

RAJASTHAN ELECTRICITY REGULATORY COMMISSION

Petition No: RERC/1539/19

In the matter of approval of true up for FY 2017-18 and Annual Revenue Requirement & Tariff for FY 2019-20 of Transmission and SLDC

Coram : **Sh. Shreemat Pandey, Chairman**
Sh. S. C. Dinkar, Member
Sh. Prithvi Raj, Member

Petitioner : Rajasthan Rajya Vidyut Prasaran Nigam Ltd.

Respondents :

1. Jaipur Vidyut Vitran Nigam Ltd.
2. Ajmer Vidyut Vitran Nigam Ltd.
3. Jodhpur Vidyut Vitran Nigam Ltd.

Date of hearing : **04.12.2019, 24.12.2019 & 03.01.2020**

Date of Order : **31.01.2020**

ORDER

1.1 Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (in short 'RVPN'), a Transmission Licensee under the provisions of the Electricity Act 2003, has filed a petition on 30.07.2019 for approval of true up for FY 2017-18 and Annual Revenue Requirement & Tariff for FY 2019-20 of Transmission and SLDC.

1.2 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, 2014, RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 and other enabling Regulations, the Commission, after carefully considering each of the submissions of the

Petitioner and suggestions/objections submitted by the Stakeholder, has passed the following Order.

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

(1) Section 1: General

(2) Section 2: Summary of true up and tariff determination process

(3) Section 3: Summary of objections/ comments/ suggestions received
from Stakeholders and RVPN's response thereon

(4) Section 4: Approval of true up for FY 2017-18

(5) Section 5: Determination of tariff for FY 2019-20

SECTION 2

Summary of true up and tariff determination process

- 2.1 RVPN filed the petition for approval of true up for FY 2017-18 and ARR & Tariff for FY 2019-20 of Transmission and SLDC.
- 2.2 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

Sr. No.	Name of News Paper	Date of publishing
(i)	Dainik Bhaskar (Hindi)	17.08.2019
(ii)	Rajasthan Patrika (Hindi)	17.08.2019
(iii)	The Times of India (Hindi)	18.08.2019
(iv)	The Times of India (English)	20.08.2019

- 2.3 The petition was also placed on the websites of the Commission and the Petitioner. The objections/comments/suggestions were received from Shri Shanti Prasad, Rudraksh Energy, Rajasthan Steel Chamber, The Rajasthan Textile Mills Association, Hindustan Zinc Limited, Shri G. L. Sharma and DISCOMs.
- 2.4 The Commission forwarded the objections/comments/suggestions of the stakeholder to RVPN for filing its reply.
- 2.5 The Commission vide letter dated 21.08.2019, 11.11.2019 and 18.12.2019 communicated some data gaps and deficiencies in the petition. The Petitioner furnished information vide its letters dated 30.09.2019, 28.11.2019 and 03.01.2020. The Petitioner also replied to the objections/ comments/ suggestions made by the stakeholders vide its letter dated 11.10.2019.

- 2.6 The public hearing in the matter was held on 04.12.2019, 24.12.2019 and 03.01.2020.
- 2.7 RVPN filed the Interim Application for revision of its claim towards transmission losses on 11.12.2019. The hearing on the Interim Application was held on 24.12.2019 and 03.01.2020.
- 2.8 The list of Stakeholders and representatives of the Petitioner/Respondents present during the hearings is enclosed to this order as Annexure - 1. To facilitate reference, an index of the issues and points dealt with are placed at Annexure - 2.

SECTION 3

Summary of objections/comments/suggestions received form stakeholders and RVPN's response thereon

A. General

Separate Petitions for Transmission and SLDC

Stakeholders' Comments/Suggestions:

- 3.1 The Petitioner is required to file separate petitions for determination of ARR & Tariff for Transmission and SLDC functions. However, the Petitioner is not filing separate petitions for Transmission and SLDC functions. Section 33(2) of the Electricity Act, 2003 specifies that licensee, generating company; generating station; sub-station and any other person connected with the operation of the power system shall comply with the directions issued by SLDC. The Petitioner cannot file the petition of SLDC as part of its own RVPN Petition, as the Petitioner has to comply with the directions of the SLDC. The Commission may kindly issue directions to the Petitioner to file separate petitions each for Transmission and SLDC function.

RVPN's Response

- 3.2 The Petitioner submitted that the instant petition of RVPN is being prepared in two parts i.e., Transmission & SLDC and is submitted separately. Further, with regard to issues related with functioning and ringfencing of SLDC, it is already under consideration of the Commission in Suo-moto petition, which was heard on 15.10.2019. Necessary action will be taken by the higher authorities based on outcome of the said petition.

Audited Accounts

Stakeholder's Comments/Suggestions

- 3.3 The stakeholder submitted that Section 41 of the Electricity Act, 2003 specifies that the transmission licensee is to maintain separate accounts for each of its business undertakings so as to ensure that the transmission business neither subsidizes in any way such business undertaking nor encumbers its transmission assets in any way to support such business.

- 3.4 The stakeholder submitted that Regulation 2(A)(i) of the RERC Tariff Regulations, 2014, states that accounting statement shall be maintained separately for SLDC. In this regard, the Petitioner is required to submit segregated accounts pertaining to SLDC function duly certified by the statutory auditor or a Chartered Accountant for approval of SLDC expenses and determination of SLDC fees & charges.
- 3.5 The Stakeholder sought the copies of cost records for RVPN and SLDC in accordance with Regulation 2(a)(1)(vi) of the RERC Tariff Regulations, 2014.
- 3.6 The stakeholder submitted that at Page No. 219 in the Table annual report & financial statements for FY 2017-18, regarding identification of operating segments "other income", under SLDC, has been submitted as Rs. 1.90 Crore, but details of such amount and the basis on which it has arrived at is not available in the accounts. The Petitioner should submit the details and the basis of such amount as well.
- 3.7 Further, in the above referred table depreciation of Rs. 0.72 Crore has been submitted under SLDC, whereas in Note 1 of Page No. 167 and 168, in Note 3 of Page 171 of accounts there are no assets in respect of SLDC. The Petitioner is required to submit justification for charging such depreciation not only in the present account but also for past years as well. The Petitioner should clarify as to whether there are any assets pertaining to SLDC function and if any assets are there, the Petitioner is required to submit where such amount have been mentioned in the accounts of FY 2017-18.
- 3.8 The Stakeholder sought details of assets of SLDC on which the depreciation of Rs. 0.75 Crore has been approved vide Commission's Order dated 03.05.2018.

- 3.9 With regard to annual report & financial statements for FY 2017-18, an amount of Rs. 0.23 Crore and Rs. 0.030 Crore has been submitted towards Interest and Finance charges under SLDC and repairs and Maintenance respectively. The Petitioner should clarify that how such amount arises, when no assets are there for SLDC.
- 3.10 The Stakeholder sought clarifications and justifications in respect of amounts mentioned for FY 2017-18 in the annual report & financial statements at Page No. 220-221 under head "Other information".

RVPN's Response

- 3.11 The Petitioner submitted that the instant petition of RVPN is being prepared in two parts i.e., Transmission & SLDC and is submitted separately. The accounts for SLDC duly certified by the Chartered Accountant have been submitted with the instant petition.
- 3.12 The Petitioner submitted that the tariff regulations are mainly on normative basis and have prescribed requirement of Performa. The copies of Cost records of RVPN and SLDC as requested is not relevant.
- 3.13 The details of amount of Rs. 1.90 Crore are submitted under Note 31: Other Income of SLDC Audited Accounts for FY 2017-18. The substantial part of said amount is related to NOC application fees of Rs 5000/- per application received from various open access consumers during the said FY 2017-18. The details of amount of Rs. 1.90 Crore are submitted in Form STU-9: Non-Tariff Income of the instant petition.
- 3.14 The tangible & non-tangible assets of SLDC are submitted under Note – 1: Non-Current Assets – Property, Plant and Equipment and Note – 3: Non-Current Assets – Intangible assets of SLDC Audited Accounts for FY 2017-18. The depreciation amounting to Rs. 0.7225 Crore on the said assets is submitted under Note – 36: Depreciation and Amortization Expenses of the aforesaid SLDC audited accounts. The same is submitted in Form STU-

- 5: Fixed assets and provisions for depreciation of the instant petition.
- 3.15 The detail of assets against which depreciation was approved for SLDC by the Commission were already mentioned in the Audited Accounts of FY 2016-17, which was submitted along with the true up petition for FY 2016-17.
- 3.16 Further, the details of Rs. 0.030 Crore is stated at Note - 33: Repair and Maintenance of SLDC Audited Accounts of FY 2017-18 and the details of Rs. 0.2321 Crore towards interest & finance charges are against existing Long Term Loans of SLDC.
- 3.17 The Petitioner submitted that the required details under head "Other Information" is already provided in the Accounts book at Page 220-221.

Basis of Filing Petition

Stakeholder's Comments/suggestions

- 3.18 The stakeholder submitted that the claims made by the Petitioner are exaggerated and inflated and are not corresponding to the legitimate revenue requirements that the Petitioner is entitled to in terms of the RERC Tariff Regulations, 2019. The Petitioner has on many elements sought to rely on the Tariff Regulations of the Central Commission and has based its claims on the said regulations of the Central Commission. The Commission has notified the RERC Tariff Regulations, 2019 and the Petitioner is bound by it and it is not an option for Petitioner to claim certain elements of ARR as per CERC Tariff Regulations, 2019.
- 3.19 The stakeholder submitted that the present petition process is on the basis of assumptions, without relying of the actual data now available based on which the estimation for FY 2019-20 can be more accurately made. Firstly, the petition has been filed by the petitioner after expiry of four months of FY 2019-20. The data available for these four months on actual basis has not been provided. Further, six months of the year is now about to get

over and the data for the six months would more accurately provide the details of the revenue requirements that the petitioner would be legitimately entitled to in FY 2019-20.

3.20 The Stakeholder submitted that actual data for FY 2018-19 should be available on the basis of the estimates. The Commission may direct the Petitioner to provide the actual data as now available, which should be the basis for the present tariff determination exercise.

RVPN's Response

3.21 The Petitioner submitted that the tariff petition has been filed as per RERC Tariff Regulations, 2019 except O&M charges, for which the petition has been filed in RERC to revise the norms as per CERC Tariff Regulations, 2019. The O&M charges would be finally considered based on the outcome of the petition filed in RERC. The final figures would be considered while submitting the truing up petition for FY 2019-20.

B. True up of Transmission for FY 2017-18

Additional Capitalization

Stakeholder's comments/suggestions

3.22 The Stakeholder sought the details of the additional capitalization of assets during FY 2017-18.

3.23 The Stakeholder requested the Commission to disallow the addition of minor assets as they are not nature of capital assets.

3.24 The Stakeholder sought the details of assets added during the FY 2017-18 for the following:

- i. List of 765 kV, 400 kV, 220 kV and 132 kV transmission lines with their date of commissioning, with cost incurred in case of each line, i.e., both hard cost and IDC as on the date of commissioning. The Ckt. km in case of each of such line should be submitted by the Petitioner.
- ii. Scheduled period of completion and date of energization, in case of

- each of the lines mentioned above.
- iii. Whether these works have been got carried out through contract or departmentally. In case, these have been got completed through contractor, what period has been prescribed for completion in each case and as to in what period these have been completed by the contractor. In case of delay in completion by the contractor what has been the terms of contract for such delay and how much amount has been recovered from the contractor and under which head of account such recovered charges have been accounted for should be intimated by the Petitioner.
 - iv. Similar information as mentioned above shall be provided in respect of newly installed/created GSS with their installed capacity and date of their commissioning, total expenditure incurred and hard cost and IDC as on date of commissioning should be provided by the Petitioner.
 - v. Subsequently, similar information in respect of Augmentation of MVA Capacity, installation of bay should also be provided by the Petitioner.

RVPN's Response

- 3.25 The Petitioner submitted that the additional capitalization are as per Annual Report and Financial Statements for FY 2017-18.
- 3.26 The Petitioner submitted that Form TTU 3: Fixed assets and Provisions for depreciation has been filled in as per the audited book of Accounts considering minor assets.
- 3.27 The Petitioner submitted that the details with respect to 400 kV, 220 kV and 132 kV transmission lines and Augmentation of MVA Capacity are submitted with the reply as Annexure- GLS-1: Achievements in respect of commissioning of EHV Transformers.
- 3.28 The Petitioner submitted that generally, works of 220 KV and 132 KV GSS are executed on labour contract basis and material is centrally purchased. The works of 400 KV & above are executed on Turnkey basis.

The prescribed time for execution of works in case of 220 KV & 132 kV GSS is 12 to 36 months after issue of purchase order. In case of lines, execution time period depends on length of the line, which may further extend due to local RoW, forest clearance etc. Further, penalty is imposed on the contractor in case of delay from the scheduled time period as per purchase order and charges are recovered in the other miscellaneous revenue head.

- 3.29 Details related to newly installed GSS are submitted with the reply as Appendix I & II: Details of GFA addition and deduction for FY 2017-18.

O&M Expenses

Stakeholder's comments/suggestions

- 3.30 In the petition addition of 220 KV lines has been submitted as 540.003 Ckt. kM, whereas, in the Annual Report and financial statement for FY 2017-18 it is 484.363 Ckt. kM. Thus, there is difference of 55.640 Ckt. kM and in turn excess O&M expenses charged works out as Rs. 0.12 Crore. The closing balance of these lines at the end of FY 2017-18 shall be 14420.80 Ckt. kM plus 484.36 Ckt. kM, which totals to 14905.163 Ckt. kM and not 14960.80 Ckt. kM. The excess charges of O&M for 220 kV lines may be disallowed by the Commission.
- 3.31 In the Table 2 of the petition MVA capacity addition during the year has been submitted as 6745.50 MVA, whereas in the Annual Report and financial statements for FY 2017-18 it is 5327.5 MVA. The opening position of MVA capacity during the year works out as 72552.500 MVA. Average during the year works out to be 74872.0 MVA as against 75581.50 MVA submitted in the petition. The correct O&M charges for MVA Capacity during the year work out as Rs. 541.32 Crore and not Rs. 546.45 Crore as claimed by the Petitioner. The excess charges of O&M for MVA capacity may be disallowed by the Commission.
- 3.32 The Stakeholder sought the details of no. of bays and date of

commissioning of GSS of 400 kV, 220 kV and 132 kV, which have been installed and commissioned, but have not been connected to discoms systems with their installed capacity.

- 3.33 The Stakeholder submitted that at Page 157 of the Annual Report and financial statements for FY 2017-18 it has been mentioned that "Further, towards contribution of those offices who look after both construction and O&M activity expenses of such offices namely civil offices MPT&S and ACOS offices is capitalized at the rate of 50% of employees cost (excluding terminal benefits) and administration and general expenses". In this regard, Commission's vide order dated 03.05.2018 observed as follows:

"The commission is of the view that this advice methodology of capitalization of O&M expenses is not correct, especially when majority of the new construction works undertaken by the petitioner are outsourced. This has unduly reduced O&M expenses on one side and inflated the capitalization or addition to Gross Fixed Assets on the other"

- 3.34 From the above, it can be observed the Commission has not agreed for adhoc methodology of capitalization.
- 3.35 The stakeholder submitted that in Table 1: Break-up of O&M actual expenses of transmission for FY 2017-18 of the instant petition, the net O&M expenses claimed by the Petitioner is Rs. 772.47 Crore. Further, the Petitioner has claimed Rs. 3.92 Crore towards other expenses and Rs. 152.01 Crore towards provisions towards actual valuation liability for leave encashment and pension which cannot be claimed as actual expenses. After deducting these two elements the net O&M works out as Rs. 616.54 Crore. In the Annual Report and financial statements for FY 2017-18 at Page No. 219 the position of O&M expenses towards R&M is Rs. 83.36 Crore, Admin & Gen Expenses is Rs. 61.11 Crore and Employees cost is Rs. 480.61 Crore, totaling to Rs. 625.08 Crore.

3.36 The above position is against normative expenses, which the Petitioner has worked out as Rs. 1099.14 Crore though the same is to be reduced to some extent because of excessive charges as mentioned. The stakeholder requested the Commission to allow the O&M expenses in line with the Commission's order dated 03.05.2018.

RVPN's Response

3.37 The Petitioner submitted that during FY 2017-18, total actual 220 kV lines added was 540.003 Ckt. kM. Earlier, at the end of March, 2018, the total 220 kV lines addition was submitted as 484.363 Ckt. kM (In the Annual Report and Financial Statements for 2017-18) because commissioning of one of the lines "220 kV D/C line from PGCIL'S 400/220 kV Neemrana (PG) to Behror (220 kV GSS) (55.64 Ckt. kM)" was late reported (during 2018-19), whereas, the said line was commissioned during FY 2017-18 (Dt. 29.12.2017). Therefore, the difference of 55.64 Ckt. kM appears and it is accounted in addition of FY 2017-18. Thus, total addition of 220 kV lines during FY 2017-18 is 540.003 Ckt. kM.

3.38 The MVA capacity addition during FY 2017-18 is 6057.50 MVA as per the following:

Voltage Level	Capacity (MVA)	Remarks
400 kV	4260	Including with 2*315 = 630 MVA at Chittorgarh and Ajmer (ICT – 2s)
220 kV	160	
132 kV	575	Including with 1*50,1*20/25 = 75 MVA at Bhawani Mandi and Jhalamand (ICT – 2s)
Augmentation	1062.50	
Total	6057.50	

3.39 The Petitioner submitted that the details of commissioning of works, related to addition of MVA capacity during FY 2017-18 are enclosed with the reply as Annexure – GLS 1: Achievements in respect of commissioning of EHV

Transformers. Further, all EHV Grid sub stations 765/400/220/132 kV have been connected with discom system and are in operation.

3.40 The Petitioner submitted that the capitalizations of expenditure is as per the policy requirement of Ind AS 16 for allocation of expenditures of various cost centers. Therefore, the expenditures are not allocated on ad-hoc basis, rather distribution is done as per the actual cost incurred in developing the transmission system of RVPN.

3.41 The Petitioner further submitted that the O&M expenses have been claimed as per RERC norms specified in the Regulations.

Return on Equity

Stakeholder's comments/suggestions

3.42 The stakeholder submitted that the position of equity for FY 2017-18 in Table 4: Return on Equity for Transmission for FY 2017-18 of the instant petition is in variation with audited accounts as detailed below:

Particulars	As Per Petition	As per Accounts
Equity at the beginning of the year	Rs. 4019.64 Crore	Rs. 3981.84 Crore
Equity at the end of the year	Rs. 4269.65 Crore	Rs. 4239.59 Crore
Average equity during the year	Rs. 4144.65 Crore	Rs. 4110.31 Crore

3.43 The equity amount claimed in the petition also includes the amount of equity of SLDC. The Commission may allow ROE on actual equity as per the accounts.

RVPN's Response

3.44 The Petitioner submitted that the equity submitted in the instant petition includes the equity money received. However, allotment of equity is

pending. Further, Reconciliation of same has been submitted with the reply as Annexure – 1: Reconciliation of Equity.

Interest on Working Capital

Stakeholder's comments/suggestions

- 3.45 The stakeholder submitted that the O&M expenses would also directly affect the interest on working capital claimed by the Petitioner. The Petitioner has worked out the interest on Working capital as Rs. 55.29 Crore based on the O&M expenses on normative claim of Rs. 91.60 Crore for one month. The actual interest on working capital of the Petitioner is only Rs. 39.14 Crore and there is no justification for the Petitioner to claim any higher interest on working capital.
- 3.46 It is further submitted that the Petitioner should pass on the benefit on actual interest rate being lower than the normative rate, which is required to be shared with the beneficiaries as per Regulations. The Petitioner has not given any such benefit nor disclosed the actual interest rate on working capital loans.

RVPN's Response

- 3.47 The Petitioner submitted that the Interest on Working Capital has been claimed as per RERC Tariff Regulations, 2014.

Depreciation

Stakeholder's comments/suggestions

- 3.48 The Stakeholder sought the justification and details for the depreciation claimed for FY 2017-18 as the claim on account of depreciation is substantially higher than allowed by the Commission in the tariff order.
- 3.49 The Stakeholder sought the details of fixed assets which have completed their life of 12 years with their accumulated depreciation on such date in accordance with Regulation 22(4) of the RERC Tariff Regulations, 2014 and details of assets which have not completed 12 year.

3.50 The Commission vide order dated 26.05.2017, Para 3.17 observed as under:

“The commission considers that allowance for depreciation should be in line with provisions of RERC Tariff Regulations, 2014. For the assets with useful life exceeding 12 years the rate of Depreciation will have to be spread over balance useful life as per regulations-----”.

3.51 Thus, the Petitioner is required to submit detailed information about asset wise breakup of GFA accumulated depreciation, date of commissioning, completed useful life, balance useful life etc. for computation of depreciation in accordance with the RERC Tariff Regulations, 2014.

3.52 The Commission vide order dated 26.05.2017, at Para 3.18 ruled as under:

“However, in the absence of such information allowing depreciation as claimed by the Petitioner would also not be appropriate since it amounts to acknowledging up that no asset has completed useful life of 12 years. This will lead to allowing excess depreciation than what is allowable as per provisions of RERC Tariff Regulations, 2014”.

3.53 In Para 3.20 of aforesaid order the Commission ruled as under:

“The Commission is of the view that the Petitioner should provide relevant information as per the stipulated regulatory provisions of the RERC Tariff Regulations, 2014, i.e., the summary of category wise assets, rates and their respective depreciation amount segregated into less than twelve years old more than twelve years old and remaining assets that have reached the accumulated depreciation of 90 % as per the norms while filling petition in future”.

3.54 The Commission vide order dated 03.05.2018, Para 3.21 and Para 3.22 ruled as follows:

“The commission considers that the approval for depreciation should be as per provisions of RERC Tariff Regulations, 2014. For the assets with useful

life exceeding twelve years the rate of depreciation will have to be spread over balance useful life as per regulations. Thus, rate of depreciation for such asset cannot be charged at normal rate say 5.28% but will have to be considered at lower rate say 1.16% spread over balance useful life. Further, depreciation cannot be allowed in case the assets wherein the accumulated depreciation has reached 90%. Thus, computation of depreciation in accordance with provisions specified under the regulation would require detailed information about asset wise breakup of GFA, accumulated depreciation, date of commissioning, complete useful life, balance useful life etc.”

“However, in absence of such information allowing depreciation as claimed by the Petitioner would also not be appropriate, since it amounts to acknowledging that no asset has completed useful life of 12 years. This will lead to allowing excess depreciation than that work is allowable as per provisions of RERC Tariff Regulations, 2014”.

- 3.55 From the above it should be understood that details of fixed assets has to be provided by the Petitioner as per RERC Tariff Regulations, 2014. Not providing such information means the Petitioner does not follow the tariff regulations and the Commission observations as well and such situation is not to be allowed by the Commission. In case the Petitioner does not provide the information, the Commission may kindly not allow any depreciation as claimed by the Petitioner.
- 3.56 The Stakeholder submitted that the Petitioner in the Form TTU3: Fixed Asset & provisions for depreciation, has claimed the depreciation towards O&M spares and further submitted that O&M Spares are not entitled to depreciation as they cannot form capital assets. The Stakeholder requested the Commission to disallow the depreciation towards O&M Spares.

RVPN's Response

- 3.57 The Petitioner submitted that the depreciation has been calculated as per RERC Tariff Regulations, 2014.
- 3.58 The details of the class of assets in three parts i.e. assets which have completed life less than 12 years, assets which have completed more than 12 years and assets which have depreciated 90% is submitted with the reply as Annexure – 2: Details of class wise assets in 3 parts.
- 3.59 Further, Form TTU 3: Fixed Assets and Provisions for depreciation has been filled in as per the data available in the books of accounts.
- 3.60 The Petitioner submitted that the O&M spares have been recognized in the books of accounts as per accounting policy, which is based on the requirement of Ind AS 16.

Interest on Loan and Finance Charges

Stakeholder's comments/suggestions

- 3.61 The Stakeholder requested the Commission to consider the opening loan balance for FY 2017-18 as the closing balance of Rs. 8296.51 Crore approved by the Commission vide order dated 03.05.2018.
- 3.62 The Stakeholder submitted that as per cash flow statement available at Page 34 of the Annual Report and Financial Statements for FY 2017-18, contributions, grants, subsidies towards cost of capital assets received by the Petitioner as Rs. 56.51 Crore for FY 2017-18, whereas, the Petitioner is considering only 1/25th of such amount for the purposes. As per Regulation 18(2)(b) &(c) of the RERC Tariff Regulations, 2014 the Commission has been considering the contribution, grants and subsidies towards cost of capital assets as loan and the same may be considered.
- 3.63 The Stakeholder submitted that as per Page 60, 59 Notes 13 of the Annual Report and Financial Statements for FY 2017-18, the Petitioner has

provided loan amount to Rs. 58.66 Crore to subsidiary companies. Hence, the amount may be reduced from the total loan amount as may be worked out for the purpose of allowing interest.

- 3.64 The Petitioner is required to submit the account segregation of loan amount between Transmission, SLDC and generation.

RVPN's Response

- 3.65 The Petitioner submitted that in Form TTU – 4: Normative Loan Repayment and Interest Liability of the instant petition, actual closing balance on loan is already included.
- 3.66 The amount of grant received during the year is recognized in the books of accounts as per accounting Policy No. 8 (Page 43 of the annual report and financial statements for FY 2017-18) and is based on the matching principle of accounting. Similarly, consumer contributions from deposit works are accounted for as per accounting Policy No. 9 (Page 44 of annual report and financial statements for FY 2017-18).
- 3.67 The loan amount of Rs. 58.56 Crore provided to the firms are wholly owned subsidiary companies of RVPN and they have been incorporated for development of EHV Transmission Lines & GSS, being integral part of transmission network of RVPN.
- 3.68 The loan amount has already been segregated with the forms submitted in the instant petition. The loan amount of transmission is given in Form TTU – 4.1: Loan Repayment and Interest Liability and for SLDC in Form STU – 6: Loan Repayment and Interest Liability.

Insurance Charges

Stakeholder's comments/suggestions

- 3.69 The stakeholder sought the supporting document in support of actual insurance charges to substantiate the Petitioner claim.

RVPN's Response

3.70 The Petitioner submitted that the insurance expenses submitted in the books of accounts are on account of insurance of vehicles owned by the Petitioner. As the insurance expenditures have incurred at various offices all over the state, it is not feasible for the Petitioner to collect the hard copies of the same.

Tax on Return on Equity

Stakeholder's comments/suggestions

3.71 The stakeholder submitted that the Income tax is to be allowed only in relation to the return on equity of the Petitioner. The income tax is not to be allowed on the total profit or the book profit of the Petitioner. The Petitioner is required to submit the computation on the income tax in relation to the return on equity.

3.72 The Stakeholder submitted that in accordance with Regulation 29 of RERC Tariff Regulations, 2014, Tax on return of equity is recoverable directly from the Discoms. Tax on Return on Equity claimed by the Petitioner is not allowable.

RVPN's Response

3.73 The Petitioner submitted that Income tax has been claimed on Return on Equity and it may be dealt in as per the RERC Tariff Regulations, 2014. Further, the Petitioner have submitted the Income tax for the year as per the books of account.

System Availability Incentive

Stakeholder's comments/suggestions

3.74 The stakeholder submitted that the Petitioner has claimed Rs. 42.72 Crore as incentive for achieving high system availability, i.e., above 98%. However, the Petitioner has not mentioned the actual system availability. The Petitioner is required to submit the actual system availability verified by

SLDC for claiming Incentive.

RVPN's Response

3.75 The Petitioner submitted that the actual system availability has been worked out as 99.89% and incentive has been worked out as per RERC Tariff Regulations, 2014.

Deposition of Rs. 100 Crore in Superannuation Fund

Stakeholder's comments/suggestions

3.76 The Commission vide order dated 03.05.2018, while allowing additional amount of Rs. 100.00 Crore in O&M expenses as part of true up for FY 2016-17, has directed the Petitioner to deposit the above amount of Rs. 100.00 Crore in superannuation fund towards terminal liability. Vide compliance report the Petitioner has reported that payment could not be made as discoms have not provided funds. This amount has no relation with discoms. Similarly, the Commission in Para 3.14 vide order dated 03.05.2018 directed the Petitioner to deposit a sum of Rs. 453.56 Crore to leave encashment and fund. Here also, the reply is that discoms have not provided the fund. It may be mentioned here that the amount of Rs. 453.56 Crore was to be deposited within 3 months from the date of order dated 26.05.2017 as per Para 3.8 of the said order, but still after a period of 2 years this has not been done. The above reply of the Petitioner is totally incorrect.

RVPN's Response

3.77 The Petitioner submitted that the Commission had allowed O&M expenses as a part of revenue to be recovered from discoms, which has not been paid by the Discoms to the Petitioner and thus, it could not be deposited in Pension fund.

Discrepancy of data

Stakeholder's comments/suggestions

3.78 The Stakeholder submitted that in Table 7: Approved v/s Actual Revenue

Receipts for FY 2017-18, the total expenditure for FY 2017-18 as per audited accounts has been claimed as Rs. 3073.05 Crore. Whereas, in Table 6: True up of Transmission Expenditure for FY 2017-18, the ARR for FY 2017-18 as per audited accounts has been claimed as Rs. 2730.27 Crore. The Stakeholder sought clarification for the discrepancy.

RVPN's Response

3.79 The Petitioner submitted that the difference in the amount of total expenditure for FY 2017-18 and ARR for FY 2017-18 is on the accounts of certain expenses, which are to be considered on normative basis.

Revenue Gap/Surplus

Stakeholder's comments/suggestions

3.80 The Stakeholder submitted that the Petitioner has claimed that Net Loss of Rs. 335.97 Crore to be carried forward in FY 2019-20. Whereas, per audited accounts there is a surplus of about Rs. 7.00 Crore during FY 2017-18. The Stakeholder requested the Commission not to allow the proposed amount as deficit to be carried forward in FY 2019-20, as this will increase the burden on discoms and consumers with increase in Transmission Tariff.

RVPN's Response

3.81 The Petitioner submitted that the claimed amount of Rs. 335.97 Crore against Net Loss to be carried forward in FY 2019-20 is as per RERC Tariff Regulations, 2014.

C. APR of SLDC for FY 2017-18

O&M Expenses

Stakeholder's comments/suggestions

3.82 The Petitioner claimed the O&M expenses of Rs. 14.964 Crore as per audited accounts against approved Rs. 11.77 Crore. In this regard the Stakeholder sought the details for the following:

- Provision of fund for PF Fund of Rs. 0.14 Crore for gratuity and

- superannuation fund of Rs. 0.37 Crore and Rs. 0.50 Crore.
- Vehicle running and hiring expenses of Rs. 0.22 Crore.
 - Admin and other charges of Rs. 1.107 Crore against Rs. 1.165 Crore respectively.
- 3.83 The Stakeholder submitted that the Commission has not prescribed norms in respect of SLDC component; the Commission may decide O&M expenses after prudence check.

RVPN's Response

- 3.84 The Petitioner submitted that the O&M expenses are being claimed as per Clause 39.7 of Annual Reports and Financial Adjustments for FY 2017-18, where, Repair and Maintenance charges are Rs. 0.030 Crore, Employee cost is Rs. 13.76 Crore and Administration & General Expenses are Rs. 1.164 Crore.

Return on Equity

Stakeholder's comments/suggestions

- 3.85 Return on Equity may be disallowed by the Commission as there is no segregation in the accounts about equity.

RVPN's Response

- 3.86 The Petitioner has not submitted any reply on this issue.

Working Capital

Stakeholder's comments/suggestions

- 3.87 The Petitioner is required to submit the basis for working capital.

RVPN's Response

- 3.88 The Petitioner submitted that the claimed working capital is as per RERC Tariff Regulations, 2014.

Depreciation

Stakeholder's comments/suggestions

3.89 The stakeholder submitted that, as per the accounts provided by the Petitioner, no assets have been submitted in respect of SLDC. The assets working in SLDC might have been included in the assets of transmission, where depreciation is being claimed. The Stakeholder requested the Commission to disallow the depreciation.

RVPN's Response

3.90 The tangible & non-tangible assets of SLDC are submitted under Note – 1: Non-Current Assets – Property, Plant and Equipment and Note – 3: Non-Current Assets – Intangible assets of SLDC Audited Accounts of FY 2017-18. The depreciation amounting to Rs. 0.7225 Crore on the said assets is submitted under Note – 36: Depreciation and Amortization Expenses of the aforesaid SLDC audited accounts. The same is also submitted in Form STU-5: Fixed assets and provisions for depreciation of the instant petition.

RLDC/NRLDC Fees and Charges

Stakeholder's comments/suggestions

- 3.91 The Petitioner is required to submit the supporting documents about the payments made in this respect of the following:
- 3.92 Expenditure and revenue under different heads, showing separately charges payable to Northern Regional Load Dispatch Centre and Charges for Unified load dispatch and communication scheme as required under Regulation 4 of RERC (Levy of fee charges by the SLDC) Regulations, 2004, i.e., RERC levy of fee by SLDC 2004.
- 3.93 Revenue earned by SLDC on account of operating charges from open access consumer has not been indicated. This should be given by the Petitioner having details of such charges recovered from each open access consumers.

- 3.94 Revenue earned by SLDC on account of charges payable by both generating companies and the licensees on apportioning basis.
- 3.95 Again, as per Regulation 10 of RERC (Levy of Fee by SLDC) Regulations, 2004 all generating stations with an installed capacity of 25 MW or above are required to submit a daily generation schedule of drawl required by SLDC. Similarly, if an open access consumer fails to submit daily schedule for drawl, they have to pay charges to SLDC, same in case of generating companies as well. The details whether such charges have been recovered, both from generating company and open access consumers, and if so, what is the amount, and if not, reasons for same should be provided by the Petitioner.
- 3.96 As per Regulation 6 of RERC (Levy of fee by SLDC) Regulations, 2004, SLDC is to submit its proposal for levying and collecting fee and charges from generating companies and licensees, and for operating charges also from open access consumers.
- 3.97 As regards, the surplus indicated by SLDC in their true up petition Regulations 8 (3)(c) of RERC Tariff Regulations, 2014 it is to be adjusted as per orders of Commission. In this respect it is submitted that the same may be adjusted in the ARR of FY 2019-20 of SLDC.

RVPN's Response

- 3.98 The Petitioner submitted that the details related to charges payable to NRLDC and charges for unified load dispatch centre have been submitted with the instant petition in Form STU-4: RLDC Fees and Charges.
- 3.99 The Petitioner submitted that there are no such charges recovered by SLDC.
- 3.100 The Petitioner submitted that all the generators and open access consumers are submitting daily generation schedules as per the norms.

Revenue Gap/Surplus

Stakeholder's comments/suggestions

- 3.101 The Petitioner in the Instant petition has claimed the Net Revenue Receipts for FY 2017-18 for SLDC as Rs. 48.37 Crore and the Expenditure for FY 2017-18 as per Audited Accounts as Rs. 25.05 Crore. Accordingly, the Petitioner has proposed to carry forward this Net Surplus of Rs. 23.32 Crore to FY 2019-20.
- 3.102 The stakeholder submitted that at present SLDC is not fully equipped with the trained staff and latest equipments, so as to efficiently carry out the performance as under:
- 3.103 SLDC has to function round the clock with suitably skilled manpower for system operation, market operation, research analysis, regulatory affairs, system data acquisition, energy account management, communication, IT Systems and other establishment for services to carry out the various functions.
- 3.104 SLDC needs to support all stakeholders to realize the full potential, building confidence and being a better System Operator, Market operator and Power Systems Service Provider by way of use of State of the art technical solutions use of information technology and deployment of innovative commercial mechanism. SLDCs must be transparent about how to optimize the use of the existing network and identify opportunities to create new system capability and value creation for all stakeholders.
- 3.105 In view of above, the Net Surplus of Rs. 23.23 Crore should be utilized for the functions of SLDC, as referred above and as per the recommendations of Capacity building of Indian Load Dispatch Centres (CABIL) Report.

RVPN's Response

3.106 The Petitioner submitted that the Net Revenue Receipts, i.e., Rs. 48.37 Crore and the Expenditure of SLDC is Rs. 25.05 Crore for FY 2017-18. Accordingly, the Petitioner has proposed to carry forward the Net Surplus of Rs. 23.32 Crore to FY 2019-20. Further, these are actual audited figures and may be carried forward in order to reduce the expenses in future.

D. ARR & Tariff Determination of Transmission for FY 2019-20

Peak Demand and Energy Transmission on RVPN System

Stakeholder's comments/suggestions

3.107 The Stakeholder submitted that the energy requirement is proposed to be increased from 78651.4 MU in FY 2018-19 to 88650.5 MU in FY 2019-20, i.e., an increase of 12.7%. Against such increase in energy requirement by 12.7% the peak demand has been proposed to increase from 13276 MW in FY 2018-19 to 13581 MW in FY 2019-20, i.e., an increase of 2.30%. The stakeholder sought justification as the increase in energy demand by 12.7% and increase in peak demand by only 2.30% does not seem to be practical.

3.108 In this regard, the Commission may kindly consider higher peak demand corresponding to the energy requirement and the Petitioner may also take up the matter with Discoms on this issue, while signing TSA for FY 2019-20.

RVPN's Response

3.109 The Petitioner submitted that the energy requirement and peak demand of 88650.5 MU and 13581 MW respectively in FY 2019-20 has been taken as per Energy Assessment Committee report.

Transmission Loss in RVPN System

Stakeholder's comments/suggestions

3.110 The stakeholder submitted that in Table no. 21 the Petitioner has proposed InSTS transmission loss of 3.05% for FY 2019-20, against the transmission loss

of 3.36% for FY 2018-19. However, in Para 3.10 of the instant petition the anticipated transmission loss level is mentioned as of 3.35% for FY 2019-20. The Petitioner is required to provide clarification for the losses proposed during FY 2019-20.

3.111 The Petitioner is required to provide loss reduction targets for the subsequent years of the control period in accordance to the Regulation 59 of the RERC Tariff Regulations, 2019.

3.112 The application submitted by the Petitioner vide 11.12.2019 on revision of transmission loss is against the judicial process, as it was claimed after the order got reserved by the Commission on the hearing dated 04.12.2019.

3.113 The Petitioner is required to provide following details:

- Justification for projecting higher loss for FY 2019-20 in comparison to FY 2016-17, though having made huge investments in subsequent years.
- Comparison between position of system, energy drawl and transported from FY 2016-17 to FY 2019-20.
- Actual Average loss from April, 2019 to November, 2019

RVPN's Response

3.114 The Petitioner submitted that the transmission loss in RVPN System is an estimated figure. However, the actual losses will depend upon the pattern of energy flow. The Petitioner further submitted that the revised transmission loss reduction trajectory for the next Control Period is proposed based on actual loss level achieved during FY 2017-18.

Capital Expenditure

Stakeholder's comments/suggestions

3.115 The Stakeholder submitted that the Petitioner has planned investments of Rs. 1665 Crore during the year 2019-20 in capital expenditure programs. In this regard, the Stakeholder sought the detailed justification for addition of

new lines, substations and transformer capacity along with detailed cost benefit analysis.

3.116 The stakeholder sought the list of transmission lines of various voltages with their Ckt. KM and their expected date of commissioning during FY 2019-20. Further, the Petitioner is required to submit list of upcoming installation of GSS, with their MVA capacity, with project cost and expected date of commissioning during FY 2019-20, similar information in respect of augmentations of MVA capacity, and installation of bay with the name of GSS, and when these works would be expected to be completed in FY 2019-20 should also be provided.

RVPN's Response

3.117 The Petitioner submitted that the 765 kV, 400 kV and 220 kV substations are being sanctioned by RVPN as per the requirement of transmission system to reduce the loading of EHV transmission lines, to strengthen the transmission system, increase the power supply reliability in the area, evacuation of power from the newly sanctioned/created Thermal/ Solar/ Wind Power plants. Further, 132 kV substations are being created as per the requirement of discoms. These 132 kV proposals are prepared as per the loading conditions on 33 kV system and future load growth in the area. Further, creation of new 132 kV substation not only reduces the load of an existing substation but also reduce the various system parameters within the limits. These parameters are clearly being mentioned in the Detailed Project Report (DPR) of each substation, which are sent for the perusal of the Commission. The investment plan is approved by the Commission after looking all aspect and also considering the objections raised by the stakeholders.

3.118 The Petitioner submitted that the increase in investment plan is to provide stable and reliable EHV transmission system for the State of Rajasthan, with the changing load and generation scenario in the system. Further, investment by the Petitioner on capital works is mainly done on power

evacuation schemes, loss reduction schemes, system strengthening / reliability schemes, augmentation, capacitor installation, automation / SCADA solutions for monitoring the system parameters.

3.119 The details of new GSS to be commissioned, transmission lines to be constructed during FY 2019-20 is submitted with the reply as Annexure GLS-2: List of Grid Substations, Lines and Number of bays to be taken up during FY 2019-20.

3.120 The details of tentative augmentation of MVA capacity during FY 2019-20 is submitted with the reply as Annexure GLS-3: Administrative and Financial Sanctions for Transformer Augmentation Plan for FY 2019-20 and tentative list of Augmentation of bays is submitted with the reply as Annexure GLS-4: Details of Bay to be augmented for FY 2019-20 along with the cost details.

Energy Assessment

Stakeholder comments/suggestions

3.121 The Petitioner, with the instant petition has submitted the copy of minutes of 20th meeting of Energy Assessment Committee dated 09.04.2019. At Page No. 61 of the instant petition under Case-1, the Petitioner has mentioned that there is surplus of power based on requirement furnished by RUVN/ Discoms & anticipated availability. Further, at Page 64 of the instant petition, the discom wise Energy requirement has been submitted and reference of various communications of discoms has been mentioned. However, the documents where under RUVN has provided the requirement of energy has not been placed on record. In this regard the Petitioner is required to submit the same.

3.122 The Stakeholder submitted that the discoms have filed their petition for determination of tariff for FY 2019-20 with requirement of energy as 80293 MU and power/energy availability as per discom is 81409 MU, whereas, as per assessment committee the energy availability for discoms work out as 109077.2 MU and energy requirement for discom is 88403 MU. This shows

that the requirement and availability has been submitted on much higher side by the assessment committee. In this regard, the Petitioner is required to submit the justification for the same.

RVPN's Response

3.123 The Petitioner submitted that the energy availability for discom as 109077.2 MU and energy requirement for discom as 88403 MU is considered as per Energy Assessment Committee report.

O&M Expenses

Stakeholder's comments/suggestions

3.124 The Stakeholder submitted that the Petitioner has claimed the O&M expenses as per CERC tariff Regulations, 2019. In this regard, the Stakeholder requested the Commission to determine the O&M expenses as RERC Tariff Regulations, 2019 notified by the commission. Further, in Para 3.15 of the instant petition it is mentioned that a petition under provisions of removal of difficulty in the regulations has been filed on dated 25.07.2019. In this regard, the petitioner is required to submit the copy of the same.

3.125 The Petitioner has mentioned a Note under Table 24 of the instant petition which observes as the O&M charges projected for FY 2019-20 does not include O&M charges of Transmission system below 132 kV. In this regard, the Petitioner is required to clarify the purpose for which such note has been put up. The Petitioner is required to clarify the whether they have any transmission system below 132 kV and if not, why this note has been put up.

3.126 In accordance with Regulations 59(1) of the RERC Tariff Regulations, 2019, determination of tariff shall be in respect of existing lines or substations or transmission systems as a whole. In this regard the stakeholder requested the Commission to allow O&M expenses only in respect of existing line MVA capacity and number of bays as existing as on 31.03.2019 and not

for any expected additions in FY 2019-20.

RVPN's Response

3.127 The Petitioner submitted that under the provision of removal of difficulty, petition has been filed to allow O&M expense as per CERC Tariff Regulations, 2019. It is up to the Commission to take a view on it.

3.128 The Petitioner submitted that they are maintaining 33 kV & 11 kV breakers also on 132 kV and 220 kV sub stations and the tariff Petition has been filed as per the Performa prescribed by the Commission.

Depreciation

Stakeholder's comments/suggestions

3.129 The stakeholder requested the Commission to allow the depreciation as per RERC Tariff Regulations, 2019.

3.130 The stakeholder sought the details of gross asset class wise which have completed 12 years period, and cumulative depreciation of such assets up to date and gross assets which have not completed 12 years.

3.131 The depreciation on the assets to be added during FY 2019-20 shall be disallowed.

RVPN's Response

3.132 The Petitioner submitted that the details of gross asset class wise which have completed 12 years period, and cumulative depreciation of such assets up to date and gross assets which have not completed 12 years are submitted with the reply as Annexure 2: The details of the class of assets in three parts and it has been claimed as per the RERC Tariff Regulations, 2019 as per the prescribed Performa.

Interest on Loan

Stakeholder's comments/suggestions

- 3.133 The Interest on loan may be allowed on normative admitted loan. Assets to be capitalized during FY 2019-20 may not be considered in the loan element.
- 3.134 The stakeholders submitted that the information provided in the Form T 8.1 & 8.2: Project Wise/Scheme Wise Capital Expenditure of the petition cannot be said as correct and is also incomplete. Also, at Page 140, capital expenditure for FY 2017-18 of Total WIP has been submitted and similarly, for FY 2018-19, on Page 141. These financial years are over and therefore, actual figure of capital expenditure should have been brought out here instead, stating as WIP.

RVPN's Response

- 3.135 The Petitioner submitted that the Interest on loan is claimed as per RERC Tariff Regulations, 2019.
- 3.136 The Petitioner further submitted that details of actual capital expenditure are given as maintained in accounts and its information is submitted with the reply as Appendix 1: Details of GFA addition for FY 2017-18.

Interest on Working Capital

Stakeholder's comments/suggestions

- 3.137 The interest on working capital may be allowed on normative basis in accordance with RERC Tariff Regulations, 2019.
- 3.138 The Stakeholder sought the details of base rate prevalent during first six months of the previous year.

RVPN's Response

- 3.139 The Petitioner has not submitted any reply on allowance of Interest on Working Capital as per normative basis.

3.140 Further, the statements of interest rate of SBI from time to time is submitted with the reply as Annexure – 4: The statement of Interest Rate of SBI.

Insurance Charges

Stakeholder's comments/suggestions

3.141 The Stakeholder sought the copies of insurance charges paid during FY 2018-19. Further, it is also observed that from the accounts that the insurance charges paid are in respect of vehicles, such charges are to be covered under O&M expenses.

RVPN's Response

3.142 The Petitioner submitted that as per Regulation 25 of RERC Tariff Regulations, 2019 the insurance charges are not covered in O&M charges.

Unitary Charges

Stakeholder's comments/suggestions

3.143 The stakeholder requested the Commission to allow the unitary charges in line with the previous orders passed by the Commission.

RVPN's Response

3.144 The Petitioner has not submitted any reply on this comment.

Other Expenses

Stakeholder's comments/suggestions

3.145 The stakeholder submitted that there is no rationale to consider Rs. 20 Crore as other expenses as claimed by the Petitioner. Further, it is submitted that the Commission may undertake prudence check on the claims made by the Petitioner towards its revenue requirements. In this regard, the Petitioner is required to submit the details of Rs. 20.00 Crore claimed towards other charges.

RVPN's Response

3.146 The Petitioner submitted that the amount of Rs. 20 Crore claimed under other expense includes budgeted O&M bay charges of Rs. 1.83 Crore and bilateral charges of Rs. 1.80 Crore and other misc. expenses has been claimed apart from the O&M expenses for FY 2019-20. The provision of Rs. 20.00 Crore has been kept as per past experience. However, actual will be considered in the truing up petition of FY 2019-20.

Return on Equity

Stakeholder's comments/suggestions

3.147 The Stakeholder sought the copy of supporting documents substantiating this equity of Rs. 410.19 Crore for FY 2019-20 as claimed by the Petitioner.

3.148 The stakeholder sought the basis of equity with detailed description of date wise equity infused.

RVPN's Response

3.149 The Petitioner submitted that the supporting documents for substantiating equity has been submitted with the reply as Annexure 3: Copy of Administrative Approval of Govt. of Rajasthan in respect of equity share capital. Also, the Petitioner has claimed Return on Equity on average basis.

Details of LTOA and MTOA Consumers

Stakeholder's comments/suggestions

3.150 The Petitioner is required to submit the details of the revenue to be obtained from LTOA and MTOA consumers along with their contracted demand during FY 2019-20. The same shall be provided with the list of such consumers.

RVPN's Response

3.151 The Petitioner submitted that the details of the revenue to be obtained from LTOA and MTOA consumers along with their contracted demand

during FY 2019-20 is submitted in Form No. T 16.3: Revenue at existing Transmission Tariff of the instant petition.

ARR

Stakeholder's comments/suggestions

3.152 The stakeholder requested the Commission to not to carry forward the revenue gap of Rs. 335.97 Crore in the True up for FY 2017-18, as this will increase the transmission tariff for FY 2019-20.

RVPN's Response

3.153 The Petitioner submitted that the amount claimed against revenue gap of Rs. 335.97 Crore is as per RERC Tariff Regulations, 2014.

Transmission Charges and Tariff for FY 2019-20

Stakeholder's comments/suggestions

3.154 The Petitioner has proposed to increase the transmission tariff for long term and medium term open access consumers from Rs. 154.45/kw/month to Rs. 213.6/kw/month, i.e., 38% increase. Similarly, the Petitioner has proposed tariff for inter-state short term open access consumers and through Power Exchange from Paise 28.78/kwh to Paise 38.99/kwh, i.e., 35 % increase. With such high increase in transmission tariff the cost of transmission of conventional power will increase by about 10 paise per unit, if full capacity is used, than the cost of transmission of RE Power will increase by about 50 paise per unit. In this regard, the Stakeholder suggested the following:

- Transmission of RE power to be levied on actual energy transmitted instead of capacity.
- The cost of transmission of conventional power also to be considered for actual transmission of energy instead of capacity.

RVPN's Response

3.155 The Petitioner submitted that the tariff worked out is based on the

demand indicated by discoms in Energy Assessment Committee report and it is as per RERC Tariff Regulations, 2019.

3.156 Further, the Petitioner submitted the transmission of RE power to be levied on actual energy transmitted, instead of capacity and the cost of transmission of conventional power also to be considered for actual transmission of energy, instead of capacity, which will be dependent on the view taken by the Commission.

Others

Stakeholder's comments/suggestions

3.157 The stakeholder sought the list of open access consumers of LTOA, MTOA and STOA with their contract capacity for FY 2017-18, FY 2018-19 and FY 2019-20.

3.158 The Petitioner is required to provide the basis on which the transmission capacity for LTOA has been estimated as 548 MW for FY 2019-20.

3.159 The Stakeholder sought the details of actual energy transmitted of 78485 MU for discoms, STOA, LTOA and energy passed on by interstate transmission system during FY 2018-19.

3.160 The Petitioner is required to submit the basis of considering energy flow due to open access of 4279 MU during FY 2019-20. Further, the Petitioner is required to submit the consumer wise details.

RVPN's Response

3.161 The Petitioner submitted that list of open access consumers of LTOA, MTOA and STOA for FY 2017-18, 2018-19, 2019-20 and the basis on which the transmission capacity for LTOA has been estimated as 548 MW for FY 2019-20 are submitted in Form No. T 16.1 to 16.3: Revenue at existing Transmission Tariff of the instant petition.

3.162 The Petitioner submitted that the actual energy transmitted is 78485 MU. The discom drawl has been computed, which comprises of discom energy as well as energy under open access of open access consumers. The settlement of the energy is being done by concerned discom itself for the open access consumers. The intra State Open Access energy is 1107 MU and energy flown through interstate transmission system is 23080 M.U. (Including energy of Inter State open access consumers, which is 418 MU). The total energy drawl of Discom consists of Inter State and Intra State power which includes Open Access Energy.

3.163 The consumer wise Intra (Annexure-B: Consolidated report for intra state open access consumers) and Inter (Annexure-C: Consolidated report for inter-state open access consumers) state short term open access list (with contracted capacity) is submitted with the reply for FY 2018-19. As far as, the basis on which energy flow due to open access is concerned, the short term open access consumers schedule their power as per their requirement.

ARR and Recovery of SLDC Charges for FY 2019-20

Stakeholder's comments/suggestions

3.164 The Petitioner assumed to finance Rs. 15.00 Crore towards investment in SLDC by equity and loans. In this regard, the Petitioner is required to submit the details of the basis of such assumptions. Further, whether necessary DPR/Project estimates have been prepared and submitted to the Commission has not been stated in the petition.

3.165 The O&M expenses may be allowed in accordance with Regulation 24(3) of RERC Tariff Regulations, 2019. The claim of Rs. 22 Crore as O&M expenses is not admissible.

3.166 The stakeholder submitted that SLDC does not possess any assets, so the depreciation is not to be allowed.

3.167 The Petitioner is required to submit the details of expenditure to be incurred for payment to NRLDC, charges for united load dispatch and communication schemes separately with basis.

3.168 The Petitioner is required to submit the details for the following:

- Fees and charges to be levied and collected from generating companies, licensees using transmission and/or distribution system of the transmission and/or distribution system as per Regulation 3 of RERC (Levy of Fees of SLDC) Regulations, 2004.
- The details of Operating charges to be recovered from open access Consumers.
- The details of scheduling charges for preparations of schedules by SLDC.
- The Proportion of Fee and charges to be recovered from generating companies and the licensee.

RVPN's Response

3.169 The Petitioner submitted that the investment in SLDC of Rs. 15 Crore is required for upgradation of system, new software, REMC and for Payment of ULDC II phase. The claimed amount of Rs. 15 Crore is on estimated basis. However, actual amount will be conceded while submitting true up petition for FY 2019-20.

3.170 The Petitioner submitted that the claim for O&M expense of Rs. 22 Crore is because of increase in salary, training expenses and increase in Repair and Maintenance cost.

3.171 The details of tangible & non-tangible assets of SLDC are submitted under Note – 1: Non-Current Assets – Property, Plant and Equipment and Note – 3: Non-Current Assets – Intangible assets of SLDC Audited Accounts of FY 2017-18, against which the depreciation is claimed.

3.172 The details of expenditure to be incurred for payment to NRLDC and

charges for united load dispatch centre have been submitted in Form S-4: RLDC Fees and Charges of the instant petition.

3.173 The Petitioner submitted that the SLDC charges are being charged from discoms, open access consumers and railways. Further, operating charges, scheduling charges, and proportion of fee and charges to be levied from generating companies and the licensees are claimed as per Open Access Regulations.

SECTION 4

Approval of true up for FY 2017-18

4.1 Vide its tariff order dated 26.05.2017 (Petition No. 1079/17), the Commission had approved the Transmission Tariff and SLDC Charges for FY 2017-18. In the instant petition, the Petitioner has claimed the true up for FY 2017-18 of Transmission and SLDC based on the audited annual accounts for FY 2017-18.

4.2 The Commission has carried out the true up for FY 2017-18 in accordance with the RERC Tariff Regulations, 2014.

True up of Transmission function

Transmission Network

RVPN's Submission

4.3 The details of transmission network approved by the Commission in the tariff order and actual claimed by the Petitioner is as shown in the Table below:

Table 2: Details of Transmission Network claimed for FY 2017-18

S. No.	Particulars	FY 2017-18							
		Approved in Tariff Order				Actual claimed			
		Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing
A	Lines (ckt km)								
1	765 kV	425.50	0.00	0.00	425.50	425.50	0.00	0.00	425.50
2	400 kV	4468.67	897.43	0.00	5366.10	3937.33	1004.41	0.00	4941.73
3	220 kV	14392.56	196.51	0.00	14589.07	14420.80	540.00	0.00	14960.80
4	132 kV	16731.13	158.60	0.00	16889.73	16771.05	418.25	0.00	17189.30
	Total	36017.86	1252.54	0.00	37270.40	35554.68	1962.66	0.00	37517.33
B	Transformation Capacity (MVA)	73086.50	5013.25	0.00	78099.75	72552.50	6745.50	687.50	78610.50
C	Bays (No.)								
1	765 kV	22	0	0	22	28	0	0	28
2	400 kV	114	35	0	149	91	67	0	158
3	220 kV	752	53	0	805	730	54	0	784
4	132 kV	2556	97	0	2653	2560	130	0	2690
	Total	3444	185	0	3629	3409	251	0	3660

Commission's Analysis

4.4 In reply to the Commission's query, RVPN submitted the list of schemes commissioned during FY 2017-18 along with commissioning dates. The Commission also directed RVPN to submit the Electrical Inspector Certificates for the schemes commissioned in FY 2017-18. RVPN submitted the copies of Electrical Inspector Certificates for some of the works. RVPN further submitted that it deposits the requisite fee in Electrical Inspector Office and if the certificate is not received, it is presumed that the approval is deemed with the deposition of fees. Further, it is observed that the name of the scheme could not be traced from the Electrical Inspector Certificates submitted by RVPN.

4.5 The Commission has considered the closing transmission network approved in true up for FY 2016-17 as the opening transmission network for FY 2017-18. The Commission has considered the network addition and deletion during FY 2017-18 as claimed by RVPN. Accordingly, the transmission network approved for FY 2017-18 is as shown in Table below:

Table 3: Details of Transmission Network approved for FY 2017-18

S. No.	Particulars	FY 2017-18							
		Actual claimed				Actual approved			
		Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing
A	Lines (ckt km)								
1	765 kV	425.50	0.00	0.00	425.50	425.50	0.00	0.00	425.50
2	400 kV	3937.33	1004.41	0.00	4941.73	3937.33	1004.40	0.00	4941.73
3	220 kV	14420.80	540.00	0.00	14960.80	14420.80	540.00	0.00	14960.80
4	132 kV	16771.05	418.25	0.00	17189.30	16771.05	418.25	0.00	17189.30
	Total	35554.68	1962.66	0.00	37517.33	35554.68	1962.65	0.00	37517.33
B	Transformation Capacity (MVA)	72552.50	6745.50	687.50	78610.50	72552.50	6745.50	687.50	78610.50
C	Bays (No.)								
1	765 kV	28	0	0	28	28	0	0	28
2	400 kV	91	67	0	158	91	67	0	158
3	220 kV	730	54	0	784	730	54	0	784
4	132 kV	2560	130	0	2690	2560	130	0	2690
	Total	3409	251	0	3660	3409	251	0	3660

Gross Fixed Assets (GFA) addition during FY 2017-18

RVPN's Submission

4.6 Vide the tariff order dated 26.05.2017, the Commission had approved the GFA addition of Rs. 1557 Crore for FY 2017-18. As against the same, RVPN has claimed the actual GFA addition of Rs. 1144.28 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.7 The Commission directed RVPN to submit the details of works capitalized in FY 2017-18 in the specified format clearly indicating Hard Cost and IDC separately as well as reasons for cost overrun. Vide its replies dated 11.10.2019, RVPN submitted the details of works capitalized in FY 2017-18 but did not submit the complete details in the specified format. The Commission again directed RVPN to submit the complete information in the specified format. Vide the replies dated 28.11.2019, RVPN submitted the revised details. The Commission observed that for some of the works, the claimed cost is more than the DPR cost while some of the works have been completed with actual cost lower the DPR cost. The Commission again directed RVPN to justify the cost increase for some of the schemes and also confirm if the capitalization claimed for each work is full capitalization or part capitalization. RVPN submitted its replies on 03.01.2020. However, RVPN did not submit justification for cost overrun for some of the schemes, neither did they confirmed the capitalization against each work in the specified format.

4.8 The actual capitalization as per the audited accounts is Rs. 1144.28 Crore which has been claimed by RVPN in its petition. Vide its replies dated 28.11.2019, the capitalization claimed by RVPN is amounting to Rs. 1104.80 Crore.

4.9 RVPN, yet again revised its claim on capitalization amounting to Rs. 1144.28 Crore as per the audited accounts. The Commission observed that, even after directing numerous times to submit the capitalization details in specified format, RVPN has not submitted the complete details

and kept on altering the capitalization figures.

- 4.10 The Commission has gone through the submissions of RVPN regarding the actual capitalization claimed for FY 2017-18. The Commission observed that the total capitalization claimed by RVPN includes Rs 62.04 Crore against adjustments regards asset transfer. Accordingly, the Commission from total capitalization of Rs. 1144.28 Crore does not find it prudent to approve the amount of Rs. 62.04 Crore against Adjustment regarding assets transfer.
- 4.11 The Commission also observed that the actual capitalization includes Rs. 18.14 Crore pertains to minor assets and other expenditures like lease rent which are not allowable under capitalization. The Commission deems it fit to not consider the amount of Rs. 18.14 Crore under the capitalization for FY 2017-18 as the same are nature of O&M Expenses and hence the Commission has considered the same as part of O&M expenses.
- 4.12 The balance capitalization after deducting the capitalization towards asset transfer and minor assets as discussed above works out to Rs. 1064.10 Crore. In the absence of complete details regarding cost overrun, time over-run and the part capitalization as well as considering the fact that the electrical inspector certificate has not been received for some of the schemes which is mandatory requirement for all the transmission schemes, the Commission is not in a position to take a prudent view on the allowable cost of such schemes and also does not find it prudent to allow the actual capitalization claimed by RVPN. Therefore, the Commission disallows the capitalization amount of Rs. 50 Crore and accordingly allows the capitalization of Rs. 1014.10 Crore.

GFA deduction during FY 2017-18

RVPN's Submission

- 4.13 RVPN has claimed the GFA deduction of Rs. 80.89 Crore for FY 2017-18.

Commission's Analysis

- 4.14 In reply to the Commission's query, RVPN submitted the reconciliation of GFA deduction claimed with the GFA deduction as per the audited accounts. RVPN also submitted the list of assets decapitalized. RVPN further submitted that the asset deduction of Rs. 80.89 Crore as indicated in the petition is a clerical error and the same should be read as Rs. 81.15 Crore.
- 4.15 The Commission has approved the GFA deduction of Rs. 81.15 Crore, which includes an amount of Rs. 62.04 Crore against "adjustment towards asset transfer" as claimed by RVPN.
- 4.16 Accordingly, for GFA of FY 2017-18, the Commission has considered closing GFA approved in True-Up order of FY 2016-17 as the opening GFA for FY 2017-18. The details of approved GFA is as shown in the table below:

Table 4: GFA Approved for FY 2017-18 (Rs. Crore)

Particulars	Approved
Opening GFA as on 1 st April, 2017	17,210.05
Add : Addition During FY 2017-18	1014.10
Less : Deduction during FY 2017-18	81.15
Closing GFA for FY 2017-18	18143.00

Means of finance of GFA addition for FY 2017-18

RVPN's Submission

- 4.17 The means of finance of GFA addition for FY 2017-18 submitted by RVPN is as shown in the Table below:

Table 5: Means of finance of GFA addition for FY 2017-18 claimed by RVPN

Particulars	Units	Value
GFA addition	Rs. Crore	1144.28
Deposit works	Rs. Crore	15.52
Net GFA addition	Rs. Crore	1128.76
Loan addition during the year	Rs. Crore	826.45
Equity addition during the year	Rs. Crore	250.01
Total Loan and Equity addition	Rs. Crore	1076.46

Commission's Analysis

4.18 Regulation 19 of the RERC Tariff Regulations, 2014 specify the normative debt equity ratio of 70:30 and the actual equity is to be considered in case of actual equity more than 30%.

4.19 The Commission finds that the total loan and equity addition claimed by RVPN does not match with the GFA addition (excluding deposit works). Therefore, in line with the approach adopted by the Commission in the true up for FY 2016-17, the Commission has considered the means of finance of approved GFA addition for FY 2017-18 as under:

- The actual deposit works has been considered as claimed by RVPN
- The actual equity addition has been considered as equity claimed by RVPN as the same is less than 30% of the approved GFA addition.
- The balance amount has been considered to be funded from loan.

4.20 Based on the above, the means of finance of GFA addition for FY 2017-18 approved by the Commission is as shown in the Table below:

Table 6: Means of finance of GFA addition for FY 2017-18 approved by the Commission

Particulars	Units	Approved
GFA addition	Rs. Crore	1014.10
Less: Consumer Contribution/ Deposit	Rs. Crore	15.52
Net GFA addition	Rs. Crore	998.58
Debt	Rs. Crore	764.09
Debt	%	76.52%
Equity	Rs. Crore	250.01
Equity	%	25.04%

Availability of the Transmission System

RVPN's Submission

4.21 The Petitioner has claimed the actual Availability of 99.89% for FY 2017-18.

Commission's Analysis

4.22 Regulation 63(2) of the RERC Tariff Regulations, 2014 specifies the Normative Availability of 98% for recovery of full Annual Transmission

Charges. As the actual Availability is higher than the Normative Availability, full Annual Transmission Charges are allowable for FY 2017-18.

Annual Transmission Charges

4.23 In accordance with RERC Tariff Regulations, 2014, the Aggregate Revenue Requirement of the Transmission Licensee shall comprise of the following:

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

4.24 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

4.25 Vide the tariff order dated 26.05.2017, the Commission had approved the normative O&M expenses of Rs. 1103.25 Crore for FY 2017-18. As against the same, RVPN has claimed the normative O&M expenses of Rs. 1099.14 Crore and actual O&M expenses of Rs. 772.45 Crore as per the audited accounts for FY 2017-18.

Table 7: Normative O&M expenses claimed for FY 2017-18

S. No.	Particulars	Claimed for true-up			
		Network		Norm	O&M expenses
		Units	Value	Rs. lakh/unit	Rs. Crore
A	Lines				
1	765 kV	ckt km	425.50	1.86	7.92
2	400 kV	ckt km	4439.53	1.17	52.12
3	220 kV	ckt km	14690.80	0.46	68.01

S. No.	Particulars	Claimed for true-up			
		Network		Norm	O&M expenses
		Units	Value	Rs. lakh/unit	Rs. Crore
4	132 kV	ckt km	16980.17	0.27	46.35
	Sub-total	ckt km	36536.00		174.41
B	Transformation Capacity	MVA	75581.50	0.72	546.45
C	Bays				
1	765 kV	No.	28	109.04	30.53
2	400 kV	No.	125	72.69	90.50
3	220 kV	No.	757	10.13	76.67
4	132 kV	No.	2625	6.88	180.57
	Sub-total	No.	3535		378.27
	Total				1099.14

Commission's Analysis

4.26 In reply to the Commission's query, RVPN submitted the reconciliation of O&M expenses, furnished with the actual O&M expenses as per the audited accounts as shown in the Table below:

Table 8: Actual O&M expenses furnished for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Amount
1	Employee expenses	480.60
2	R&M expenses	83.36
3	A&G expenses	60.76
4	Sub-total	624.72
5	Add: Actuarial valuation	152.01
6	Add: General office equipment and furniture & fixtures	3.92
7	Less: Unitary charges	4.28
8	Less: Insurance charges	0.34
9	Less: Other charges	3.58
10	Total	772.45

4.27 Regulation 65 read with Regulation 24 of the RERC Tariff Regulations, 2014 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 computed by the Commission based on the transmission network approved for FY 2017-18 is Rs. 1099.36 Crore.

4.28 The Commission finds that the actual O&M expenses for FY 2017-18 are only to the tune of 72% of the normative O&M expenses. The Commission is of the view that despite the fact the RERC Tariff Regulations, 2014 provides for allowing O&M Expenses as per norms, irrespective of the actual expenditure, the huge difference between the normative amount of Rs. 1099.36 Crore and actual expenditure of Rs. 786.67 Crore cannot be ignored. There is no reason why such huge normative O&M expenses needs to be approved, when the actual O&M expenses are only 72% of the normative figure. The purpose of allowing normative O&M expenses, without any sharing of gain/loss on account of variation against the actuals, is to encourage bringing in efficiency in the performance of the Petitioner. However, the Commission cannot allow the Petitioner to derive significant benefits from O&M expenses by availing normative O&M expenses and not actually incurring even around three-fourth of the said normative O&M expenses.

4.29 Regulation 94 of the Tariff Regulations, 2014 provides for dealing with circumstances wherein the Commission may deviate from the provisions of these Regulations by providing reasons for such deviation. The relevant clause is reproduced as under:

“94. Deviation from provisions of these regulations

The Commission may deviate from any of the provisions contained in these Regulations on a suo-motu basis having regard to the circumstances of the case:

Provided that the reasons for such deviation shall be recorded in writing.”

4.30 In the light of the above, the Commission has decided to deviate from the RERC Tariff Regulations, 2014 while approving O&M expenses and consider the actual O&M Expenses in true up for FY 2017-18 as shown in the Table below:

Table 9: Actual O&M expenses for FY 2017-18 (Rs. Crore)

S. No.	Particulars	As per audited accounts	Considered for Approval
1	Employee expenses	480.60	480.60
2	R&M expenses	83.36	83.36
3	A&G expenses	60.76	60.76
4	Sub-total	624.72	624.72
5	Add: Actuarial valuation	152.01	152.01
6	Add: General office equipment and furniture & fixtures	3.92	0.00
7	Less: Unitary charges	4.28	4.28
8	Less: Insurance charges	0.34	0.34
9	Less: Other charges	3.58	3.58
10	Total	772.45	768.53
11	Transfer from GFA to O&M	0.00	18.14
12	Grand Total	772.45	786.67

4.31 Accordingly, the Commission has approved the O&M expenses of Rs. 786.67 Crore for FY 2017-18 which includes Rs. 18.14 Crore of minor asset addition, considered as O&M expenses by Commission.

Table 10: O&M expenses approved for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
O&M expenses	1103.25	1099.14	786.67

Interest on loan and finance charges

RVPN's Submission

4.32 Vide the tariff order dated 26.05.2017, the Commission had approved the interest and finance charges of Rs. 918.08 Crore for FY 2017-18. As against the same, RVPN has claimed the interest and finance charges of Rs. 998.50 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.33 Vide the tariff order dated 26.05.2017, the Commission had approved the interest charges of Rs. 859.84 Crore (as detailed in Table-14) for FY 2017-18. As against the same, RVPN has claimed the interest charges of Rs. 899.83

Crore as per the audited accounts for FY 2017-18. The Commission finds that the Petitioner has claimed the interest charges as per the audited accounts for FY 2017-18.

- 4.34 The Petitioner has submitted the actual interest rate of 9.76% and 9.11% in Form 4.1 (Loan Repayment & Interest Liability (As per Audited Accounts) and in Form 4.2 (Normative Loan Repayment and Interest Liability) respectively. The Commission finds that the interest rate submitted in Form 4.1 is the actual weighted average interest rate for the year as per the audited accounts while the interest rate submitted in Form 4.2 is a derived figure based on the actual interest amount and derived loan balances.
- 4.35 Regulation 21(5) of the RERC Tariff Regulations, 2014 specifies that the rate of interest on loan shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of the year. The Commission directed the Petitioner to submit the computation of weighted average rate of interest for FY 2017-18 in accordance with the same. The Petitioner replied that the weighted average rate of interest has been calculated in accordance with the RERC Tariff Regulations, 2014. The Commission has computed the weighted average rate of interest of 9.53% in accordance with Regulation 21(5) of the RERC Tariff Regulations, 2014.
- 4.36 The closing loan balance approved in true up for FY 2016-17 has been considered as the opening loan balance for FY 2017-18. 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 9.53% has been considered. The interest on loan approved by the Commission is as shown in the Table below:

Table 11: Interest on long term loans for FY 2017-18

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Opening balance	7407.57	10212.01	8296.51
Net Addition	1119.65	826.45	764.09
Repayment	772.71	739.65	786.49
Closing balance	7754.51	10298.81	8274.11
Average loan	7581.04	10255.41	8285.31
Rate of Interest	11.34%	9.76%	9.53%
Gross Interest expenses	859.84	1000.50	789.87
Less: Capitalization	-	100.67	-
Net Interest expenses	859.84	899.83	789.87

- 4.37 Vide the tariff order dated 26.05.2017, the Commission had approved the finance charges of Rs. 65.00 Crore for FY 2017-18. As against the same, RVPN has claimed the finance charges of Rs. 98.67 Crore as per the audited accounts for FY 2017-18.
- 4.38 In reply to the Commission's query, RVPN submitted the reconciliation of finance charges claimed with the actual as per the audited accounts as shown in the Table below:

Table 12: Reconciliation of finance charges submitted by RVPN (Rs. Crore)

Particulars	Revised Claim
Stamp duty / Registration Fees	0.06
Service Fees	0.43
Commitment charges	0.15
Other bank charges	0.38
Guarantee charges	94.54
Penal interest	0.51
Prepayment charges	0.33
Other processing charges	0.00
Interest on finance lease	2.39
Total	98.79

- 4.39 RVPN has submitted the finance charges of Rs. 98.67 Crore in its petition, whereas the same has been submitted as Rs. 98.79 Crore in replies to data gaps.

4.40 Out of the finance charges of Rs. 98.79 Crore claimed by RVPN, the amount of Rs. 0.51 Crore and Rs. 2.39 Crore pertain to penal interest and Interest on finance lease respectively. The Commission does not find it prudent to allow the same. Accordingly, the finance charges approved by the Commission is as shown in the Table below:

Table 13: Finance charges for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Claimed	Approved
1	Stamp duty / Registration Fees	0.06	0.06
2	Service Fees	0.43	0.43
3	Commitment charges	0.15	0.15
4	Other bank charges	0.38	0.38
5	Guarantee charges	94.54	94.54
6	Penal interest	0.51	0.00
7	Prepayment charges	0.33	0.33
8	Other processing charges	0.00	0.00
9	Interest on finance lease	2.39	0.00
10	Total	98.79	95.89

4.41 Based on the above, the interest and finance charges approved for FY 2017-18 is as shown in Table below:

Table 14: Interest and finance charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Net Interest expenses	859.84	899.83	789.87
Add: Finance charges	65.00	98.67	95.89
Interest and finance charges	924.84	998.50	885.77
Less: SLDC Interest and finance charges	1.02	-	-
Less: Partnership project interest and finance charges	5.74	-	-
Net interest and finance charges	918.08	998.50	885.77

Depreciation

RVPN's Submission

4.42 Vide the tariff order dated 26.05.2017, the Commission had approved the

depreciation of Rs. 772.71 Crore for FY 2017-18. As against the same, RVPN has claimed the depreciation of Rs. 804.40 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.43 The Commission directed RVPN to submit the details of fixed assets segregating them into assets that have completed 12 years and assets that have completed less than 12 years. In reply, RVPN submitted the amounts under each asset class segregating the same into (i) assets that have completed 12 years along with the depreciation charged on the assets for the year (ii) assets that have completed less than 12 years along with the depreciation charged on the assets for the year and (iii) assets that have been depreciated up to 90% on which no depreciation has been claimed.

4.44 The Commission has approved the depreciation in accordance with RERC Tariff Regulations, 2014 considering the approved GFA for the year. Further, the depreciation on the GFA pertaining to deposit works has been deducted from the total depreciation. The depreciation approved by the Commission for FY 2017-18 is as shown in the Table below:

Table 15: Depreciation for FY 2017-18 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true up	Approved on true up
Depreciation	772.71	804.40	786.49

Interest on Working Capital (IoWC)

RVPN's Submission

4.45 Vide the tariff order dated 26.05.2017, the Commission had approved the normative IoWC of Rs. 57.46 Crore for FY 2017-18. As against the same, RVPN has claimed the normative IoWC of Rs. 71.44 Crore and net entitlement of Rs. 55.29 Crore.

Commission's Analysis

4.46 In accordance with Regulation 27(1)(2) of the RERC Tariff Regulations,

2014, 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, 2014 specifies that the rate of interest on working capital to be computed shall be on normative basis and shall be 250 basis points higher from SBI Base Rate prevalent during first six months of the year previous to the relevant year.

- 4.47 The Commission observed that RVPN has not deducted the amount of security deposit while computing the normative working capital requirement. The Commission has considered the amount of security deposit as Rs. 87.38 Crore as per the audited accounts.
- 4.48 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2014. The normative rate of interest on working capital has been considered as 11.80% in accordance with RERC Tariff Regulations, 2014.
- 4.49 Regulation 27(2) of the RERC Tariff Regulations, 2014 provides for sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital. Whereas, RVPN has considered sharing of variation in actual and normative loWC. The Commission directed RVPN to revise its claim of sharing of loWC in accordance with Regulation 27(2). In reply, RVPN submitted that loWC has been calculated as per norms.
- 4.50 The Commission has computed the actual rate of interest on working capital loans as 10.28% as per the audited accounts. In accordance with Regulation 27(2), the Commission has considered the sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital. The loWC approved by the Commission is as shown in the Table below:

Table 16: IoWC for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
O&M expenses (1 Month)	91.94	91.60	65.56
Maintenance spares (15% of O&M Expenses)	165.49	164.87	118.00
Receivables on Target Availability (1.5 Months of Transmission Charges)	313.14	350.21	288.80
Less: Amount held as security deposits from Users	83.62	0.00	87.38
Total working capital	486.95	606.67	384.98
Normative Rate of interest on working capital	11.80%	11.78%	11.80%
Actual Rate of interest on working capital	-	-	10.28%
Net entitlement of Rate of Interest on working capital	11.80%	11.78%	11.04%
Interest on working capital	57.46	71.44	42.51

4.51 The significant variation in normative working capital requirement claimed by RVPN and that approved by the Commission is mainly on account of variation in O&M expenses claimed by RVPN and that approved by the Commission.

Return on Equity (RoE)

RVPN's Submission

4.52 Vide the tariff order dated 26.05.2017, the Commission had approved RoE of Rs. 76.10 Crore for FY 2017-18. As against the same, RVPN has claimed RoE of Rs. 82.89 Crore.

Commission's Analysis

4.53 The closing equity balance approved in true up for FY 2016-17 has been considered as the opening equity balance for FY 2017-18. The equity addition during the year has been considered based on the approved means of finance of GFA addition. The RoE approved by the Commission is as shown in the Table below:

Table 17: RoE for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Opening Equity	3661.05	4019.64	3661.05
Net addition during the year	288.00	250.01	250.01
Closing Equity	3949.05	4269.65	3911.06
Average Equity	3805.05	4144.65	3786.06
Rate of Return on Equity	2.00%	2.00%	2.00%
Return on Equity	76.10	82.89	75.72

Income Tax

RVPN's Submission

4.54 RVPN has claimed the income tax of Rs. 24.62 Crore for FY 2017-18.

Commission's Analysis

4.55 In accordance with Regulation 29 of the RERC Tariff Regulations, 2014, tax on income corresponding to approved RoE shall be directly recovered from the beneficiaries. The Commission directed RVPN to submit the justification for claiming the income tax in true up when the RERC Tariff Regulations, 2014 provide for direct recovery of the same. In reply, RVPN submitted that income tax was included in its earlier Petitions. The Commission does not find it prudent to approve income tax in true up when the Regulations provide for direct recovery in accordance with the provisions specified therein. Therefore, the Commission has not allowed any income tax in this order. RVPN is entitled to recover the tax on RoE in accordance with the provisions of the Regulations.

Insurance charges

RVPN's Submission

4.56 Vide the tariff order dated 26.05.2017, the Commission had approved insurance charges of Rs. 0.55 Crore for FY 2017-18. As against the same, RVPN has claimed actual insurance charges of Rs. 0.34 Crore as per the audited accounts.

Commission's Analysis

4.57 Regulation 26 of the RERC Tariff Regulations, 2014 provide for insurance expenses subject to ceiling limit of 0.2% of average NFA for the year. Accordingly, the Commission has approved the insurance charges of Rs. 0.34 Crore as claimed by RVPN.

Table 18: Insurance charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Insurance charges	0.55	0.34	0.34

Unitary charges

RVPN's Submission

4.58 RVPN has claimed the unitary charges of Rs. 4.28 Crore for FY 2017-18 towards "400 kV Bikaner-Sikar Transmission Project" developed on DBFOT basis as per the audited accounts.

Commission's Analysis

4.59 Vide the order dated 09.10.2015 (Petition No. 555/15), the Commission had approved the recovery of base unitary charges paid by RVPN from the DISCOMs and other long-term Open Access customers. Therefore, the Commission has approved the actual unitary charges of Rs. 4.28 Crore claimed for FY 2017-18.

Table 19: Unitary charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Unitary charges	0.00	4.28	4.28

Other charges

RVPN's Submission

4.60 Vide the tariff order dated 26.05.2017, the Commission had approved other charges of Rs. 14.48 Crore for FY 2017-18. As against the same, RVPN has claimed actual other charges of Rs. 3.58 Crore as per the audited accounts.

Commission's Analysis

4.61 The Commission observed that the amount of Rs. 3.58 Crore claimed by RVPN pertain to miscellaneous losses and write-off. The Commission does not find it prudent to allow the same when the legitimate expenses for each year has been allowed by the Commission.

Table 20: Other charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Other charges	14.48	3.58	0.00

Non-Tariff Income (NTI)

RVPN's Submission

4.62 Vide the tariff order dated 26.05.2017, the Commission had approved NTI of Rs. 137.50 Crore for FY 2017-18. As against the same, RVPN has claimed actual NTI of Rs. 122.52 Crore as per the audited accounts.

Commission's Analysis

4.63 The Commission has considered the actual NTI of Rs. 122.52 Crore as claimed by RVPN.

Table 21: NTI for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Non-Tariff Income	137.50	122.52	122.52

Revenue from short-term open access

RVPN's Submission

4.64 Vide the tariff order dated 26.05.2017, the Commission had approved the revenue from short-term open access of Rs. 300 Crore for FY 2017-18. As against the same, RVPN has claimed actual revenue from short-term open access of Rs. 111.21 Crore as per the audited accounts.

Commission's Analysis

4.65 The Commission directed RVPN to submit the justification for the actual revenue from short-term open access significantly lower than that approved by the Commission. In reply, RVPN submitted that the revenue of Rs. 300 Crore was estimated while the revenue of Rs. 111.21 Crore is actual.

4.66 The Commission has approved the actual revenue of Rs. 111.21 Crore.

Table 22: Revenue from short-term open access for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Revenue from Short Term Open Access	300.00	111.21	111.21

Revenue from Inter State Transmission (ISTS) Lines

RVPN's Submission

4.67 Vide the tariff order dated 26.05.2017, the Commission had approved the revenue from ISTS lines of Rs. 37.98 Crore for FY 2017-18. As against the same, RVPN has claimed actual revenue from ISTS lines of Rs. 37.66 Crore as per the audited accounts.

Commission's Analysis

4.68 The Commission has approved the actual revenue from ISTS lines of Rs. 37.66 Crore.

Table 23: Revenue from ISTS lines for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Revenue from ISTS lines	37.98	37.66	37.66

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 24: Annual Transmission Charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
O&M expenses	1103.25	1099.14	786.67
Interest and finance charges on long-term loans	918.08	998.50	885.77
Depreciation	772.71	804.40	786.49
Interest on working capital	57.46	55.29	42.51
Return on Equity	76.10	82.89	75.72
Income Tax	-	24.62	-
Insurance charges	0.55	0.34	0.34
Unitary charges	0.00	4.28	4.28
Other charges	14.48	3.58	0.00
Less: Non-Tariff Income	137.50	122.52	122.52
Aggregate Revenue Requirement	2805.13	2950.53	2459.26
Less: Revenue from Short Term Open Access	300.00	111.21	111.21
Less: Revenue from Inter State Transmission Lines	37.98	37.66	37.66
Annual Transmission Charges	2467.15	2801.66	2310.39

4.70 The variation in ATC claimed by RVPN and that approved by the Commission is mainly on account of the variation in O&M expenses and interest and finance charges as discussed in preceding paras. Further RVPN is entitled to recover the tax on RoE in accordance with the provisions of the Regulations.

Incentive

RVPN's Submission

4.71 RVPN has claimed the incentive of Rs. 42.72 Crore for achieving higher Availability than the Normative Availability. RVPN has claimed the separate recovery of the same.

Commission's Analysis

4.72 Regulation 69 of the RERC Tariff Regulations, 2014 provide for incentive on achieving annual Availability above the Normative Availability. The Commission has approved the incentive for FY 2017-18 in accordance with the same as shown in the Table below:

Table 25: Incentive approved for FY 2017-18 (Rs. Crore)

Particulars	Units	Value
Annual Transmission Charges	Rs. Crore	2310.39
Target Availability for incentive	%	98.00%
Max. Availability for incentive	%	99.75%
Actual Availability	%	99.89%
Incentive	Rs. Crore	41.26

Revenue side true up

RVPN's Submission

4.73 RVPN has claimed the revenue of 2465.69 Crore for FY 2017-18.

Commission's Analysis

4.74 The actual revenue as per the audited accounts is Rs. 2657.29 Crore as shown in the Table below:

Table 26: Actual revenue as per the audited accounts for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Actual Revenue for FY 2017-18
A	Revenue from Transmission Wheeling Charges	
1	JVVN	946.72
2	AVVN	670.34
3	JDVVN	749.55
4	Others	
a	Revenue from Short Term Open Access	111.21
b	Revenue from Long Term Open Access	97.24
c	Interstate Line User Charges	37.66
	Sub-total	2612.72
B	Incentive	
1	JVVN	15.74
2	AVVN	11.82
3	JDVVN	13.51
4	Others	1.66
	Sub-total	42.72
C	Subsidies & Grants on capital account (Non-Regulatory)	1.84
	Total	2657.29

4.75 Out of the above total revenue as per the audited accounts, the revenue considered for true up is as shown in the Table below:

Table 27: Revenue for true up for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Claimed for true up	Approved on true up
A	Revenue from Transmission Wheeling Charges		
1	JVVN	946.72	946.72
2	AVVN	670.34	670.34
3	JDVVN	749.55	749.55
4	Others		
a	Revenue from Short Term Open Access	-	-
b	Revenue from Long Term Open Access	97.24	97.24
c	Interstate Line User Charges	-	-
	Sub-total	2463.85	2463.85
B	Incentive		
1	JVVN	-	15.74
2	AVVN	-	11.82
3	JDVVN	-	13.51
4	Others	-	1.66
	Sub-total	-	42.72
C	Subsidies & Grants on capital account (Non-Regulatory)	1.84	1.84
	Total	2465.69	2508.42

Summary of true up

Commission's Analysis

4.76 Based on the above, the summary of true up for FY 2017-18 is as shown in Table below:

Table 28: Summary of true up for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Claimed	Approved
A	Expenditure side summary		
1	Annual Transmission Charges	2801.66	2310.39
2	Incentive	-	41.26
3	Total	2801.66	2351.64
B	Revenue side summary		
C	Revenue for true up	2465.69	2508.42
D	Revenue Gap/(Surplus)	335.96	-156.77

4.77 As against the revenue gap of Rs. 335.96 Crore claimed by RVPN, the Commission has approved the revenue surplus of Rs. 156.77 Crore. The Commission directs RVPN to refund the approved surplus of Rs. 156.77

Cre in the ratio of contracted capacity of DISCOMs and long-term open access customers for FY 2017-18 in three equal monthly instalments from the date of this order.

True up of SLDC function

Gross Fixed Assets (GFA) during FY 2017-18

RVPN's Submission

4.78 Vide the tariff order dated 26.05.2017, the Commission had approved the GFA addition of Rs. 20 Crore for FY 2017-18. As against the same, RVPN has claimed the actual GFA addition of Rs. 0.01 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.79 The Commission has considered closing GFA approved in True-Up order of FY 2016-17 as the opening GFA for FY 2017-18. The GFA addition claimed by RVPN for FY 2017-18 is towards office equipment. This amount is not allowable under GFA. The Commission has considered the amount of Rs. 0.01 Crore claimed by RVPN towards office equipment as part of O&M expenses. The details of approved GFA is as shown in the table below:

Table 29: GFA Approved for FY 2017-18 (Rs. Crore)

Particulars	Approved
Opening GFA as on 1 st April, 2017	29.60
Add : Addition During FY 2017-18	0.00
Less : Deduction during FY 2017-18	0.00
Closing GFA for FY 2017-18	29.60

SLDC Charges

4.80 In accordance with RERC Tariff Regulations, 2014, the SLDC charges 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
- f) RLDC fee and charges

4.81 The Segregated Accounts, duly certified by the Statutory Auditor or Chartered Accountant, pertaining to SLDC function shall form the basis for approval of SLDC expenses. RVPN has submitted the Segregated Accounts duly certified by Chartered Accountant pertaining to SLDC function for FY 2017-18.

O&M expenses

RVPN's Submission

4.82 Vide the tariff order dated 26.05.2017, the Commission had approved the O&M expenses of Rs. 11.77 Crore for FY 2017-18. As against the same, RVPN has claimed the actual O&M expenses of Rs. 14.96 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.83 In reply to the Commission's query, RVPN submitted the reconciliation of O&M expenses claimed with the actual O&M expenses as per the audited accounts as shown in the Table below:

Table 30: Actual O&M expenses claimed for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Claimed for true up
1	Employee expenses	10.40	13.77
2	R&M expenses	0.16	0.03
3	A&G expenses	1.20	1.16
4	Total	11.77	14.96

4.84 Further, RVPN submitted that the actual O&M expenses are higher than approved O&M expenses on account of 7th pay revision.

4.85 The Commission has approved the actual O&M expenses of Rs. 14.96 Crore as claimed by RVPN. In addition, the Commission has considered the amount of Rs. 0.01 Crore pertaining to office equipment disallowed

from GFA addition. Accordingly, the O&M expenses approved by the Commission for FY 2017-18 is as shown in the Table below

Table 31: O&M expenses approved for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
O&M expenses	11.76	14.96	14.97

Interest on loan and finance charges

RVPN's Submission

4.86 Vide the tariff order dated 26.05.2017, the Commission had approved the interest and finance charges of Rs. 1.02 Crore for FY 2017-18. As against the same, RVPN has claimed the interest and finance charges of Rs. 0.23 Crore. RVPN has not claimed any finance charges.

Commission's Analysis

4.87 The closing loan balance approved in true up for FY 2016-17 has been considered as the opening loan balance for FY 2017-18. The allowable depreciation for the year has been considered as the normative repayment. The actual interest rate of 10% has been considered. The interest on loan approved by the Commission is as shown in the Table below:

Table 32: Interest and finance charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18	
	Claimed for true-up	Approved on true-up
Opening balance	2.57	1.58
Net Addition	0.00	0.00
Repayment	0.29	0.72
Closing balance	2.28	0.86
Average loan	2.42	1.22
Rate of Interest	10.00%	10.00%
Interest expenses	0.23	0.12
Finance charges	0.00	0.00
Interest and finance charges	0.23	0.12

Depreciation

RVPN's Submission

4.88 Vide the tariff order dated 26.05.2017, the Commission had approved the depreciation of Rs. 1.77 Crore for FY 2017-18. As against the same, RVPN has claimed the depreciation of Rs. 0.72 Crore as per the audited accounts for FY 2017-18.

Commission's Analysis

4.89 The Commission has approved the depreciation in accordance with RERC Tariff Regulations, 2014 considering the approved GFA for the year. The depreciation approved by the Commission for FY 2017-18 is as shown in the Table below:

Table 33: Depreciation for FY 2017-18 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true up	Approved on true up
Depreciation	1.77	0.72	0.72

Interest on Working Capital (IoWC)

RVPN's Submission

4.90 Vide the tariff order dated 26.05.2017, the Commission had approved the normative IoWC of Rs. 0.76 Crore for FY 2017-18. As against the same, RVPN has claimed the normative IoWC of Rs. 0.74 Crore.

Commission's Analysis

4.91 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 SLDC charges less amount held as security deposits. Regulation 27(2) of the RERC Tariff Regulations, 2014 specifies that the rate of interest on working capital to be computed shall be on normative basis and shall be 250 basis points higher from SBI Base Rate prevalent during first six months of the year previous to the relevant year.

- 4.92 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2014. The normative rate of interest on working capital has been considered as 11.80% in accordance with RERC Tariff Regulations, 2014.
- 4.93 Regulation 27(2) of the RERC Tariff Regulations, 2014 provides for sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital. Whereas, RVPN has not considered any sharing in its claim. The Commission directed RVPN to submit the justification regarding the same. In reply, RVPN submitted that loWC has been claimed on normative basis.
- 4.94 The Commission has computed the actual rate of interest on working capital loans as 10.28% as per the audited accounts. In accordance with Regulation 27(2), the Commission has considered the sharing of variation in interest amount on account of actual vis-à-vis normative interest rate on normative working capital. The loWC approved by the Commission is as shown in the Table below:

Table 34: loWC for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
O&M expenses (1 Month)	0.98	1.25	1.25
Maintenance spares (15% of O&M Expenses)	1.76	2.24	2.25
Receivables (1.5 Months of SLDC Charges)	4.06	2.89	2.87
Less: Amount held as security deposits from Users	0.40	0.12	0.12
Total working capital	6.40	6.27	6.25
Normative Rate of interest on working capital	11.80%	11.78%	11.80%
Actual Rate of interest on working capital	-	-	10.28%
Net entitlement of Rate of Interest on working capital	11.80%	11.78%	11.04%
Interest on working capital	0.76	0.74	0.69

Return on Equity (RoE)

RVPN's Submission

4.95 Vide the tariff order dated 26.05.2017, the Commission had approved RoE of Rs. 0.04 Crore for FY 2017-18. As against the same, RVPN has claimed RoE of Rs. 0.02 Crore.

Commission's Analysis

4.96 The closing equity balance approved in true up for FY 2016-17 has been considered as the opening equity balance for FY 2017-18. The RoE approved by the Commission is as shown in the Table below:

Table 35: RoE for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Opening Equity	1.07	1.07	1.07
Net addition during the year	2.00	0.01	0.00
Closing Equity	3.07	1.08	1.07
Average Equity	2.07	1.07	1.07
Rate of Return on Equity	2.00%	2.00%	2.00%
Return on Equity	0.04	0.02	0.02

RLDC fee and charges

RVPN's Submission

4.97 Vide the tariff order dated 26.05.2017, the Commission had approved RLDC fee and charges of Rs. 19.05 Crore for FY 2017-18. As against the same, RVPN has claimed actual RLDC fee and charges of Rs. 8.37 Crore as per the audited accounts.

Commission's Analysis

4.98 The Commission has approved the actual RLDC fee and charges of Rs. 8.37 Crore as claimed by RVPN.

Table 36: RLDC fee and charges for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
RLDC fee and charges	19.05	8.37	8.37

Non-Tariff Income (NTI)

RVPN's Submission

4.99 Vide the tariff order dated 26.05.2017, the Commission had approved NTI of Rs. 1.71 Crore for FY 2017-18. As against the same, RVPN has claimed actual NTI of Rs. 1.91 Crore as per the audited accounts.

Commission's Analysis

4.100 The Commission has considered the actual NTI of Rs. 1.91 Crore as claimed by RVPN.

Table 37: NTI for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Non-Tariff Income	1.71	1.91	1.91

Income from other business

RVPN's Submission

4.101 Vide the tariff order dated 26.05.2017, the Commission had approved the income from other business of Rs. 0.21 Crore for FY 2017-18. As against the same, RVPN has not claimed any income from other business.

Commission's Analysis

4.102 The Commission has not considered any income from other business.

Table 38: Revenue from short-term open access for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18		
	Approved in Tariff Order	Claimed for true up	Approved on true up
Income from other business	0.21	0.00	0.00

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

Table 39: SLDC Charges for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Claimed for true up	Approved in True up
Expenses				
1	Operating Expenses			
A	Employee expenses	10.40	13.77	13.77
B	Administrative and General Expenses	1.20	1.16	1.16
C	Repair and Maintenance Expenses	0.16	0.03	0.04* (Out of Rs. 0.04 Crore Rs. 0.01 Crore is towards office equipment)
D	Interest on Working Capital	0.76	0.74	0.69
E	RLDC / NRLDC Fee and Charges	19.05	8.37	8.37
2	Capital expense components			
A	Depreciation	1.77	0.72	0.72
B	Interest and finance charges on term loan	1.02	0.23	0.12
C	Return on equity	0.04	0.02	0.02
D	Income Tax provision	0.00	0.00	0.00
3	Total Revenue Expenditure	34.40	25.05	24.90
4	Less: Non Tariff income	1.71	1.91	1.91
5	Less: Income from other business	0.21	0.00	0.00
6	Aggregate Revenue Requirement	32.48	23.14	22.99

Revenue side true up**RVPN's Submission**

4.104 RVPN has claimed the revenue of 46.46 Crore for FY 2017-18.

Commission's Analysis

4.105 The actual revenue as per the audited accounts is Rs. 46.46 Crore as shown in the Table below:

Table 40: Actual revenue as per the audited accounts for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Actual Revenue for FY 2017-18
1	SLDC charges	31.12
2	Income from LTOA	9.02
3	Income from STOA	0.28
4	Income from Energy Exchange	6.05
5	Total	46.46

4.106 The Commission has considered the actual revenue of Rs. 46.46 Crore.

Summary of true up

Commission's Analysis

4.107 Based on the above, the summary of true up for FY 2017-18 is as shown in Table below:

Table 41: Summary of true up for FY 2017-18 (Rs. Crore)

S. No.	Particulars	Claimed	Approved
1	ARR	23.14	22.99
2	Actual Revenue	46.46	46.46
3	Revenue Gap/(Surplus)	-23.32	-23.47

4.108 As against the revenue surplus of Rs. 23.32 Crore claimed by RVPN, the Commission has approved the revenue surplus of Rs. 23.47 Crore. The Commission directs RVPN to refund the approved surplus of Rs. 23.47 Crore in the ratio of contracted capacity of DISCOMs and long-term open access customers for FY 2017-18 in three equal monthly instalments from the date of this order.

SECTION 5

Determination of ARR and Tariff for FY 2019-20

ARR for Transmission function

5.1 The Commission has approved the Transmission Charges for FY 2019-20 in accordance with the RERC Tariff Regulations, 2019.

Availability of the Transmission System

Commission's Analysis

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

Transmission Network

RVPN's Submission

5.3 The details of transmission network claimed by the Petitioner for FY 2018-19 and FY 2019-20 is as shown in the Table below:

Table 42: Details of Transmission Network claimed for FY 2018-19 and FY 2019-20

S. No.	Particulars	FY 2018-19				FY 2019-20			
		Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing
A	Lines (ckt km)								
1	765 kV	425.50	0.00	0.00	425.50	425.50	0.00	0.00	425.50
2	400 kV	4941.73	1336.17	0.00	6277.90	6277.90	820.00	0.00	7097.90
3	220 kV	14960.80	217.74	0.00	15178.54	15178.54	292.00	0.00	15470.54
4	132 kV	17189.30	428.35	0.00	17617.64	17617.64	419.00	0.00	18036.64
	Total	37517.33	1982.25	0.00	39499.58	39499.58	1531.00	0.00	41030.58
B	Transformation Capacity (MVA)	78610.50	3470.00	802.50	81278.00	82080.50	3440.00	0.00	85520.50
C	Bays (No.)								
1	765 kV	28	0	0	28	28	0	0	28
2	400 kV	158	21	0	179	179	0	0	179
3	220 kV	784	28	0	812	812	12	0	824
4	132 kV	2690	86	1	2775	2775	76	0	2851
	Total	3660	135	1	3794	3794	88	0	3882

Commission's Analysis

- 5.4 The closing values of transmission network approved for FY 2017-18 has been considered as the opening values for FY 2018-19.
- 5.5 The transmission network approved by the Commission vide its tariff order for FY 2018-19 dated 03.05.2018 is as shown in the Table below:

Table 43: Transmission network approved in the Tariff Order for FY 2018-19

S. No.	Particulars	FY 2018-19			
		Approved in Tariff Order			
		Opening	Addition	Deletion	Closing
A	Lines (ckt km)				
1	765 kV	425.50	0.00	0.00	425.50
2	400 kV	5117.33	740.00	0.00	5857.33
3	220 kV	14749.42	310.00	0.00	15059.42
4	132 kV	17117.05	317.00	0.00	17434.05
	Total	37409.30	1367.00	0.00	38776.30
B	Transformation Capacity (MVA)	78477.50	4145.00	0.00	82622.50
C	Bays (No.)				
1	765 kV	28	0	0	28
2	400 kV	136	20	0	156
3	220 kV	782	39	0	821
4	132 kV	2638	80	0	2718
	Total	3584	139	0	3723

- 5.6 RVPN has submitted the revised proposed network addition for FY 2018-19. In reply to the Commission's query, RVPN submitted the details of actual addition of network for FY 2018-19. Accordingly, the closing network for FY 2018-19 and opening network for FY 2019-20 were revised. The Commission has provisionally considered the network addition as per the actual values submitted 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 2018-19.
- 5.7 RVPN has submitted the proposed network addition for FY 2019-20. The Commission observed that the opening value of transformation capacity claimed by RVPN for FY 2019-20 is not matching with the closing value claimed for FY 2018-19.

5.8 The closing values of transmission network approved for FY 2018-19 has been considered as the opening values for FY 2019-20. The Commission has provisionally considered the network addition for FY 2019-20 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 2019-20 based on the submissions of RVPN.

5.9 Accordingly, the transmission network approved for FY 2018-19 and FY 2019-20 is as shown in Table below:

Table 44: Details of Transmission Network approved for FY 2018-19 and FY 2019-20

S. No.	Particulars	FY 2018-19				FY 2019-20			
		Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing
A	Lines (ckt km)								
1	765 kV	425.50	0.00	0.00	425.50	425.50	0.00	0.00	425.50
2	400 kV	4941.73	1336.17	0.00	6277.89	6277.89	820.00	0.00	7097.89
3	220 kV	14960.80	217.74	0.00	15178.54	15178.54	292.00	0.00	15470.54
4	132 kV	17189.30	428.35	0.00	17617.64	17617.64	419.00	0.00	18036.64
	Total	37517.33	1982.25	0.00	39499.57	39499.57	1531.00	0.00	41030.57
B	Transformation Capacity (MVA)	78610.50	3470.00	0.00	82080.50	82080.50	3440.00	0.00	85520.50
C	Bays (No.)								
1	765 kV	28	0	0	28	28	0	0	28
2	400 kV	158	21	0	179	179	0	0	179
3	220 kV	784	28	0	812	812	12	0	824
4	132 kV	2690	86	0	2776	2776	76	0	2852
	Total	3660	135	0	3795	3795	88	0	3883

Gross Fixed Assets (GFA) addition during FY 2018-19 and FY 2019-20

RVPN's Submission

5.10 RVPN has claimed the GFA addition of Rs. 1478.01 Crore and Rs. 1542.90 Crore for FY 2018-19 and FY 2019-20 respectively in its Petition.

Commission's Analysis

5.11 RVPN has claimed the GFA addition of Rs. 1478.01 Crore for FY 2018-19 in its Petition whereas the GFA addition has been considered as Rs. 1491.78 Crore in depreciation computations. Further, the sum of deposits, loan

addition and equity addition claimed during FY 2018-19 works out to Rs. 1859.20 Crore.

- 5.12 Vide the tariff order dated 03.05.2018, the Commission had approved the GFA addition of Rs. 1191.50 Crore for FY 2018-19. As against the same, RVPN has claimed the revised proposed GFA addition of Rs. 1491.78 Crore in its Petition. Subsequently, RVPN has submitted the audited accounts for FY 2018-19. The Commission observed that the actual GFA addition during FY 2018-19 as per the audited accounts is Rs. 795.09 Crore (excluding minor assets). The Commission has provisionally considered the actual GFA addition as per the audited accounts for FY 2018-19. The Commission shall carry out the prudence check of the same in the true up for FY 2018-19 based on the submission of RVPN.
- 5.13 RVPN has claimed the GFA addition of Rs. 1542.90 Crore for FY 2019-20 in its Petition whereas the GFA addition has been considered as Rs. 1552.26 Crore in depreciation computations. In reply to the Commission's query, RVPN submitted that the figure of Rs. 1542.90 Crore may be read as Rs. 1552.90 Crore. Further, the sum of deposits, loan addition and equity addition claimed during FY 2019-20 works out to Rs. 1665.00 Crore.
- 5.14 RVPN has proposed the GFA addition of Rs. 1665.00 Crore for FY 2019-20. The Commission has analyzed the capitalization trend of RVPN during the preceding 3 years from FY 2016-17 to FY 2018-19 based on the CWIP during those years. The Commission finds that the capitalization % of sum of opening CWIP and capital expenditure during the year is in the range of 18% to 46% which averages out to 29%.

Table 45: Capitalization as % of sum of opening CWIP and capital expenditure (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Opening CWIP	3931.89	3101.56	3174.06
Capital expenditure during the year	1763.03	1133.47	1419.22
Transferred to PPE + CWIP Adjustment	2593.36	1060.98	811.44
Closing CWIP	3101.56	3174.06	3781.83
Capitalization as % of opening CWIP + Capital investment during the year	46%	25%	18%
Average	29%		

5.15 Considering the same, the Commission approves the capitalization of Rs. 1576.45 Crore for FY 2019-20.

Table 46: Capitalization approved for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20
Opening CWIP	3781.83
Capital expenditure during the year	1576.83
Transferred to PPE	1576.45
Closing CWIP	3782.20
Capitalization as % of opening CWIP + Capital investment during the year	29%

Means of finance of GFA addition for FY 2018-19 and FY 2019-20

RVPN's Submission

5.16 The means of finance of GFA addition for FY 2018-19 and FY 2019-20 submitted by RVPN is as show in the Table below:

Table 47: Means of finance of GFA addition for FY 2018-19 and FY 2019-20 claimed by RVPN

Particulars	Units	FY 2018-19	FY 2019-20
GFA addition	Rs. Crore	1859.20	1665.00
Less: Consumer Contribution/ Deposit	Rs. Crore	122.80	347.50
Net GFA addition	Rs. Crore	1736.40	1317.50
Debt	Rs. Crore	1567.59	907.31
Debt	%	90.28%	68.87%
Equity	Rs. Crore	168.81	410.19
Equity	%	9.72%	31.13%

Commission's Analysis

5.17 Regulation 19 of the RERC Tariff Regulations, 2014 and 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 more than 30%.

5.18 The Commission has considered the means of finance of approved GFA addition for FY 2018-19 as under:

- The actual deposit works has been considered as per the audited

accounts.

- The balance GFA addition is considered to be funded in the normative debt equity ratio of 70:30.

5.19 The Commission has considered the means of finance of approved GFA addition for FY 2019-20 as under:

- The deposit works has been considered as per the audited accounts for FY 2018-19.
- The balance GFA addition is considered to be funded in the normative debt equity ratio of 70:30.

5.20 Vide the tariff order for FY 2017-18, the Commission has approved the funding of GFA addition to the tune of Rs. 149.35 Crore from grants and consumer contribution. As against the same, the actual GFA addition from consumer contribution/grants is to the tune of Rs. 15.52 Crore. Further, vide the tariff order for FY 2018-19, the Commission has approved the funding of GFA addition to the tune of 365.30 Crore from grants. As against the same, the actual GFA addition from grants is to the tune of Rs. 16.59 Crore. RVPN has proposed the GFA addition of Rs. 347.50 Crore from consumer contribution/grants in FY 2019-20. The Commission does not find it prudent to consider significant addition from consumer contribution/grants when the actual additions in FY 2017-18 and FY 2018-19 are in the range of Rs 15.52 Crore to Rs 16.59 Crore. Therefore, the Commission deems it fit to consider the GFA addition from grants in FY 2019-20 at the same level of actuals for FY 2018-19 subject to true up based on actuals for FY 2019-20.

5.21 Based on the above, the means of finance of GFA addition for FY 2018-19 and FY 2019-20 approved by the Commission is as shown in the Tables below:

Table 48: Means of finance of GFA addition for FY 2018-19 approved by the Commission

Particulars	Units	Approved in Tariff Order	Revised claim	Revised approval
GFA addition	Rs. Crore	1191.50	1859.20	795.09
Less: Consumer Contribution/ Deposit	Rs. Crore	365.30	122.80	16.59
Net GFA addition	Rs. Crore	826.20	1736.40	778.50
Debt	Rs. Crore	578.34	1567.59	544.95
Debt	%	70.00%	90.28%	70.00%
Equity	Rs. Crore	247.86	168.81	233.55
Equity	%	30.00%	9.72%	30.00%

Table 49: Means of finance of GFA addition for FY 2019-20 approved by the Commission

Particulars	Units	Claimed	Approved
GFA addition	Rs. Crore	1665.00	1576.45
Less: Consumer Contribution/ Deposit	Rs. Crore	347.50	16.59
Net GFA addition	Rs. Crore	1317.50	1559.86
Debt	Rs. Crore	907.31	1091.90
Debt	%	68.87%	70.00%
Equity	Rs. Crore	410.19	467.96
Equity	%	31.13%	30.00%

Annual Transmission Charges

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

- h) Operation and Maintenance (O&M) expenses
 - i) Interest and finance charges on long-term loans
 - j) Depreciation
 - k) Interest on working capital
 - l) Return on Equity
- Minus
- m) Non-Tariff income
 - n) Income from other business

5.23 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

5.24 The O&M expenses as per the norms specified in the RERC Tariff Regulations, 2019 are not enough to meet the expenses of RVPN. Therefore, a separate petition has been filed for allowing the normative O&M expenses as per the CERC Tariff Regulations, 2019. Accordingly, the normative O&M expenses claimed for FY 2019-20 are as shown in the Table below:

Table 50: Normative O&M expenses claimed for FY 2019-20

S. No.	Particulars	FY 2019-20			
		Network		Norm	O&M expenses
		Units	Value	Rs. lakh/unit	Rs. Crore
A	Lines				
1	765 kV	ckt km	425.50	0.76	3.21
2	400 kV	ckt km	6687.90	0.50	33.64
3	220 kV	ckt km	15324.54	0.25	38.62
4	132 kV	ckt km	17827.14	0.25	44.92
	Sub-total	ckt km	40265.08		120.39
B	Transformation Capacity	MVA	83800.50	0.28	238.59
C	Bays				
1	765 kV	No.	28	45.01	12.60
2	400 kV	No.	179	32.15	57.55
3	220 kV	No.	818	22.51	184.13
4	132 kV	No.	2813	16.08	452.33
	Sub-total	No.	3838		706.61
	Total				1065.60

Commission's Analysis

5.25 Regulation 64 of the RERC Tariff Regulations, 2019 specifies the norms of O&M expenses for FY 2019-20 on the basis of circuit kilometer of transmission lines, transformation capacity in MVA and number of feeder bays in the substation.

5.26 RVPN has claimed the O&M expenses for FY 2019-20 considering the norms specified in the CERC Tariff Regulations, 2019. RVPN has filed a Petition (No. 1534/19) in this regard and the Commission has reserved the order. The Commission shall take an appropriate view on O&M charges at

the time of true up and at this stage the Commission has approved the O&M expenses considering the norms specified in the RERC Tariff Regulations, 2019 as given in the Table below:

Table 51: Normative O&M expenses approved for FY 2019-20 (Rs. Crore)

S. No.	Particulars	Claimed				Approved			
		Network		Norm	O&M expenses	Network		Norm	O&M expenses
		Units	Value	Rs. lakh/unit	Rs. Crore	Units	Value	Rs. lakh/unit	Rs. Crore
A	Lines								
1	765 kV	ckt km	425.50	0.76	3.21	ckt km	425.50	1.03	4.38
2	400 kV	ckt km	6687.90	0.50	33.64	ckt km	6687.89	0.65	43.47
3	220 kV	ckt km	15324.54	0.25	38.62	ckt km	15324.54	0.26	39.84
4	132 kV	ckt km	17827.14	0.25	44.92	ckt km	17827.14	0.15	26.74
	Sub-total	ckt km	40265.08		120.39	ckt km	40265.07		114.44
B	Transformation Capacity	MVA	83800.50	0.28	238.59	MVA	83800.50	0.40	335.20
C	Bays								
1	765 kV	No.	28	45.01	12.60	No.	28	60.16	16.84
2	400 kV	No.	179	32.15	57.55	No.	179	40.10	71.78
3	220 kV	No.	818	22.51	184.13	No.	818	5.59	45.73
4	132 kV	No.	2813	16.08	452.33	No.	2814	3.80	106.93
	Sub-total	No.	3838		706.61	No.	3839		241.28
	Total				1065.60				690.92

Terminal liabilities

RVPN's Submission

5.27 RVPN has claimed the amount of Rs. 200 Crore towards terminal liabilities.

Commission's Analysis

5.28 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."

5.29 The Commission directed RVPN to submit the supporting documents to substantiate the claimed amount of Rs. 200 Crore towards terminal liabilities. In reply, RVPN submitted that a provision of Rs. 200 Crore has

been made on estimated basis and the actuarial valuation report for FY 2019-20 shall be submitted in true up. Subsequently, RVPN revised the said amount to Rs. 258.11 Crore based on the actuarial valuation for FY 2019-20. The Commission has provisionally considered the amount of Rs. 258.11 Crore as claimed by RVPN. Any variation shall be adjusted during the truing up exercise for FY 2019-20.

Table 52: Terminal liabilities for FY 2019-20 (Rs. Crore)

Particulars	Claimed	Approved
Terminal liabilities	200.00	258.11

Interest on loan and finance charges

RVPN's Submission

5.30 RVPN has claimed the interest and finance charges of Rs. 1098.61 Crore for FY 2019-20 considering the interest rate of 9.86%.

Commission's Analysis

5.31 The closing loan balance approved in true up for FY 2017-18 has been considered as the opening loan balance for FY 2018-19. 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 closing loan balance approved for FY 2018-19 has been considered as the opening loan balance for FY 2019-20. 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 9.86% as claimed by RVPN has been considered. The interest on loan approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 53: Interest on long term loans for FY 2019-20

Particulars	FY 2019-20	
	Claimed	Approved
Opening balance	11119.25	8085.26
Net Addition	907.31	1091.90

Particulars	FY 2019-20	
	Claimed	Approved
Repayment	915.57	920.66
Closing balance	11110.99	8256.50
Average loan	11115.12	8170.88
Rate of Interest	9.86%	9.86%
Gross Interest expenses	1096.16	805.80
Less: Capitalization	107.55	0.00
Net Interest expenses	988.61	805.80

5.32 RVPN has claimed the finance charges of Rs. 110 Crore for FY 2019-20. The Commission at this stage has considered the finance charges of Rs. 110 Crore as claimed by RVPN, which shall be subject to true up based on actuals.

5.33 Based on the above, the interest and finance charges approved for FY 2019-20 is as shown in Table below:

Table 54: Interest and finance charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed for true-up	Approved on true-up
Net Interest expenses	988.61	805.80
Add: Finance charges	110.00	110.00
Interest and finance charges	1098.61	915.80

Depreciation

RVPN's Submission

5.34 RVPN has claimed the depreciation of Rs. 920.66 Crore for FY 2019-20.

Commission's Analysis

5.35 The Commission has approved the depreciation in accordance with RERC Tariff Regulations, 2019 considering the approved GFA for the year. Further, the depreciation has not been considered on the GFA pertaining to deposit works. The depreciation approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 55: Depreciation for FY 2019-20 (Rs. Crore)

Particulars	Claimed	Approved
Depreciation	920.66	920.66

Interest on Working Capital (IoWC)

RVPN's Submission

5.36 RVPN has claimed the normative IoWC of Rs. 80.32 Crore for FY 2019-20.

Commission's Analysis

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

5.38 The Commission observed that RVPN has not deducted the amount of security deposit while computing the normative working capital requirement. The Commission has considered the amount of security deposit as Rs. 92.75 Crore as per the audited accounts for FY 2018-19.

5.39 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 11.25% in accordance with RERC Tariff Regulations, 2019.

5.40 The normative IoWC approved by the Commission is as shown in the Table below:

Table 56: IoWC for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
O&M expenses (1 Month)	88.80	57.58
Maintenance spares (15% of O&M Expenses)	159.84	103.64
Receivables on Target Availability (1.5 Months of Transmission Charges)	452.87	340.31
Less: Amount held as security deposits from Users	0.00	92.75
Total working capital	701.51	408.77
Normative Rate of interest on working capital	11.45%	11.25%
Interest on working capital	80.32	45.99

5.41 The significant variation in normative working capital requirement claimed by RVPN and that approved by the Commission is mainly on account of variation in O&M expenses claimed by RVPN and that approved by the Commission.

Return on Equity (RoE)

RVPN's Submission

5.42 RVPN has claimed the RoE of Rs. 92.87 Crore for FY 2019-20.

Commission's Analysis

5.43 The closing equity balance approved in true up for FY 2017-18 has been considered as the opening equity balance for FY 2018-19. The equity addition during the year has been considered based on the approved means of finance of GFA addition. The closing equity balance approved in for FY 2018-19 has been considered as the opening equity balance for FY 2019-20. The equity addition during the year has been considered based on the approved means of finance of GFA addition. The rate of RoE of 2% as claimed by RVPN has been considered. The RoE approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 57: RoE for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Opening Equity	4438.46	4144.61
Net addition during the year	410.19	467.96
Closing Equity	4848.65	4612.57
Average Equity	4643.56	4378.59
Rate of Return on Equity	2.00%	2.00%
Return on Equity	92.87	87.57

Income Tax**RVPN's Submission**

5.44 RVPN has claimed the income tax of Rs. 25.50 Crore for FY 2019-20.

Commission's Analysis

5.45 In accordance with Regulation 29 of the RERC Tariff Regulations, 2019, tax on income corresponding to approved RoE shall be directly recovered from the beneficiaries. Therefore, the Commission has not allowed any income tax in this order. RVPN is entitled to recover the tax on RoE in accordance with the provisions of the Regulations.

Table 58: Income tax for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Income Tax	25.50	0.00

Insurance charges**RVPN's Submission**

5.46 RVPN has claimed the insurance charges of Rs. 0.55 Crore for FY 2019-20.

Commission's Analysis

5.47 Regulation 25 of the RERC Tariff Regulations, 2019 provide for insurance expenses subject to ceiling limit of 0.2% of average NFA for the year. Accordingly, the Commission has approved the insurance charges of Rs. 0.55 Crore as claimed by RVPN.

Table 59: Insurance charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Insurance charges	0.55	0.55

Unitary charges

RVPN's Submission

5.48 RVPN has claimed the unitary charges of Rs. 58.50 Crore for FY 2019-20 towards payable to KEC Bikaner Sikar Transmission Pvt. Ltd. and Adani Transmission Limited.

Commission's Analysis

5.49 The Commission has considered the unitary charges of Rs. 58.50 Crore as claimed by RVPN.

Table 60: Unitary charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Unitary charges	58.50	58.50

Other charges

RVPN's Submission

5.50 RVPN has claimed the other charges of Rs. 20 Crore for FY 2019-20.

Commission's Analysis

5.51 The Commission has considered the other charges of Rs. 20 Crore as claimed by RVPN.

Table 61: Other charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Other charges	20.00	20.00

Non-Tariff Income (NTI)

RVPN's Submission

5.52 RVPN has claimed NTI of Rs. 100 Crore for FY 2019-20.

Commission's Analysis

5.53 The Commission has considered the NTI of Rs. 100 Crore as claimed by RVPN.

Table 62: NTI for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Non-Tariff Income	100.00	100.00

Revenue from short-term open access

RVPN's Submission

5.54 RVPN has claimed the revenue from short-term open access of Rs. 135 Crore for FY 2019-20.

Commission's Analysis

5.55 The Commission at this stage has considered the revenue from short-term open access of Rs. 135 Crore as claimed by RVPN, which shall be subject to true-up based on actuals.

Table 63: Revenue from short-term open access for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Revenue from short-term open access	135.00	135.00

Revenue from Inter State Transmission (ISTS) Lines

RVPN's Submission

5.56 RVPN has claimed the revenue from ISTS lines of Rs. 40.66 Crore.

Commission's Analysis

5.57 The Commission has considered the revenue from ISTS lines of Rs. 40.66

Crore as claimed by RVPN.

Table 64: Revenue from ISTS lines for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Revenue from ISTS lines	40.66	40.66

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

Table 65: Annual Transmission Charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
O&M expenses	1065.60	690.92
Terminal liabilities	200.00	258.11 (As per revised claim of RVPN)
Interest and finance charges on long-term loans	1098.61	915.80
Depreciation	920.66	920.66
Interest on working capital	80.32	45.99
Return on Equity	92.87	87.57
Income Tax	25.50	0.00
Insurance charges	0.55	0.55
Unitary charges	58.50	58.50
Other charges	20.00	20.00
Less: Non-Tariff Income	100.00	100.00
Aggregate Revenue Requirement	3462.62	2898.11
Less: Revenue from Short Term Open Access	135.00	135.00
Less: Revenue from Inter State Transmission Lines	40.66	40.66
Add: Revenue Gap/(Surplus) for FY 2017-18	335.96	-
Annual Transmission Charges	3622.92	2722.45

5.59 The variation in ATC claimed by RVPN and that approved by the Commission is mainly on account of the variation in O&M expenses, interest and finance charges and the revenue gap for FY 2017-18 claimed by RVPN, as discussed in preceding paras.

Transmission Tariff

RVPN's Submission

5.60 The Transmission Tariff proposed by RVPN is as shown in the Table below:

Table 66: Transmission Tariff claimed for FY 2019-20

S. No.	Particulars	Units	FY 2019-20 Claimed
1	Annual Transmission Charges	Rs. Crore	3622.92
2	Transmission Capacity for DISCOMs	MW	13581.00
3	Transmission Capacity for Long Term Open Access	MW	548.00
4	Total Transmission Capacity	MW	14129.00
5	Transmission Tariff for DISCOMs and Long Term Open Access	Rs./kW/month	213.68
6	Transmission Charges to be recovered from DISCOMs	Rs. Crore	3482.40
7	Transmission Charges to be recovered from Long Term Open Access	Rs. Crore	140.52
8	Energy requirement of DISCOMs	MU	88651.00
9	Energy requirement of Long Term Open Access	MU	4278.53
10	Total Energy requirement	MU	92929.53
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	38.99

5.61 The Government of Rajasthan vide notification dated 29.10.2018 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 40.27: 27.14: 32.59 for JVVNL: AVVNL: JdVVNL.

5.62 The Commission has been specifying transmission charges for DISCOMs in terms of Rs./kW/Month based on contracted capacity. Further as per Commission's orders for any variation in the contracted capacity, the transmission charges were to be levied on the actual contracted capacity put to use by concerned DISCOM. Such stipulation in ARR Orders by the Commission results into under recovery or over recovery due to

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

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

Table 67: Monthly Transmission Charges Proposed for FY 2019-20

Recovery of Transmission Charges	% allocation	MW allocation	Monthly transmission charges (Rs. Crore)
JVVNL	40.27%	5469.07	1402.44
AVVNL	27.14%	3685.88	945.17
JdVVNL	32.59%	4426.05	1134.97
Total Transmission Charges for DISCOMs	100%	13581.00	3482.40
Recovery from open access consumers		548.00	140.52
Annual Transmission Charges		14129.00	3622.92

Commission's Analysis

- 5.64 Regulation 65 and Regulation 66 of the RERC Tariff Regulations, 2019 specifies the transmission pricing mechanism. In accordance with the same and the approach adopted by the Commission in the earlier tariff orders, the Transmission Tariff approved by the Commission for FY 2019-20 is

as shown in the Table below:

Table 68: Transmission Tariff approved for FY 2019-20

S. No.	Particulars	Units	FY 2019-20	
			Claimed	Approved
1	Annual Transmission Charges	Rs. Crore	3622.92	2722.45
2	Transmission Capacity for DISCOMs	MW	13581.00	13581.00
3	Transmission Capacity for Long Term Open Access	MW	548.00	548.00
4	Total Transmission Capacity	MW	14129.00	14129.00
5	Transmission Tariff for DISCOMs and Long Term Open Access	Rs./kW/month	213.68	160.57
6	Transmission Tariff for Medium Term Open Access	Rs./kW/month	213.68	160.57
7	Transmission Charges to be recovered from DISCOMs	Rs. Crore	3482.40	2616.85
8	Transmission Charges to be recovered from Long Term Open Access	Rs. Crore	140.52	105.59
9	Energy requirement of DISCOMs	MU	88651.00	88651.00
10	Energy requirement of Long Term Open Access	MU	4278.53	4278.53
11	Total Energy requirement	MU	92929.53	92929.53
12	Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power exchange transactions	Paise/kWh	38.99	29.30

ARR for SLDC function

Gross Fixed Assets (GFA) during FY 2018-19 and FY 2019-20

RVPN's Submission

5.65 Vide the tariff order for FY 2018-19 dated 03.05.2018, the Commission had approved the GFA addition of Rs. 15.00 Crore for FY 2018-19. As against the same, RVPN has not claimed any GFA addition for FY 2018-19.

5.66 RVPN has claimed the GFA addition of Rs. 15.00 Crore for FY 2019-20.

Commission's Analysis

5.67 The Closing GFA approved vide True-Up of FY 2017-18 is considered as opening GFA for FY 2018-19. The Commission has not considered any GFA addition for FY 2018-19. The Commission has considered the GFA addition

of Rs. 15.00 Crore for FY 2019-20 as claimed by RVPN. The details of approved GFA for FY 2019-20 is as shown in table below:

Table 69: GFA Approved for FY 2019-20 (Rs. Crore)

Particulars	Approved
Opening GFA as on 1 st April, 2019	29.60
Add : Addition During FY 2019-20	15.00
Less : Deduction during FY 2019-20	0.00
Closing GFA for FY 2019-20	44.60

SLDC Charges

5.68 In accordance with RERC Tariff Regulations, 2019, the SLDC charges 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
- f) RLDC fee and charges

O&M expenses

RVPN's Submission

5.69 RVPN has claimed the O&M expenses of Rs. 21.99 Crore for FY 2019-20

Commission's Analysis

5.70 The Commission directed RVPN to submit the justification for the claimed O&M expenses in light of Regulation 70(3) of the RERC Tariff Regulations, 2019. In reply, RVPN submitted that it has proposed the O&M expenses of Rs. 21.99 Crore for FY 2019-20 as against the O&M expenses of Rs. 13.13 Crore approved for FY 2018-19. RVPN submitted that this increase is on account of (i) annual escalation and (ii) increased activities due to operational issues in scheduling and preparation of energy accounting.

5.71 Regulation 70(3) of the RERC Tariff Regulations, 2019 specify that the O&M

expenses as approved for FY 2018-19 shall be considered as base O&M expenses. Accordingly, the Commission has approved the O&M expense of Rs. 13.13 Crore for FY 2019-20.

Table 70: O&M expenses for FY 2019-20 (Rs. Crore)

Particulars	Claimed	Approved
O&M Expenses	21.99	13.13

Interest on loan and finance charges

RVPN's Submission

5.72 RVPN has claimed the interest and finance charges of Rs. 0.81 Crore for FY 2019-20.

Commission's Analysis

5.73 The closing loan balance approved in true up for FY 2017-18 has been considered as the opening loan balance for FY 2018-19. The allowable depreciation for the year has been considered as the normative repayment. The closing loan balance approved for FY 2018-19 has been considered as the opening loan balance for FY 2019-20. 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 9.72% as claimed by RVPN has been considered. The interest on loan approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 71: Interest and finance charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
Opening balance	2.00	0.14
Net Addition	13.00	13.00
Repayment	0.29	1.97
Closing balance	14.71	11.17
Average loan	8.35	5.65
Rate of Interest	9.72%	9.72%

Particulars	FY 2019-20	
	Claimed	Approved
Interest expenses	0.81	0.55
Finance charges	0.00	0.00
Interest and finance charges	0.81	0.55

Depreciation

RVPN's Submission

5.74 RVPN has claimed the depreciation of Rs. 2.35 Crore for FY 2019-20.

Commission's Analysis

5.75 The Commission has approved the depreciation in accordance with RERC Tariff Regulations, 2019 considering the approved GFA for the year. The depreciation approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 72: Depreciation for FY 2019-20 (Rs. Crore)

Particulars	Claimed	Approved
Depreciation	2.35	1.97

Interest on Working Capital (IoWC)

RVPN's Submission

5.76 RVPN has claimed the normative IoWC of Rs. 1.09 Crore for FY 2019-20.

Commission's Analysis

5.77 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 SLDC charges less amount held as security deposits. Regulation 27(2) of the RERC Tariff Regulations, 2019 specifies that the rate of interest on working capital to be computed shall be on normative basis and shall be 300 basis points higher from SBI Base Rate prevalent during first six months of the year previous to the relevant year.

5.78 The normative working capital requirement has been computed in accordance with the RERC Tariff Regulations, 2019. The normative rate of interest on working capital has been considered as 11.25% in accordance with RERC Tariff Regulations, 2019.

5.79 The loWC approved by the Commission is as shown in the Table below:

Table 73: loWC for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
O&M expenses (1 Month)	1.83	1.09
Maintenance spares (15% of O&M Expenses)	3.30	1.97
Receivables (1.5 Months of SLDC Charges)	4.56	3.08
Less: Amount held as security deposits from Users	0.15	0.15
Total working capital	9.54	6.00
Normative Rate of interest on working capital	11.45%	11.25%
Interest on working capital	1.09	0.67

Return on Equity (RoE)

RVPN's Submission

5.80 RVPN has claimed RoE of Rs. 0.04 Crore for FY 2019-20.

Commission's Analysis

5.81 The closing equity balance approved in true up for FY 2017-18 has been considered as the opening equity balance for FY 2018-19. The closing equity balance approved in for FY 2018-19 has been considered as the opening equity balance for FY 2019-20. The equity addition during the year has been considered based on the approved means of finance of GFA addition. The rate of RoE of 2% as claimed by RVPN has been considered. The RoE approved by the Commission for FY 2019-20 is as shown in the Table below:

Table 74: RoE for FY 2019-20 (Rs. Crore)

Particulars	Claimed	Approved
Equity at the beginning of the year	1.08	1.07
Equity Portion of the Capitalization	2.00	2.00
Equity at the end of the year	3.08	3.07
Return on Equity at the beginning of the year	0.02	0.02
Return on Equity portion of capitalization (on pro-rata basis)	0.02	0.02
Total Return on Equity @ 2%	0.04	0.04

RLDC fee and charges**RVPN's Submission**

5.82 RVPN has claimed the RLDC fee and charges of Rs. 10.15 Crore for FY 2019-20.

Commission's Analysis

5.83 The Commission has approved the RLDC fee and charges of Rs. 10.15 Crore as claimed by RVPN.

Table 75: RLDC fee and charges for FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
RLDC fee and charges	10.15	10.15

Non-Tariff Income (NTI)**RVPN's Submission**

5.84 RVPN has claimed NTI of Rs. 1.86 Crore for FY 2019-20.

Commission's Analysis

5.85 The Commission has considered the NTI of Rs. 1.86 Crore as claimed by RVPN.

Table 76: NTI for FY 2017-18 (Rs. Crore)

Particulars	FY 2019-20	
	Claimed	Approved
NTI	1.86	1.86

5.86 Based on the above analysis, the ARR claimed by RVPN and approved by the Commission is as shown in Table below:

Table 77: SLDC ARR for FY 2019-20 (Rs. Crore)

S. No.	Particulars	Claimed	Approved
Expenses			
1	Operating Expenses		
A	Employee expenses	18.09	11.44
B	Administrative and General Expenses	1.43	1.54
C	Repair and Maintenance Expenses	2.47	0.15
D	Interest on Working Capital	1.09	0.67
E	RLDC / NRLDC Fee and Charges	10.15	10.15
2	Capital expense components		
A	Depreciation	2.35	1.97
B	Interest and finance charges on term loan	0.81	0.55
C	Return on equity	0.04	0.04
D	Income Tax provision	0.00	0.00
3	Total Revenue Expenditure	36.44	26.51
4	Less: Non-Tariff income	1.86	1.86
5	Less: Income from other business	0.00	0.00
6	Truing up for FY 2017-18 Surplus/Gap	-23.32	
7	Aggregate Revenue Requirement	11.26	24.65

SLDC Charges

Commission's Analysis

5.87 The SLDC Charges claimed by RVPN and approved by the Commission are as shown in Table below:

Table 78: SLDC charges for FY 2019-20

Particulars	Units	Claimed	Approved
Net Revenue Requirement for SLDC Operation to be recovered from DISCOMs and Long term open access Customers	Rs. Crore	11.26	24.65
Contracted Capacity for DISCOMs and Long Term Open access Customers	MW	14129.00	14129.00

Particulars	Units	Claimed	Approved
SLDC Charges for DISCOMs and Long Term Open Access Transactions	Paise/kW/month	66.42	145.42
SLDC Charges for Medium Term Open Access Transactions	Paise/kW/month	66.42	145.42
SLDC Charges for Short Term Open Access Transactions	Paise/kW/day	2.21	4.85

5.88 The summary of tariff claimed by RVPN and approved by the Commission is as shown in the Table below:

Table 79: Summary of tariff for FY 2019-20

Particulars	Units	Claimed	Approved
A. Transmission Tariff			
Transmission Tariff for DISCOMs, Long Term Open Access transactions	Rs./kW/month	213.69	160.57
Transmission Tariff for Medium Term Open Access transactions	Rs./kW/month	213.69	160.57
Transmission tariff for use of State transmission system in inter-State Short Term Open Access bilateral transactions and collective power exchange transactions	Paise/kWh	38.99	29.30
B. SLDC Charges			
SLDC Charges for DISCOMs and Long Term Open Access transactions	Paise/kW/month	66.42	145.42
SLDC Charges for Medium Term Open Access transactions	Paise/kW/month	66.42	145.42
SLDC Charges for Short Term Open Access transactions	Paise/kW/day	2.21	4.85

5.89 The Tariff determined vide this Order shall be effective from 01.04.2019 and shall remain in force till next order of the Commission.

5.90 The Transmission and SLDC Charges as determined under this Order for DISCOMs would be shared amongst them in proportion to their contracted/allotted capacity for the FY 2019-20. Further, in case of short-term open access transactions, there shall be no retrospective adjustment of Transmission Tariff and SLDC charges.

Transmission Loss

RVPN's Submission

5.91 RVPN has claimed the transmission loss of 3.05% for FY 2019-20 in its

Petition. Further, vide its Interim Application RVPN revised its claim to 3.35% for FY 2019-20.

Commission's Analysis

5.92 The Commission observed discrepancy in the transmission loss figure submitted by RVPN at different places in its Petition. In reply to the Commission's query, RVPN submitted the transmission loss for FY 2019-20 as 3.05%.

5.93 In reply to the Commission's query, RVPN submitted the trajectory of transmission loss in accordance with Regulation 59(1) of the RERC Tariff Regulations, 2019. Subsequently, RVPN has proposed the revised trajectory in replies to stakeholders' comments.

Table 80: Transmission loss trajectory proposed by RVPN

Year	Original submission	Revised submission
FY 2019-20	3.05%	3.35%
FY 2020-21	3.03%	3.33%
FY 2021-22	3.01%	3.31%
FY 2022-23	3.00%	3.30%
FY 2023-24	3.00%	3.30%

5.94 Vide the tariff order for FY 2017-18, the Commission had approved the transmission loss of 3.89% for FY 2017-18. As against the same, RVPN has submitted the actual transmission loss of 3.37%. Vide the tariff order for FY 2018-19, the Commission had approved the transmission loss of 3.35% for FY 2018-19. As against the same, RVPN has proposed the transmission loss of 3.36%.

5.95 RVPN has filed an IA in the matter of transmission loss for FY 2019-20. RVPN requested the Commission to consider transmission loss of 3.35% for FY 2017-18 instead of 3.05% as stated in the Petition. The stated IA was heard on 24.12.2019. After hearing the submissions, Commission directed stakeholders to file reply on the Interim Application by 03.01.2020. After

hearing the submissions on objections raised by stakeholders on Interim Application and replies against it from the Petitioner on 03.01.2020 and considering the actual loss level of FY 2017-18, the Commission finds it appropriate to approve the revised transmission loss of 3.35% proposed by RVPN for FY 2019-20, which is also in line with the transmission loss approved by the Commission for FY 2018-19. The Commission also approves the revised loss reduction trajectory submitted by RVPN for the next Control Period from FY 2019-20 to FY 2023-24. However, The Commission also directs the petitioner to be careful in submitting the data/proposal before the Commission in future.

5.96 The transmission loss of 3.35% approved for FY 2019-20 may be borne in kind by the transmission system users.

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

(Prithvi Raj)
Member

(S.C.Dinkar)
Member

(Shreemat Pandey)
Chairman

Annexure - 1

The list of Stakeholders and Representatives of the Petitioner/Respondents present during the hearing

1.	Ms. Parinato Jain	Advocate – RUVNL
2.	Sh. R. P. Sharma	CE (LD) – RVPNL
3.	Sh. Manish Saxena	CCOA – RVPNL
4.	Sh. J. P. Jekwal,	SE (NPP) – RVPNL
5.	Sh. R. N. Birdha	XEN – RUVNL
6.	Sh. M. K. Sinha	XEN – RUVNL
7.	Sh. Hari Mohan Gupta	SE (NPP & RA) - RVPNL
8.	Sh. Sushil Mathur	SE (NPP & RA) – RVPNL
9.	Sh. V. A. Kale	XEN – RVPNL
10.	Sh. Vijay Jaimini	XEN (NPP & RA) – RVPNL
11.	Sh. V. K. Gupta	Consultant – RVPNL
12.	Sh. Roshan Lal Surana	Consultant – RVPNL
13.	Sh. L. S. Shekhawat	Advocate – RVPNL
14.	Sh. Namala KM Choudhary	Consultant - RERC (ABPS)
15.	Sh. G. L. Sharma	Stakeholder
16.	Sh. D. S. Agarwal	Stakeholder (Rudraksh Energy)

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