

Particulars	Claimed	Approved
Depreciation	1,397.48	1,146.77

4.37 Further it is observed that RVPN has claimed the depreciation of Rs. 50.47 Crore for FY 2025-26 for the assets commissioned prior to 01.04.2019.

4.38 RERC, vide its order dated 27.01.2026, approved Depreciation of Rs. 50.47 crore for each year from FY 2020-21 to 2023-24 for the assets commissioned prior to 01.04.2019. RERC is calculating the impact of assets commissioned prior to 01.04.2019 for the purpose of this petition. The Commission is considering Straight Line Method for depreciation, therefore, the same depreciation has been considered for FY 2025-26. Accordingly, Commission has approved Depreciation as Rs. 50.47 crore for the prior period assets for FY 2025-26.

Interest on Working Capital (IoWC)

RVPN's Submission

4.39 RVPN vide instant Petition has claimed the normative IoWC of Rs. 108.60 Crore for FY 2026-27.

Commission's Analysis

4.40 In accordance with Regulation 26(1) of the RERC Tariff Regulations, 2025, the normative working capital requirement shall comprise of (i) O&M expenses for 30 days, (ii) maintenance spares @ 15% of O&M expenses, (iii) receivables equivalent to 45 days of transmission charges calculated on annual target availability, less amount held has security deposit from users except security deposits held in the form of Bank Guarantees. Regulation 26(2) of the RERC Tariff Regulations, 2025 specifies that rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2025 or as on 1st April of the year during the tariff period 2026-30 in which the transmission system is declared under commercial operation, whichever is later.

4.41 Regulation 2 (58) of the RERC Tariff Regulations, 2025 provides that 'Reference Rate of Interest' means the one year marginal cost of funds based lending rate (MCLR) of the State Bank of India (SBI) issued from time to time plus 325 basis points. It is observed that one year MCLR of the State Bank of India (SBI) is 9 % as on 1st April 2025. The normative rate of interest on working capital has been arrived to 12.25 % p.a. (9%+3.25%) which has been used for calculating interest on working capital. Accordingly, the normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2025.

4.42 RVPN has claimed security deposits from users of Rs. 16.35 crore for the FY 2026-27. The Commission has approved security deposit of Rs. 16.35 crore for the True up of FY 2024-25. The Commission has considered the security deposits of Rs. 16.35 crore by escalating 10%, year over year, from FY 2024-25.

4.43 The normative IoWC approved by the Commission is as shown in the table below:

Table 44: IoWC for FY 2026-27 (Rs. Crore)

Particulars	Norm	FY 2026-27	
		Claimed	Approved
O&M expenses	30	106.45	106.45
Maintenance spares	15%	194.28	194.28
Receivables	45	602.13	466.01
Less: Amount held as security deposits from Users		16.35	19.78
Total working capital		886.51	746.97
Rate of interest on working capital		12.25%	12.25%
Interest on working capital		**108.60**	**91.50**

4.44 Further it is observed that RVPN has claimed IoWC of Rs. 1.87 Crore for FY 2025-26 for the assets commissioned prior to 01.04.2019. RERC is calculating the impact of assets commissioned prior to 01.04.2019 for the purpose of this petition

4.45 Accordingly, Commission has approved IoWC of Rs. 1.87 Crore for assets commissioned prior to 01.04.2019 for FY 2025-26.

Foreign Exchange Rate Variation (FERV) Charges

RVPN's Submission

4.46 RVPN has claimed Foreign Exchange Rate Variation of Rs. 24.86 Crores for FY 2026-27.

Commission's Analysis

4.47 Commission vide its order dated 09.06.2025 directed that :-

"In view of above facts, the Commission directs RVPNL to carry out due diligence, all-out efforts and detailed deliberation in exercising its discretion on hedging the foreign exchange exposure. Based on these

efforts, a thoughtful decision/hedging policy should be taken by the appropriate authority of RVPN. RVPN is also directed to intimate the decision within three months to the Commission and the beneficiary."

4.48 RVPN has not submitted the same with the instant petition. Commission vide its data gap dated 02.01.2026 and 02.02.2026 sought duly approved hedging policy or management decision, adopted after due deliberation. RVPN vide its data gap reply dated 22.01.2026 and 19.02.2026 submitted that based on reply of SBI, Management has decided that RVPN cannot hedge its foreign currency loan and may claim FERV in its ARR/ True up petition and the same has been intimated to the Discom.

4.49 It is observed that Stakeholders and respondent submitted that RVPN has mentioned that it has approached various banks for hedging purpose. Stakeholders and respondent further submitted that RVPN has annexed the mail copy of SBI only and therefore, it should not be allowed.

4.50 Commission observes that RVPN has not submitted any documents from Banks other than SBI. Further, RVPN submitted that based on reply of SBI, Management has decided that RVPN cannot hedge its foreign currency loan. However, RVPN has not submitted any document in support of Management decision.

4.51 It is observed that RVPN as per RERC Tariff Regulations, 2025 has not taken any thoughtful decision/hedging policy while exercising its discretion on hedging of foreign loan. The Commission, therefore, cannot allow FERV at this stage.

4.52 RVPN is again directed to carry out due diligence, all-out efforts and detailed deliberation in exercising its discretion on hedging the foreign loan exposure. Based on these efforts, a thoughtful decision/hedging policy is to be taken by the appropriate authority of RVPN. RVPN is also directed to intimate the decision within three months to the Commission and the Beneficiaries.

4.53 The Commission, therefore, at this stage provisionally disallow claim of FERV of Rs. 24.86 Crore as claimed by the petitioner for the FY 2026-27. RVPN is at liberty to claim FERV at the time of true up of FY 2026-27 along with the compliance of above directions.

Table 45: Foreign Exchange Rate Variation (FERV) Charges for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
Foreign Exchange Rate Variation	24.86	-

Return on Equity (RoE)

RVPN's Submission

4.54 RVPN has claimed the RoE of Rs. 751.60 crore for FY 2026-27.

Commission's Analysis

4.55 The closing equity balance approved in true up for FY 2024-25 has been considered as the opening equity balance for FY 2025-26. The equity addition during the FY 2025-26 has been considered based on the approved means of finance of GFA addition. The closing equity balance approved for FY 2025-26 has been considered as the opening equity balance for FY 2026-27. The equity addition during the FY 2026-27 has been considered based on the approved means of finance of GFA addition.

4.56 Commission vide data gap dated 02.01.2026 and vide additional data gap dated 02.02.2026 sought specific approval of GoR for charging RoE in FY 2026-27. However, RVPN has not submitted the same.

4.57 Therefore, the Commission deems it fit not to allow RoE for the FY 2026-27 at this stage. However, RVPN may take the specific approval of Government of Rajasthan for claiming RoE and then claim the RoE at the time of True-up for the FY 2026-27, if required.

Table 46: RoE for FY 2026-27 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	
		Claimed	Approved
Opening Equity	4,436.26	4,967.91	4,860.32
Net addition during the year	424.06	801.37	716.56
Closing Equity	4860.32	5,769.28	5,576.88

Average Equity		5,368.60	5,218.60
Rate of Return on Equity		14.00%	14.00%
Return on Equity		**751.60**	**-**

Unitary charges

RVPN's Submission

4.58 RVPN has claimed the unitary charges of Rs. 67.01 Crore for FY 2026-27.

Commission's Analysis

4.59 The Commission at this stage is provisionally approving the unitary charges of Rs. 67.01 Crore claimed by RVPN for the FY 2026-27. The same shall be trued-up when audited figures are available.

Table 47: Unitary charges for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
Unitary charges	67.01	67.01

Lease Charges

RVPN's Submission

4.60 RVPN has claimed the lease charges of Rs. 22.72 Crore for FY 2026-27.

Commission's Analysis

4.61 Regulation 23 of Tariff Regulations, 2025 provide as follows:

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

4.62 RVPN has escalated the actual lease charges of Rs. 20.61 Crores for the FY 2024-25 by 5% year over year to arrive at the lease charges of Rs. 22.72 Crores claimed for the FY 2026-27. The Commission at this stage has considered the Lease charges of Rs. 22.72 Crore as claimed by RVPN, which shall be subject to true-up based on actuals. RVPN is directed to submit the breakup of lease charges and relevant extracts of the respective lease agreements along with its true-up petition.

Table 48: Lease Charges for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
Lease Charges	22.72	22.72

Non-Tariff Income (NTI)

RVPN's Submission

4.63 RVPN has claimed NTI of Rs. 161.59 Crore for FY 2026-27.

Commission's Analysis

4.64 The Commission has approved the NTI of Rs. 194.21 crore for FY 2024-25. The Commission at this stage has considered the same for the FY 2026-27 which shall be subject to true-up based on actuals. RVPN is directed to submit the breakup of NTI along with the True-up petition for the year.

Table 49: NTI for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
Non-Tariff Income	161.59	194.21

Revenue from short-term open access

RVPN's Submission

4.65 RVPN has claimed the revenue from short-term open access of Rs. 84.20 Crore for FY 2026-27.

Commission's Analysis

4.66 The Commission at this stage has considered the Revenue from Short Term Open Access of Rs. 84.20 Crore as claimed by RVPN which shall be subject to true-up based on actuals.

Table 50: Revenue from short-term open access for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	Approved
Revenue from short-term open access	84.20	84.20

Revenue from Inter State Transmission (ISTS) Lines

RVPN's Submission

4.67 RVPN has claimed the revenue from ISTS lines of Rs. 26 Crore.

Commission's Analysis

4.68 RVPN has claimed Rs. 26 Crores on account of Interstate Line User Charges as reduction from the Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Interstate Line User Charges should be part of revenue of RVPN and should not be reported as reduction from Aggregate Revenue Requirement to arrive at the Annual Transmission charges. The Commission has accordingly, not approved this revenue in Aggregate Revenue Requirement (ARR).

Table 51: Revenue from ISTS lines for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	**Approved**
Revenue from ISTS lines	26	-

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

Table 52: Annual Transmission Charges for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27	
	Claimed	**Approved**
O&M expenses	1,295.20	1,295.20
Additional contribution to pension and gratuity fund	600.00	600.00
Interest and finance charges on long-term loans	888.20	835.09
Depreciation	1,397.48	1,146.77
Interest on working capital	108.60	91.50
Return on Equity	751.60	-
Unitary charges	67.01	67.01
FERV	24.86	-
Lease Charges	22.72	22.72
Less: Non-Tariff Income	161.59	194.21
Aggregate Revenue	**4,994.08**	**3,864.09**

Particulars	FY 2026-27	
	Claimed	**Approved**
Requirement		
Less: Revenue from Short Term Open Access	84.20	84.20
Less: Revenue from Inter State Transmission Lines	26.00	-
Add: Revenue (Gap)/Surplus for FY 2024-25	278.20	-
Annual Transmission Charges	**4,605.71**	**3,779.89**

4.70 The Annual Transmission Charges claimed by RVPN and approved by the Commission for the assets commissioned prior to 01.04.2019 is as shown in table below for FY 2025-26. The Commission is allowing recovery of these charges in the transmission tariff of FY 2026-27 in the instant petition therefore, Petitioner is further directed that while claiming the true up of FY 2025-26, RVPN shall add Rs. 122.32 crore in the revenue of FY 2025-26 as it has already been received in the tariff of FY 2026-27. Accordingly, while claiming the true up of FY 2026-27, RVPN shall make deduction of Rs. 122.32 crore in the revenue of FY 2026-27.

Table 53: Annual Transmission Charges for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26	
	Claimed	**Approved**
Interest and finance charges on long-term loans	69.97	69.97
Depreciation	50.47	50.47
Interest on working capital	1.87	1.87
Aggregate Revenue Requirement	**122.32**	**122.32**

Transmission Tariff

RVPN's Submission

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

Table 54: Transmission Tariff claimed for FY 2026-27

Sl. No.	Particulars	Units	Claimed for the FY 2026-27
1	Annual Transmission Charges	Rs. Crore	4605.71
2	Transmission Capacity for DISCOMs	MW	21175.00
3	Transmission Capacity for Medium Term and Long Term Open Access	MW	1015.21
4	Total Transmission Capacity	MW	22190.21
5	**Transmission Tariff for DISCOMs**	**Rs./kW/month**	**172.96**
6	**Transmission Tariff for Medium Term and Long Term Open Access**	**Rs./kW/month**	**172.96**
7	**Transmission Tariff for Short Term Open Access**	**Rs./kW/day**	**5.69**
8	Transmission Charges to be recovered from DISCOMs	Rs. Crore	4395
9	Transmission Charges to be recovered from Medium Term and Long Term Open Access	Rs. Crore	210.71
10	Energy requirement of DISCOMs	MU	126717.16
11	Energy requirement of Long Term, Medium Term and Short Term Open Access	MU	1424.07
12	Total Energy requirement	MU	**128141.23**
13	**Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power exchange transactions**	**Paise/kWh**	**35.94**

4.72 Further, RVPN vide its additional submission dated 16.02.2026 submitted the claim as per direction of the Commission given vide order dated 27.01.2026 regarding the claim of Rs. 542.65 Crore for the period from 01.04.2020 to 31.03.2024 and Rs. 122.33 crore towards the computation of the consequential impact of the allowed GFA addition of Rs. 964.27 crore for FY 2024-25.

4.73 However, it was observed that RVPN has not shown impact in tariff in the ARR for FY 2026–27. Commission vide its data gap dated 04.03.2026 sought the same. In response RVPN vide its data gap reply dated 19.03.2026 submitted the same as under:

Table 55: consequential impact of Commission Order dated 27.01.2026

S. No.	Particulars	Amount Rs. Crore
1	Impact of order dated 27.01.2026 up to FY 2023-24	542.65
2	Consequential impact on FY 2024-25	122.33
3	Consequential impact on FY 2025-26	122.32
4	Consequential impact on FY 2026-27	113.61
5	Total Impact to be considered in true up of FY 2024-25 and ARR of FY 2026-27	900.90

4.74 Further, RVPN vide its data gap reply dated 19.03.2026 revised the Transmission Tariff as under:

Table 56: Revised Transmission Tariff claimed for FY 2026-27

Particulars	FY 26-27 Projected	Impact of Commission Order dated 27.01.2026
Net Revenue Requirement for Transmission Tariff (Rs. Crore) as proposed	4,605.71	
Impact of Commission Order dated. 27.01.2026	900.90	
MW allocation for Discoms	21,175.00	
MW allocation for Long- and Medium-Term Open Access	1,015.21	
Total Transmission by RVPN, MW	22,190.21	
Transmission Tariff for Discoms, LTOA and MTOA (Rs. / kW/Month)	206.80	33.83
Transmission Charges to be recovered from Discoms (Rs. Crore)	5,254.68	
Revenue Recovery from Long and Medium-term Open Access (Rs. Crore)	251.93	
Transmission Tariff for STOA (Rs. / kW/day)	6.80	1.11

4.75 The Government of Rajasthan vide notification dated 31.01.2025 has made allocation of power from different generators of State/Central/Private Sectors along with any allocation from the un-allocated quota as determined by the Government of India for Rajasthan shares in interstate projects, and purchase of power from bilateral/energy exchange, wind generators and biomass etc. in the ratio of 38.11 %: 27.47 % : 34.42 % for JVVNL: AVVNL: JDVVNL.

4.76 The Commission has been specifying transmission charges for DISCOMs in terms of Rs./kW/Month based on contracted capacity. Further as per Commission’s orders for any variation in the contracted capacity, the transmission charges were to be levied on the actual contracted capacity put to use by concerned DISCOM. Such stipulation in ARR Orders by the Commission results into under recovery or over recovery due to variation in capacity contracted of Approved ARR for such year by the Commission. Regulation 64 of the RERC Tariff Regulation, 2025 provides recovery of Transmission Charges based on Network Usage Charges – fixed charges based on capacity contracted or agreed. Stipulation of provision for recovery of transmission charges based on the contracted capacity actually put to use by concerned DISCOM for such year is resulting into under/over recovery from ARR approved in the tariff order. The Petitioner has proposed the Transmission Charges from DISCOMs based on fixed monthly charges as provided in Regulation 65(1) worked out on the basis of % allocation for each DISCOM. The Petitioner has proposed the recovery of transmission charges from open access consumers based on the actual capacity in Rs./kW/month or Paisa/kWh as the case may be subject to truing-up based on audited accounts.

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

Table 57: Monthly Transmission Charges Proposed for FY 2026-27

Recovery of Transmission Charges	% Allocation	MW Allocation	Annual Transmission Charges(Rs. Crore)	Monthly Transmission Charges (Rs. Crore)
JVVNL	38.11%	8,069.79	1674.93	139.58
AVVNL	27.47%	5,816.77	1207.31	100.61
JDVVNL	34.42%	7,288.44	1512.76	126.06
Total Transmission Charges for DISCOMs	**100%**	**21,175.00**	**4,395.00**	**366.25**
Recovery from Open Access Consumers		**1,015.21**	**210.71**	**17.56**
Annual Transmission Charges		**22,190.21**	**4,605.71**	**383.81**

Commission's Analysis

4.78 RVPN in its Petition projected Peak demand of 22190 MW for FY 2026-27. Further, RVPN vide data gap reply dated 22.01.2026 has submitted actual Peak demand achieved till date is 19617 MW for FY 2025-26. The Commission, for the purpose of calculation of tariff, has considered the

Peak demand of 20598 MW (escalated by 5% of actual peak demand of 19617 MW) as total contracted capacity.

4.79 RVPN in its Petition has projected total Energy requirement as 128141.23 MUs for FY 2026-27. The Commission has considered as 118947 MUs for FY 2026-27 on pro rata basis.

4.80 Regulation 64 and Regulation 65 of the RERC Tariff Regulations, 2025 specifies the transmission pricing mechanism. In accordance with the same, the Transmission Tariff approved by the Commission for FY 2026-27 is as shown in the table below:

Table 58: Transmission Tariff approved for FY 2026-27

Sl. No.	Particulars	Units	Approved For the FY 2026-27
1	Annual Transmission Charges for FY 2026-27	Rs. Crore	3779.89
2	Annual Transmission Charges for FY 2025-26 for assets prior to 01.04.2019	Rs. Crore	122.32
3	**Total Annual Transmission Charges**	**Rs. Crore**	**3902.21**
4	Transmission Capacity for DISCOMs	MW	19582.79
5	Transmission Capacity for Long Term and Medium Term Open Access	MW	1015.21
6	Total Transmission Capacity	MW	20598
7	**Transmission Charges to be recovered from DISCOMs**	**Rs. Crore**	**3709.88**
8	**Transmission Tariff for Medium Term and Long Term Open Access**	**Rs./kW/month**	**157.87**
9	**Transmission Tariff for Short Term Open Access**	**Rs./kW/day**	**5.19**
10	Energy requirement for DISCOMs, Long Term, Medium Term and Short term Open Access	MU	118947
11	**Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power exchange transactions**	**Paise/kWh**	**32.81**

4.81 The transmission charges as determined above for DISCOMs would be shared among them in the proportion to their allotted capacity as proposed by the Petitioner for the FY 2026-27 as below:-

Table 59: Monthly Transmission Charges for Discoms approved for FY 2026-27

Recovery of Transmission Charges	% Allocation	MW Allocation	Annual Transmission Charges(Rs. Crore)	Monthly Transmission Charges (Rs. Crore)
JVVNL	38.11%	7463	1413.84	117.82
AVVNL	27.47%	5379.39	1019.10	84.93
JDVVNL	34.42%	6740.40	1276.94	106.41
Total Transmission Charges for DISCOMs	**100%**	**19,582.79**	**3,709.88**	**309.16**

4.82 The Tariff determined vide this Order shall be effective from 01.04.2026 to 31.03.2027,thereafter it shall remain applicable provisionally till next order of the Commission. However, in the case of short-term open access transactions, the tariff shall be applicable w.e.f. 01.06.2026 till next order of the Commission and there shall be no retrospective adjustment of transmission tariff.

<u>Direction under section 108 of the Electricity Act, 2003 issued by Government of Rajasthan</u>

4.83 Government of Rajasthan has issued Policy directives on 02.02.2026 regarding "Regulatory Prudence Test during the approval of the State Transmission Annual Revenue Requirement (ARR) and tariffs discovered under Tariff Based Competitive Bidding (TBCB) and Regulated Tariff Mechanism (RTM) for the state transmission projects".

4.84 The Commission, vide data gap letter dated 10.02.2026, communicated data gaps in relation to the said Policy Directives of GoR.

4.85 The public hearing in the matter was held on 18.02.2026. The Commission directed the Petitioner to submit their data gaps replies including the data gaps issued pursuant to policy directions issued by the Energy Department, GoR u/s 108 of the Electricity Act, 2003 on affidavit within 3 days.

4.86 Accordingly, RVPN furnished its reply vide letter dated 24.02.2026. However, RVPN has not submitted the reply in accordance with the directives issued by Government of Rajasthan under section 108 of Electricity Act, 2003 on certain points. Accordingly, Commission, again vide letter dated 04.03.2026, communicated additional data gaps in this regard.

4.87 The public hearing in the matter was held on 06.03.2026. The Commission on the request of RVPN, granted ten days time to the Petitioner to file their reply to data gaps regarding Policy Directives of GoR. RVPN furnished its reply vide letter dated 19.03.2026. From the reply of RVPN, it was observed that RVPN has not submitted the reply as per the said Policy Directives of GoR.

4.88 The public hearing in the matter was held on 07.04.2026. Representative appearing for the Petitioner submitted that issue of the compliance with direction issued under Section 108 of the Electricity Act, 2003 is still under internal discussion of the Senior Management and discussion are also being held with the State Government. He requested the Commission for granting the Petitioner three weeks time to finalise and file their reply to comply with the direction given under Section 108 of the Electricity Act, 2003. Commission granted three weeks time to the Petitioner, as requested.

4.89 Accordingly, RVPN furnished its reply vide letter dated 20.04.2026.

4.90 RVPN submitted that State Transmission Network is inherently meshed and indivisible. Flow on a transmission system is governed by network physics. Therefore, the quantitative attribution of its expected utilization cannot be perfectly segregated among in-state load, in-state generation and inter-state or export-oriented transmission.

4.91 RVPN further submitted that the power interchange between the ISTS and the intrastate network in Western Rajasthan does not remain constant and varies depending upon multiple factors, including the Rajasthan system demand, renewable energy generation from projects connected to both ISTS and intrastate networks, commissioning of new ISTS and intrastate transmission systems, and contingencies in either network. Accordingly, under real-time grid operation, the power flow between the ISTS and intrastate networks is dynamic in nature and may occur in either direction depending on the prevailing system conditions.

4.92 RVPN further submitted that it does not hold an ISTS license and develops transmission system only for state. If RERC deducts costs from the State ARR on the grounds of "ISTS use," RVPN has no legal mechanism to recover those costs through CERC as CERC tariff regulation clearly states that transmission system created for benefit of sole state is not eligible for tariff by CERC.

4.93 RVPN further submitted that ISTS lines are crucial for Rajasthan energy security, providing support during outage, overloading & emergency conditions. Rajasthan imports power via ISTS lines during such conditions to meet state demand.

4.94 RVPN further submitted that Redundant capacity is a statutory safety requirement (N-1/N-1-1), not idle infrastructure.

4.95 RVPN further submitted that the integrated nature of the grid means that "non-state" flows are reciprocal and provide essential stability to Rajasthan's local consumers.

4.96 RVPN further submitted that the quantitative attribution (in percentage terms) of the utilization of transmission assets for inter-state uses cannot be determined.

4.97 RVPN further submitted that the proposed "Regulatory Prudence Test" seeks to segregate transmission costs based on "State vs. Non-State" utilization. However, technical evidence from load flow studies and statutory mandates demonstrate that this segregation of transmission assets or costs is neither technically feasible nor consistent with the statutory framework governing transmission utilities.

4.98 RVPN further submitted that the Commission, while approving the year-wise investment plan, has already undertaken a prudence check of each scheme and accorded approval for the corresponding investments in the respective years. Pursuant to such approval, RVPN has incurred expenditure on the approved schemes.

4.99 RVPN further submitted that its written submission vide dated 20.04.2026 has been approved by competent authority, i.e. Energy Department, Government of Rajasthan, in furtherance of direction dated 02.02.2026 previously issued under section 108 of Electricity Act, 2003.

4.100 The Commission observes that the Petitioner, RVPN is the State Transmission Utility of the State and a statutory body under section 39 of the Act. As per section 39 (2) of the Act, and in light of the judgment of the Hon'ble Supreme court dated 23.11.2022, the STU is fully responsible for ensuring the efficient, coordinated, economical and smooth flow of electricity within the State. Therefore, in technical matters relating to transmission issues, the view of the STU carry due weightage.

4.101 RVPN submitted that its additional submission dated 20.04.2026 has been approved by the Energy Department, Government of Rajasthan, in furtherance of direction dated 02.02.2026 previously issued under section 108 of Electricity Act, 2003. It is again reiterated that RVPN, in its submission dated 20.04.2026, has stated that segregation of State and non- State utilization is not technically feasible. Whereas the issue of State versus non State utilization formed the core of the directions dated 02.02.2026.

4.102 It is observed that the RVPN's submission dated 20.04.2026 as approved by Energy Department, Government of Rajasthan appears to be contradictory to the directions issued by the Energy Department dated 02.02.2026.

4.103 Therefore, for the sake of clarity, Petitioner should constitute a Technical Committee comprising representatives from Energy Department, Government of Rajasthan, RVPN, Discoms/ RUVITL and SLDC to undertake a detailed study of the directions u/s 108 of Electricity Act, 2003 dated 02.02.2026 and examine the feasibility of their implementation within the State, including an assessment of any undue burden of transmission charges on consumers arising from the alleged non state use of intra State transmission assets.

4.104 The Committee may also co-opt independent members from CTU/ Grid India/ NRLDC and other relevant entities, if required. The Committee shall submit its report to the Petitioner within three months. The Commission directs petitioner to submit the same to the Commission along with the next ARR/ Investment petition after obtaining approval from the Energy Department, Government of Rajasthan.

Transmission Loss

RVPN's Submission

4.105 RVPN has claimed the transmission loss of 4.05 % for FY 2026-27 in its Petition.

Commission's Analysis

4.106 The Commission has considered it appropriate to approve the transmission losses of 4.05 % for FY 2026-27 as per loss reduction trajectory approved for FY 2026-27 in Tariff Order for FY 2025-26 and as projected by Petitioner for FY 2026-27. However, Commission directs RVPN to investigate into the reasons for such huge losses and take suitable action for reduction in losses.

4.107 The Commission further observes that Intra State Transmission Infrastructure is equipped with various technologies to meet the future requirements. However, there is opportunity to integrate latest technologies in the intra state transmission system. Smart grids supported by Artificial Intelligence (AI)-driven systems, will reduce transmission losses and improve grid reliability.

4.108 AI can analyze vast amounts of data from sensors and smart meters to optimize grid performance, predict maintenance needs, and automate various tasks. This includes faster and more accurate inspections, predictive maintenance, and data-driven decisions for grid optimization. AI will also enable the detection of apparent issues and subtle patterns that indicate early-stage problems. This improvement will lead to quicker interventions to minimize energy losses. Latest techniques are required for modernization of existing transmission infrastructure to cope with growing penetration of renewable capacity as part of energy transition and meeting demand with reliability and security, as well as making it smart & future ready. RVPN is directed to study the Global best practices and adopt these technologies as per the requirement of the State.

4.109 The transmission loss of 4.05 % approved for FY 2026-27 may be borne in kind by the transmission system users. RVPN is directed to adhere the trajectory of Transmission loss approved by the Commission, otherwise Commission may impose the penalty.

4.110 Copy of this order may be sent to the Petitioner, Respondents, Objectors, CEA and Government of Rajasthan.

(Vijay Pal Singh) Member	(Hemant Kumar Jain) Member	(Dr. Rajesh Sharma) Chairman