Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE NO. 185 of 2024

In the matter of
Case of The Tata Power Company Ltd. (Transmission) for approval of True-up of Aggregate Revenue Requirement (ARR) for FY 2022-23 and FY 2023-24, Provisional True-up of FY 2024-25 and Multi Year Tariff Projections for 5th Control Period from FY 2025-26 to FY 2029-30

Coram
Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

Date: 28 March, 2025

ORDER

The Tata Power Company Limited (Transmission Business) **(TPC-T)**, 24, Homi Mody Street, Fort, Mumbai, has filed its Multi Year Tariff **(MYT)** Petition for the approval of Truing-up of Aggregate Revenue Requirement **(ARR)** for FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25, and approval of Multi Year Tariff Projections for the 5th Control Period from FY 2025-26 to FY 2029-30.

The Petition has been filed in accordance with the MERC (Multi Year Tariff) Regulations, 2019 (**"MYT Regulations, 2019"**) and its amendments thereof for the Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25 and approval of the Multi Year Tariff Projections for the 5th Control Period from FY 2025-26 to FY 2029-30 in accordance with the MERC (Multi Year Tariff) Regulations, 2024 (**"MYT Regulations, 2024"**)

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

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LIST OF ABBREVIATIONS

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

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

1. BACKGROUND AND BRIEF HISTORY

1.1. Background

1.1.1. The Tata Power Company Limited (TPC) is a vertically integrated utility carrying out the functions of generation, transmission, wheeling and retail supply of electricity in the suburbs of Mumbai. TPC has been granted Transmission Licence No. 1 of 2014 vide Order dated 14 August, 2014 in Case No. 112 of 2014. TPC is a Transmission Licensee under Alternative 2 as per the MERC (Transmission License Conditions) Regulations, 2004. The Transmission License granted to TPC-T is an asset-specific License, which includes existing and proposed Transmission Lines as well as Transmission Bays.

1.1.2. The Commission has granted Transmission Licence No. 1 of 2014, which was first amended vide Order dated 1 August, 2018 in Case No. 137 of 2016. Further, the Licence was again amended vide Order dated 11 March, 2021 in Case No. 249 of 2019 followed by the third amendment vide Order dated 30 May, 2023 in Case No. 89 of 2022. The Commission subsequently issued the fourth amendment to the Transmission Licence vide its Order in Case No. 13 of 2024 dated 20 November, 2024. Accordingly, TPC-T has filed its present MYT Petition considering the amendments allowed in the recent fourth amendment to its Transmission Licence.

1.2. MYT Regulations

1.2.1. The Commission notified the MYT Regulations, 2019 on 1 August, 2019, which was amended subsequently on 10 February, 2023 and 8 June, 2023. These Regulations are applicable for the 4th Control Period from FY 2020-21 to FY 2024-25.

1.2.2. Subsequently, the Commission notified the MYT Regulations, 2024 on 19 August, 2024. These Regulations are applicable for the 5th Control Period from FY 2025-26 to FY 2029-30, and as may be extended by the Commission.

1.3. Petition and Main Prayers of TPC-T

1.3.1. TPC-T has filed its MYT Petition on 31 October, 2024 for Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25 in accordance with the MYT Regulations, 2019 and its amendments thereof and approval of the Multi Year Tariff Projections for the 5th Control Period from FY 2025-26 to FY 2029-30, in accordance with the MYT Regulations, 2024. The Commission sought replies on the data gaps vide email dated 9 November, 2024 and 21 November, 2024. TPC-T submitted its replies on 21 November, 2024 and 25 November, 2024.

1.3.2. The Technical Validation Session (TVS) was held on 28 November, 2024. The list of persons who attended the TVS is annexed as **Appendix – 1.** TPC-T filed the revised Petition on 4 December, 2024, incorporating the replies to the queries raised in the data gaps and clarification on the issues raised during the TVS. The main Prayers of TPC-T in its revised Petition are as under:

> *"• Approve the Truing-up of FY 2022-23, FY 2023-24 and Provisional Truing-up of FY 2024-25 and past Gap / (Surplus) as worked out in this Petition in accordance with the MYT Regulations, 2019;*
>
> *• Approve the Projections of Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30 as worked out in this Petition in accordance with MYT Regulations, 2024;*
>
> *• Allow the past recovery as worked out in the Petition on account of*
>
> - *Review Order dated 7th March 2024 in Case No. 91 of 2023;*
> - *Capitalisation disallowed in previous Tariff Orders but as mentioned as reinstated in this Petition;*
>
> *……."*

1.4. Admission of the Petition and Public Consultation Process

1.4.1. The Commission admitted the Petition on 9 December, 2024 and directed TPC-T to publish a Public Notice in accordance with Section 64 of the EA, 2003 in the prescribed format and manner and to reply expeditiously to any suggestions and objections received.

1.4.2. TPC-T published the Public Notice while inviting the suggestions and objections in the daily newspapers Indian Express and Financial Express (English), Loksatta and Saamana (Marathi) on 11 December, 2024. The Petition and its Executive Summary were made available for inspection/purchase at TPC's offices and website (www.tatapower.com). The Public Notice and Executive Summary of the Petition were also made available on the website of the Commission (www.merc.gov.in) in downloadable format.

1.4.3. The Commission received written suggestions and objections on the MYT Petition. The e-Public Hearing was held on 8 January, 2025. Oral submissions made at the Public Hearing have been summarised under Section 2 of this Order. The list of persons who attended the e-Public Hearing is provided under **Appendix – 2.**

1.4.4. The Commission during the e-Public Hearing has directed TPC-T to revisit its proposed Capital Expenditure of 5th Control Period (FY2025-26 to FY2029-30) and Interest on Loan considered for FY 2024-25 and directed to submit the revised submissions within 15 days from the date of e-Public Hearing. TPC-T has submitted its revised Tariff Formats as part of additional submissions through email communication dated 16 January, 2025 in compliance to the directions given by the Commission vide Daily Order dated 8 January, 2025 in Case No. 185 of 2024.

1.4.5. The Commission has ensured that the due process contemplated under the law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to everyone to express their views.

1.4.6. The suggestions and objections made in writing as well as during the Public Hearing, along with the TPC-T's responses and the Commission's rulings have been summarised under Section 2 of this Order.

1.5. Organisation of the Order

1.5.1. This Order is organised in the following Sections:

- **Section 1** of the Order provides a brief history of the quasi-judicial regulatory process undertaken by the Commission.
- **Section 2** of the Order deals with Suggestions/Objections, TPC-T's responses and the Commission's rulings.
- **Section 3** of the Order details out the Truing-up of the expenses and revenue of TPC-T for FY 2022-23 and FY 2023-24 in accordance with the MYT Regulations, 2019 and its amendments thereof.
- **Section 4** of the Order details out the Provisional True-up of the ARR for FY 2024-25 in accordance with the MYT Regulations, 2019 and its amendments thereof.
- **Section 5** of the Order details out the Multi Year Tariff (**MYT**) Projections of the ARR for the 5th Control Period from FY 2025-26 to FY 2029-30 and Applicability of this Order.

2. SUGGESTIONS/OBJECTIONS, TPC-T'S RESPONSES AND THE COMMMISSION'S RULINGS

2.1. Prudence Check of Various Expenses

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

a. Apportionment of common expenses for transmission business;

b. Total impact of all the Review points allowed by the Commission and the impact of the past capitalisation along with carrying cost for FY 2019-20, FY 2020-21 and FY 2021-22 of Rs. 66.97 Crore as claimed by TPC-T.

c. Higher A&G Expenses claimed during FY 2023-24, where some expenses like cost of services procured and advertisement are increased considerably.

d. Capitalisation claimed during FY 2022-23 is higher than the approved capitalisation of Rs. 821.16 Crore.

e. Capitalisation claimed during FY 2023-24 is higher than the approved capitalisation of Rs. 569.61 Crore.

f. Impact of pending Judgement towards the Appeal No. 172 of 2020 filed by TPC-T for the relaxation of O&M Norms for the MYT 4th Control Period.

TPC-T's Response

2.1.2. TPC-T submitted that it has claimed all the amounts as per the provisions of the applicable MYT Regulations along with necessary justification detailed in the Main Petition as well as responses provided to the Data Gaps.

2.1.3. With regards to the higher Capitalisation claimed during FY 2022-23, TPC-T submitted that, the actual capitalisation for FY 2022-23 is marginally higher as compared to MTR approved Capitalization primarily on account of past capitalisation claimed after putting following assets to use.

- 2 Nos. (out of 7) unutilized bays of Antop Hill RSS at depreciated cost i.e. Rs. 2.79 Crore.

- Deferred capitalization of Rs. 10.66 Crore towards 110 kV GIS at Dharavi is being claimed.

2.1.4. With regards to the higher Capitalisation claimed during FY 2023-24, TPC-T submitted that, the actual DPR capitalisation is higher as compared to MTR approved Capitalization due to preponement/advancement of execution and commissioning of scheme for replacement of 110 kV Trombay Carnac 3 and 110 kV Trombay Parel 3 cable (Capitalization to the extent of Rs. 181 Crore) and at the same time, deferment of certain scope of Vikhroli ICT, Waghivali interconnection and Parel GIS to FY 2024-25 (totalling to Rs. 100 Crore) Further, the capitalisation towards the non-DPR schemes worth Rs. 97.52 Crore has been done in FY 2023-24 which is 15.05% of the DPR capitalization and is within 20% limit set by the Commission under Regulation 24.7 of the MYT Regulations 2019. Such Non-DPR Capitalisation was not considered by the Commission in the MTR Order.

2.1.5. With regards to the claims towards the pending Judgement of Appeal No. 172 of 2020, TPC-T has submitted that, the claim of Rs. 214 Crore in present true up petition towards normative expenditure for FY 2022-23 is in line with norms for TPC-T as per Regulation 61.3 of the MYT Regulations, 2019. Since, the proceedings of the Appeal No. 172 of 2020 for relaxation of O&M Norms are in progress and final Judgement is yet to be issued, TPC-T has not considered favourable impact of such Appeal in its Petition. TPC-T will approach the Commission for revision in the Normative O&M expenses and associated impact on sharing of Gains / (Losses) for all the financial years of 4th MYT Control Period basis the Judgement by the Hon'ble ATE.

Commission's Analysis and Ruling

2.1.6. The Commission notes the submission of MSEDCL and TPC-T. The MYT Regulations, 2019 and MYT Regulations, 2024 mandate Prudence Check which includes scrutiny of reasonableness of expenditure incurred or proposed to be incurred, and such other factors for approval of the ARR. Accordingly, the Commission's analysis of Prudence Check under various heads of expenses and impact of Review Order claimed by TPC-T is detailed under the respective Sections of this Order for the respective years.

2.2. Additional O&M Expenses towards lease cost of plot at Sarsola

2.2.1. MSEDCL submitted that TPC-T has asked for additional O&M expenses of Rs.12.60 Crore in True-up of FY 2021- 22, stating that the lease cost of the plot at Sarsola, was of uncontrollable in nature. MSEDCL also submitted that such huge amount for lease of land cannot be said to be uncontrollable.

TPC-T's Response

2.2.2. TPC-T submitted that the truing up of FY 2021-22 has been completed and the observation of MSEDCL is not relevant. In this regard it is submitted that the additional O&M expenses of Rs. 12.60 Crore in true up of FY 2021-22 with respect to lease cost of the plot at Sarsola was already approved as uncontrollable through the Review Order of MYT Petition dated 7 March, 2024 in Case No. 91 of 2023. The relevant extract of the Order of the Commission has been reproduced below:

> *"8.5.12 In view of the aforesaid discussion, it is clear that, the Lease rent for Sarsola Plot paid by TPC-T as per the Government of Maharashtra GR and hence, qualifies change in Law in terms of the MYT Regulations, 2019.*
>
> ***8.5.13 Further the Commission notes that as elaborated above, Lease rent paid by TPC-T does not contain any penal amount, which has been substantiated by the letter from Tehsildar, Thane. Furthermore, the claim is not barred by law of limitation as the limitation period is 30 years. Hence, this expense is qualified to be passed on as uncontrollable expense**.*
>
> *8.5.14 Though the issue was analysed in the MTR Petition, however, inadvertently rulings were not given, and amount was not considered for computation of Gain / (Loss) on account of variation in O&M expenses for FY 2021-22.*
>
> ***8.5.15 In view of the above, TPC-T is entitled to its claim of these expenses as uncontrollable. Hence, the review on this issue is allowed. Accordingly, TPC-T to approach the Commission for recovery of the impact with applicable carrying cost in the next MYT Petition."***

2.2.3. TPC-T further submitted that this is rent charged by a statutory authority of Government of Maharashtra and utility like TPC-T is bound to comply. TPC-T requested the Commission to consider the same.

Commission's Analysis and Ruling

2.2.4. The Commission has already dealt this issue vide its Order dated 7 March, 2024 in Case No. 91 of 2023. The relevant extract of the Commission's ruling under Case No. 91 of 2023 dated 7 March, 2024 is provided as under:

"……

8.5.6 The Commission notes that the Government of Maharashtra's (GoM) Revenue Department vide its GR/Land/03/2013/G1 dated 1August, 2019 has issued the directives for renewal of Lease Rent of Govt Land. As per the said GR, the concerned District Collector was Competent Authority for renewal of Lease Rent of Government Land. Accordingly, the District Collector, Thane by its Order dated 10 March 2022 has renewed the Lease Rent of the Sarsola Plot leased to TPC-T. As per the said Collector's Order, Tehsildar Thane vide letter dated 14 March 2022 has directed TPC-T to deposit Rs. 13.51 Crore for its Lease Rental of Sarsola Plot. The said Rs. 13.51 Crore includes Rs. 11.10 Crore as arrears before Government GR date 1 August, 2019 and rest Rs. 2.40 Crore as arrears from 1August 2019 to 31 March 2022. Accordingly, TPC-T has paid the amount to the Collector, Thane as per the GoM GR. Accordingly, TPC-T in the impugned Order has claimed Rs. 12.60 Crore as uncontrollable expenditure for FY 2021-22. The claim of TPC-T is as follows:

……

8.5.7 The Commission notes that the amount paid by TPC-T to the Collector, Thane is as per the GoM GR dated 1 August 2019. Further, Collector, Thane has recovered the amount along with arrears in FY 2022. It is worth to note that the District Collector, Thane have never raised such a demand in past as such it was not paid by TPC-T.

……

8.5.10 The Regulation 9.1 of the MYT Regulations, 2019 considers 'Change in law' as uncontrollable. Regulation 2.1.(15) d. also considers change in agreement by competent statutory authority in relation to any consent or clearances as change in Law. Also, the Regulation 2.1(15) e of the MYT Regulations 2019 considers any change in taxes or duties, or introduction of any taxes or duties levied by the Central or any State Government as a 'Change in Law' event. Hence, the matter in question is uncontrollable in nature.

8.5.11 Further, the Commission in its Order in Case No. 302 of 2019 dated 30 March 2020 (MSETCL ARR Petition) ruled that the DA revision as uncontrollable as the same is revised by the Govt from time to time. The relevant ruling of the said Order is reproduced as below:

"4.3.15 The Commission also accepts DA as an uncontrollable factor since it is declared from time to time by the Government, and the Commission approves the DA as per MSETCL's submission."

8.5.12 In view of the aforesaid discussion, it is clear that, the Lease rent for Sarsola Plot paid by TPC-T as per the Government of Maharashtra GR and hence, qualifies change in Law in terms of the MYT Regulations, 2019.

8.5.13 Further the Commission notes that as elaborated above, Lease rent paid by TPC-T does not contain any penal amount, which has been substantiated by the letter from Tehsildar, Thane. Furthermore, the claim is not barred by law of limitation as the limitation period is 30 years. Hence, this expense is qualified to be passed on as uncontrollable expense.

8.5.14 Though the issue was analysed in the MTR Petition, however, inadvertently rulings were not given, and amount was not considered for computation of Gain / (Loss) on account of variation in O&M expenses for FY 2021-22.

***8.5.15 In view of the above, TPC-T is entitled to its claim of these expenses as uncontrollable. Hence, the review on this issue is allowed. Accordingly, TPC-T to approach the Commission for recovery of the impact with applicable carrying cost in the next MYT Petition**."*

2.3. Impact of Capitalisation towards 145 kV GIS at BKC

2.3.1. TPC-T has claimed the capitalization of Rs.5.18 Crore, which was due to cost overrun in the scheme for 145 KV GIS at BKC & disallowed by the Commission in the past. A third party verification was carried out regarding the same, but the final report of the same is not yet received. MSEDCL submitted that the same should not be allowed till final report of the third party verification is received. Also, the carrying cost over the same should not be allowed.

TPC-T's Response

2.3.2. TPC-T submitted that the Commission has provided the draft reports of third-party asset verification for providing comments if any as per the provisions of the Regulation 33 of the MERC (Transaction of Business and Fees and Charges) Regulations, 2022. Accordingly, TPC-T has provided comments on the report. TPC-T therefore requested the Commission to consider their comments and accordingly approve the impact of revised capitalization of both the DPR schemes (Installation of 220 kV GIS, ICT and 33 kV GIS at Mahalaxmi RSS and Construction of 145 kV GIS at BKC) which have undergone Third Party Asset Verification. The asset verification for Capitalization which has been done over a period from FY 2016-17 to FY 2019-20 is akin to "truing up exercise" and the impacts of the same has to be borne in the respective years. Accordingly, carrying cost needs to be allowed from the year of capitalization.

Commission's Analysis and Ruling

2.3.3. The Commission notes the submission of MSEDCL and TPC-T. The Commission's analysis on the Capitalisation impact based on the Third Party Assessment Report is detailed out under the **Section 5** of this Order.

2.4. Return on Equity (RoE) to be allowed at 14%

2.4.1. MSEDCL submitted that TPC-T has requested to allow ROE of 15.5% for FY 2023-24, FY 2023-24 and FY 2024-25. It is submitted that as per Regulation 29.2 and 29.7 of MYT Regulations. 2019, base ROE that can be allowed is 14%. Hence, the request of the TPC-T to consider ROE of 15.5% may not be allowed.

TPC-T's Response

2.4.2. TPC-T submitted that for the Truing-up of FY 2022-23 and FY 2023-24, it has considered RoE @ 15.5%. The additional 1.5% rate of RoE over and above base rate of 14% has been claimed based on the actual grid availability achievement in the respective financial years in line with the provisions of Regulation 29.1 of the MYT Regulations, 2019.

2.4.3. The actual grid availability achievement for both the Years (FY 2022-23 and FY 2023-24) was 99.92% which qualifies for the full additional rate of RoE of 1.5% in line with the provisions of Regulation 29.7 of the MYT Regulations, 2019.

2.4.4. Hence, the rate of RoE for both the FY 2022-23 and FY 2023-24 works out as per below table:

Sr. No.	Particulars	FY 2022-23 and FY 2023-24 (Actual)
1	Base Rate of Return	14.00%
2	Normative Availability	99.00%

Sr. No.	Particulars	FY 2022-23 and FY 2023-24 (Actual)
3	Actual Availability (for both Years)	99.92%
4	Max Rate of Return	15.50%
5	Applicable Rate of Return as per Regulation 29.7	16.01%
6	Allowable Rate of Return as per Regulation 29.7	15.50%
7	Effective Tax Rate of the Company	0.00%
8	**Pretax Return on Equity after considering effective Tax rate**	**15.50%**

2.4.5. With respect to Rate of RoE for FY 2024-25, TPC-T has considered RoE at 14% considering Provisional Truing-up for FY 2024-25.

Commission's Analysis and Ruling

2.4.6. The Commission notes the submission of MSEDCL and TPC-T. The Commission's analysis of prudence check for the RoE to be allowed for FY 2022-23, FY 2023-24 and FY 2024-25 is detailed out under **Section 3 and Section 4** of this Order for the respective years.

2.5. Additional O&M Expenses towards upgrade of SCADA

2.5.1. MSEDCL submitted that the Commission had allowed Rs.43.93 Crore in FY 2021-22 out of Rs.89.32 Crore towards upgrade of SCADA. An additional expense of Rs.5.71 Crore is incurred by TPC-T, which is more than the normative entitlement in FY 2022-23 and hence should not be allowed.

TPC-T's Response

2.5.2. TPC-T submitted that the Commission vide its letter reference no. MERC/Capex/TPC-T/2020-21/E-Letter dated 20 November, 2020 had allowed expenditure towards scheme "Replacement/Upgradation of existing SCADA" to be claimed as over and above norms of O&M Expenses. Accordingly, the Commission had approved expenditure of Rs. 43.93 Crore in FY 2021-22 over and above normative O&M. Since, the project was not completed in FY 2021-22 and certain scope was executed in FY 2022-23 as well as in FY 2023-24, TPC-T has claimed expenditure of Rs. 5.71 Crore and Rs.2.32 Crore in FY 2022-23 and FY 2023-24 respectively, over and above normative O&M. This is in line with the approval given by the Commission for treatment of such expenditure in the past period. Hence, TPC-T requested the Commission to consider the same.

Commission's Analysis and Ruling

2.5.3. The Commission notes the submission of MSEDCL and TPC-T. The Commission's analysis on the approval of the Additional O&M Expenses towards the upgradation of SCADA is detailed out under **Section 3** of this Order for the respective years.

2.6. Deemed Put to Use of the Bays for the computation of Normative O&M Expenses

2.6.1. MSEDCL submitted that although only 10 out of 23 unused bays have been put to use, TPC-T has included all 23 bays in the opening balance of FY 2022-23. They have claimed the rest 13 bays to be 'deemed put to use', as utilization of the same are not in its control. MSEDCL further submitted that the same should not be allowed.

2.6.2. 3 Nos. of unutilized 33 kV AIS Bays at Parel Receiving Station are also included in total bays of FY 2023-24. The same was already disallowed previously by the Commission for the same reason of non-utilization and should not be allowed now.

2.6.3. Two Nos. of 110 KV GIS bays at Vikhroli Receiving Station claimed to be commissioned on 24 August, 2023 are yet not utilized/not put to use. Also 4 Nos. of 33 kV GIS bays at Bhokarpada Receiving Station claimed to be commissioned on 4 March, 2024, is yet not utilized. These bays are included by the TPC-T in opening balance of bays for calculation of normative O & M expenses and should not be allowed.

TPC-T's Response

2.6.4. TPC-T submitted that all the 23 Nos. of Bays, which are claimed as "deemed put to use" have been commissioned by TPC-T based on the requirement of the Transmission System Users (TSU) and allocation by STU. TPC-T has made constant follow up with the Transmission System Users (TSUs) for utilization of the bays and for submission of plan for utilising the bays allotted to them. However, only 10 Bays out of 23 Bays have been put to use and 13 are still to be utilized by TSUs despite regular follow up by TPC-T. Since, the delay in utilization of these Bays is beyond the reasonable control of TPC-T, it has considered these Bays as "deemed put to use" in line with the Regulation 2.1 (25) c. of the MYT Regulations, 2019.

2.6.5. TPC-T further submitted that having commissioned the GIS, it is incumbent upon the Transmission Licensee to maintain the assets including the bays in service-worthy condition to keep it in ready state of for use and incurrence O&M expenditure is inevitable. Accordingly, TPC-T requested the Commission to consider the same.

2.6.6. With regards to 110 kV GIS Bays at Vikhroli Receiving Stations and 4 Nos. of Bays at Bhokarpada Receiving Station, TPC-T has submitted that, 2 Nos. of 110 kV GIS Bays at Vikhroli Receiving Station are commissioned by TPC-T on 24 August, 2023 based on allocation of bays to National High Speed Rail Corporation Ltd. (NHSRCL) by STU on 1 August, 2018. TPC-T has made communication with NHSRCL for utilization of the 2 Nos. of 110 kV bays, however, these Bays are yet to be utilized.

2.6.7. Similarly, 4 Nos. of 33 kV GIS Bays at Bhokarpada Receiving Station are commissioned by TPC-T on 29 February, 2024 and on 4 March, 2024. These 4 Nos. of Bays were commissioned based on request of MSEDCL and allocation by STU on 17 December, 2021. TPC-T has made communication with MSEDCL for utilization of the 4 Nos. of 33 kV Bays. However, same are yet to be utilized.

2.6.8. Since, the delay in utilization of these bays is beyond the reasonable control of TPC-T, we have considered these Bays as "deemed put to use" in line with the Regulation 2.1 (25) c. of the MYT Regulations, 2019. TPC-T further submitted that having commissioned the GIS, it is incumbent upon the Transmission Licensee to maintain the assets including the bays in service-worthy condition to keep it in ready state of for use and incurrence O&M expenditure is inevitable. Accordingly, TPC-T requested the Commission to consider the same.

Commission's Analysis and Ruling

2.6.9. The Commission notes the submission of MSEDCL and TPC-T. The Commission's analysis on the Bays claimed under 'Deemed Put to Use' is detailed out under the respective **Section 3** and **Section 4** of this Order for the respective years.

3. TRUING-UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23 AND FY 2023-24

3.1. Background

3.1.1. TPC-T has sought the approval for Truing-up of ARR for FY 2022-23 and FY 2023-24 in accordance with the MYT Regulations, 2019 based on the actual expenditure and revenue as per the Audited Accounts for the respective years. The Commission in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022 has approved the Provisional True-up of FY 2022-23 and Revised ARR projection for FY 2023-24.

3.1.2. In this Section, the Commission has analysed all the elements of actual expenditure and revenue for FY 2022-23 and FY 2023-24 and the deviations with respect to the MYT Order, and has accordingly undertaken the Truing-up of expenses and revenue after the prudence check under the MYT Regulations, 2019.

3.2. Capital Expenditure and Capitalisation

TPC-T's Submission

3.2.1. TPC-T has claimed the Capitalisation (including IDC capitalised) for FY 2022-23 and FY 2023-24 as Rs. 828.49 Crore and Rs. 745.78 Crore, respectively. The breakup of the total capitalisation as DPR and Non-DPR category is as shown in the Table below:

Table 1: Capitalisation for FY 2022-23, as submitted by TPC-T (Rs. Crore)

Particulars	MTR Order (Approved)	FY 2022-23 (Actual)
Non-DPR Schemes		
Total Carry Forward Schemes		32.01
New Schemes		65.13
HO & SS Allocation		6.25
Total (A)	**91.65**	**103.38**
DPR Cases		
Carry Forward Schemes		725.11
New Schemes		0.00
Total (B)	**729.51**	**725.11**
Total Transmission (A+B)	**821.16**	**828.49**
Non-DPR to DPR Ratio	**12.56%**	**14.26%**
Add: Earlier disallowed Capitalization of assets put to use in FY 2022-23		13.45
Total Transmission (A+B)	**821.16**	**841.94**

Table 2: Capitalisation for FY 2023-24, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24	
	MTR Order (Approved)	Actual Capitalisation
Non-DPR Schemes		
Total Carry Forward Schemes		5.18
New Schemes		81.10
HO & SS Allocation		11.24
Total (A)	**0.00**	**97.52**
DPR Cases		
Carry Forward Schemes		126.03
New Schemes		522.11
Total (B)	**569.61**	**648.14**
Add: Past Disallowed DPR Capitalisation.		**0.12**
Total Transmission (A+B)	**569.61**	**745.78**

3.2.2. TPC-T submitted that, out of the total capitalisation of Rs. 828.49 Crore claimed during FY 2022-23, the capitalisation on account of approved DPR schemes during FY 2022-23 is to the extent of Rs. 725.11 Crore. The capitalisation for FY 2022-23 is marginally higher at Rs. 828.49 Crore as compared to MTR approval of Rs. 821.16 Crore primarily due to capitalization towards new non-DPR schemes executed in H2 of FY 2022-23. Further, the capitalisation towards the Non-DPR schemes is Rs. 103.38 Crore which is about 14.26% of the capitalisation of the DPR Schemes, which is within 20% limit set by the Commission under Regulation 24.7 of MYT Regulations, 2019.

3.2.3. With regards to FY 2023-24 out of the total capitalisation of Rs. 745.78 Crore, the capitalisation on account of DPR schemes during FY 2023-24 is to the extent of Rs. 648.14 Crore. These DPR schemes have been approved by the Commission. The capitalisation for FY 2023-24 is higher at Rs. 745.78 Crore as compared to MYT approval of Rs. 569.61 Crore which was restricted by the Commission to the capitalization for approved DPR schemes only. In actual, around Rs. 79 Crore of capitalization has happened additionally in the DPR schemes mainly on account of advancement of scope in scheme "Replacement of old oil filled cables of 110 kV Trombay Parel 3 line and Trombay Carnac 3 line" which was planned to be executed in FY 2024-25. Also, deferment of certain scope of the schemes for "Installation of 2X250 MVA, 220/110/33 kV ICT at existing TPC-T 110 kV Vikhroli RSS", "Installation of 110kV GIS at Parel", "Interconnection of Tata Power Waghivali

Switching Station and MSETCL Waghivali Substation" from FY 2023-24 to FY 2024-25 due to actual site conditions. Further, the capitalisation towards the Non-DPR schemes is Rs. 97.52 Crore including allocation of expenses towards Ho & SS schemes of Rs. 11.24 Crore which mainly includes expenditure towards IT infrastructure and vehicle procurement for Head Office and Support Services staff. The Non-DPR scheme capitalization is about 15.05% of the capitalisation of the DPR Schemes, which is in line with 20% limit set by the Commission as per Regulation 24.7 of MYT Regulations, 2019.

Past Disallowed Capitalisation claimed during Truing-up of FY 2022-23

3.2.4. The Commission in the MTR Order in Case No. 217 of 2022 had disallowed / deferred the capitalisation against two DPR schemes listed in the Table below. The same has been included in the FY 2022-23 Truing up for the reasons elaborated in the paragraphs below.

Table 3: Claim of Past disallowed capitalisation -list of DPR schemes, as submitted by TPC-T (Rs. Crore)

Project Title	Order reference	Disallowed capitalization	Capitalization claimed in FY 2022-23
2 nos. of 33 kV bays at Antop Hill RSS (2 out of 7 Nos. of disallowed Bays utilized in FY 2022-23)	Case No. 217 of 2022	10.29	2.79
110 kV GIS Dharavi (Deferred capitalization of FY 2021-22)	Case No. 217 of 2023	10.66	10.66

a. ***Claim of past disallowed capitalization for 2 nos. of 33 kV bays at Antop Hill RSS (2 out of 7 Nos. of disallowed Bays put to use in FY 2022-23)***

3.2.5. The Commission in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022 had disallowed capitalisation of Rs. 10.29 Crore for scheme 'Installation of 220 kV Antop Hill receiving station' on account of 7 nos. of 33 kV unutilized bays. The ruling of the Commission while disallowing the cost of Rs. 10.29 Crore towards 'Installation of 220 kV Antop Hill receiving station' in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022 is reproduced below:

> *"3.2.50 From the data submitted by TPC-T, the Commission observes that there are 7 no. of 33 kV GIS Bays at Antop Hill station, which are unutilised since their commissioning in FY 2021-22 and TPC-T has submitted that these Bays will be put to use in FY 2022-23.* ***Therefore, the Commission, in line with the approach adopted in the earlier MYT Order, has disallowed capitalisation***

against 7 no. of 33 kV unutilised GIS Bays at Antop Hill station. For disallowance, the cumulative Capitalisation of 33 kV bays (considered as per in-principle approved cost of 17 nos. of 33 kV bay system for 25 Crore) has been considered for Antop Hill Station (Rs. 24.77 Crore in FY 2020-21 and Rs. 19.35 Crore in FY 2021-22) totalling to Rs. 44.12 Crore for 30 Nos. of Bays. So, the per Bay cost works out to Rs. 1.47 Crore, which has been considered for 33 kV GIS Bays

at Antop Hill station and the total disallowance has been worked out as Rs. 10.29 Crore for 7 Nos. of 33 kV unutilised GIS Bays at Antop Hill (Rs. 5.78 crore in FY 2020-21 and Rs. 4.52 Crore in FY 2021-22)."

3.2.6. TPC-T submitted that out of 7 Nos. of 33 kV unutilized bays, 2 Nos. of 33 kV bays have been put to use in FY 2022-23. The documentary evidence for Put to Use of these bays was submitted along with loading details of these bays, which have been enclosed with the Petition.

3.2.7. Further, 7 Nos. of 33 kV Bays at 220 kV Antop Hill RSS were commissioned for meeting the requirement of BEST Undertaking in line with the STU's allotment. However, even after regular follow up with BEST only 2 Nos. of Bays are utilized during FY 2022-23. Since, the reasons for delay in putting assets to use is beyond the control of TPC-T, TPC-T should not be penalised by allowing the capitalisation at depreciated cost. However, in line with the principle followed by the Commission in past MTR/MYT Orders, the capitalization for the purpose of this Petition is being claimed at depreciated cost till the year in which it is actually put to use as shown in table below subject to the outcome of the Appeal pending before the Hon'ble ATE on this issue. TPC-T requested the Commission to approve the capitalization of Rs. 2.79 Crore towards two Nos. of 33 kV Bays utilized at Antop Hill Receiving station in FY 2022-23.

Table 4: Depreciated Capitalization for 2 Nos. of 33 kV Antop Hill Bays, as submitted by TPC-T (Rs. Crore)

Particulars	Depreciation Rate	33 kV Bays at Antop Hill
		FY 2021-22
MERC Order Reference		**217 of 2022**
Disallowance in Capitalization		2.94
Depreciation for FY 2021-22	5.28%	0.08
Depreciation for FY 2022-23	5.28%	0.08

Particulars	Depreciation Rate	33 kV Bays at Antop Hill
		FY 2021-22
Total capitalization claimed in FY 2022-23		**2.79**

b. Disallowance of the capitalization for 110 kV GIS Dharavi (Deferred capitalization of FY 2021-22)

3.2.8. The Commission in the MTR Order in Case No. 217 of 2022 had deferred capitalisation of Rs. 10.66 Crore pertaining to the scheme for 'Replacement of 110 kV AIS by GIS at Dharavi' from FY 2021-22 to FY 2022-23. The ruling of the Commission while deferring the capitalization of Rs. 10.66 Crore towards 'Replacement of 110 kV AIS by GIS at Dharavi' in the MTR Order in Case No. 217 of 2022 is reproduced below:

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

3.2.9. Since, 110 kV GIS at Dharavi Receiving Station has been commissioned and put to use in FY 2022-23, TPC-T requested the Commission to consider the capitalization of Rs. 10.66 Crore in Truing-up of FY 2022-23 in addition to the capitalisation made in FY 2022-23.

c. Past Disallowed Capitalisation claimed during Truing-up of FY 2023-24

3.2.10. The Commission in the MYT Order in Case No. 22 of 2016 had disallowed capitalisation of Rs. 1.83 Crore for 8 nos. of 33 kV unutilised AIS bays of Parel Receiving station. Out of 8 nos. of unutilized bays, TPC-T had utilized 3 nos. of bays in FY 2017-18 and capitalization of the same was allowed by the Commission in the MYT Order dated 30 March, 2020 in Case No. 299 of 2019.

3.2.11. Out of balance 5 Nos. of 33 kV unutilized bays, TPC-T had put to use one more 33 kV AIS bay in FY 2020-21 and capitalization of the same was allowed by the Commission in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022.

3.2.12. Subsequently, TPC-T has been able to put to use one more 33 kV AIS bay in FY 2023-24. The loading details of the bay have been submitted as part of the Petition.

3.2.13. As per the principle followed by the Commission in past MTR/MYT Orders, the capitalization is being claimed at depreciated cost till the year in which it is actually put to use. TPC-T requested the Commission to approve the capitalization of Rs. 0.12 Crore towards one no. of 33 kV bay utilized at Parel Receiving station in FY 2023-24.

3.2.14. However, TPC-T has filed Appeals against the capitalization disallowance in previous MTR and MYT Orders and related matters. In addition, TPC-T has also appealed against the principle of considering the Depreciated Costs instead of Gross Block. Based on the Judgement of the Hon'ble ATE in these matters, TPC-T would approach the Commission in the Tariff Petition due at that point in time for appropriate relief.

3.2.15. Accordingly, the total capitalisation claimed by TPC-T for FY 2022-23 and FY 2023-24 including its claim for past disallowed / deferred capitalisation is explained above.

Commission's Analysis and Ruling

3.2.16. The Commission has examined the Capital Expenditure and actual Capitalisation claimed against the various approved Schemes. As against the capitalisation of Rs. 821.16 Crore for FY 2022-23 approved in the MTR Order; the actual Capitalisation claimed is Rs. 841.94 Crore. Similarly, as against the capitalisation of Rs. 569.61 Crore for FY 2023-24 approved in the MTR Order, the actual capitalisation claimed is Rs. 745.78 Crore. The Commission has analysed the year-wise cumulative expenditure as against the approved cost and year-wise capitalisation under the corresponding Schemes.

3.2.17. The Commission while analysing the approved DPR Schemes have observed that though few of the DPR Schemes have cost-overrun, the same was below the 10% of the approved capitalisation cost for FY 2022-23 and FY 2023-24. The Commission however for the purpose of prudence check have sought the details of such Cost-overruns from TPC-T, which was submitted in response to the data gaps by TPC-T. The approval of such Schemes is discussed in the subsequent paragraphs.

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

3.2.19. While approving the capitalisation against DPR schemes, the Commission has considered the schemes actually put to use in FY 2022-23 and FY 2023- 24, in respect of which in-principal approval has been granted. The approved DPR schemes were scrutinized based on in-principal approval of DPR schemes and Cost Benefit Analysis (CBA) submitted by TPC-T in response to queries raised by the Commission. In addition to the same, the relevant documents such as loading of the assets, Electrical Inspector Certificate, log book, photos, STU's assets verification report, etc., have been examined for verifying the putting to use of these assets. If the asset(s) are not put to use thereby not benefiting the consumers, then the capitalisation as well as O&M of such assets has been disallowed or deferred to the ensuing years.

3.2.20. With regards to the TPC-T's claims of HoSS Allocation under Non-DPR Schemes of Rs. 6.25 Crore and Rs. 11.24 Crore during FY 2022-23 and FY 2023-24, it was observed that, TPC-T has not provided details of the expenditure claimed under HoSS. Accordingly, the allocation of HoSS based on the nature of the schemes falling under Non-DPR or O&M nature was not quantifiable. Hence, the Commission sought the details of the schemes under HoSS Allocation from TPC-T, where TPC-T in response to the same on 27 February, 2025 has submitted the detailed break-up of Asset Class towards the HoSS allocation claimed under TPC-T's allocations (out of the overall G, T and D Mumbai Business of TPC) for FY 2022-23 and FY 2023-24. The Commission post analysing the details submitted by TPC-T observed that, certain cost has been allocated towards the Renovation works, which is O&M in nature, wherein Rs. 2.33 Crore and Rs. 0.29 Crore have been allocated to 'Renovation' works out of the total HoSS allocation of Rs. 16.40 Crore and Rs. 27.30 Crore (For TPC as a whole G, T and D Mumbai Business), for FY 2022-23 and FY 2023-24, respectively. The allocation ratio towards HoSS Cost of TPC-T out of the total TPC as a whole was 38.09% during FY 2022-23 and 41.18% during FY 2023-24. The Commission has accordingly used the same ratio to separate out the cost pertaining towards the 'Renovation' works for TPC-T, which works out to Rs. 0.89 Crore *(38.18% of Rs. 2.33 Crore)* and Rs. 0.12 Crore *(41.18% of Rs. 0.89 Crore)* for FY 2022-23 and FY 2023-24, respectively.

3.2.21. The Commission has therefore allowed, Rs. 5.36 Crore *(Rs. 6.25 Crore – Rs. 0.89 Crore)* and Rs. 11.12 Crore *(Rs. 11.24 Crore – Rs. 0.12 Crore)* under HoSS allocation for FY 2022-23 and FY 2023-24, respectively, under Non-DPR and has reclassified the cost towards the 'Renovation' works of Rs. 0.89 Crore and Rs. 0.12 Crore under the R&M Expenses, for FY 2022-23 and FY 2023-24, respectively. The details of the same is provided under **Appendix 4**.

3.2.22. The details of DPR and Non-DPR Schemes considered for total capitalisation as against TPC-T claim for FY 2022-23 and FY 2023-24 are as under:

Table 5: DPR and Non-DPR Schemes considered for capitalisation for FY 2022-23 and FY 2023-24

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
No. of DPR Schemes	-	27	27	-	23	23
Capitalisation Amount (Rs. Crore) (A)	729.51	738.56	738.56	-	648.26	622.76
No. of Non-DPR Scheme	-	80	68	-	65	36
Capitalisation Amount (Rs. Crore) (B)	91.65	97.13	66.40	-	86.28	63.70
HO & SS Allocation (C)	-	6.25	5.36	-	11.24	11.12
Total Capitalisation Amount (A+B+C)	**821.16**	**841.94**	**810.32**	**569.61**	**745.78**	**697.58**

3.2.23. As indicated above, the Commission has approved total capitalization (including IDC) of Rs. 810.32 Crore and Rs. 697.58 Crore for FY 2022-23 and FY 2023-24, respectively, against TPC-T's claim of Rs. 841.94 Crore and Rs. 745.78 Crore for FY 2022-23 and FY 2023-24, respectively.

3.2.24. Details of the DPR Scheme analysed and considered for the approval are included under **Appendix 3**. Details of such approved cost, approved year, approved phasing of the capitalisation, scope of work completed, year of completion /commissioning/COD are summarised under **Appendix 3** to this MYT Order. The Cost- Benefit of some of the major Schemes are summarised in the Table below:

Table 6: Cost Benefit Analysis of Major Schemes undertaken by TPC-T for FY 2022-23 and FY 2023-24

Sr. No.	Scheme Name	Cost Benefit Analysis of Schemes and Remarks
1	220 kV Trombay Dharavi Salsette Transmission Lines	Third 220 kV feed established between Trombay and Dharavi. This has improved system reliability. **Scheme is Technically and Financially closed.**

Sr. No.	Scheme Name	Cost Benefit Analysis of Schemes and Remarks
		Work Completion Report is submitted to the Commission.
2	220 kV Kalwa-Salsette Transmission Line No. 5	Reliable and uninterrupted power supply even under contingencies in TPC / AEML network or generating units has been ensured by the commissioning of 220 kV third circuit by enabling power to be supplied from MSETCL network. Without the proposed third circuit, load shedding would still be an issue in North-West Mumbai. There is a case of Cost overrun of Rs. 14.81 Crore due to the uncontrollable event of amendment in the MCGM Trenching Policy dated 15 June, 2021, resulting in the change in RI Charges and resulting in the increased IDC. Since, such event happened at the time execution of the Works and within the in-principal approval timelines, the Commission allows the cost overrun of Rs. 14.72 Crore, since, the same was beyond the control of TPC-T. **Scheme is Technically and Financially closed. Work completion Report is submitted to the Commission**
3	Establishing 220 kV GIS Receiving Station at Antop Hill	1. The reliability of 220 kV feed in source to Antop Hill from Dharavi Receiving Station has been increased by tapping off the 220 kV Trombay-Chunabhatti line at Antop Hill, hence making it a three-terminal 220 kV Trombay-Antop Hill-Chunabhatti line, for which a 220 kV outdoor bay and subsequently Trombay-Antop Hill line was commissioned to feed the 220 kV Antop Hill Receiving Station. 2. Additional Outlet requirements of TPC-D and BEST have been met. Also, the issue of increasing load in the vicinity has been resolved. 3. The decongestion of Dharavi RSS and Parel RSS has been achieved and N-1 capacity has been provided. **Scheme is Technically and Financially closed. Work Completion Report is submitted to the Commission.**
4	New 220 kV GIS Receiving station at Versova	With the imminent load requirement in this area, installation of 220 kV GIS has helped to meet the requirement of providing reliable power supply at 33 kV. Setting up of GIS at 245 kV level has helped to meet the increasing demand projected to come up in the system due to various commercial set ups coming in Versova and surrounding areas. **Scheme is Technically and Financially closed. Work Completion Report is submitted to the Commission**.

Sr. No.	Scheme Name	Cost Benefit Analysis of Schemes and Remarks
5	Conversion and Diversion of 220/110 kV O/H lines to U/G Cables and erection of switching stations for NMIA project	Conversion and Diversion of 220/110 kV O/H lines to U/G Cables and erection of switching stations in March,2020 for NMIA project has led to resolution of the aviation issues of proposed Airport. Also ensured and enhanced reliability. Improved voltage profile and reduced transmission losses. The approximate loading of lines is about 300 MW. **Scheme is Technically and Financially closed. Work Completion Report is submitted to the Commission.**
6	Replacement of old 110 kV oil-filled cables between: Part A: Replacement of aged 110 kV oil-filled cable between Sewree Fort and Carnac for 110 kV Trombay - Carnac # 3 line and Part B: Replacement of aged 110 kV oil-filled cable between Sewree Fort and Parel for 110 kV Trombay - Parel # 3 line.	Post commissioning of 110 kV cables, the transmission network at Carnac, South Mumbai and Parel Receiving Station has strengthened which had led to optimum catering to critical and important load. Besides, the useful life of the new XLPE cables is higher than previously used oil filled cables. Also, the cost expenditure and compromise on N-1 contingency for period of about 3 months while attending the fault of aged cables every time, has been eradicated. **Scheme Closure Report to be submitted**

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

3.2.26. The major DPR Schemes have been analysed under the following categories:

I. DPR Schemes during FY 2022-23 and FY 2023-24

a. Schemes approved by the Commission, however, there is Cost Overrun;
b. Claims against the Past Disallowance or deferred cost in the MTR Order in Case No. 217 of 2022;
c. Schemes whose Capital Cost is deferred to FY 2024-25;

II. Non-DPR Schemes during FY 2022-23 and FY 2023-24

I. DPR Schemes during FY 2022-23 and FY 2023-24

a. Schemes approved by the Commission, however, there is Cost Overrun

3.2.27. The cost overrun is observed by the Commission in following 5 Schemes:

1. 220 kV Kalwa-Salsette Transmission Line No. 5 (Rs. 14.72 Crore)
2. Refurbishment of Firefighting system in Transmission (Rs. 0.15 Crore)
3. Replacement and installation of protective equipment in Transmission (Rs. 0.36 Crore)
4. Installation of 220 kV, 1 X 125 MVAr Reactor at Salsette EHV Receiving Substation (Rs. 3.75 Crore)
5. Replacement of aged 110 kV Oil Filled Cables of Trombay Chembur 1, 2 & 3 and Khopoli Chembur Cables (Rs. 14.39 Crore)

<u>220 kV Kalwa-Salsette Transmission Line No. 5</u>

3.2.28. TPC-T sought the revised approval from the Commission for the construction of the Third 220 kV Circuit between MSETCL Kalwa and TPC-T's Salsette Receiving Station, which was accorded on 8 November, 2020 with the revised cost of Rs. 208.23 Crore and revised the timelines for the completion of the Scheme by FY 2022-23.

3.2.29. The Commission has approved Rs. 208.23 Crore during Provisional True-up of FY 2022-23 in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022, as against the similar claim of TPC-T. The Scheme was under execution at the time of provisional approval. However, TPC-T in the present Petition has claimed the additional capitalisation of Rs. 14.72 Crore over and above the revised approved cost of Rs. 208.23 Crore. TPC-T in justification of such spillover of the capitalisation has submitted that, the major cost overrun is due to revision in (Reinstatement Charges (RI charges) (Actual at Rs. 33.15 Crore as against Rs. 10.00 Crore approved by MERC). At the time of in-principal approval, the Commission has allowed RI charges at Rs. 10.00 Crore (Rs. 20,000.00 / meter excluding GST at 18%) for 5.00 km of cable route length. These charges have been significantly increased at Rs. 33.16 Crore due various reasons such as:

- **Revision in RI Charges:** In submitted DPR, RI charges were estimated based on MCGM's "Guidelines for Trenching Activity 2015" dated 18 December, 2014. MCGM had issued the demand notes towards RI charges payable by TPC-T for permission towards cable excavation work for laying 220 kV XLPE cables between Salsette Receiving Station to Airoli area (Total 9 sections) for proposed cable project. These RI charges are computed based on modification/amendment to MCGM trenching policy dated 15 June, 2021. Due to this amendment, there is an upward revision in RI charges for various types of road carriage ways which has resulted into higher RI charges payable to MCGM over and above as approved in DPR.

- **Multiplying Factor vis-à-vis Defect Liability Period (DLP):** In approved DPR, DLP for the proposed cable route was assumed at 1 which means no new road construction/concreting was considered in the assumption of submitted DPR. However, in actuals part of cable route had fallen under multiplying factor for first/second year DLP i.e. 4 & 3 which has resulted into increase in RI charges of ~ Rs. 16.82 Crore.

- **GST and Access Charges:** GST at 18% along with access charges (~ Rs. 800 per meter) were applicable for demand notes raised by MCGM towards RI charges.

- There is increase in IDC as well, to the extent of cost overrun.

3.2.30. The above variations have resulted into the total RI charges at Rs. 33.15 Crore as against Rs. 10.00 Crore as approved by the Commission in the approved DPR.

3.2.31. The Commission post perusal of the scheme details submitted along with the aforementioned justification is of the view that, the amendment in the MCGM's Guidelines and corresponding impact to increase in the RI Charges is an uncontrollable event which is beyond the control of the Licensee. With regards to the Scheme completion, the same was completed within the Scheme approved timelines and the Scheme closure report along with Cost Benefit Analysis was also submitted to the Commission. Further, the Scheme plays an important role in the Mumbai Transmission Strengthening. Accordingly, the Commission allows the cost-overrun of Rs. 14.72 Crore as claimed by TPC-T.

3.2.32. **The Commission therefore approves the present Capitalisation claim of Rs. 223.04 Crore by TPC-T towards the Scheme '220 kV Kalwa-Salsette Transmission Line No. 5' and accordingly the Scheme is technically and financially closed.**

<u>Refurbishment of Firefighting system in Transmission</u>

3.2.33. The Commission has given the in-principal approval in FY 2018-19 with approved cost of Rs. 42.37 Crore and Scheme completion year as FY 2020-21. The Commission in the MTR Order in Case No. 217 of 2022 had approved the overall capitalisation of Rs. 42.04 Crore, as against the similar claim of TPC-T. However, TPC-T in the present Petition has claimed the additional capitalisation of Rs. 0.15 Crore over and above the Scheme approved cost of Rs. 42.37 Crore. TPC-T in justification of such spillover of the Capitalisation has submitted that, Due to requirement of fire related protection High Velocity Water Spray (HVWS), Pump house civil work at Kolshet for new 90 MVA Transformers, there is a time and cost overrun.

3.2.34. The Commission on perusal of the Scheme details submitted by TPC-T found that, such cost-overrun is pertaining to the Change/addition in the Scope of Work as in-principally approved by the Commission and accordingly, the justification was sought from TPC-T. TPC-T in response to the same submitted that, the implementation of HVWS at Kolshet was earlier considered in the Original DPR of 'Replacement of 2 Nos. of 30 MVA 110/22 kV Transformer at Kolshet R/s', however, at the time of the DPR approval to optimise the DPR Cost few of the items were removed from the Scope of Work and HVWS system and fire pump room was diverted to the approved Fire Protection Refurbishment Scheme, which is the present Scheme and such change in Scope was submitted to the Commission at time of the approval of the DPR Kolshet Receiving Station.

3.2.35. The Commission upon perusal of the scheme details submitted along with the aforementioned justification is of the view that, HVWS is an essential item as a fire protection system of the Receiving Station which are cost intensive and prone to higher temperature during the actual operations.

3.2.36. With regards to the Scheme completion, the same was completed and the Scheme closure report along with Cost Benefit Analysis was also submitted to the Commission. Further, the overall cost overrun being marginal and considering the implementation of such fire protection system for the critical and cost intensive Transmission assets being mandatory, the Commission allows the cost-overrun of Rs. 0.15 Crore as claimed by TPC-T.

3.2.37. **The Commission therefore approves the present Capitalisation claim of Rs. 42.52 Crore as claimed by TPC-T towards the Scheme 'Refurbishment of Firefighting system in Transmission' and accordingly the Scheme is technically and financially closed.**

Replacement and installation of protective equipment in Transmission

3.2.38. The Commission has given the in-principal approval in FY 2018-19 with approved cost of Rs. 20.15 Crore and Scheme completion year as FY 2020-21. The Commission in the MTR Order in Case No. 217 of 2022 had approved the overall capitalisation of Rs. 20.21 Crore, as against the similar claim of TPC-T, where cost-overrun of Rs. 0.06 Crore over and above the Scheme approved cost of Rs. 20.15 Crore towards '220 kV and 110 kV PT and CT Replacement' due to higher cost discovered under competitive bidding. TPC-T had claimed a total capitalisation of 20.21 Crore up to FY 2021-22, however, in the present Petition has claimed the additional capitalisation of Rs. 0.30 Crore over and above the approved capitalisation up to FY 2021-22 of Rs. 20.21 Crore.

3.2.39. TPC-T has claimed capitalisation of Rs. 0.23 Crore in FY 2022-23 and Rs. 0.07 Crore in FY 2024-25. TPC-T in justification of such spillover of the capitalisation has submitted that, such cost overrun was towards the installation and commissioning of 48 V battery at Trombay and 220 V Battery charger at Parel of Rs. 0.29 Crore and balance miscellaneous works of Rs. 0.01 Crore towards '220 kV and 110 kV PT and CT Replacement'. Such cost-overrun was due to the cost discovered through competitive bidding, which was higher due to Covid -19 delay than the estimates in DPR, which also led to time overrun.

3.2.40. The Commission on perusal of the Scheme details submitted by TPC-T found that, such cost-overrun is due to the increased price trend post Covid-19 pandemic discovered under the competitive and observes that that the reasons provided by TPC-T are justified.

3.2.41. With regards to the Scheme completion, the same was completed and the Scheme closure report along with Cost Benefit Analysis was also submitted to the Commission. Further, the overall cost overrun is marginal and increased cost due to Covid-19 , the Commission allows the cost-overrun of Rs. 0.36 Crore as claimed by TPC-T.

3.2.42. **The Commission therefore approves the present Capitalisation claim of Rs. 20.51 Crore as claimed by TPC-T towards the Scheme 'Replacement and installation of protective equipment in Transmission' and accordingly the Scheme is technically and financially closed.**

Installation of 220 kV, 1 X 125 MVAr Reactor at Salsette EHV Receiving Substation

3.2.43. The Commission has given the in-principal approval in FY 2021-22 with approved cost of Rs. 29.00 Crore and Scheme completion year as FY 2022-23. The Commission in the MTR Order in Case No. 217 of 2022 had provisionally approved the overall capitalisation of Rs. 29.00 Crore, as against the claim of Rs. 33.24 Crore by TPC-T. The disallowance was to the extent of Rs. 4.24 Crore claimed over and above the Scheme approved cost and no proper justification was provided at the time of MTR.

3.2.44. TPC-T in this present MYT Petition has claimed the capitalisation of Rs. 32.75 Crore (Rs. 31.98 Crore in FY 2022-23 and Rs. 0.76 in FY 2023-24 towards balance civil and electrical works), where there is a cost-overrun of Rs. 3.75 Crore over and above the Scheme approved cost of Rs. 29.00 Crore towards 220 kV, 125 MVAr Reactor along with 220 kV bay and associated equipment, commissioned during FY 2022-23. TPC-T in justification of such spillover of the capitalisation has submitted that, based on the cost discovered in the competitive bidding for the procurement of 220 kV, 125 MVAr VSR, the total estimated cost of this Scheme stood revised from Rs. 29.00 Crore to Rs. 32.75 Crore. The revised DPR had been submitted to the Commission on 8 February, 2022 vide letter no. CFI-LRA-LRA-RGWR-LETR-000298 dated 4 February, 2022, where the detailed reasons for increase in line item wise cost of the scheme have been elaborated.

3.2.45. The Commission on perusal of the Scheme details submitted by TPC-T found that, such cost-overrun is due the increased price discovered under the competitive bidding and observes that that the reasons provided by TPC-T are justified.

3.2.46. With regards to the Scheme completion, the same was completed within the Scheme approved timelines and the Scheme closure report along with Cost Benefit Analysis (CBA) was also submitted to the Commission. TPC-T under the CBA submitted that, post commissioning of the reactors, the capacitive reactive power generated by EHV cables have been compensated by inductive reactive power of the reactors, which in-turn has also helped to reduce rise in voltages in Mumbai Transmission Network and adjoining Sub-Substations within specified limits. In addition, now the reactive power compensation has led to reduced copper losses, hence enhancing the overall efficiency of Mumbai Transmission Network.

3.2.47. Thus, considering the critical role of this Scheme implemented for the Mumbai Transmission Strengthening, the Commission allows the cost-overrun of Rs. 3.75 Crore as claimed by the TPC-T.

3.2.48. **The Commission, therefore approves the present Capitalisation claim of Rs. 32.75 Crore claimed by TPC-T towards the Scheme 'Installation of 220 kV, 1 X 125 MVAr Reactor at Salsette EHV Receiving Substation' and accordingly the Scheme is technically and financially closed**.

Replacement of aged 110 kV Oil Filled Cables of Trombay Chembur 1, 2 & 3 and Khopoli Chembur Cables

3.2.49. The Commission has given the in-principal approval in FY 2019-20 with approved cost of Rs. 98.03 Crore and Scheme completion year as FY 2022-23. The Commission in the MTR Order in Case No. 217 of 2022 had provisionally approved the overall capitalisation of Rs. 98.03 Crore, as against the claim of Rs. 113.02 Crore by TPC-T. The disallowance was to the extent of Rs. 14.98 Crore claimed over and above the Scheme approved cost.

3.2.50. TPC-T in this present MYT Petition has claimed the capitalisation of Rs. 112.42 Crore (Rs. 13.02 Crore claimed up to FY 2021-22, Rs. 99.35 Crore in FY 2022-23 and Rs. 0.06 in FY 2023-24 towards balance civil and reinstatement of roads), where there is a cost-overrun of Rs. 14.39 Crore over and above the Scheme approved cost of Rs. 98.03 Crore towards 2.27 Ckt kms of new 110 kV Copper XLPE cable for Trombay-Chembur No.1, No.2 & No.3, commissioned during FY 2022-23. TPC-T in justification of such spillover of the Capitalisation has submitted that, the cost overrun in this project was mainly on account of increase in RI charges / HDD work / access charges / GST etc. to be paid to MCGM / Central Railways. Detailed reasoning has been submitted in the completion report for the scheme through letter reference CFI-LRA-LRA-RGWR-LETR dated 13 May, 2024.

3.2.51. The Commission post perusal of the scheme details submitted along with the aforementioned justification is of the view that, the amendment in the MCGM's Guidelines and corresponding impact to increase in the RI Charges is an uncontrollable event which is beyond the control of the Licensee. With regards to the Scheme completion, the same was completed within the Scheme approved timelines and the Scheme closure report along with Cost Benefit Analysis was also submitted to the Commission.

3.2.52. Thus, considering the critical role of this Scheme implemented for the Mumbai Transmission Strengthening, the Commission allows the cost-overrun of Rs. 14.39 Crore as claimed by the TPC-T.

3.2.53. **The Commission therefore approves the present Capitalisation claim of Rs. 112.44 Crore claimed by TPC-T towards the Scheme 'Replacement of aged 110 kV Oil Filled Cables of Trombay Chembur 1, 2 & 3 and Khopoli Chembur Cables' and accordingly the Scheme is technically and financially closed.**

b. *Claims against the Past Disallowance or deferred cost in the MTR Order in Case No. 217 of 2022*

i. Claim of past disallowed capitalization for 2 nos. of 33 kV bays at Antop Hill RSS (2 out of 7 Nos. of disallowed Bays put to use in FY 2022-23)

3.2.54. The Commission in the MTR Order in Case No. 217 of 2022 had disallowed capitalisation of Rs. 10.29 Crore for scheme 'Installation of 220 kV Antop Hill receiving station' on account of 7 nos. of 33 kV unutilized bays. TPC-T in the present MYT Petition has submitted that, out of 7 Nos. of un-utilised Bays, 2 Nos. of Bays have been utilised and put to use. Accordingly, TPC-T requested the Commission to approve the capitalization of Rs. 2.79 Crore, which is depreciated cost towards 2 Nos. of 33 kV Bays utilized at Antop Hill Receiving station in FY 2022-23.

3.2.55. The Commission upon the perusal of the Loading Statements, Log Book Statements and Scheme details submitted by TPC-T has verified that, the 2 Nos. of Bays at 33 kV level allocated to BEST at Antop Hill Receiving Substation have been put to use during FY 2021-22 on 28 December, 2022 with the maximum loading of 10.80 MW and 0.03 MW, respectively during August, 2024 as per the loading Statement.

Table 7: 2 Nos. of 33 kV Bays allowed by the Commission utilised at Antop Hill station in FY 2022-23 (Rs. Crore)

Particulars	Depreciation Rate	33 kV Bays at Antop Hill
		FY 2021-22
MERC Order Reference		**217 of 2022**
Disallowance in Capitalization		2.94
Depreciation for FY 2021-22	5.28%	0.08
Depreciation for FY 2022-23	5.28%	0.08
Total capitalization approved in FY 2022-23		**2.79**

3.2.56. **Accordingly, the Commission allows the TPC-T's claim of Rs. 2.79 Crore towards such Bays at the depreciated cost in FY 2022-23.**

ii. Disallowance of the capitalization for 110 kV GIS Dharavi (Deferred capitalization of FY 2021-22)

3.2.57. The Commission in the MTR Order in Case No. 217 of 2022 had deferred capitalisation of Rs. 10.66 Crore pertaining to the scheme for 'Replacement of 110 kV AIS by GIS at Dharavi' from FY 2021-22 to FY 2022-23. TPC-T submitted that, 110 kV GIS at Dharavi Receiving Station has now been commissioned and therefore was put to use during FY 2022-23. TPC-T therefore requested the Commission to consider the capitalization of Rs. 10.66 Crore in Truing up of FY 2022-23 in addition to the capitalisation made in FY 2022-23.

3.2.58. The Commission upon the perusal of the Loading Statements, Scheme Completion Report and other Scheme details submitted by TPC-T has verified that, the Scheme has been put to use during FY 2022-23, where the Loading Statement provides the details of maximum loading of all the Bays.

3.2.59. **Accordingly, the Commission allows the TPC-T's claim of Rs. 10.66 Crore to be considered during the FY 2022-23 towards the deferred cost of 'Replacement of 110 kV AIS by GIS at Dharavi'.**

iii. Past Disallowed Capitalisation claimed during Truing-up of FY 2023-24

3.2.60. The Commission in the MYT Order in Case No. 22 of 2016 had disallowed capitalisation of Rs. 1.83 Crore for 8 nos. of 33 kV unutilised AIS bays of Parel Receiving station. Out of 8 nos. of unutilized bays, TPC-T had utilized 3 nos. of bays in FY 2017-18 and capitalization of the same was allowed by the Commission in the MYT Order in Case No. 299 of 2019 dated 30 March, 2020. Out of balance 5 Nos. of 33 kV unutilized bays, TPC-T had put to use one more 33 kV AIS bay in FY 2020-21 and capitalization of the same was allowed by the Commission in the MTR Order in Case No. 217 of 2022 dated 31 March, 2023.

3.2.61. Subsequently, out of 4 Nos. of 33 kV un-utilised Bays allocated to BEST, TPC-T has been able to put to use one (1 No.) more 33 kV AIS bay at Parel Receiving Station during FY 2023-24 on 21 January, 2024 as per the Log Book statement. Further, the loading details of the bay have been submitted as part of the Petition, where the maximum loading of 2.54 MW have been recorded during August, 2024. As per the principle followed by the Commission in past MTR/MYT Orders, the capitalization is being claimed at depreciated cost till the year in which it is actually put to use as shown in table below. TPC-T requested the Commission to approve the capitalization of Rs. 0.12 Crore towards one no. of 33 kV bay utilized at Parel Receiving station in FY 2023-24.

3.2.62. The Commission upon the perusal of the Loading Statements, Log Book Statements and Scheme details submitted by TPC-T has verified that, the 1 No. of AIS Bay at 33 kV level at Parel Receiving station have been put to use during FY 2023-24.

Particulars	Depreciation Rate	33 kV Bays at Parel
		FY 2014-15
MERC Order Reference		**22 of 2016**
Disallowance in Capitalization		0.23
Depreciation for FY 2014-15	5.28%	0.01
Depreciation for FY 2015-16	5.28%	0.01
Depreciation for FY 2016-17	5.28%	0.01
Depreciation for FY 2017-18	5.28%	0.01
Depreciation for FY 2018-19	5.28%	0.01
Depreciation for FY 2019-20	5.28%	0.01
Depreciation for FY 2020-21	5.28%	0.01
Depreciation for FY 2021-22	5.28%	0.01
Depreciation for FY 2022-23	5.28%	0.01
Depreciation for FY 2023-24	5.28%	0.01
Total capitalization approved in FY 2023-24		**0.12**

3.2.63. **Accordingly, the Commission allows the TPC-T's claim of Rs. 0.12 Crore towards such Bay at the depreciated cost during FY 2023-24.**

c. Schemes whose Capital Cost is deferred to FY 2024-25

i. Replacement of Transmission Line towers in Vashi & Vagholi Creek

3.2.64. The Commission has given the in-principal approval in FY 2019-20 with approved cost of Rs. 28.89 Crore and Scheme completion year as FY 2022-23. The Commission in the MTR Order in Case No. 217 of 2022 had provisionally approved the overall capitalisation of Rs. 28.89 Crore, as against similar claim made by TPC-during FY 2023-24.

3.2.65. TPC-T in this present MYT Petition has claimed a total Capitalisation of Rs. 26.50 Crore (Rs. 25.50 Crore in FY 2022-23 towards Tower erection and work shifting of conductor and Rs. 1.00 Crore in FY 2023-24 towards balance civil works).

3.2.66. The Commission upon the perusal of the Scheme related documents submitted by TPC-T observed that, there is a time over run, where the major erection was concluded during November, 2023 and the balance civil works is expected to be completed during second half of FY 2024-25. TPC-T has submitted the provisional CEI Certificate as the documentary evidence for the assets put to use and further submitted that, the Scheme completion Report to be submitted during second half of FY 2024-25.

3.2.67. The Commission notes that final CEI certificate is yet to be submitted and certain works is likely to be completed in second half of FY 2024-25. Further, the Scheme completion report is also yet to be submitted by TPC-T. Accordingly, the Commission is of the view that the Scheme needs to be to deferred and shift the capitalisation of Rs.25.50 Crore claimed by TPC-T during FY 2023-24 to FY 2024-25. Upon the verification of the final loading of the assets and submission of the Scheme completion Report, the final capitalisation cost shall be allowed by the Commission at the time of final True-up of FY 2024-25, subject to prudence check. The Commission directs that TPC-T shall endeavour to technically and financially close all its Scheme within the stipulated timelines envisaged under the in-principal approval letter issued by the Commission for the respective Schemes.

3.2.68. **Accordingly, the Commission provisionally allows the capitalisation of Rs. 26.50 Crore entirely during FY 2024-25, with a direction to TPC-T to submit the Scheme Completion Report and documentary evidence for the assets put to use. TPC-T shall also submit adequate justification for time overrun.**

II. Non-DPR Schemes during FY 2022-23 and FY 2023-24

3.2.69. The Commission notes that the ratio of Non-DPR to DPR Capitalisation for each year FY 2022-23 and FY 2023-24 is lower than the limit of 20%. The Commission sought details of capitalisation and cost benefit analysis of these Non-DPR Schemes.

3.2.70. After analysing the replies of TPC-T, the Commission has found a number of Non-DPR Schemes to be of O&M in nature. TPC-T has claimed that these schemes are essential for continued operation of the System.

3.2.71. The Commission after analysing the Non-DPR Schemes, has concluded that these Schemes should not be undertaken under Non-DPR Schemes as the nature of work is of R&M. The Commission has thus included some Non-DPR schemes claimed by TPC-T under the O&M expenses as these Schemes are clearly R&M in nature. The Scheme-wise analysis of Non-DPR Schemes' Capitalisation and reclassification of them in O&M/Capex is provided in **Appendix 4**.

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

Table 8: Schemes Claimed under non-DPR which is allowed in O&M expense over and above Norms for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	MTR Approved	MYT Petition	Approved after Truing-up
Replacement of AHU at Parel 5 X 11T	0.00	0.01	0.01
Employee welfare scheme's common locations	0.00	2.06	2.06
Power Transformer # 4 Radiator replacement	0.00	0.01	0.01
Replacement of Protection Panels at Davdi RS	1.50	1.30	1.30
Replacement of Carnac A & B block Lifts	1.00	0.96	0.96
Upgradation of LV panel relay (BCPU) of 33 kV Bus Section 6 at Dharavi	1.00	1.09	1.00
Replacement of station auxiliaries at Parel	0.20	0.18	0.18
220 kV CRP panel replacement at Backbay	1.42	1.19	1.19
Replacement of 20 MVAR Capacitor Bank No.4 at Kalyan	0.73	0.67	0.67
Replacement of CTs and LAs in Kalyan Node	0.60	0.11	0.11
Replacement of Battery Chargers in Kalyan Node and additional battery at Chola	1.10	0.78	0.78
Replacement of 415 V ACDB at Panvel	0.10	0.30	0.10
Repl. of battery, chargers & DCDBs at Trombay	1.30	1.27	1.27
Replacement of fire emulsifier system at Trombay	0.40	0.62	0.40
Refurbishment of bathroom and Toilets at Powai and Saki	1.00	0.61	0.61
Employee Welfare Schemes in Transmission	4.41	3.81	3.81
Replacement of Communication equipment in Transmission	1.48	1.45	1.45
Replacement of OPGW on Various lines	8.00	5.96	5.96
Replacement of ACs in Transmission	0.90	0.64	0.64
220 kV Mahalaxmi Backbay shifting for coastal	-	4.47	0.00
Procurement of LA LCM Kits in Transmission	0.00	0.00	0.00

Particulars	FY 2022-23		
	MTR Approved	MYT Petition	Approved after Truing-up
HoSS (Renovation and Modernisation)	0.00	0.00	0.89
Total	**25.14**	**27.48**	**23.39**

Table 9:Schemes Claimed under non-DPR which is allowed in O&M expense over and above Norms for FY 2023-24 (Rs. Crore)

Particulars	FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up
Replacement of Protection Panels at Davdi RS	0.00	0.19	0.19
Replacement of Carnac A & B block Lifts	0.00	0.04	0.04
Replacement of Lift of 145 kV Building at Mahalaxmi	0.00	0.66	0.50
220 kV CRP panel replacement at Backbay	0.00	0.15	0.15
Replacement of station auxiliaries at Carnac Node	0.00	0.16	0.16
Replacement of 20 MVAR Capacitor Bank No.4 at Kalyan	0.00	0.03	0.03
Replacement of CTs and LAs in Kalyan Node	0.00	0.77	0.49
Replacement of Battery Chargers in Kalyan Node and additional battery at Chola	0.00	0.38	0.32
Repl. of battery, chargers & DCDBs at Trombay	0.00	0.90	0.03
Refurbishment of bathroom and Toilets at Powai and Saki	0.00	0.17	0.17
Employee Welfare Schemes in Transmission	0.00	0.23	0.23
Replacement of OPGW on Various lines	0.00	2.41	2.04
Replacement of ACs in Transmission	0.00	0.06	0.06
220 kV Mahalaxmi Backbay shifting for coastal	0.00	0.67	0.00
Refurb DT11, DT12 Oil Filled reactor with air	0.00	0.27	0.03
Replacement of 22 kV AIS at MRS switchgear along with cable	0.00	1.69	1.69
Replacement of stacked Layer-3 switches	0.00	3.14	3.14

Particulars	FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up
Renovation works in Offices	0.00	0.02	0.02
HoSS (Renovation and Modernisation)	0.00	0.00	0.12
Total	**0.00**	**11.96**	**9.43**

3.2.73. The Commission while analysing the Non-DPR schemes observed that many of the Non-DPR Schemes have been carry forwarded since FY 2012-13, FY 2013-14, etc till date and the capitalisation against the same have been claimed by TPC-T. Although the Non-DPR schemes claimed don't require the prior approval of the Commission, the Commission is of the view that considering the nature of Non-DPR schemes, the Schemes are expected to be completed within a year. It is observed that, some of the Non-DPR Schemes are ongoing since FY 2012-13 onwards. The Commission is of the view that such Non-DPR Schemes needs to be completed within a year or so. For the purpose of True-up, the Commission in this Order has approved such Non-DPR Scheme which have been continued since FY 2012-13. However, the Commission is of the view that going ahead it shall not consider any such Non-DPR Scheme for capitalisation which are ongoing for more than a year.

3.2.74. The Commission also observed that, TPC-T have claimed Non-DPR expenses towards 'Employee Welfare Schemes in Transmission', which is O&M in nature. The Commission for the purpose of the True-up has allowed and reclassified such claims under R&M Expenses. However, the Commission directs TPC-T that, henceforth no such claims which are O&M in nature shall be proposed under the Non-DPR Schemes which are not in consonance with MERC (Approval of Capital Investment Schemes) Regulations, 2022.

3.2.75. With regards to the Non-DPR Scheme '220 kV Mahalaxmi backbay shifting for coastal', TPC-T has claimed Rs. 4.47 Crore and Rs. 0.67 Crore under the Non-DPR Schemes for FY 2022-23 and FY 2023-24, respectively. The Commission post perusal of the Scheme justification provided by TPC-T, observes that, the requirement of diversion of the 220 kV Mahalaxmi Backbay cable is based on the requirement raised by MCGM due to the construction of the Coastal Road. TPC-T in its submission have submitted that as per the MCGM trenching policy , TPC-T is required to shift the EHV Cables as it is obstructing the piling work and ramp construction work. Cables may get damaged if not diverted in time and affect power supply to entire South Mumbai including major establishments viz. Mantralaya, Railways etc. Diversion will ensure reliable and uninterrupted power supply to consumers in South and Central Mumbai for next 20 years. The Regulation 3.8 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022 provides as under:

> *"3.8 Under normal circumstances, the cost of premature replacement/shifting of the Transmission assets because of projects of other utilities such as road widening, construction/strengthening of dams, removal of obstacles, and freeing space for other project,* ***shall be recovered/recoverable from the concerned infrastructure development agency****:*
> *Provided that the premature replacement/shifting of the assets because of projects of other utilities as stated above may be treated as capex scheme depending on circumstances and justification, in cases where the same is not recovered/recoverable from the concerned infrastructure development agency."*
> *(Emphasis added)*

3.2.76. Accordingly, the Commission is of the view that, such capitalisation claimed by TPC-T would result un-due burden on to the beneficiaries, where such requirements are made by the MCGM for the development and construction of the Coastal Road Project. Thus, TPC-T shall recover such cost from the MCGM instead claiming as part of the Non-DPR Scheme, in line with the Regulation 3.8 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022. Accordingly, the Commission has disallowed the Non-DPR capitalisation of Rs. 4.47 Crore and Rs. 0.67 Crore towards the Non-DPR scheme of '220 kV Mahalaxmi backbay shifting for coastal' for FY 2022-23 and FY 2023-24.

3.2.77. In addition, to the above, the Commission observed that, TPC-T has claimed the Capitalisation of Rs. 2.64 Crore towards the Scheme 'Extension of 33 kV Bus at Bhokarpada' during FY 2023-24 under the Non-DPR Scheme and also claimed the corresponding 4 Nos. of 33kV level AIS Bays during FY 2023-24 as 'deemed put to use'. However, the Commission while verifying the status of Put to Use with the Loading Statement, observed that, all the 4 Nos. of Bays have been allocated to MSEDCL and the same is un-utilised. Accordingly, the Commission has not allowed the Capitalisation of Rs. 2.64 Crore towards such Non-DPR scheme as the same is not Put to Use. The Commission has not considered these 4 Nos. of Bays as addition during the year while working out the Normative O&M expenses for FY 2023-24.

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

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
DPR Capitalisation (A)	729.51	738.56	738.56	569.61	648.26	622.76
Non-DPR Capitalisation(B)	91.65	97.13	66.40	0.00	86.28	63.70
HO & SS Allocation (C)	0.00	6.25	5.36	0.00	11.24	11.12
Total Capitalisation (A+B+C)	**821.16**	**841.94**	**810.32**	**569.61**	**745.78**	**697.58**

3.2.79. **Accordingly, the Commission approves the Capitalisation of Rs. 810.32 Crore and Rs. 697.58 Crore for FY 2022-23 and FY 2023-24, respectively.**

3.3. Operation and Maintenance Expenses

TPC-T's Submission

a. Normative O&M Expenditure for FY 2022-23

3.3.1. TPC-T submitted that as per the provisions of Regulation 61.1 of the MYT Regulations, 2019, the normative O&M expenditure is dependent on the number of Transmission Bays and Lines in the Transmission system of TPC-T. Further, TPC-T has made following submissions with respect to number of Transmission Bays and Lines to be considered for FY 2022-23 and FY 2023-24.

3.3.2. As per Regulation 61.7 of the MYT Regulations, 2019, the O&M expenses for the GIS bays has been worked out by multiplying 0.70 to the normative O&M expenses for the AIS bays as allowed in Regulation 61.3 of the MYT Regulations, 2019.

3.3.3. Further, TPC-T submitted that it has filed an Appeal before Hon'ble ATE in Appeal No 172 of 2020 against the Order of the Commission in Case No. 99 of 2020 seeking the relaxation of O&M Norms applicable to TPC-T for the MYT Control Period starting from FY 2020-21 to FY 2024-25. Accordingly, TPC-T will approach the Commission for revision in the Normative O&M expenses and associated impact on sharing of Gains / (Losses) for all the financial years of 4th MYT Control Period basis the judgement by the Hon'ble ATE.

3.3.4. Hence, for the purpose of the instant Petition, considering the closing balance of AIS and GIS bays as well as Ckt. km. of FY 2021-22 and the actual asset addition during FY 2022-23, the normative O&M expenditure on application of Norms specified in MYT Regulations 2019, works out to be Rs. 214.00 Crore. Further, considering the closing AIS and GIS bays as well as Ckt. km. of FY 2022-23, actual asset addition during FY 2023-24 and considering the earlier disallowed bays put to use in FY 2023-24, the normative O&M expenditure works out to Rs. 223.91 Crore.

3.3.5. With respect to addition of assets during FY 2022-23, the following is submitted:

a. Between 66 kV and 400 kV: (Addition of 48 GIS bays and 5 AIS bay and Reduction of 26 AIS Bays)

i. 48 nos. of GIS Bays have been commissioned and capitalised in FY 2022-23 as given below:

- Salsette Receiving Station (1 Bay)
- Dharavi Receiving Station (29 Bays)
- Vikhroli Receiving Station (18 Bays)

ii. 5 nos. of AIS Bays have been commissioned and capitalised in FY 2022-23 as given below:

- MSETCL Kalwa Receiving Station (1 Bay)
- Kalyan Receiving Station (4 Bays)

iii. 26 nos. of AIS Bays have been reduced due to conversion from AIS bays to GIS bays at Dharavi Receiving Station

b. 66 kV and Below: (Addition of 5 GIS Bays)

i. 5 nos. of 22 kV GIS Bays at 110 kV Trombay Receiving Station have been put to use in FY 2022-23 (which were earlier disallowed for O&M entitlement in MTR order in Case no. 217 of 2022 on account of being not put to use)

3.3.6. In case of Transmission Lines, net line length of 31.76 Ckt. Kms. has been added during FY 2022-23 after commissioning of new 220 kV transmission line between MSETCL Kalwa Receiving Station and TPC-T Salsette Receiving Station, commissioning of additional source lines to 110 kV Kurla Receiving Station and BKC Receiving Station, replacement of 110 kV oil filled cable by XLPE cable between Trombay Receiving Station and Chembur Receiving Station, LILO of 110 kV Salsette-Powai and Dharavi-Powai lines at Vikhroli RSS.

3.3.7. The opening balance for Transmission Bays for FY 2022-23 has been revised from the closing balance of FY 2021-22 (approved in the MTR order) and the same is due to the correction in opening bays as approved in the Review Order dated 7 March, 2024 in Case No. 91 of 2023.

3.3.8. Further, regarding utilisation of unutilized bays, the Commission had directed TSUs for submission of utilisation plan of bays to TPC-T and reasons for delay in utilisation of the Bays in the MTR Order in Case No. 217 of 2022. The relevant extract of the said Order is reproduced below:

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

3.3.9. As per directive of the Commission, TPC-T has made constant follow up with the Transmission System Users (TSUs) for submission of plan for utilising the bays allotted to them. However, out of 23 bays allocated to TSUs, only 10 bays have been put to use. Out of balance 13 unutilized bays, the utilization plan for 8 bays allocated to BEST and utilization plan for 2 bays at Kurla RSS allocated to TPC-D has been received. Details of all these bays have been provided along with the supporting documents. Since, the delay in utilization of these bays is beyond the reasonable control of TPC-T, TPC-T has considered these bays as "deemed put to use" in line with the Regulation 2.1 (25) c. of the MYT Regulations, 2019 which has been reproduced below:

> *"(25) "Date of Commercial Operation" or "COD" means -*
>
> *c. in case of a transmission system, the date declared by the Transmission Licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal:*
>
> *Provided that, in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the Transmission Licensee or its suppliers or contractors but on account of the delay in commissioning of the concerned generating Station or the upstream or downstream transmission system or distribution system, the* ***Transmission Licensee may seek approval of***

<u>the Commission of the date of commercial operation of such transmission system or an element thereof:</u>

*Provided further that, **in case of an existing Transmission Licensee, such request may be included as part of its Multi Year Tariff (MYT) Petition or Mid-Term Review Petition or True-up Petition to be filed under these Regulations**;"*

3.3.10. Accordingly, all the 23 bays which have been considered as deemed put to use and have been included in the opening balance for FY 2022-23 for computation of normative O&M expenses. TPC-T requested the Commission to consider the same or else direct the defaulting TSUs to bear the impact and allow TPC-T to recover the same from them.

3.3.11. With respect to addition of assets during FY 2023-24, the following is submitted:

a. Between 66 kV and 400 kV: (Addition of 32 GIS and 2 AIS Bays, Reduction of 30 AIS Bays)

i. 32 nos. of GIS Bays have been commissioned and capitalised in FY 2023-24 as given below:

- Parel Receiving Station (26 nos. of 110 kV Bays)
- Vikhroli Receiving Station (4 nos. of 110 kV Bays)
- Waghivali Switching Station (2 nos. of 220 kV Bay)

ii. 1 no. of 110 kV AIS bay addition at Kalyan Receiving Station for installation of capacitor bank in line with Non-DPR scheme registered with the Commission.

iii. 1 No. of 110 kV spare AIS bay at Trombay Receiving Station has been put to use in FY 2023-24 (which were earlier disallowed for O&M entitlement in MTR order in Case no. 217 of 2022 as not put to use)

iv. 30 nos. of AIS Bays have been decommissioned on account of replacement of AIS by GIS in FY 2023-24 as given below

- Parel Receiving Station (20 nos. of 110 kV Bays)
- Vikhroli Receiving Station (10 no. of 110 kV Bays)

b. 66 kV and Below: (Addition of 84 GIS Bays, 4 AIS Bays and Reduction of 65 AIS Bays)

i. 77 no. of GIS Bays have been commissioned and capitalised in FY 2023-24 after replacement of MV AIS by GIS as given below:

- Ambernath Receiving Station (28 nos. of 22 kV Bays)
- Chembur Receiving Station (35 nos. of 22 kV Bays)
- Saki Receiving Station (14 nos. of 22 kV Bays)

ii. Further, 7 nos. of 22 kV GIS Bays commissioned at BKC Receiving Station in line with Non-DPR scheme registered with the Commission.

iii. 4 Nos. of 33 kV AIS Bays have been commissioned and capitalized at Bhokarpada Receiving Station in line with Non-DPR scheme registered with the Commission.

iv. 65 nos. of AIS Bays have been decommissioned on account of replacement of AIS by GIS in FY 2023-24 as given below

- Ambernath Receiving Station (22 nos. of 22 kV Bays)
- Chembur Receiving Station (31 nos. of 22 kV Bays)
- Saki Receiving Station (12 nos. of 22 kV Bays)

c. Transmission Line: (Addition of 46.78 Ckt. Kms.)

i. In case of Transmission Lines, net line length of 46.78 Ckt. kms. has been added during FY 2023-24 on account of Commissioning of new 220 kV Trombay Salsette 3 and 4 lines along with LILO at KVTL's 400 kV Vikhroli RSS, LILO of existing 220 kV Trombay Salsette-1 and Trombay Salsette-2 lines at KVTL's 400 kV Vikhroli RSS, LILO of 220 kV Waghivali Dharavi 7 line at 220 kV Antop Hill RSS, replacement of 110 kV Trombay Parel-3 and Trombay Carnac-3 oil filled cable by XLPE cable, 220 kV Interconnection between MSETCL Waghivali - TPCL Waghivali RSS.

3.3.12. In line with the Regulation 61.1 of the MYT Regulations, 2019, TPC-T has considered Transmission Lines and Bays which have been capitalised and "put to use" in

FY 2023-24 for arriving at the Normative O&M Expenditure for FY 2023-24. However, following bays are yet to be utilized by the respective TSUs.

a. 2 Nos. of 110 kV GIS Bays at Vikhroli Receiving Station are commissioned by TPC-T on 24 August, 2023. The logbook record for commissioning of these bays has been enclosed to this petition. These two nos. of bays were allocated to National High Speed Rail Corporation Ltd. (NHSRCL) by STU on 1 August, 2018. TPC-T has made communication with NHSRCL for utilization of the 2 nos. of 110 kV Bays.

b. 4 Nos. of 33 kV GIS bays at Bhokarpada Receiving Station are commissioned by TPC-T on 29 February, 2024 and on 4 March, 2024. The logbook record for commissioning of these bays has been submitted with this Petition. These 4 Nos. of bays were allocated to MSEDCL by STU on 17 December, 2021. TPC-T has made communication with MSEDCL for utilization of the 4 Nos. of 33 kV bays.

3.3.13. Since, the delay in utilization of these bays is beyond the reasonable control of TPC-T, it has considered these bays as "deemed put to use" in line with the Regulation 2.1 (25) c. of the MYT Regulations, 2019. TPC-T has requested Commission to consider the same else direct the defaulting TSUs to bear the impact and allow TPC-T to recover the same from them.

3.3.14. Based on the above submissions, the Transmission Bays and Ckt. km. to be considered for arriving at normative O&M expenditure for FY 2022-23 and FY 2023-24 is presented in the Tables below:

Table 10: Transmission Bays for FY 2022-23 as submitted by TPC-T

Equipment		**MTR Order (Approved)**	**FY 2022-23 (Actual)**	**FY 2022-23 GIS Bays (Actuals)**	**FY 2022-23 AIS Bays (Actuals)**
Bays (between 66 kV and 400 kV)					
Opening	a	448	456	253	203
Additions	b	6	27	48	-21
Closing	c=a+b	454	483	301	182
Average	**d=Average (a: c)**	**451**	**470**	**277**	**193**
Bays (< 66 kV)					
Opening	e	1049	1067	714	353
Additions	f	1	5	5	0
Closing	g=e+f	1050	1072	719	353

Equipment		**MTR Order (Approved)**	**FY 2022-23 (Actual)**	**FY 2022-23 GIS Bays (Actuals)**	**FY 2022-23 AIS Bays (Actuals)**
Average	**h=Average (e: g)**	**1050**	**1070**	**717**	**353**

Table 11: Transmission Line (Ckt. km) for FY 2022-23 as submitted by TPC-T

Equipment		**MTR Order (Approved)**	**FY 2022-23 (Actual)**
Ckt. Km. (between 66 kV and 400 kV)			
Opening	a	1240.59	1240.59
Additions	b	18.82	28.00
Closing	c=a+b	1259.41	1268.59
Average	**d=Average (a: c)**	**1250.00**	**1254.59**

Table 12: Transmission Bays for FY 2023-23, as submitted by TPC-T

Equipment		**MTR Order (Approved)**	**FY 2023-24 (Actuals)**	**FY 2023-24 GIS Bays (Actuals)**	**FY 2023-24 AIS Bays (Actuals)**
Bays (between 66 kV and 400 kV)					
Opening	a	454	483	301	182
Additions	b	35	4	32	-28
Closing	c=a+b	489	487	333	154
Average	**d=Average (a: c)**	**472**	**485**	**317**	**168**
Bays (< 66 kV)					
Opening	e	1050	1072	719	353
Additions	f	2	23	84	-61
Closing	g=e+f	1052	1095	803	292
Average	**h=Average (e: g)**	**1051**	**1084**	**761**	**323**

Table 13: Transmission Line (Ckt. km) for FY 2023-24

Equipment		**MTR Order (Approved)**	**FY 2023-24 (Actuals)**
Ckt Km (between 66 kV and 400 kV)			
Opening	a	1259.41	1268.59
Additions	b	5.34	46.78
Closing	c=a+b	1264.75	1315.37
Average	**d=Average (a: c)**	**1262.08**	**1291.98**

3.3.15. Considering the above, the normative O&M expenditure for FY 2022-23 and FY 2023-24 works out as provided in the Table below:

Table 14: Normative O&M Expenditure for FY 2022-23 and FY 2023-24 as submitted by TPC-T (Rs. Crore)

O&M Expenses	Units	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
Transmission Lines					
Length of Transmission line	Ckt.km	1250	1254.59	1262.08	1291.98
Norms as per Regulations	Rs lakh/Ckt-km	1.33	1.33	1.39	1.39
Bays (Between 66 kV and 400 kV)					
No. of Bays (GIS)	No.	275.5	277.00	322.5	317.00
No. of Bays (AIS)	No.	175.5	192.50	149	168.00
Norms as per Regulations	Rs lakh/Bay	34.92	34.92	36.26	36.26
Bays (<66kV)					
No. of Bays (GIS)	No.	700.50	716.50	748.50	761.00
No. of Bays (AIS)	No.	349.00	353.00	302.50	322.50
Norms as per Regulations	Rs lakh/Bay	7.30	7.30	7.58	7.58
Normative O&M Expenses	**Rs. Crore**	**206.53**	**214.00**	**216.07**	**224.16**

Commission's Analysis and Ruling

3.3.16. Regulation 61.3 of the MYT Regulations, 2019 specifies the norms for O&M Expenses on voltage basis, considering the length of the Transmission Lines in Ckt. km and number of Bays in the sub-station of the Transmission Licensee.

3.3.17. The Commission notes that TPC-T has revised its opening balance for FY 2022-23 while considering the review allowed by the Commission in Case No. 91 of 2023 and the 23 unutilised Bays which have been disallowed by the Commission vide Order dated 31 March, 2023 in Case No. 217 of 2022 as 'deemed put to use'.

3.3.18. The Commission, in its MTR Order dated 31 March, 2023, disallowed the unutilized Bays allocated by STU to the Transmission System Users (TSUs), such as BEST, MSEDCL, Metro, etc. The Commission directed the TSUs to provide their utilization plans for the Bays to TPC-T, along with reasons for the delay in utilizing them. In compliance with the Commission's directions, TPC-T submitted the communications exchanged with the TSUs and their respective responses. However, as reported by TPC-T, out of the 23 Bays allocated, only 10 have been utilized to date. Additionally, it was observed that some TSUs, such as MSEDCL, have not responded to the directions issued by the Commission.

3.3.19. The Commission while verifying the put to use status observed that, only 9 Nos. of Bays have been utilised as per the loading statement shared by TPC-T as part of the Petition and accordingly 14 Nos. of Bays remains to be un-utilised till date. The details of the same is discussed in the subsequent paragraphs.

3.3.20. With regards to the present condition of Bays of being un-utilised is critical and shows no progress even after specific directions given by the Commission. The Commission in case of such un-utilised Bays would again like refer to relevant paragraphs in the MTR Order in Case No. 204 of 2017 as under:

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

3.3.21. The Commission, in the aforementioned Order, has already held that normative O&M expenses will not be considered for unutilized bays that are not 'put to use.' The Commission also notes TPC-T's concern that such bays, although already commissioned, are not being utilized by the TSUs, which has adversely affected TPC-T as no recovery towards these bays has been allowed. In this context, the Commission once again directs all Transmission Licensees to obtain firm utilization plans for such allocated and unutilized Bays from the TSUs within one month from the date of this Order and submit the same to STU. Furthermore, in the absence of a response or in cases where uncertainty is indicated by the TSUs, these bays shall be de-allocated, and their utilization shall be re-evaluated by the STU. The STU's final observations and recommended remedial actions shall be submitted to the Commission within two months from the issuance date of this Order.

3.3.22. Further, the Regulation 9 under Part B – Planning Code of the Maharashtra Electricity Regulatory Commission (State Grid Code), Regulations, 2020 read with Regulation 8 and Regulation 17 of the Maharashtra Electricity Regulation Commission (Transmission Open Access) Regulations, 2016 and its amendments thereof provides as under:

MERC (State Grid Code) Regulations, 2020

*"**9. Introduction***

In accordance with Section 39(2)(b) of the Act, STU shall discharge all functions of planning and coordination relating to InSTS with CTU, State Government, Generating Company, Regional and State Power Committee, CEA, licensees and any other person notified by the State Government in this behalf.

In accordance with Section 39(2)(d) of the Act, the STU shall inter-alia provide non-discriminatory open access to its transmission system for use as per the provisions of MERC (Transmission Open Access) Regulations, 2016 and its amendments thereof.

In accordance with Section 40 of the Act, the transmission licensee shall inter-alia provide non-discriminatory open access to its transmission system for use as per the provisions of MERC (Transmission Open Access) Regulations, 2016 and its amendments thereof.

STU shall be responsible for planning for InSTS lines in line with CEA's National Electricity Plan and shall review its plan consistent with the revision in the National Electricity Plan from time to time.

……" (Emphasis added)

MERC (Transmission Open Access) Regulations, 2016 and its amendments thereof

"8. Transmission system planning

8.1 The State Transmission Utility shall, within one hundred and eighty (180) days from the date of notification of these Regulations, publish on its internet website the transmission system plan for the intra-State transmission system and shall also make the same available to any person upon request.

8.2 Such transmission system plan shall cover a plan period of five (5) years commencing from the financial year immediately following the year in which it is published:

……

17. Compliance with the State Grid Code

It shall be the duty of all Transmission System Users to comply with the State Grid Code:

Provided that if any Transmission System User has failed to comply with the State Grid Code, without prejudice to any penalty to which he may be liable under the Act, the transmission capacity rights so reserved for such user shall be liable to be revoked by the Transmission Licensee who may do so after giving such Transmission System User an opportunity of being heard in the matter and after having received the approval of the Commission." (Emphasis added)

In view of the aforementioned Regulations, STU is the Intra-State Transmission System Planning authority, which forms the part of the Planning Code under the State Grid Code and therefore non-compliance to the specific directions given by STU to TSUs for the implementation of Transmission Schemes approved under the STU Plan or any other specific Schemes approved by STU for the strengthening Intra-state Transmission System in accordance with the provisions provided under the Planning Code of the State Grid Code would attract the penalty to the TSUs, subject to the approval of the Commission.

3.3.23. Accordingly, STU shall explore the implementation of a penalty mechanism for all TSUs who fail to utilize such capital-intensive assets, which were initially demanded but later left unutilized, resulting in stranded assets. This penalty mechanism shall also be included as part of the final action plan to be submitted by the STU to the Commission within the specified timelines. Upon reviewing the final action plan submitted by the STU, the Commission will issue a separate decision outlining the further course of action. Accordingly, for the purpose of the True-up, the Commission has not considered the remaining 14 unutilized bays for normative O&M expenses for FY 2022-23 and FY 2023-24, respectively.

3.3.24. With regards to the addition of 9 Nos. of Bays being identified to be utilised out of 23 Nos. of disallowed Bays, it was observed that, TPC-T has provided its actual date of utilisation for each of these Bays as part of this Petition. The Commission has therefore considered such put to use dates and accordingly added such Bays during the respective years as addition of Bays or at Opening Bays instead of adding all such Bays at the opening of FY 2022-23 as considered by TPC-T. The details of such Bays addition in the respective years are summarised in the Table provided in the subsequent paragraphs.

3.3.25. The Commission post analysing the Bays and Line Length addition proposed by TPC-T during the year observed that 4 Nos. of 33 kV Level AIS claimed by TPC-T during FY 2023-24 at Bhokarpada Receiving Station are un-utilised and allocated to MSEDCL and have been claimed as deemed put to use. The Commission, as discussed in the above paragraphs, disallows all the 4 Nos. of Bays claimed by TPC-T as addition during FY 2023-24.

3.3.26. The following Tables below provides the details of the Bays and Line Length addition allowed by the Commission as against the TPC-T's Claims for FY 2022-23 and FY 2023-24:

Table 15: Bays and Transmission Line Length for FY 2022-23 approved by the Commission

Category	MYT Petition	Approved after Truing up	Remarks
Transmission Line Length (Ckt. km) between 66 kV and 400 kV			
Closing balance of FY 2021-22 as per MTR Order (Case No. 217 of 2022)	1240.59	1240.59	
Addition in Opening	0.00	0.00	
Opening considered for the year	1240.59	1240.59	
Addition during the year	28.00	28.00	• **10.20 Ckt. km** towards Kalwa Salsette Line 5 Scheme. • **0.44 Ckt. km** addition in line length due to line splitting - Installation of 110 kV GIS at Vikhroli Scheme • **0.30 Ckt. km** addition in Line Length due to line splitting - Replacement of 110 kV AIS to GIS at Carnac Scheme • **8.40 Ckt. km** addition in Line Length - Additional 110 kV Source BKC to Kurla Scheme. • **2.27 Ckt. km** addition in Line Length due to line splitting - Replacement of Oil Filled

Category	MYT Petition	Approved after Truing up	Remarks
			Cables to XLPE Trombay to Chembur Scheme. • **0.33 Ckt. km** addition in Line Length due line splitting - 110 kV Salsette-Powai Transmission Line from Salsette Receiving Station to Powai Receiving Station Scheme • **6.24 Ckt. km** -Addition towards New 110 kV line commissioned for Power supply to EHV Consumer Mumbai Metro Line 7- Consumer funded scheme (3.12 Ckt. km each) **(Allowed Ckt. km = 28 Ckt. km)**
Closing balance	1268.59	1268.59	
Average	**1254.59**	**1254.59**	
Bays **(between 66 kV and 400 kV)**			
Closing balance of FY 2021-22 as per MTR Order (Case No. 217 of 2022)	448	448	
Addition in Opening	8	2	1. **2 No. of Bays** above 66 kV allowed by Commission due to double counting under Impact of 91 of 2023. 2. TPC-T has added 6 Nos. of un-utilised Bays as Deemed Put to Use out of 23 Nos. of Bays disallowed by the Commission in the MTR Order in Case No. 217 of 2022, which is presently Put to Use. The Commission upon verification of Put to Use status, observed the following: • ***2 Nos. of Bays*** *(110 kV GIS Bays) allocated to Metro 1 & 2 at Mahalaxmi Receiving Station have been put to use on* ***28 March 2023****.* • ***2 Nos. of Bays*** *(110 kV GIS Bays) allocated to Metro 2A 1 and Metro 2A 2 at Versova RSS have been put to use on* ***3 January, 2023****.*

Category	MYT Petition	Approved after Truing up	Remarks
			• ***1 No. of 110 kV GIS Bay and 1 No. of 110kV AIS Bay** Metro 3 at Dharavi RSS have been put to use on **4 April, 2024.*** **Hence, only 4 No. of Bays have been considered by the Commission as 'Addition during the Year' of FY 2022-23, instead of Opening Balance and other 2 Bays will be added during FY 2023-24.** **(Allowed Opening = 2 Nos. of Bays)**
Opening considered for the year	456	450	
Addition during the year	27	31	1. Approved the following Addition of GIS Bays as under: *a. Salsette Receiving Station (1 Bay)* *b. Dharavi Receiving Station (29 Bays)* *c. Vikhroli Receiving Station (18 Bays)* 2. Approved the following Addition of AIS Bays as under: *a. MSETCL Kalwa Receiving Station (1 Bay)* *b. Kalyan Receiving Station (4 Bays)* 3. Removal of 26 Nos. of AIS Bays due to conversion of AIS to GIS Bays at Dharavi RSS. 4. Addition of 4 Nos. of Bays Metro Bays as discussed above, which were disallowed in MTR Order in Case No. 217 of 2022. **(Allowed Addition = 1+29+18+1+4-26+4= 31 Nos. of Bays)**
Closing balance	483	481	
Average	**470**	**466**	
Bays (<66 kV)			
Closing balance of FY 2021-22 as per MTR Order (Case No. 217 of 2022)	1049	1049	

<table>
<tr><th>Category</th><th>MYT Petition</th><th>Approved after Truing up</th><th>Remarks</th></tr>
<tr><td>Addition in Opening</td><td>18</td><td>3</td><td>1. 1 No. of Bay allowed by the Commission in the Review Order in Case No. 91 of 2023.

2. TPC-T claimed 17 Nos. of Bays based as Deemed Put to Use out of 23 Nos. of Bays disallowed by the Commission in the MTR Order in Case No. 217 of 2022, which is presently Put to Use. The Commission upon verification of Put to Use status, observed the following:

• 14 Nos. of Bays (11 Nos. of GIS Bays & 3 Nos. of AIS Bays) out of claimed 17 Nos. (13 Nos. of GIS Bays and 4 Nos. of AIS Bays) of Bays have been identified as utilised and not allowed by the Commission.

• 2 Nos. of Bays of Antop Hill RSS out of 7 Nos. of disallowed Bays allocated to BEST have been verified as put to use before FY 2022-23. Hence, the same has been allowed at the opening balance.

• 1 No. of AIS Bay at Parel RSS is Put to Use on 22 January, 2024.

Hence, only 2 No. of Bays have been considered by the Commission as 'Opening Balance' of FY 2022-23 and 1 No. of Bay will be allowed during FY 2023-24.

(Allowed Opening = 1 + 2 = 3 Nos. of Bays)</td></tr>
<tr><td>Opening considered for the year</td><td>1067</td><td>1052</td><td></td></tr>
<tr><td>Addition during the year</td><td>5</td><td>5</td><td>5 Nos. of 22 kV GIS Bays at 110 kV Trombay Receiving Station have been verified to be put to use in FY 2022-23 (which were earlier disallowed</td></tr>
</table>

Category	MYT Petition	Approved after Truing up	Remarks
			for O&M entitlement in MTR order in Case no. 217 of 2022 on account of being not put to use) **(Allowed addition = 5 Nos. of Bays)**
Closing balance	1072	1057	
Average	**1070**	**1055**	

Table 16: Bays and Transmission Line Length for FY 2023-24 approved by the Commission

Category	MYT Petition	Approved after Truing up	Remarks
Transmission Line Length (Ckt. km) between 66 kV and 400 kV			
Opening Balance	1268.59	1268.59	
Addition during the year	46.78	46.78	• **43.74 Ckt. km** added towards - 220 kV Trombay Dharavi Salsette Transmission Lines Scheme. • **0.70 Ckt. km** addition towards - 220 kV Interconnection between TPC-T Waghivali & MSETCL Waghivali Switching Stations Scheme • **2.34 Ckt. km** addition towards - 110 kV Trombay Carnac 3 Transmission Line and Underground Cable scheme
Closing balance	1315.37	1315.37	
Average	**1291.98**	**1291.98**	
Bays (between 66 kV and 400 kV)			
Opening Balance	483	481	
Addition during the year	4	2	1. 32 nos. of GIS Bays have been commissioned and capitalised in FY 2023-24 as given below: *Parel Receiving Station (26 nos. of 110 kV Bays)* *Vikhroli Receiving Station (4 nos. of 110 kV Bays)* *Waghivali Switching Station (2 nos. of 220 kV Bay)* The Commission observed that out of 32 Nos. of Bays proposed by TPT-T, 2 Nos. of 110 kV Bays at Vikhroli RSS (consumer funded)have been allocated to NHSRCL as deemed put to use, since the same are un-utilised till date as per the Loading Statement. **Accordingly, the Commission has not considered such 2 Nos. of Bays as addition during the year.**

Category	MYT Petition	Approved after Truing up	Remarks
			2. 1 No. of 110 kV AIS bay addition at Kalyan Receiving Station for installation of capacitor bank in line with Non-DPR scheme. 3. 1 No. of 110 kV spare AIS bay at Trombay Receiving Station has been put to use in FY 2023-24 (which were earlier disallowed for O&M entitlement in MTR order in Case no. 217 of 2022 as not put to use) 4. 30 nos. of AIS Bays have been decommissioned on account of replacement of AIS by GIS in FY 2023-24 as given below *Parel Receiving Station (20 nos. of 110 kV Bays) Vikhroli Receiving Station (10 no. of 110 kV Bays)* **Allowed (32-2-28 = 2 Nos. of Bays)**
Closing balance	487	483	
Average	**485**	**482**	
Bays (<66 kV)			
Opening Balance	1072	1057	
Addition during the year	23	19	1. 77 no. of GIS Bays have been commissioned and capitalised in FY 2023-24 after replacement of MV AIS by GIS as given below: *Ambernath Receiving Station (28 nos. of 22 kV Bays)* *Chembur Receiving Station (35 nos. of 22 kV Bays)* *Saki Receiving Station (14 nos. of 22 kV Bays)* 1 No. of 22 kV of Ambernath RSS is allocated to MSEDCL which is un-utilised hence disallowed. *Total allowed Bays = 76 Bays out of 77 Bays.* 2. 7 nos. of 22 kV GIS Bays commissioned at BKC Receiving Station in line with Non-DPR scheme registered with the Commission. 3. 4 Nos. of 33 kV AIS Bays have been commissioned and capitalized at Bhokarpada Receiving Station in line with Non-DPR scheme are **Disallowed by the Commission**. 4. 65 nos. of AIS Bays have been decommissioned on account of replacement of AIS by GIS in FY 2023-24 as given below *Ambernath Receiving Station (22 nos. of 22 kV Bays), Chembur Receiving Station (31 nos. of 22 kV Bays) and Saki Receiving Station (12 nos. of 22 kV Bays)*

Category	MYT Petition	Approved after Truing up	Remarks
			5. 1 No. of AIS Bay 33 kV put to use on 22 January, 2024, which was disallowed under 23 No. of un-utilised Bays in the MTR Order in Case No. 217 of 2022. **Allowed (76+7-65-4+1= 19 Nos. of Bays)**
Closing balance	1095	1076	
Average	**1084**	**1067**	

3.3.27. The list of un-utilised Bays considered by the Commission in this Order provided under **Appendix 5**.

3.3.28. Based on the above, the Bays considered by the Commission for computation of normative O&M Expenses for FY 2022-23 and FY 2023-24 are shown in the Table below:

Table 17: Bays and Transmission Length for FY 2022-23 and FY 2023-24 approved by the Commission

Particulars	FY 2022-23			FY 2023-24		
Line Length (Ckt. Km) (between 66 kV and 400 kV)	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**
Opening	1240.59	1240.59	1240.59	1259.41	1268.59	1268.59
Additions	18.82	28.00	28.00	5.34	46.78	46.78
Closing	1259.41	1268.59	1268.59	1264.75	1315.37	1315.37
Average	**1250.00**	**1254.59**	**1254.59**	**1262.08**	**1291.98**	**1291.98**
Number of Bays	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**
Bays (between 66 kV and 400 kV)						
Opening	448.00	456.00	450.00	454.00	483.00	481.00
Additions	6.00	27.00	31.00	35.00	4.00	2.00
Closing	454.00	483.00	481.00	489.00	487.00	483.00
Average	**451.00**	**469.50**	**465.50**	**471.50**	**485.00**	**482.00**
Bays (<66 kV)						
Opening	1049.00	1067.00	1052.00	1050.00	1072.00	1057.00
Additions	1.00	5.00	5.00	2.00	23.00	19.00
Closing	1050.00	1072.00	1057.00	1052.00	1095.00	1076.00
Average	**1049.50**	**1069.50**	**1054.50**	**1051.00**	**1083.50**	**1066.50**

3.3.29. The Commission obtained the network parameters in terms of Transmission Lines in Ckt. km. and number of Bays in Sub-stations and verified them based on the TPC-T's License Order (4th Amendment) in Case No. 13 of 2024 dated 20 November, 2024 and Capitalisation approved in this Order. Based on the approved Bays and Ckt. km., the normative O&M expenses approved by the Commission after Truing-up for FY 2022-23 and FY 2023-24, which is summarised in the Table below:

Particulars		FY 2022-23			FY 2023-24		
O&M Expenses	**Unit**	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**
Transmission Lines- Between 66 kV and 400 kV							
Length of Transmission Line	Ckt. km	1250.00	1254.59	1254.59	1262.08	1291.98	1291.98
Norms as per Regulations	Rs. Lakh/Ckt. km	1.33	1.33	1.33	1.39	1.39	1.39
O&M Expenses for Lines (A)	**Rs. Crore**	**16.63**	**16.69**	**16.69**	**17.54**	**17.96**	**17.96**
Bays (Between 66 kV and 400 kV)							
No. of Bays	No.	451.00	469.50	465.50	472.00	485.00	482.00
Norms as per Regulations	Rs. Lakh/Bay	34.92	34.92	34.92	36.26	36.26	36.26
Bays (<66 kV)							
No. of Bays	No.	1050.00	1069.50	1054.50	1051.00	1066.50	1066.50
Norms as per Regulations	Rs. Lakh/Bay	7.30	7.30	7.30	7.58	7.58	7.58
O&M Expenses for Bays (B)	**Rs. Crore**	**189.90**	**197.31**	**195.38**	**198.53**	**206.20**	**204.33**
Total O&M Expenses (A+B)	**Rs. Crore**	**206.53**	**214.00**	**212.06**	**216.07**	**224.16**	**222.26**

3.3.30. **Accordingly, the Commission approves the normative O&M Expenses of Rs. 212.06 Crore and Rs. 222.26 Crore for the purpose of Truing-up of FY 2022-23 and FY 2023-24, respectively.**

b. Actual O&M Expenses

Employee Expenses

TPC-T's Submission

3.3.31. The total employee related expenses of TPC-T for FY 2022-23 and FY 2023-24 after considering allocated corporate expenses is Rs. 144.81 Crore and Rs. 123.14 Crore, respectively. The break-up of the employee cost for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 18: Employee Expenses for FY 2022-23 and FY 2023-24 as submitted by TPC-T (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Salary, Wages and Other Expenses	149.01	147.86
Terminal Benefits	13.23	10.83
Less: Expenses Capitalised	-17.43	-30.54
Adjustment due to new HoSS allocation methodology as per the directive in MERC Order in Case No. 221 of 2022	0.00	-5.01
Total Employee Expenses	**144.81**	**123.14**

3.3.32. TPC-T in comparison with the Employee Cost for FY 2021-22 (Rs. 124.33 Crore), submitted that, the employee cost for FY 2022-23 is higher at Rs. 144.81 Crore, which is primarily due to annual increment and promotion of employees, due to retirement of employees and due to increase in eligibility of employees for House Rent Allowance and due to the difference on account of the defined benefit plan cost which is based on actuarial valuation conducted on annual basis.

3.3.33. With regards to FY 2023-24, TPC-T submitted that, in comparison with the Employee Cost for FY 2022-23 (Rs. 144.81 Crore), the employee cost for FY 2023-24 is lower. This is primarily due to new allocation methodology for HO+SS expenses adopted for FY 2023-24 and also higher Capitalised expenditure (Rs 30.54 Crore in FY 2023-24 as compared to Rs 17.43 Crore in FY 2022-23).

3.3.34. Accordingly, TPC-T requested the Commission to approve the Employee cost as claimed on actual basis for FY 2022-23 and FY 2023-24.

Commission's Analysis and Ruling

3.3.35. The Commission has verified the actual Employee Expenses for FY 2022-23 and FY 2023-24 from the Audited Accounts of the respective years. It was observed that, there was a mismatch between the Employee Expenses claimed by TPC-T in the Petition and the Audited Accounts, for the respective year. Accordingly, the Commission sought the reconciliation of the Employee Expenses claimed by TPC-T with the Audited Accounts as part of the data gaps. TPC-T in response to its data gaps submitted the reconciliation statement of Employee Expenses under various expense heads with the Audited statement for the respective years. TPC-T has submitted that the mismatch is due to HO-SS allocation, which is claimed in the respective head in the Petition but in audited accounts it has been represented as a separate head.

3.3.36. The Commission as part of the data gaps further sought the details from TPC-T to justify its annual increment in the Salary & Wages for FY 2022-23, as the same is on the higher side as compared to FY 2021-22. TPC-T in response to the same submitted that, the total salary and wages expenditure for FY 2021-22 was Rs. 124.33 Crore and the same for FY 2022-23 is Rs. 144.81 Crore. One of the major reasons for difference is due to the difference on account of the defined benefit plan cost which is based on actuarial valuation conducted on annual basis. This benefit provision may vary from year to year depending upon the assumptions such as discounting rate, attrition rate, escalation rate etc. considered during the actuarial valuation. Such cost may become negative as evidenced by this figure for FY 2021-22. Hence, considering an annual increase of about 8.5%, over previous year and adding this additional cost, the total for FY 2022-23 will work out to Rs. 142 Crore, which is in line with the actual expenditure of Rs. 144.81 Crore claimed.

3.3.37. The Commission post perusal of the justifications submitted by TPC-T observed that, employee expenses have been increased to 16.47% as compared to the employee expenses approved in FY 2021-22 (Rs. 124.33 Crore) in the MTR Order, is primarily due to the Terminal Benefit, bonus/ex-gratia, etc. Further, a significant change within the different cadres of Employee have been observed by the Commission as under:

Table 19: Comparison of Employee Cadres for FY 2022-23 and FY 2023-24

Number of Employees	**FY 2021-22 (MTR Order Approved)**	**FY 2022-23**	**% Change**	**FY 2023-24**	**% Change**
Officer/Managerial Cadre -Technical *(a+b+c)*	143	169	18%	185	9%
(a) Technical		*140*		*114*	*-19%*
(b) Trainees - Diploma Trainees - Technical		*2*		*0*	*-100%*
(c) GET - Trainees - Technical		*27*		*71*	*163%*
Staff Cadre	231	208	-10%	196	-6%
Other Employees	63	35	-44%	24	-31%
Total Employees	**437**	**412**	**-6%**	**405**	**-2%**

3.3.38. It is evident from the above that there has been significant increase in the officer/managerial cadres in both the years which carries the higher share of Salaries and Wages as compared to the other Cadres. The Commission also observed that, the technical officer/managerial cadre which is 140 Nos. in FY 2022-23 is reduced significantly to 114 Nos. in FY 2023-24, whereas there is an increase in the GETs

(Technical) of 71 Nos. in FY 2023-24 as compared to 27 Nos during FY 2022-23. Further, significant reduction in other sets of cadres have also been observed.

3.3.39. With regards to the HoSS allocation related to actual Employee Expenses claimed during FY 2023-24, TPC in response to the data gaps has submitted revised allocation of the HoSS allocation towards O&M expenses duly certified by the Auditor wherein HoSS expenses have been reduced by Rs. 0.01 Crore during FY 2023-24. In addition, TPC-T further adjusted the 'Restated Employee Expenditure due to allocation of Senior Management Cost to Mundra', where TPC-T has proposed the reduction of Rs. 0.48 Crore in the actual Employee Expenses. Accordingly, the approved Employee Expenses for FY 2023-24 is Rs. 122.65 Crore as against the claimed expenses of Rs. 123.14 Crore.

3.3.40. In view of the above, the Commission approves the actual employee expenses of Rs. 144.81 Crore and Rs. 122.65 Crore for FY 2022-23 and FY 2023-24, respectively. The summary of the approved Actual Employee Expenses for the respective year is provided in the Table below:

Table 20: Employee Expenses approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved after Truing-up	MYT Petition	Approved after Truing-up
Employee Expenses	144.81	144.81	123.14	122.65

A&G Expenses

TPC-T's Submission

3.3.41. TPC-T has claimed actual A&G expenditure of Rs. 85.14 Crore and Rs. 107.06 Crore for FY 2022-23 and FY 2023-24, respectively. TPC-T submitted that, the A&G expenses for FY 2021-22 (Rs. 98.48 Crore), the A&G expenses for FY 2022-23 are lower. The main reason for the higher expenses in FY 2021-22 is on account of lease rental paid for Sarsola Plot for the past period which had increased A&G expenditure substantially. The matter of Lease Rent of Sarsola Part has been captured under impact of Review Order in Case No. 91 of 2023 a. Such arrears did not form the part of A&G Expenditure in FY 2022-23.

3.3.42. Further, the A&G expenses for FY 2022-23 (Rs. 85.14 Crore), the A&G expenses for FY 2023-24 were higher by 26%. The A&G expenses were higher in comparison with that of FY 2022-23 mainly on account of increase in insurance premium for increased coverage of new transmission lines and new GIS substations (Rs. 2.35 Crore), increase in legal case fees (Rs. 3.65 Crore), increase in advertisement expenses (Rs. 3 Crore), increase in expenses for security services (Rs. 1.38 Crore), charges for SAP Application Management Services (AMS) for ongoing support and maintenance for SAP applications.

3.3.43. The summary of the A&G Expenses claimed for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 21: A&G Expenses for FY 2022-23 and FY 2023-24 as submitted by TPC-T (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Rent Rates & Taxes	19.03	19.00
Insurance	4.89	7.24
Telephone & Postage, etc.	0.16	0.28
Legal charges & Audit fee	4.79	8.45
Professional, Consultancy, Technical fee	3.56	4.86
Conveyance & Travel	5.76	8.07
Electricity charges	1.05	1.80
Fees & subscription	0.43	0.82
Printing & Stationery	0.34	0.52
Advertisements	2.33	5.33
Other Operation expenses	1.57	1.11
Cost of services procured	25.32	31.66
V-sat, Internet and related charges	11.01	10.61
Training	1.59	0.40
Bank Charges	-0.31	-0.27
Miscellaneous Expenses	0.14	0.05
Office Expenses	0.13	0.09
Loss/(Profit) on sale /Retirement of Assets	-1.02	2.96
Commission & Brokerage	0.01	0.02
Commission to Non-executive Directors	0.97	1.75
Others - A&G	3.38	3.04
Total	**85.14**	**107.79**

Commission's Analysis and Ruling

3.3.44. The actual A&G expenses include rent, rates & taxes, professional, consultancy and technical fees, fees and subscription, insurance, legal & consulting charges, conveyance and travel, electricity and water charges, training, cost of services procured, V-sat, internet and related charges, brand equity, etc.

3.3.45. The Commission has verified the actual A&G expenses of FY 2022-23 and FY 2023-24 with the Audited accounts. The Commission had observed that the figures submitted against various heads of A&G expenses in the Petition Formats were not matching with the figures in the Audited Accounts for FY 2022-23 and FY 2023-24. Upon query raised by the Commission, TPC-T submitted the reconciliation statement for A&G expenses.

3.3.46. The Commission while verifying the A&G expenses observed that, there has been overall ~13.50% decrease in the A&G expenses of FY 2022-23 with respect to FY 2021-22 (Rs. 98.48 Crore) approved by the Commission in the MTR Order in Case No. 217 of 2022, dated 31 March, 2023. However, there is an overall steep increase of 26% of A&G expenses for FY 2023-24 with respect to actual A&G Expenses claimed for FY 2022-23. The major contributors for such steep increase during FY 2023-24 are due to Conveyance Travel Expenses, Advertisement Expenses, Legal and Consultancy Expenses and Cost of Services procured.

3.3.47. Accordingly, the Commission sought the detailed justification for the increase in A&G Expense pertaining to the major expense head highlighted above as part of the data gaps, where TPC-T in response to the same has submitted that, the increase in A&G expenses under each head is elaborated below:

i. Legal expenses: The increase in legal expenses is on account of increase in cases and appeals filed in MERC, APTEL and Supreme Court. Further, such costs are getting captured at HoSS level and hence, a part of it is being allocated to Transmission.

ii. Increase in advisement expenses arising out of campaigning for promoting sustainability. Further, for enhanced RPO obligation advertisement expenditure was incurred to educate consumer about environment awareness and initiative.

iii. The SAP AMS expenses is for SAP Support for all modules for 1 year.

iv. Increase in Security expenses is due to following reasons:

a. Basic Pay Hike of security guards w.e.f. 1 May, 2023 (Average hike of Rs. 3493/-)

b. DA Hike of security guards w.e.f. 1 July, 2023 (Average hike Rs. 435/)

c. DA Hike of security guards w.e.f. 01 January, 24 (Average hike Rs. 805/)

d. 4.Additional security deployments in projects work at cable sites (Chendani Plot, Carnac, Reay Road, Ambernath, Panvel, Vikhroli, Mulund, Bhandup, Kurla),

e. 5.AMC Charges of camera and others at new locations

3.3.48. The Commission also sought the break-up of the Cost of Services procured under various heads along with the reason for incurring such costs for the respective year. TPC-T in response to the same submitted the following

Table 22: Break-up of 'Cost of Services Procured' with justifications for FY 2022-23 and FY 2023-24 submitted by TPC-T

Particulars	FY 2022-23	FY 2023-24	Reasons for incurring such cost
Security	15.41	17.88	• Expenditure towards providing 24 x 7, 365 days a year, round the clock, supervision, intelligence gathering, vigilance and patrolling across the entire perimeter of the Transmission Sites including vehicular patrolling. • Security services and E-security (CCTV and Access control) at critical locations, receiving stations, Material stores, Cable yards, project sites, open storage yards, Scrap yards, Watch towers, etc. This scope covers all Transmission Receiving Stations (29 Nos), Transmission Stores (7 Nos), Other deployment (ongoing Project cable / Trans line sites), Residential Colonies (7 Nos). • Security services also cover Anti-Encroachment Line Patrolling Team for carrying out patrolling under the high-tension lines and transmission open plots, Quick Response Teams (QRT) to Carry out liaison with Government and Police departments, in case of emergency.
Housekeeping	3.55	4.71	• Expenditure towards Housekeeping of all Transmission RSS - Cleaning, sweeping inside the buildings, passages, staircases, areas in front of main gate, Station building, Office Building, if any, ensuring offices maintained at standard of 5S
Admin	0.65	1.29	• Expenditure towards: - Vehicle hire and bus services
Other	0.99	1.53	

Particulars	FY 2022-23	FY 2023-24	Reasons for incurring such cost
			- Canteen Cafeteria Services - AC maintenance in Office area, Printing and Stationaries - Pest Control - Telephone bills - Fire Extinguisher and Alarm System - Medical Services at all locations
Total Primary	**20.59**	**25.41**	
MOSS	0.29	0.35	Allocation of common costs to Transmission business
HOSS	4.45	5.90	
Total	**25.32**	**31.66**	

3.3.49. With regards to the insurance expenses, the Commission sought the details from TPC-T for the new Schemes pertaining to which the Insurance Charges have increased. In addition to it, break-up of Insurance Expenses for Existing and New Schemes (On cumulative basis) for FY 2022-23 and FY 2023-24 and to further confirm, whether there is any significant increase in the insurance charges in case of existing schemes.

3.3.50. TPC-T in response to the same submitted that, the insurance expenses booked in a financial year are on a pro rata basis, as per the month of capitalization. Accordingly, the insurance expenses for the assets capitalized in the last quarter of FY 2022-23, only few months (1 to 3 months) insurance premium, which is of small amount is getting booked in FY 2022-23 and the impact of insurance premium for these assets for entire year is seen in the FY 2023-24. Accordingly, the breakup of total variance of the insurance expenses of Rs. 2.35 Crore is as under:

- Proportionate insurance premium of the assets capitalized FY 2023-24 i.e. Rs. 0.08 Crore.
- Insurance premium of the assets capitalized in last quarter of FY 2022-23 i.e. Rs. 2.01 Crore.
- The variance in HoSS allocation of insurance expenses i.e. Rs. 0.26 Crore

3.3.51. TPC-T further submitted that, there are no changes in the insurance premium charges, since TPC-T had proactively renewed the policy before expiry date of FY 2022-23 policy, in order to avail benefit of same charges, as rates were planned to be increased effective from 1 April, 2023. This has helped TPC-T reduce the expenditure on insurance premium for FY 2023-24.

3.3.52. With regards to the HoSS allocation under actual A&G Expenses claimed during FY 2023-24, TPC in response to the data gaps has submitted revised allocation of the HOSS allocation towards O&M expenses duly certified by the Auditor wherein HoSS expenses have been reduced by Rs. 0.74 Crore during FY 2023-24. Accordingly, the approved A&G Expenses for FY 2023-24 is Rs. 106.32 Crore as against the claimed expenses of Rs. 107.06 Crore.

3.3.53. The Commission post perusal of the justifications and reconciliation provided by TPC-T approves the actual A&G Expenses of Rs. 85.14 Crore and Rs. 106.32 Crore for FY 2022-23 and FY 2023-24, respectively.

3.3.54. The summary of the actual A&G Expenses as approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the table below:

Table 23: A&G Expenses for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved after Truing-up	MYT Petition	Approved after Truing-up
A&G Expenses	85.14	85.14	107.06	106.32

R&M Expenses

TPC-T's Submission

3.3.55. TPC-T has claimed the R&M Expenses of Rs. 58.69 Crore and Rs. 69.17 Crore for FY 2022-23 and FY 2023-24, respectively. TPC-T submitted that; it has considered additional expenditure of Rs. 2.08 Crore and Rs. 0.04 Crore towards for Non DPR Scheme Capitalization which were allowed as R&M Expenses in MTR Order in Case No. 217 of 2022, dated 31 March, 2023. Since the Order was issued on 31 March, 2023, the expenditure was already incurred by TPC-T in FY 2022-23 under Non-DPR category. Hence, TPC-T therefore requested the Commission to apply the similar dispensation to that of MTR Order and consider the expenditure under the Non-DPR schemes provided in the table above as an additional expenditure in the total R&M to be approved for FY 2022-23 and FY 2023-24.

3.3.56. TPC-T submitted that; the R&M expenses approved for FY 2021-22 (Rs. 54.70 Crore), the R&M expenses for FY 2022-23 is higher mainly on account of Additional services of insulator & guard wire replacement on 110 kV Lines, expenses for emergency breakdown of 220 kV Kalwa Salsette Line 3 & 110 kV Trombay Parel 1 W1 line, Residual Life Assessment-Khopoli Karanjade line (Total Rs. 2 Crore), Increase in Cable patrolling cost of UG Cable (Rs. 1.5 Crore), Procurement of 0.2 Panther ACSR Conductor for OH lines (Rs. 1 Crore), whereas for FY 2023-24, the R&M expenses for FY 2023-24 is higher mainly on account of procurement of PICA (Insulated cross arm for Trans line) (Rs. 2.5 Crore), Safeguarding and patrolling of EHV cables (Rs. 1.5 Crore), Tree Trimming activity for OH line (Rs. 1 Crore), Urgent Tower foundation Repair Work, new foundation for tower no 64 and CK1 location no 2 (Rs. 1.9 Crore) and External and Internal refurbishment work of Bhokarpada building (Rs. 1 Crore).

3.3.57. TPC-T has claimed certain R&M expenditure under OPEX scheme while referring to Regulation 61.8 of the MYT Regulations, which is separately discussed in the subsequent paragraph. Accordingly, such OPEX related expenses have been removed from the R&M Expenses and claimed separately over and above the normative O&M Expenses for FY 2022-23 and FY 2023-24, respectively.

3.3.58. The summary of the R&M Expenses claimed by TPC-T is provided in the Table below:

Table 24: R&M Expenses for FY 2022-23 and FY 2023-24 as submitted by TPC-T (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Building & Civil Works	25.01	32.27
Machinery & Hydraulics	25.34	29.19
Furniture & Vehicles	0.59	1.08
Stores, Oil Consumed	6.44	6.79
Total R&M Expenditure	**57.39**	**69.33**
Less: Expenditure towards system automation, new technology and IT implementation	-0.77	-1.37
Add: Additional Non DPR Scheme Expenses allowed as R&M Expenses in MTR Order (Case No. 217 of 2022)	2.08	0.04
Add: Adjustment due to new HoSS allocation methodology as per the directive in MERC Order in Case No. 221 of 2022	0.00	1.16
Total R&M Expenditure	**58.69**	**69.17**

Commission's Analysis and Ruling

3.3.59. The actual R&M expenses include the building and civil works, machinery and hydraulics, furniture and vehicles store, oil consumed, etc. The Commission has verified the actual R&M expenses for FY 2022-23 and FY 2023-24 with the Audited Accounts. The Commission while verifying the actual R&M Expenses also sought the reconciliation of the R&M expenses claimed under various heads with the audited accounts for the respective years as part of Data Gaps. TPC-T has submitted the same as part of the response to the data gaps.

3.3.60. The Commission further sought the detailed reason for the increase in R&M Expenses for the respective years as part of data gaps, where TPC-T in response to the same submitted as follows:

For FY 2022-23

- Additional services of insulator & guard wire replacement on 110 kV Lines due to ageing of insulator and guard wire for 110 kV Khopoli Karanjade, Bhivpuri Ambernath and Bhira Khopoli -2 lines.
- Expenses for emergency breakdown of 220 kV Kalwa Salsette Line 3 due to parting of Casablanca conductor in span 28 and 29 in Kalwa creek & 110 kV Trombay Parel 1 W1 line- Span 11 and 12.
- Residual Life Assessment of 110 kV Khopoli Karanjade line, 110 kV Khopoli Bhokarpada and 110 kV Bhokarpada Karanjade was conducted as life of towers is more than 50 years. Residual Life Assessment was conducted for checking the healthiness of the towers.
- Increase in cable patrolling cost of UG Cable (Rs. 1.5 Crore)- Patrolling activity for UG Cables was limited to South Mumbai area in FY 22. With the increase in infrastructure, now patrolling of the entire Mumbai City is done for the EHV Cable Network.
- Procurement of 0.2 Panther ACSR Conductor for OH lines (Rs. 1 Crore) - Procurement of 0.2 ACSR Panther conductor was required for replacement of conductors of 110kV OFA Tap Lines from Loc 1 To 12, 110kV Bhira Khopoli # 2 in Span 193 to 198, 110kV Kalwa Kalyan to eliminate the midspan joints at road crossing spans and to eliminate the excessive number of mid span joints in single span.

For FY 2023-24

- Procurement of PICA (Insulated cross arm for Transmission line) (Rs. 2.5 Crore)- was done for improvement of ground clearances of transmission line for total 43 Nos. of towers in the

- Transmission network of Tata Power for 110 kV KKS Line 1 & 2, 110 kV Salsette Saki line 3 & 4, 110 kV Borivali Malad Line 1 & 2, 110 kV Dharavi BKC 4 & 110 kV Dharavi Kurla 2, 110 kV Dharavi BKC 3 & 5, 110 kV Dharavi Vikhroli line 1 & 2, 110 kV Trombay Parel 1 & 4 and 110 kV Parel Mankhurd & 110 kV Trombay Parel 2 lines.

- Safeguarding and patrolling of EHV cables (Rs.1.5 Crore)- Higher cost of EHV cable patrolling and EHV Cable safeguarding is for the EHV cable safeguarding jobs on the Marwah Road due to ongoing work of Marwah Bridge.

- Tree Trimming activity for OH line (Rs. 1 Crore)- Generally annual tree trimming work is done once in a year from October to December. However, as observed during patrolling of Transmission lines, second cycle tree trimming was required to be initiated in the month of March to June to ensure safety of Transmission line during monsoon season.

- Expenditure for Urgent Tower foundation Repair Work and construction of new foundation for tower no 64 of 110 kV Parel Mankhurd and Chola Kayan 1 location no 2 was required to be undertaken as these towers were corroded badly. (Rs. 1.9 Crore).

- External and Internal refurbishment work of Bhokarpada building (Rs. 1 Crore)- rehabilitation of the interior & exterior side of control room building and structural life enhancement of the building as the Control room building had visible cracks and leaks on the interior & exterior side.

3.3.61. The Commission have noted the justification provided by TPC-T for such increase in the actual R&M expenses for the respective years and accordingly the Commission allows the actual R&M Expenses claimed by TPC-T for FY 2022-23 and FY 2023-24.

3.3.62. Further, as per para. 3.2.72 above, the Commission has considered some expenses claimed under Non-DPR Scheme CAPEX to be included under R&M Expenses.

3.3.63. With regards to the OPEX expenses claimed by TPC-T over and above the normative O&M expenses have been separately discussed in the subsequent paragraphs.

3.3.64. With regards to the HoSS allocation under actual R&M Expenses claimed during FY 2023-24, TPC in response to the data gaps has submitted revised allocation of the

HoSS allocation towards O&M expenses duly certified by the Auditor wherein HoSS expenses have been reduced by Rs. 0.69 Crore during FY 2023-24. Accordingly, the approved R&M Expenses for FY 2023-24 is Rs. 68.48 Crore as against the claimed expenses of Rs. 69.17 Crore.

3.3.65. Accordingly, the summary of the R&M expenses approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 25: R&M Expenses for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved after Truing-up	MYT Petition	Approved after Truing-up
R&M Expenses	58.69	58.69	69.17	68.48

Brand Equity Expenditure

TPC-T's Submission

3.3.66. TPC-T submitted that, the Commission in the MYT Order had disallowed the expenses towards Brand Equity payment for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19. However, TPC-T has approached Hon'ble ATE in an Appeal No. 421 of 2022 against the said issue along with the other issues of the MYT Order. Accordingly, TPC-T has reduced the expenditure of Rs. 2.84 Crore towards brand equity for FY 2022-23 and Rs. 3.23 Crore for FY 2023-24, booked in the accounts from the total amount claimed under A&G head. TPC-T will approach the Commission at the appropriate time based on the Judgement issued by the Hon'ble ATE under this Appeal for claiming the expenditure towards Brand Equity Payment.

Commission's Analysis and Ruling

3.3.67. The Commission notes that TPC-T has not claimed brand equity expense under A&G Expenses, pending the Appeal before the Hon'ble ATE. Hence, pending the Judgement from the Hon'ble ATE, the Brand Equity expenses of TPC-T have not been considered as part of the O&M approved by the Commission.

Provision for doubtful debts

TPC-T's Submission

3.3.68. TPC-T submitted that, the Commission in the MTR Order had not considered provision for doubtful debts as the provision for bad and doubtful debts is allowed only to the Distribution Business in accordance with MYT Regulations. Accordingly, TPC-T has not considered the provision for bad and doubtful debts of Rs. 0.08 Crore and Rs. 0.58 Crore for FY 2022-23 and FY 2023-24, booked in the accounts in the total amount claimed under A&G head.

Commission's Analysis and Ruling

3.3.69. The Commission notes the submission of TPC-T and accordingly has not considered Provision for Doubtful Debts as part of the O&M expenses for FY 2022-23 and FY 2023-24.

Additional O&M Expenses for SCADA

TPC-T's Submission

3.3.70. TPC-T submitted that the Commission had allowed Rs. 43.93 Crore during FY 2021-22 out of total approved expenditure of Rs. 89.32 Crore (letter reference MERC/Capex/TPC-T/2020-21/E-Letter dated 20 November, 2020) towards scheme "Replacement/Upgradation of existing SCADA" over and above norms to be included in O&M Expenses. For FY 2022-23, an expenditure of Rs. 5.71 Crore and Rs. 2.32 Crore during FY 2023-24 has been incurred. This expense is being claimed as additional O&M expense over and above norms in this Petition as the cumulative O&M expenses are more than the Normative O&M entitlement for FY 2022-23 and FY 2023-24 and also the cumulative expenses under this DPR is also lower than the approved expenditure.

Commission's Analysis and Ruling

3.3.71. The Commission has verified the details submitted by TPC-T towards its claims of Rs. 5.71 Crore and Rs. 2.32 Crore for FY 2022-23 and FY 2023-24, respectively, over and above the normative O&M Expenses.

Expenditure towards system automation, new technology and IT implementation

TPC-T's Submission

3.3.72. TPC-T submitted that, as per Regulation 61.8 of the MYT Regulations, 2019, Transmission Licensee may undertake OPEX Schemes for system automation, new technology and IT implementation, etc and such expenses may be allowed by the Commission above normative O&M expenses subject to prudence check. Accordingly, TPC-T has incurred expenditure of Rs. 0.77 Crore and Rs. 1.37 Crore towards OPEX schemes of system automation, new technology and IT implementation in FY 2022-23 and FY 2023-24, respectively. The details of such expenditure have been submitted by TPC-T along with the Petition.

Commission's Analysis and Ruling

3.3.73. The Commission post perusal of the Scheme document submitted by TPC-T along with Cost Benefit Analysis allows such IT Expenses of Rs. 0.77 Crore and Rs. 1.37 Crore for FY 2022-23 and FY 2023-24, as part of the O&M Expenses as a one-time expense over and above normative O&M Expenses.

Energy Charges for Auxiliary Consumption

TPC-T's Submission

3.3.74. TPC-T submitted that; it has considered the expenses of. Rs. 18.72 Crore and Rs. 19.89 Crore towards the auxiliary consumption of its Receiving stations as part of its O&M Expenditure for FY 2022-23 and FY 2023-24, respectively.

Commission's Analysis and Ruling

3.3.75. The Commission has verified the energy charges from the audited accounts; however, these charges are higher than the approved cost of Rs. 12.13 crore for the respective year, as specified in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022. The Commission sought an explanation for such higher Energy Charges being claimed by TPC-T as part of the data gaps. In response, TPC-T submitted that the increase in energy charges during FY 2022-23 was primarily due to the energy consumed for new R&M activities, including equipment replacement, civil works, structure strengthening/replacement, and building repair work undertaken for the 110 kV bays at Trombay Receiving Station. Also, the billing of Auxiliary consumption at Kalyan Node started post installation of meters by MSEDCL at Kalyan Receiving Station and Ambernath Receiving Station and the actual billing stared from September, 2022 leading to an increase in energy charges. During FY 2023-24, Increase in energy charges in FY 2023-24 is mainly due to increase in energy consumption due to increased project activities at Vikhroli RSS, Parel RSS and Dharavi Receiving Station.

3.3.76. Further, the average rate of billing has also gone up by around 10% during FY 2022-23 thereby contributing to the increase seen in the Energy charges over FY 2021-22, whereas 4 % during FY 2023-24 thereby contributing to the increase seen in the Energy charges over FY 2022-23.

3.3.77. The variation of the units consumed and the billed amount is as given in the Table below:

Table 26: Variation in Energy Charges claimed by TPC-T during FY 2022-23 and FY 2023-24

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Total Units consumed	1,16,47,319	1,51,98,012	1,57,19,965
Total billed amount	12,93,47,849.65	18,54,55,614.80	19,89,00,537.60
Average Rate	11.11	12.20	12.65
% increase in rate		10%	4%
% increase in Total Cost		43.38%	7.25%
% increase in Units		30.49%	3.43%

3.3.78. The Commission post perusal of the submissions of TPC-T allows TPC-T's claims towards the energy charges for auxiliary consumption over and above the normative O&M expenses, while computing the sharing of efficiency gains and losses, in accordance with the philosophy adopted in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022, , as these expenses were not included in the base O&M expenses at the time of determining the norms for O&M Expenses.

Total O&M Expenditure *(Excluding Normative O&M Expenses)*

TPC-T's Submission

3.3.79. TPC-T has claimed the O&M expenditure including Energy Charges for TPC-T for FY 2022-23 and FY 2023-24 as summarised in the Table below:

Particulars	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Employee Expenses		144.81		123.14
A&G Expenses (excluding Brand Equity)		85.14		107.06
R&M Expenses		58.69		69.17
Total	**206.53**	**288.64**	**216.07**	**299.36**
Add				
Energy Charges	12.31	18.72	12.31	19.89
IT Expenses	0.00	0.77	0.00	1.37
Additional O&M Expenses for SCADA	0.00	5.71	0.00	2.32
Additional R&M Expenses due to shifting of certain items from Non-DPR Capex	0.00	0.12	0.00	0.00
Total	**218.84**	**313.97**	**228.38**	**322.94**

Commission's Analysis and Ruling

3.3.80. The Commission has analysed and approved the component wise actual O&M expense for FY 2022-23 and FY 2023-24, post prudence check in the aforementioned paragraphs, which is summarised in the Table below:

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

Table 27: Actual O&M Expenses for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved after Truing-up	MYT Petition	Approved after Truing-up
Employee Expenses	144.81	144.81	123.14	122.65
A&G Expenses	85.14	85.14	107.06	106.32
R&M Expenses	58.69	58.69	69.17	68.48
Add:				
Energy Charges	18.72	18.72	19.89	19.89
OPEX/IT Expenses	0.77	0.77	1.37	1.37
Non-DPR Works	0.12	23.39	0.00	9.43
Additional Expenses towards SCADA	5.71	5.71	2.32	2.32
Total O&M Expenses	**313.97**	**337.24**	**322.94**	**330.46**

3.3.82. **Accordingly, the Commission approves the actual O&M expenses of Rs. 337.24 Crore and Rs. 330.46 Crore for the purpose of Truing-up of FY 2022-23 and FY 2023-24, respectively.**

3.4. Depreciation

TPC-T's Submission

3.4.1. TPC-T has computed Depreciation by applying the rates as specified in the Depreciation schedule as mentioned in the Regulation 28.1 (b) of the MYT Regulations, 2019. Accordingly, the Depreciation for FY 2022-23 works out to be Rs. 220.13 Crore and Rs. 254.45 Crore for FY 2023-24.

Commission's Analysis and Ruling

3.4.2. The Commission has considered the revised closing GFA of FY 2021-22, while considering the impact of the Review Order and past Capitalisation disallowance detailed out under Section 5 of the MYT Order and therefore considered as the opening GFA for FY 2022-23 and so on for FY 2023-24.

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

3.4.4. The Commission for the purposed of Truing-up has considered the actual depreciation rate for the year as submitted by TPC-T for the Truing-up of FY 2022-23 and FY 2023-24. Such depreciation rate was then applied on the average balance of GFA for FY 2022-23 and FY 2023-24, approved by the Commission in this Order to arrive at the Depreciation expenses for FY 2022-23 and FY 2023-24. The summary of the Depreciation Expenses approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 28: Depreciation, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Opening GFA	5061.22	5084.06	5070.45	5882.38	5872.31	5827.09
Addition during the year	821.16	841.94	810.32	569.61	745.78	697.58
Less: Retirement during the year	0.00	-53.68	-53.68	0.00	-24.18	-24.18
Closing GFA	5882.38	5872.31	5827.09	6451.99	6593.91	6500.49
Average Depreciation Rate	4.09%	4.02%	4.02%	4.09%	4.08%	4.08%
Depreciation	**223.60**	**220.13**	**218.95**	**252.02**	**254.45**	**251.62**

3.4.5. **Accordingly, the Commission approves the Deprecation of Rs. 218.95 Crore and Rs. 251.62 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24, respectively.**

3.5. Interest on Loan Capital

TPC-T's Submission

3.5.1. TPC-T has submitted that, in the past, it has taken various long-term loans to finance the capital expenditure nature projects in line with the Debt: Equity structure of 70:30. Tata Power sources Long Term loan at a company level for its Generation, Transmission and Distribution businesses together to have negotiation advantage to avail better terms & conditions of loans.

3.5.2. TPC-T for the purpose of Truing-up has considered the rate of Interest on Long Term loan based on the actual loan portfolio during FY 2022-23 and FY 2023-24, which is in line with the first proviso of the Regulation 30.5 of the MYT Regulations, 2019. Accordingly, the weighted average rate of interest based on the actual loan portfolio works out to 7.91% and 9.02% for FY 2022-23 and FY 2023-24, respectively. TPC-T has submitted the statements received from the Banks certifying the rate of Interest claimed for the respective year.

3.5.3. TPC-T has therefore worked out the Interest on Loan Capital by considering the Debt: Equity ratio of 70:30 in accordance with Regulation 27.1 of the MYT Regulations, 2019 and considering the closing balance of Loan of FY 2021-22 as the opening balance of Loan for FY 2022-23 and so on for FY 2023-24. The summary of the Interest on Long Term Loan claimed for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 29: Interest on Long Term Loan, as submitted by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Opening balance of Loan	1587.50	1615.61	1938.71	1983.47
Reduction of Normative Loan due to retirement/replacement of assets	0.00	1.36	0.00	0.93
Addition of Loan during the year	574.81	589.36	398.73	522.04
Repayment of Loan	223.60	220.13	252.02	254.45
Closing balance of Loan	1938.71	1983.47	2085.42	2250.12
Interest Rate	7.43%	7.91%	7.43%	9.02%
Interest Expenses	**130.96**	**142.42**	**149.45**	**190.88**

Commission's Analysis and Ruling

3.5.4. The Commission has revised the closing balance of FY 2021-22, while considering the impact of Review Order and other past capitalisation disallowance as detailed out under Section 5 of this MYT Order and has accordingly considered the same as the opening balance of normative loan for FY 2022-23 and so on FY 2023-24.

3.5.5. For the computation of normative loan added during the year, the Commission has considered the Debt: Equity ratio of 70:30 as per Regulation 27.1 of the MYT Regulations, 2019 and further considered the repayment during the year equal to the Depreciation approved for the respective year in this MYT Order.

3.5.6. The Commission reviewed the documentary evidence of respective Bank statements submitted by TPC-T as part of the Petition. However, the reconciliation with respect to the actual loan portfolio submitted as part of the MYT Formats was not clear. Accordingly, the Commission sought the Auditor Certificate for the Interest Rate claimed by TPC-T for the respective years for the purpose of prudence check as part of the data gaps. In response, TPC-T has provided the Audited Certificate for the Interest Rates claimed based on the actual loan portfolio for the respective year.

3.5.7. The Commission post verification of the Audited Certificates submitted by TPC-T approves the rate of Interest of 7.91% and 9.02% for FY 2022-23 and FY 2023-24, respectively and has therefore computed the Interest on Long Term Loans for FY 2022-23 and FY 2023-24 in accordance with the Regulation 30 of the MYT Regulations, 2019. The summary of the Interest on Long Term Loan approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 30: Interest on Long Term Loan, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Opening balance of Loan	1587.50	1615.61	1597.82	1938.71	1983.47	1944.73
Reduction of Normative Loan due to retirement/replacement of assets	0.00	1.36	1.36	0.00	0.93	0.93
Addition of Loan during the year	574.81	589.36	567.22	398.73	522.04	488.30
Repayment of Loan	223.60	220.13	218.95	252.02	254.45	251.62
Closing balance of Loan	1938.71	1983.47	1944.73	2085.42	2250.12	2180.48
Interest Rate	7.43%	7.91%	7.91%	7.43%	9.02%	9.02%
Interest Expenses	**130.96**	**142.42**	**140.19**	**149.45**	**190.88**	**186.21**

3.5.8. **Accordingly, the Commission approves the Interest on Long Term Loan of Rs. 140.19 Crore and Rs. 186.21 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24, respectively.**

3.6. Refinancing and Other Finance Charges

TPC-T's Submission

3.6.1. TPC-T submitted the other finance charges are to the tune of Rs. 0.22 Crore towards processing fees for term loan and stamp duty for working capital loan has been claimed and accordingly requested the Commission to approved the same for FY 2023-24.

Commission's Analysis and Ruling

3.6.2. The Commission has sought the details of such finance charges as part of the data gaps, where TPC-T in response provided the break-up of the Other Finance Charges claimed during FY 2023-24 as under:

Sr. No.	Particulars	Amount
1	Stamp Duty of Commercial Paper	1,023,600.00
2	Loan Processing fees for Bandhan Bank	1,181,416.00
3	**Total**	**2,205,016.00**

3.6.3. The Commission post perusal of the details submitted above and the Actual Loan Portfolio details for FY 2023-24, observes that new long term loan from Bandhan Bank have been added as part of the Actual Loan portfolio towards which, TPC-T has claimed the finance charges of Rs. 0.22 Crore during the FY 2023-24.

3.6.4. **Accordingly, the Commission allows, the Other finance charge of Rs. 0.22 Crore for the purpose of Truing-up of FY 2023-24.**

3.7. Interest on Working Capital

TPC-T's Submission

3.7.1. TPC-T submitted that, the Interest on Working Capital has been computed based on the elements specified in Regulation 32.2 (a) of the MYT Regulations, 2019 to arrive at the Working Capital requirement and the rate of interest has been arrived as specified in Regulation 32.2 (b) of the MYT Regulations, 2019.

3.7.2. Accordingly, the interest rate of 9.30% and 10.07% has been considered for the computing the Interest on Working Capital for FY 2022-23 and FY 2023-24, respectively. The summary of the normative Interest on Working Capital claimed by TPC-T for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 31: Interest on Working Capital, as submitted by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
O&M Expenses for 1 Month	18.24	19.94	19.03	20.65
Maintenance spares at 1% of the opening GFA for the year	50.61	50.84	58.82	58.72
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	102.03	102.00	115.71	117.60
Total Working Capital Requirement	**170.88**	**172.79**	**193.57**	**196.97**
Rate of Interest (% p.a.)	9.45%	9.30%	9.45%	10.07%
Interest on Working Capital	**16.15**	**16.07**	**0.00**	**0.00**

Commission's Analysis and Ruling

3.7.3. The Commission for computing the working capital requirement has considered one-twelfth (1/12) of the amount of O&M Expenses based on the normative O&M Expenses of FY 2022-23 and FY 2023-24 approved in this MYT Order. One and half months of revenue received is also considered as approved in the InSTS Tariff Order in Case No. 239 of 2022 dated 31 March, 2023, applicable for the respective period. The Rebate of Rs. 0.82 Crore and Rs. 0.83 Crore provided by STU for FY 2022-23 and FY 2023-24, respectively, has been deducted from the revenue considered as per the InSTS Tariff Order referred above, applicable for the respective period.

3.7.4. Further, the maintenance spares of one (1%) per cent of the opening balance of GFA for FY 2022-23 and FY 2023-24 as approved in this MYT Order is considered.

3.7.5. The Commission for the computation of the Interest on Working Capital (IoWC), has considered the Rate of IoWC as the weighted average of 1 year SBI MCLR plus 150 basis points in accordance with Regulation 32.2 (b) of the MYT Regulations, 2019. The Rate of IoWC considered for the computation of IoWC is 9.30% and 10.07% for FY 2022-23 and FY 2023-24, respectively.

3.7.6. The summary of the IoWC approved by the Commission for the purpose of Truing-up of FY 2022-23 and FY 2023-24, is provided in the Table below:

Table 32: Interest on Working Capital, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
O&M Expenses for 1 Month	18.24	19.94	21.72	19.03	20.65	21.27
Maintenance spares at 1% of the opening GFA for the year	50.61	50.84	50.70	58.82	58.72	58.27
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	102.03	102.00	102.00	115.71	117.60	117.60
Total Working Capital Requirement	**170.88**	**172.79**	**174.43**	**193.57**	**196.97**	**197.14**
Rate of Interest (% p.a.)	9.45%	9.30%	9.30%	9.45%	10.07%	10.07%
Interest on Working Capital	**16.15**	**16.07**	**16.22**	**18.29**	**19.83**	**19.84**

3.7.7. **Accordingly, the Commission approves the Interest on Working Capital of Rs. 16.22 Crore and Rs. 19.84 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24, respectively.**

3.8. Return on Equity

TPC-T's Submission

3.8.1. TPC-T submitted that, it has considered the Capitalised expenditure and Debt: Equity ratio of 70:30 and referred the Regulation 29.2 of the MYT Regulations, 2019, where the Base RoE is allowed at 14.00%. Further, TPC-T has claimed the Additional RoE in accordance with Regulation 29.7 and Regulation 34.2 of the MYT Regulations, 2019.

3.8.2. Accordingly, TPC-T has computed the applicable rate of Return on Equity based on the Actual Transmission Grid availability based on the certificate issued by the MLSDC for FY 2022-23 and FY 2023-24.

3.8.3. With regards to the effective Tax Rate, TPC-T has submitted that, the Commission has considered a "Nil" rate of Income tax for grossing up the Return on Equity during the True-up FY 2020-21 and FY 2021-22 as Tata Power as a company has paid "Nil" Tax. However, TPC-T has challenged this disallowance of considering the effective tax rate as 'Nil' before the Hon'ble ATE in Appeal No. 480 of 2023.

3.8.4. TPC-T further submitted that; the actual tax paid by Tata Power for FY 2022-23 was "Nil". However, based on the approach of the Commission for working the Effective

Tax, the same would work out as "Nil". The relevant extract of the Order where in Case No. 217 of 2022 dated 31 March, 2023 is reproduced below:

> *"3.8.9 As per the provision of Regulations, the effective tax rate is to be considered on the basis of actual tax paid by the Company and while computing the effective tax rate, the actual tax paid on income from any other regulated or unregulated Business or Other Business is to be excluded for the calculation of effective tax rate. When the actual tax payable for Company as a whole works out to zero, the question of computing effective tax rate excluding the actual tax paid on income from any other regulated or unregulated Business or Other Business does not arise at all.*
>
> *3.8.10 As the actual tax payable by TPC (company as a whole) is zero, the effective rate as per the provisions of Regulations works out to '0'. Therefore, the Commission deems it prudent to consider effective tax rate of 0% for FY 2020-21 and FY 2021-22."*

3.8.5. Accordingly, in line with the approach of the Commission TPC-T has considered the Tax Rate of "Nil" for the purpose of True-up. However, based on the Judgement of the Hon'ble ATE in this matter (i.e. Appeal No 480 of 2023), TPC-T would approach the Commission at that point in time for claiming the appropriate relief for the respective years.

3.8.6. In view of above, the Pre-tax rate of Return on equity after taking effective tax rate as "Nil" has been considered at 15.50% and the summary of the Return on Equity for FY 2022-23 and FY 2023-24 is as shown in the Table below:

Table 33: Return on Equity, as submitted by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Regulatory Equity at the beginning of the year (A)	**1594.60**	**1617.67**	**1840.94**	**1854.15**
Less: Equity portion of Asset Decapitalised	0.00	-16.11	0.00	-7.25
Capitalisation during the year (B)	821.16	841.94	569.61	745.78
Equity portion of the Capital Expenditure capitalised during the year (C = B*30%)	246.35	252.58	170.88	223.73
Regulatory Equity at the end of the year (D)	**1840.94**	**1854.15**	**2011.83**	**2070.63**
Pre-tax rate of Equity after considering effective tax rate (E)	14.00%	15.50%	14.00%	15.50%

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Return on Regulatory Equity at the beginning of the year (F=A*E)	223.24	250.74	257.73	287.39
Return on Regulatory Equity on Capitalisation during the year (G=C*E/2)	17.24	18.33	11.96	16.78
Total Return on Regulatory Equity (C+D)	**240.49**	**269.07**	**269.69**	**304.17**

Commission's Analysis and Ruling

3.8.7. The Commission has computed the RoE for FY 2022-23 and FY 2023-24 in accordance with the Regulation 29 of the MYT Regulations, 2019, where the base RoE is allowed at 14.00%. Further, the Commission has considered the closing balance of Equity of FY 2021-22 post considering the impact of Review Order and past Capitalisation disallowance as discussed in detail under Section 5 of this MYT Order, as the opening the Equity for FY 2022-23 and so on in FY 2023-24. The Commission has considered the reduction in Equity at 30% of the asset value of retired/decapitalised assets in accordance with the Regulation 29 of the MYT Regulations for FY 2022-23 and FY 2023-24.

3.8.8. The Additional RoE for TPC-T for FY 2022-23 and FY 2023-24 has been considered based on its Transmission Availability. TPC-T has submitted the Transmission Grid Availability Certificate duly certified from the MSLDC of 99.92% and 99.92% for FY 2022-23 and FY 2023-24, respectively. The Commission has verified the certificates and observes that, TPC-T has met the maximum criteria of receiving the additional RoE at 1.50% for FY 2022-23 and FY 2023-24, respectively and accordingly, the rate of RoE for the purpose of True-up for FY 2022-23 and FY 2023-24 is allowed at 15.50% [14.00% (Base RoE) + 1.50% (Additional RoE)], respectively.

3.8.9. The Commission for the purpose of True-up of FY 2022-23 and FY 2023-24 has considered effective tax rate of '0%' for FY 2022-23 and FY 2023-24 as per Regulation 34 of the MYT Regulations, 2019 as actual tax payable by the Tata Power Company as a whole is zero. .

3.8.10. Accordingly, as per Regulation 34.1 of the MYT Regulation, 2019, which provides for the grossing up of the Rate of RoE (Base + Additional RoE) with the effective tax rate, the Commission has worked out the Return on Equity for FY 2022-23 and FY 2023-24, by considering the rate of RoE as 15.50%, since effective Tax rate is considered to be '0%' for the respective years. The summary of the Return on Equity approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 34: Return on Equity, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Regulatory Equity at the beginning of the year (A)	**1594.60**	**1617.67**	**1610.79**	**1840.94**	**1854.15**	**1837.78**
Less: Equity portion of Asset Decapitalised	0.00	-16.11	-16.11	0.00	-7.25	-7.25
Capitalisation during the year (B)	821.16	841.94	810.32	569.61	745.78	697.70
Equity portion of the Capital Expenditure capitalised during the year (C = B*30%)	246.35	252.58	243.36	170.88	223.73	209.27
Regulatory Equity at the end of the year (D)	**1840.94**	**1854.15**	**1837.78**	**2011.83**	**2070.63**	**2040.11**
Pre-tax rate of Equity after considering effective tax rate (E)	14.00%	15.50%	15.50%	14.00%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year (F=A*E)	223.24	250.74	249.67	257.73	287.39	284.86
Return on Regulatory Equity on Capitalisation during the year (G=C*E/2)	17.24	18.33	17.59	11.96	16.78	15.66
Total Return on Regulatory Equity (C+D)	**240.49**	**269.07**	**267.26**	**269.69**	**304.17**	**300.51**

3.8.11. **Accordingly, the Commission approves the RoE of Rs. 267.26 Crore and Rs. 300.51 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24.**

3.9. Contribution to Contingency Reserves

TPC-T's Submission

3.9.1. TPC-T while referring to Regulation 35.1 of the MYT Regulations, 2019, submitted that, the Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24 is worked out by considering the 0.25% of the opening GFA of the respective years. The summary of the Contribution to Contingency Reserve claimed for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 35: Contribution to Contingency Reserve, as submitted by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Opening balance of Contingency Reserves	128.74	128.74	141.39	141.45
Opening GFA	5061.22	5084.06	5882.38	5872.31
Opening balance of Contingency Reserves as % of Opening GFA	2.54%	2.53%	2.40%	2.41%
Contribution to Contingency Reserves during the year	**12.65**	**12.71**	**14.71**	**14.68**
Closing balance of Contingency Reserves	141.39	141.45	156.10	156.13
Closing balance of Contingency Reserves as % of Opening GFA	2.79%	2.78%	2.65%	2.66%

Commission's Analysis and Ruling

3.9.2. The Commission has verified that the accumulated Contingency Reserves at the end of FY 2021-22 does not exceed the 5.00% of the original cost of fixed assets as specified under Regulation 35.1 of the MYT Regulations, 2019.

3.9.3. The Commission, therefore has computed the Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24 equivalent to 0.25% of the opening GFA of FY 2022-23 and FY 2023-24, while ensuring that the cumulative balance of the Contribution to Contingency Reserves does not exceed the 5.00% of the original cost of fixed assets for the respective year.

3.9.4. In view of above, the Commission approves the Contribution to Contingency Reserve for FY 2022-23 and FY 2023-24, which is summarised in the Table below:

Table 36: Contribution to Contingency Reserve, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Opening balance of Contingency Reserves	128.74	128.74	128.74	141.39	141.45	141.41
Opening GFA	5061.22	5084.06	5070.45	5882.38	5872.31	5827.09
Opening balance of Contingency Reserves as % of Opening GFA	2.54%	2.53%	2.54%	2.40%	2.41%	2.43%
Contribution to Contingency Reserves during the year	**12.65**	**12.71**	**12.68**	**14.71**	**14.68**	**14.57**
Closing balance of Contingency Reserves	141.39	141.45	141.41	156.10	156.13	155.98
Closing balance of Contingency Reserves as % of Opening GFA	2.79%	2.78%	2.79%	2.65%	2.66%	2.68%

3.9.5. **Accordingly, the Commission approves the Contribution to Contingency Reserve of Rs. 12.68 Crore and Rs. 14.57 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24.**

3.10. Non-Tariff Income

TPC-T's Submission

3.10.1. TPC-T submitted that the Non-Tariff Income during FY 2022-23 stood at Rs. 51.32 Crore, of which Rs. 19.23 Crore are the recurring items and Rs. 32.09 Crore are the non-recurring items. For FY 2023-24, it stood at Rs. 34.39 Crore, of which Rs. 20.52 Crore are the recurring items and Rs. 13.87 Crore are the non-recurring items. The summary of the Non-Tariff Income with a break-up as submitted by TPC-T is provided in the Table below:

Table 37: Non-Tariff Income as submitted by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Approved	MYT Petition	MTR Approved	MYT Petition
Rent		9.50		11.33
Income from services rendered		0.08		0.27
Interest from Contingency Reserves Investment		9.65		8.92
Sale of Scrap & Stores.		30.53		13.27
Liquidated Damages		0.58		0.56
Misc. Revenue		0.97		0.04
Total Non-Tariff Income	**43.68**	**51.32**	**48.04**	**34.39**

Commission's Analysis and Ruling

3.10.2. TPC-T has submitted the details of Non-Tariff Income (NTI) under various head as per the table above. The Commission observes that the NTI amounts considered in the Petition formats were not matching with the figures presented in the Audited Accounts of FY 2022-23 and FY 2023-24. The Commission, therefore, sought the reconciliation of the NTI claimed as per the Tariff Formats with the Audited Accounts for the respective years. TPC-T has submitted the reconciliation of the NTI as submitted in the Petition and the Audited Accounts of FY 2022-23 and FY 2023-24 as part of the reply to Data Gaps.

3.10.3. The Commission notes that during FY 2022-23, there was substantial increase in the Sale of Scrap, which was the major contributor for the higher NTI as compared to FY 2023-24.

3.10.4. The Commission post prudence check of the reconciliation statement submitted by TPC-T approves the NTI as claimed by TPC-T for the respective years.

3.10.5. The summary of the Non-Tariff Income approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 38: Non-Tariff Income, as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Rent		9.50	9.50		11.33	11.33
Income from services rendered		0.08	0.08		0.27	0.27
Interest from Contingency Reserves Investment		9.65	9.65		8.92	8.92
Sale of Scrap & Stores.		30.53	30.53		13.27	13.27
Liquidated Damages		0.58	0.58		0.56	0.56
Misc. Revenue		0.97	0.97		0.04	0.04
Total Non-Tariff Income	**43.68**	**51.32**	**51.32**	**48.04**	**34.39**	**34.39**

3.10.6. **Accordingly, the Commission approves the Non-Tariff Income of Rs. 51.32 Crore and Rs. 34.39 Crore for the purpose of True-up of FY 2022-23 and FY 2023-24, respectively.**

3.11. Sharing of Gains and (Losses) on O&M Expenses

TPC-T's Submission

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

3.11.2. TPC-T has considered the part expenditure incurred towards the Scheme "Replacement/Upgradation of existing SCADA" i.e. Rs. 5.71 Crore during FY 2022-23 and Rs. 2.32 Crore during FY 2023-24, which has been considered as additional O&M expenses over and above norms in line with the letter dated 8 January, 2023 issued by the Commission while calculating the Gains / (Losses) and also as approved by the Commission in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022.

3.11.3. Further, TPC-T in line with the Regulation 61.8 of the MYT Regulations, has executed 2 Nos. of OPEX scheme under O&M for Auto reclosure for hybrid Transmission lines and Robotic Portable grounding of Switchyard equipment's and Universal Grounding Robot. The cost benefit analysis of each project is submitted with the Petition. TPC-T therefore has requested the Commission to approve the same over and above the normative O&M expenses.

3.11.4. In addition, TPC-T has considered additional expenditure of Rs. 0.12 Crore for Non - DPR Scheme Capitalization allowed as O&M Expenses over and above norms in line with the MTR Order in Case No. 217 of 2022. Since, the Order was issued on 31 March, 2023, the expenditure was already incurred by TPC-T during FY 2022-23. TPC-T has therefore requested the Commission to consider this as O&M expense over and above norms. Accordingly, the Non-DPR capitalization is reduced by Rs. 0.12 Crore in FY 2022-23.

3.11.5. The summary of the computation of Sharing of Gain/Loss on account of variation of O&M Expenditure for FY 2022-23 and FY 2023-24 is shown in the Table below:

Table 39: Sharing of Gains and (Losses) on O&M Expenses claimed by TPC-T for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	Legend	FY 2022-23	FY 2023-24
O&M expenditure as per MYT Norms	a	214.00	224.16
Actual O&M Expenses	b	288.64	299.36
Amount passed on to the Consumers	**c=1/3*(a-b)**	**-24.88**	**-25.07**
Net Entitlement	d=a-c	**238.88**	**249.23**
Add: Energy Charges	e	18.72	19.89
Add: Expenses for SCADA DPR directed to be done in O&M	f	0.77	1.37
Add: OPEX Expenses claimed under Regulation 61.8 of MYT Regulation 2019	g	5.71	2.32
Add: Non-DPR Schemes expenses allowed over and above normative O&M	h	0.12	0.00

Particulars	Legend	FY 2022-23	FY 2023-24
Final O&M Entitlement	**i=d+e+f+g+h**	**264.21**	**272.81**

Commission's Analysis and Ruling

3.11.6. The Commission has noted the submissions of the TPC-T regarding the OPEX claims claimed over and above the normative O&M Expenses. The Commission post verification of the supporting documents and the Scheme-wise Cost Benefit Analysis (CBA) submitted by TPC-T, has allowed such expenses as OPEX expenses as claimed by TPC-T for the respective years in line with the Regulation 61.8 of the MYT Regulations, 2019.

3.11.7. Further, the Commission while approving the Non-DPR Schemes for FY 2022-23 and FY 2023-24 have identified few of the Schemes (details given in **Appendix 4**), which are R&M in nature and accordingly has shifted such Non-DPR schemes as R&M Expenses for the respective years.

3.11.8. Accordingly, the Commission has computed the Sharing of Gains/(Losses) on O&M Expenses is provided in the Table below:

Table 40: Sharing of Gains and (Losses) on O&M Expenses as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	Legend	FY 2022-23		FY 2023-24	
		MYT Petition	Approved after Truing-up	MYT Petition	Approved after Truing-up
O&M expenditure as per MYT Norms	a	214.00	212.06	224.16	222.26
Actual O&M Expenses	b	288.64	288.64	299.36	297.44
Amount passed on to the Consumers	**c=1/3*(a-b)**	**-24.88**	**-25.53**	**-25.07**	**-25.06**
Net Entitlement	d=a-c	**238.88**	**237.59**	**249.23**	**247.32**
Add: Energy Charges	e	18.72	18.72	19.89	19.89
Add: Expenses for SCADA DPR directed to be done in O&M	f	0.77	0.77	1.37	1.37
Add: OPEX Expenses claimed under Regulation 61.8 of MYT Regulation 2019	g	5.71	5.71	2.32	2.32
Add: Non-DPR Schemes expenses allowed over and above normative O&M	h	0.12	23.39	0.00	9.43
Final O&M Entitlement	**i=d+e+f+g+h**	**264.21**	**286.19**	**272.81**	**280.34**

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

TPC-T's Submission

3.12.1. TPC-T referred to the Regulation 9.2 (c) of the MYT Regulations, 2019, where the variation in the Interest on Working Capital of the Transmission Licensee would be considered as the controllable expenditure.

3.12.2. TPC-T submitted that it has availed Short-Term Loans during FY 2022-23 and FY 2023-24 for the purpose of funding its working capital requirement. TPC-T further referred to the Regulation 32.2 (a) of MYT Regulations, 2019, which provides that, at the time of truing up, the working capital requirement shall be recomputed based on actual revenue from Transmission charges.

3.12.3. Accordingly, the Gains/(Losses) for the IoWC have been computed, where during FY 2022-23, TPC-T has recognised Rs. 28.97 Crore towards the Delayed Payment Charges (DPC) and the same has been considered while computing the Gain/(Losses) for the IoWC for FY 2022-23. TPC-T has submitted that, the actual Interest on Working Capital booked during FY 2022-23 is Rs. 17.77 Crore. Since, the amount of DPC is higher than the actual IoWC, the actual IoWC has been considered as 'Nil'. Accordingly, there is a net efficiency gain in IoWC to the tune of Rs. 16.07 Crore, which is the normative IoWC claimed by TPC-T during FY 2022-23. In line with the Regulation 11 of MYT Regulations, 2019, an Efficiency gain of Rs. 10.71 Crore i.e. 2/3rd of the total efficiency gain amount is considered to be passed on to the Distribution Licensees for FY 2022-23.

3.12.4. With regards to FY 2023-24, no DPC amount was booked during FY 2023-24, hence, there is a net efficiency loss due to variation in Interest on Working Capital equal to Rs. 2.02 Crore during FY 2023-24. Accordingly, in line with the Regulation 11 of MYT Regulations, 2019, an Efficiency loss of Rs. 0.67 Crore i.e. 1/3rd of the total efficiency loss amount is considered to be passed on to the Distribution Licensees for FY 2023-24.

3.12.5. TPC-T has submitted the documentary evidence as Annexure to the MYT Petition to justify its Actual Interest on Working Capital for the respective years.

3.12.6. The summary of the IoWC net entitlement post Sharing of Gains/(Losses) claimed for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 41: Sharing of Gains and (Losses) on IoWC as claimed by TPC-T for FY 2022-23 (Rs. Crore)

Particulars		MTR Order (Approved)	FY 2022-23 (Actual)
Interest on Working Capital (IoWC) - Normative	a	16.15	16.07
Interest on Working Capital - Actual	b	0.00	17.77
DPC Received	c	0.00	28.97
Interest on Working Capital - Actual factoring DPC Received	d=b-c	0.00	-11.19
Applicable Interest on Working Capital Actual - as the DPC Received is more than actual interest on working capital	e=max(d,0)	0.00	0.00
Efficiency Gain / (Loss)	f=a-e	16.15	16.07
Amount Passed on to Consumers	**g=f*2/3**	**-**	**10.71**
Normative IoWC Entitlement	**h=a-g**	**16.15**	**5.36**

Table 42: Sharing of Gains and (Losses) on IoWC as claimed by TPC-T for FY 2023-24 (Rs. Crore)

Particulars		FY 2023-24 (Actual)
Interest on Working Capital (IoWC)- Normative	a	19.83
Interest on Working Capital - Actual	b	21.84
Gain / (Loss) due variation over Normative IoWC	c=a-b	-2.02
Amount Passed on to Consumers	**d=c*1/3**	**-0.67**
Normative IoWC Entitlement	**e=a-d**	**20.50**

Commission's Analysis and Ruling

3.12.7. The Commission has verified the documentary evidence submitted by TPC-T along with the Petition to substantiate the claims of actual IoWC as well as DPC booked during FY 2022-23 of Rs. 28.97 Crore.

3.12.8. **Accordingly, the Commission approves the net entitlement of IoWC, post Sharing of Efficiency Gains/(Losses) in accordance with the MYT Regulations, 2019 as Rs. 5.41 Crore and Rs. 20.51 Crore for FY 2022-23 and FY 2023-24, respectively.**

3.13. Revenue from Transmission Business

TPC-T's Submission

3.13.1. TPC-T submitted that the Revenue for FY 2022-23 was based on the InSTS Tariff Order dated 30 March, 2020 issued by the Commission in Case No. 327 of 2019 for

April, 2022 to March, 2023 and the additional Transmission charges of Rs. 0.63 Crore have also been received from STU during FY 2022-23.

3.13.2. Further, as per the provisions of the Regulation 36.1 of the MYT Regulations, 2019, the Transmission System Users (TSUs) of the InSTS of Maharashtra, for payment of bills of transmission charges within 7 days of presentation of bills are eligible for a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc. Accordingly, the share of rebate applicable to TPC-T is Rs. 0.82 Crore during FY 2022-23 towards timely payment of Transmission charges by TSUs. In line with Regulation 36.4 of MYT Regulations, 2019, same has been factored while computing the Gap / (Surplus) for FY 2022-23.

3.13.3. With regards to FY 2023-24, TPC-T submitted that, the Revenue for FY 2023-24 was based on the InSTS Tariff Order dated 31 March, 2023 issued by the Commission in Case No. 239 of 2022 for April, 2023 to March, 2024 and the additional Transmission charges of Rs. 0.67 Crore have also been received from STU during FY 2023-24 along with revenue from Open Access of Rs. 15.27 Crore.

3.13.4. Further, as per the provisions of the Regulation 36.1 of the MYT Regulations, 2019, the Transmission System Users (TSUs) of the InSTS of Maharashtra, for payment of bills of transmission charges within 7 days of presentation of bills are eligible for a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc. Accordingly, the share of rebate applicable to TPC-T is Rs. 0.83 Crore during FY 2023-24 towards timely payment of Transmission charges by TSUs. In line with Regulation 36.4 of MYT Regulations, 2019, same has been factored while computing the Gap / (Surplus) for FY 2023-24.

3.13.5. The summary of the Revenue realised by TPC-T for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 43: Revenue from Transmission Business as claimed by TPC-T for FY 2022-23 (Rs. Crore)

Duration	Tariff Order Applicable	MTR Order (Approved)	Total Revenue
April, 2022 to March, 2023	MERC Case No. 327 of 2019 dated 30th March, 2020	816.24	816.23
	Additional Transmission Charges received from STU	-	0.63
Total		**816.24**	**816.85**

Table 44: Revenue from Transmission Business as claimed by TPC-T for FY 2023-24 (Rs. Crore)

Duration	Tariff Order Applicable	MTR Order (Approved)	Total Revenue
April, 2023 to March, 2024	MERC Case No. 239 of 2022 dated 31st March, 2023	925.70	925.68
	Additional Transmission Charges received from STU	-	0.67
	Revenue from Open Access	-	15.27
Total		**925.70**	**941.62**

Commission's Analysis and Ruling

3.13.6. The Revenue from Transmission Charges approved by the Commission for FY 2022-23 and FY 2023-24 is summarised in the Table below:

Table 45: Revenue from Transmission Business as approved by the Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Approved	MYT Petition	Approved after Truing-up	MTR Approved	MYT Petition	Approved after Truing-up
Revenue as per applicable InSTS Orders	816.24	816.23	816.23	925.70	925.68	925.68
Add: Additional Transmission Charges received from STU	0.00	0.63	0.63	0.00	0.67	0.67
Add: Revenue from Open Access	0.00	0.00	0.00	0.00	15.27	15.27
Less: Cash Discount/Rebate from STU	0.00	-0.82	-0.82	0.00	-0.83	-0.83
Total Revenue Booked	**816.24**	**816.03**	**816.03**	**925.70**	**940.79**	**940.79**

3.13.7. **Accordingly, the Commission approves the revenue from transmission charges of Rs. 816.03 Crore and Rs. 940.79 Crore for the purpose of Truing-up of FY 2022-23 and FY 2023-24, respectively.**

3.14. Summary of Truing-up

TPC-T's Submission

3.14.1. The break-up of expenditure for FY 2022-23 for TPC-T along with the adjustment on account of sharing of gains and losses is as follows:

Table 46: Summary of Truing-up including Sharing of Efficiency Gains/(Loss) for FY 2022-23, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2022-23		
	MTR Order	April-March (Audited)	True-Up requirement
Operation & Maintenance Expenses	218.84	264.21	45.37
Depreciation Expenses	223.60	220.13	(3.47)
Interest on Loan Capital	130.96	142.42	11.47
Refinancing and Other Finance Charges	-	-	-
Interest on Working Capital and on Consumer Security Deposits	16.15	5.36	(10.79)
Contribution to contingency reserves	12.65	12.71	0.06
Total Revenue Expenditure	**602.19**	**644.83**	**42.64**
Add: Return on Equity Capital	240.49	269.07	28.58
Aggregate Revenue Requirement	**842.68**	**913.90**	**71.22**
Less: Non-Tariff Income	43.68	51.32	7.64
Aggregate Revenue Requirement from Transmission	**799.01**	**862.58**	**63.58**
Revenue from Transmission Tariff	**816.23**	**816.03**	**(0.19)**
Revenue Gap/(Surplus)	**(17.22)**	**46.55**	**63.77**

Table 47: Summary of Truing-up including Sharing of Efficiency Gain/(Loss) for FY 2023-24, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2023-24		
	MTR Order	April-March (Audited)	True-Up requirement
Operation & Maintenance Expenses	228.38	272.81	44.43
Depreciation Expenses	252.02	254.45	2.43
Interest on Loan Capital	149.45	190.88	41.43
Refinancing and Other Finance Charges	-	0.22	0.22
Interest on Working Capital and on Consumer Security Deposits	18.29	20.50	2.20
Contribution to contingency reserves	14.71	14.68	(0.03)
Total Revenue Expenditure	**662.85**	**753.54**	**90.69**
Add: Return on Equity Capital	269.69	304.17	34.48
Aggregate Revenue Requirement	**932.54**	**1,057.71**	**125.16**
Less: Non-Tariff Income	48.04	34.39	(13.65)
Impact of Review Order	4.78	4.78	-
Reimbursement towards 400 kV Kharghar Vikhroli	54.87	54.87	
Past Recoveries	(18.46)	(18.46)	-
Aggregate Revenue Requirement from Transmission	**925.70**	**1,064.51**	**138.82**
Revenue from Transmission Tariff	**925.70**	**940.79**	**15.09**
Revenue Gap/(Surplus)	**(0.00)**	**123.72**	**123.72**

Commission's Analysis and Ruling

3.14.2. The Summary of the bet Annual Revenue Requirement including sharing of Efficiency Gains/Losses as approved by the Commission for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 48: Summary of Truing-up including net entitlement post Sharing of Efficiency Gains/(Loss) for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	**FY 2022-23**			**FY 2023-24**		
	MTR Approved	**MYT Petition**	**Approved after Truing-up**	**MTR Approved**	**MYT Petition**	**Approved after Truing-up**
Operation & Maintenance Expenses	218.84	258.38	257.09	228.38	270.48	268.58
Additional O&M Expenses claimed	0.00	5.71	5.71	0.00	2.32	2.32
Additional R&M Expenses due to shifting of certain items from Non-DPR Capex	0.00	0.12	23.39	0.00	0.00	9.43
Depreciation Expenses	223.60	220.13	218.95	252.02	254.45	251.62
Interest on Loan Capital	130.96	142.42	140.19	149.45	190.88	186.21
Refinancing and Other Finance Charges	0.00	0.00	0.00	0.00	0.22	0.22
Interest on Working Capital and on Consumer Security Deposits	16.15	5.36	5.41	18.29	20.50	20.51
Contribution to contingency reserves	12.65	12.71	12.68	14.71	14.68	14.57
Total Revenue Expenditure	**602.19**	**644.83**	**663.41**	**662.85**	**753.54**	**753.47**
Add: Return on Equity Capital	240.49	269.07	267.26	269.69	304.17	300.51
Aggregate Revenue Requirement	**842.68**	**913.90**	**930.67**	**932.54**	**1057.71**	**1053.98**
Less: Non-Tariff Income	43.68	51.32	51.32	48.04	34.39	34.39
Impact of Review Order	0.00	0.00	0.00	4.78	4.78	4.78
Reimbursement towards 400 kV Kharghar Vikhroli	0.00	0.00	0.00	54.87	54.87	54.87
Past Recoveries	0.00	0.00	0.00	-18.46	-18.46	-18.46
Aggregate Revenue Requirement from Transmission	**799.01**	**862.58**	**879.36**	**925.70**	**1064.51**	**1060.79**
Revenue from Transmission Tariff	**816.23**	**816.03**	**816.03**	**925.70**	**940.79**	**940.79**
Revenue Gap/(Surplus)	**-17.22**	**46.55**	**63.33**	**0.00**	**123.72**	**119.99**

3.14.3. As detailed in earlier paragraphs, the variation between the ARR sought by TPC-T and that approved by the Commission in this Order post True-up, is mainly on account of addition of R&M Expenses shifted from Non-DPR Schemes, Depreciation, Interest on Long Term Loan, and RoE, on account of disallowance of certain amount of Capitalisation towards the Non-DPR Schemes claimed by TPC-T for the respective years.

3.14.4. The Commission approves the Stand-alone Revenue Gap for FY 2022-23 and FY 2023-24, as shown in the above Table, which has been adjusted in the ARR of

FY 2025-26 along with applicable Carrying/(Holding) Cost, as elaborated in a subsequent Section.

4. PROVISIONAL TRUING-UP OF ARR FOR FY 2024-25

4.1. Background

4.1.1. TPC-T has sought the Provisional True-up of the expenditures and revenue for FY 2024-25 as per the provisions set out under the MYT Regulations, 2019 and its amendments thereof. TPC-T has submitted the actual operating performance of the first half (H1) of FY 2024-25 and the revised estimates for the second half (H2). Based on the details provided and additional information sought, the Commission has carried out the Provisional True-up for FY 2024-25 in this Section.

4.2. Capitalisation

TPC-T's Submission

4.2.1. TPC-T submitted that the capitalisation projected for FY 2024-25 is higher at Rs. 565.33 Crore as compared to that projected in the MTR Order on account of DPR schemes approved post issuance of MYT Order. Further, projected capitalization under Non-DPR Schemes as well as capitalization under the approved DPRs at the time of the MTR Order in March, 2023, which were executed in FY 2023-24 and also carry forward to FY 2024-25. The summary of the projected capitalisation for FY 2024-25 is as shown in the Table below:

Table 49: Capitalisation as submitted by TPC-T for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	MTR Approved	Estimated
Non-DPR Schemes		
Total Carry Forward Schemes	-	1.33
New Schemes	-	89.76
HO & SS Allocation	-	-
Total Non-DPR	**15.00**	**91.08**
DPR Schemes		
Carry Forward Schemes	-	33.16
New Schemes	-	441.08
Total DPR	**245.34**	**474.24**
Total Capitalisation	**260.34**	**565.33**

Commission's Analysis and Ruling

4.2.2. The Commission observes that TPC-T has projected capitalisation of Rs. 565.33 Crore for FY 2024-25 as against the approved capitalisation of Rs. 260.34 Crore, which is significantly higher than the approved Capitalisation in the

MTR Order dated 31 March, 2023 in Case No. 217 of 2022. TPC-T has submitted that out of the total estimated capitalisation of Rs. 565.33 Crore, it has estimated the capitalisation of Rs. 474.24 Crore towards the DPR Schemes. The major Schemes proposed to be commissioned during FY 2024-25 are as under:

- Installation of 220 kV Reactors at Trombay (Rs. 26.60 Crore)
- Installation of 220 kV reactor at Mahalaxmi (Rs. 24.18 Crore)
- 33 kV level creation at Karanjade (Rs. 65.70 Crore)
- Upgradation of 110 kV Parel Mahalaxmi 1 Cable by replacing oil filled cable with 110 kV XLPE Cable (Rs. 198.88 Crore)
- 22 kV AIS to 33 kV GIS upgradation at Kalyan (Rs. 33.03 Crore)
- 22 kV AIS to 33 kV GIS upgradation at Vikhroli (Rs. 36.89 Crore)

4.2.3. TPC-T submitted that most of these DPR Schemes have been planned for Capitalisation and being put to use by March, 2025 and TPC-T will submit the scheme completion report for these Schemes post commissioning along with documentary evidence of Put to Use.

4.2.4. The Commission has taken a note of the TPC-Ts submissions. The Commission observes that, most of the Schemes were expected to be completed prior to FY 2024-25 and the same have been carried forward and proposed for the Scheme completion during FY 2024-25.

4.2.5. The Commission while approving the carry forwarded DPR Schemes observed that many of the Schemes have been closed Technically and Financially and the corresponding the Work Completion Report (WCR) have also been submitted. The same has been allowed by the Commission, since, the overall actual Capitalisation is within the approved DPR cost.

4.2.6. Further, the DPR Schemes, which were supposed to be completed during FY 2023-24 have been spilled over and carried forward to FY 2024-25 resulting in Time-overrun, however, no Cost-overrun towards such DPR Schemes have been observed. The Commission allows the Capitalisation claimed by TPC-T towards such Schemes for the purpose of the Provisional True-up, expecting the Scheme is getting closed during FY 2024-25 and the actual Capitalisation towards such Schemes would remain within the in-principal approved cost. However, the Commission shall revisit the such provisionally approved Capitalisation towards such Scheme at the time of True-up and accordingly will allow the final capitalisation subject to prudence check.

4.2.7. The Commission irrespective of the above referred Schemes observed that TPC-T has claimed the part capitalisation towards the Schemes referred under para. 4.2.2 above and accordingly claimed the Bays and Line Length addition considering assets as Put to Use during FY 2024-25. In this context, the Commission has deferred the Capitalisation claimed towards such Schemes to FY 2025-26 for the purpose of Provisional True-up, since the part capitalisation towards the Schemes viz. Installation of 220 kV Reactors, upgradation of oil filled cables to XLPE cable, etc cannot be claimed. Further, in absence of the detailed Cost Benefit Analysis, Scheme Completion report and loading details of the Bays and Line Length claimed during FY 2024-25, the same have also been deferred to FY 2025-26. However, the Commission shall revisit the such deferred Capitalisation at the time of True-up and accordingly may allow the final capitalisation subject to prudence check.

4.2.8. The Scheme-wise capitalisation for the DPR Schemes as approved by the Commission for FY 2024-25 in this MYT Order has been analysed and provided under **Appendix 3.**

4.2.9. The details of the Schemes, which have been deferred to FY 2025-26 by the Commission is provided as under:

Table 50: DPR Schemes deferred/shifted from FY 2024-25 to FY 2025-26 (Rs. Crore)

Scheme Name	In-principal Approval Number	Scheme Approved Cost	Deferred Capitalisation to FY 2025-26	Remarks
Installation of 220 kV reactors at Trombay	MERC/Capex/TPC-T/2023-24/0194	26.60	25.00	All the Scheme status are Work in Progress and the overall progress for the respective scheme ranges from 8% to 22% during FY 2023-24 and 100% Progress is shown during FY 2024-25. However, no documentary evidence or Scheme Completion Report have been provided by TPC-T to justify its 100% capitalisation for the respective Schemes. In absence of such details, all the Scheme have been deferred to FY 2025-26. **TPC-T shall submit its Scheme Completion Report to claim the Capitalisation at the time of True-up.**
Installation of 220 kV reactors at Mahalaxmi	MERC/Capex/TPC-T/2023-24/0196	24.18	24.00	
33kV level creation at Karanjade	MERC/Capex/TPC-T/2023-24/0251	65.70	41.00	
Upgradation of 110 kV Parel Mahalaxmi 1 cable by replacing oil filled cable with 110 kV XLPE cable	MERC/Capex/TPC-T/2023-24/0252	198.88	189.00	
22 kV AIS to 33 kV GIS upgradation at Kalyan	MERC/Capex/TPC-T/2024-25/0301	33.03	31.00	
22 kV AIS to 33 kV GIS upgradation at Vikhroli	MERC/Capex/TPC-T/2024-25/0486	36.89	35.00	
Total		**385.28**	**345.00**	

4.2.10. Accordingly, the additions of Bays and Length corresponding the above Schemes proposed to be added during FY 2024-25 is also deferred/shifted to FY 2025-26 as addition during the year.

4.2.11. In addition to the above, the Commission has disallowed some Non-DPR proposed by TPC-T, whose justification was either not provided by TPC-T or have been restricted to the Scheme cost allowed by the Commission in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022.

4.2.12. The details of major Non-DPR Schemes disallowed by the Commission is provided as under:

Table 51: Major Non-DPR Schemes disallowed by the Commission for FY 2024-25 (Rs. Crore)

Scheme Name	Start Year	Scheme Status	MYT Petition	Approved post Provisional True-up	Disallowance	Remarks
Diversion of 220kV TD#9 and Saki to NIE	FY 2023-24	New	15.00	0.00	-15.00	The Schemes are disallowed since, no justification for the requirement of the respective Schemes was provided by TPC-T as part of the Petition. Further, TPC-T has also not registered it Schemes as per the MERC (Approval of Capital Investment Schemes) Regulations, 2022.
220kV Kalwa Salsette 5 line bay shifting at MSETCL end	FY 2024-25	New	22.00	0.00	-22.00	
Conversion of AIS Bays to Outdoor GIS at MSETCL Kalwa	FY 2024-25	New	19.00	0.00	-19.00	
Total			**56.00**	**0.00**	**-56.00**	

4.2.13. Further, few of the Non-DPR Schemes proposed by TPC-T have been identified as R&M in nature for FY 2024-25 are disallowed by the Commission. The details of disallowed Non-DPR Schemes proposed by TPC-T are as below:

Table 52: Non-DPR Scheme identified as R&M in nature for FY 2024-25 disallowed by the Commission (Rs. Crore)

Particulars of the Scheme	TPC-T Petition
Employee welfare scheme common locations	0.23
220 kV CRP panel replacement at Backbay	0.02
Replacement of ACs in Transmission	0.02

Particulars of the Scheme	TPC-T Petition
Replacement of 22kv AIS at MRS switchgear along with cable	4.04
Replacement of stacked Layer-3 switches	0.19
Augmentation of Lift at Saki	0.55
Total Non-DPR (identified as R&M expenses)	**5.05**

4.2.14. The Capitalisation provisionally approved by the Commission for FY 2024-25 is summarised in the Table below:

Table 53: Capitalisation approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
DPR Capitalisation	245.34	474.24	154.74
Non-DPR Capitalisation	15.00	91.08	28.87
Total Capitalisation	**260.34**	**565.33**	**183.62**

4.2.15. **Accordingly, the Commission approves the Capitalisation of Rs. 183.62 Crore for the Provisional True-up of FY 2024-25.**

4.3. Operation and Maintenance Expenses

TPC-T's Submission

4.3.1. TPC-T submitted that, the O&M expenditure has been estimated considering the number of Transmission bays and line lengths circuit kilometres expected to be in operations during FY 2024-25.

4.3.2. The Commission had approved the O&M Expenditure of Rs. 226.94 Crore for FY 2024-25 in the MTR Order dated 31 March, 2023 in Case No. 217 of 2022. The revised normative O&M expenditure for FY 2024-25 is computed by TPC-T considering the following:

a. Revised opening number of Transmission Bays and circuit kilometres of Transmission Lines equal to closing number of bays and Ckt. km. of FY 2023-24 arrived at in the previous section
Plus
b. The bays proposed to be put to use during FY 2024-25

Multiply

c. By the norms as per the MYT Regulations, 2019

4.3.3. With respect to proposed addition of assets in the during FY 2024-25, the following is submitted:

a. Between 66 kV and 400 kV: (Addition of 2 New GIS Bays)

i. 2 Nos. of 220 kV GIS Bays are proposed to be commissioned and capitalised at Karanjade Switching Station in FY 2024-25.

b. 66 kV and Below: (Addition of 99 GIS Bays and reduction of 37 AIS bays)

ii. 99 nos. of GIS Bays are proposed to be commissioned in FY 2024-25 as follows:

- 35 nos. of 22 kV GIS bays are proposed to be commissioned at Kalyan Receiving Station after replacement of existing AIS by GIS.
- 48 nos. of 22 kV GIS bays are proposed to be commissioned at Vikhroli Receiving Station after replacement of existing AIS by GIS.
- 16 nos. of new 33 kV Bays are proposed to be commissioned at Karanjade Switching Station

iii. 37 nos. of AIS Bays are proposed to be decommissioned in FY 2024-25 due to replacement of existing AIS by GIS as follows:

- 21 nos. of 22 kV AIS bays at Kalyan Receiving Station.
- 16 nos. of 22 kV AIS bays at Vikhroli Receiving Station.

c. Transmission Line: (Addition of 2.15 Ckt. kms)

4.3.4. In case of Transmission Lines, a total line length of 2.15 Ckt. Kms. is proposed to be added during FY 2024-25 on account of replacement of 110 kV Parel Mahalaxmi 1 Oil filled Cable by XLPE Cable.

Table 54: Details of Transmission Bays as submitted by TPC-T

Equipment		MTR Order (Approved)	FY 2024-25 (Provisionals)	FY 2024-25 GIS Bays	FY 2024-25 AIS Bays
Bays (between 66 kV and 400 kV)					
Opening	a	489	487	333	154

Equipment		MTR Order (Approved)	FY 2024-25 (Provisionals)	FY 2024-25 GIS Bays	FY 2024-25 AIS Bays
Additions	b	0	4	4	0
Closing	c=a+b	489	491	337	154
Average	**d=Average (a: c)**	**489**	**489**	**335**	**154**
Bays (< 66 kV)					
Opening	e	1052	1095	803	292
Additions	f	0	62	99	-37
Closing	g=e+f	1052	1157	902	255
Average	**h=Average (e: g)**	**1052**	**1126**	**853**	**274**

Table 55: Details of Transmission Line Length as submitted by TPC-T (Rs. Crore)

Equipment		MTR Order (Approved)	FY 2024-25 (Provisionals)
Ckt Km (between 66 kV and 400 kV)			
Opening	a	1264.75	1315.37
Additions	b	0.00	2.15
Closing	c=a+b	1264.75	1317.52
Average	**d=Average (a: c)**	**1264.75**	**1316.45**

4.3.5. Considering the above and the applicable norms as per Regulation 61.3 of the MYT Regulations, 2019, the normative O&M expenditure for FY 2024-25 works out to Rs. 233.75 Crore as provided in the Table below:

Table 56: Normative O&M expenses claimed by TPC-T for FY 2024-25 (Rs. Crore)

O&M Expenses	Units	MTR Order (Approved)	FY 2024-25
Transmission Lines			
Length of Transmission line	Ckt.km	1264.75	1316.45
Norms as per Regulations	Rs lakh/Ckt-km	1.44	1.44
Bays (Between 66 kV and 400 kV)			
No. of Bays (GIS)	No.	349.00	335.00
No. of Bays (AIS)	No.	140.00	154.00
Norms as per Regulations	Rs lakh/Bay	37.66	37.66
Bays (<66kV)			
No. of Bays (GIS)	No.	796.00	852.50
No. of Bays (AIS)	No.	256.00	273.50
Norms as per Regulations	Rs lakh/Bay	7.87	7.87
Normative O&M Expenses	**Rs. Crore**	**226.94**	**233.75**

4.3.6. Further, the expenditure towards Auxiliary consumption of TPC-T Receiving Stations needs to be added to the O&M expenditure. For the purpose of provisional truing-up of FY 2024-25, the actual expenditure of 6 months of FY 2024-25 has been prorated to annual expenditure to arrive at an estimated expenditure towards Auxiliary consumption for FY 2024-25 i.e. Rs. 27.18 Crore.

4.3.7. TPC-T has submitted details of OPEX Schemes for approval of the Commission, which was discussed in the previous Sections above. Out of the schemes submitted for approval, some of the schemes are planned to be partly executed in FY 2024-25 and FY 2025-26. Accordingly, O&M expenditure of Rs. 0.44 Crore has been considered for estimation of O&M expenditure for FY 2024-25.

4.3.8. Accordingly, after considering the expenditure towards auxiliary consumption of all the Transmission Receiving stations of TPC-T i.e. Rs. 27.18 Crore and expenditure towards OPEX schemes i.e. Rs. 0.44 Crore in FY 2024-25, the O&M expenditure for FY 2024-25 works out as shown in Table below. TPC-T requested the Commission to approve the same.

Table 57: Normative O&M Expense including Energy Charges and OPEX as submitted by TPC-T (Rs. Crore)

Particulars	MTR Order (Approved)	FY 2024-25 (Provisional)
Normative O&M Expenditure proposed for FY 2024-25	226.94	233.75
Energy Charges	12.31	27.18
Opex Scheme Expenditure	0.00	0.44
Normative O&M expenditure including Energy Charges	**239.25**	**261.37**

Commission Analysis and Ruling

4.3.9. The Commission has noted the submissions of TPC-T, however, as discussed above, most of the New Schemes have been deferred/shifted entirely to FY 2025-26. The details of the Bays and Line Length deferred to FY 2025-26 is provided as under:

Table 58: Scheme-Wise Bays and Line Length deferred to FY 2025-26

Scheme Name	Bays Addition deferred to FY 2025-26	Line Length Addition deferred to FY 2025-26
33kV level creation at Karanjade	1 No. of 220 kV GIS Bay 1. No. of 110 kV GIS Bay 16 Nos. of 22 kV GIS Bays	

Scheme Name	Bays Addition deferred to FY 2025-26	Line Length Addition deferred to FY 2025-26
Upgradation of 110 kV Parel Mahalaxmi 1 cable by replacing oil filled cable with 110 kV XLPE cable	-	2.15 Ckt km
22 kV AIS to 33 kV GIS upgradation at Kalyan	35 Nos. of 22 kV GIS Bays (Addition) 21 Nos. of 22 kV AIS Bays (Removal)	
22 kV AIS to 33 kV GIS upgradation at Vikhroli	38 Nos. of 22 kV GIS Bays (Addition) 16 Nos. of 22 kV AIS Bays (Removal)	

4.3.10. Further, out of the 23 numbers of Bays, which were disallowed by the Commission in the MTR Order in Case No. 217 of 2022, 10 Bays were claimed to be utilised and rest 13 number of Bays have been claimed to be Deemed Put to Use. Accordingly, TPC-T has considered the addition of all such 23 numbers of Bays at the opening of FY 2022-23 based on their voltage class. However, the Commission while analysing the 10 Bays which were Put to Use, it was observed that two of the Bays namely 1 No. of 110 kV Metro 3 AIS Bay at Dharavi and 1 No. of 110 kV GIS Bay at Dharavi have been put to use on 4 April, 2024, as per the Log Book statement. Accordingly, the Commission has considered the actual put to use year towards such two number of Bays (out of 10) as addition during the FY 2024-25.

4.3.11. In view of above, the approved Bays and Transmission line length for FY 2024-25 is shown in the Table below:

Table 59: Number of Bays and Line Length approved by the Commission for FY 2024-25

Line Length (Ckt. Km) (between 66 kV and 400 kV)	MTR Approved	MYT Petition	Approved post Provisional True-up
Opening	1264.75	1315.37	1315.37
Additions	0.00	2.15	0.00
Closing	1264.75	1317.52	1315.37
Average	**1264.75**	**1316.45**	**1315.37**
Number of Bays	**MTR Approved**	**MYT Petition**	**Approved post Provisional True-up**
Bays (between 66 kV and 400 kV)			
Opening	489.00	487.00	483.00
Additions	0.00	4.00	4.00
Closing	489.00	491.00	487.00
Average	**489.00**	**489.00**	**485.00**
Bays (<66 kV)			

Line Length (Ckt. Km) (between 66 kV and 400 kV)	MTR Approved	MYT Petition	Approved post Provisional True-up
Opening	1052.00	1095.00	1076.00
Additions	0.00	62.00	0.00
Closing	1052.00	1157.00	1076.00
Average	**1052.00**	**1126.00**	**1076.00**

4.3.12. The list of un-utilised Bays considered by the Commission in this Order provided under **Appendix 5**.

4.3.13. The Commission in accordance to Regulation 61.3 of the MYT Regulations, 2019 has computed the Normative O&M Expenses for the FY 2024-25. The normative O&M expenses approved by the Commission for FY 2024-25 are summarised in the following Table:

Table 60: Normative O&M expenses approved by the Commission for FY 2024-25 (Rs. Crore)

O&M Expenses	Unit	MTR Approved	MYT Petition	Approved post Provisional True-up
Transmission Lines- Between 66 kV and 400 kV				
Length of Transmission Line	Ckt. km	1264.75	1316.45	1315.37
Norms as per Regulations	Rs. Lakh/Ckt. km	1.44	1.44	1.44
O&M Expenses for Lines (A)	**Rs. Crore**	**18.21**	**18.96**	**18.94**
Bays (Between 66 kV and 400 kV)				
No. of Bays	No.	489.00	489.00	485.00
Norms as per Regulations	Rs. Lakh/Bay	37.66	37.66	37.66
Bays (<66 kV)				
No. of Bays	No.	1052.00	1126.00	1076.00
Norms as per Regulations	Rs. Lakh/Bay	7.87	7.87	7.87
O&M Expenses for Bays (B)	**Rs. Crore**	**226.94**	**233.75**	**230.15**
Add: Energy Charges (C)	**Rs. Crore**	**12.31**	**27.18**	**19.89**
Add: IT Charges (D)	**Rs. Crore**	**0.00**	**0.44**	**0.00**
Total O&M Expenses (A+B+C+D)	**Rs. Crore**	**239.25**	**261.37**	**250.04**

4.3.14. As per the provision of the Regulation 61.7 of the MYT Regulations 2019, the O&M expenses for the GIS bays are worked out by multiplying 0.70 to the norms approved for TPC-T. The Commission has additionally considered the energy charges towards auxiliary consumption of the Transmission Receiving Stations, same as energy charges approved for FY 2023-24 in this MYT Order, since the Energy Charges proposed for FY 2024-25 is on a higher side of Rs. 27.18 Crore as compared to Rs. 19.89 Crore approved for FY 2023-24.

4.3.15. With regards to the TPC-T's claim towards the OPEX Scheme approved in the previous year of Rs. 0.44 Crore, it is observed that, based on the documentary evidence submitted by TPC-T as part of the Petition, TPC-T has already claimed the entire cost of Rs. 2.14 Crore in FY 2022-23 (Rs. 0.77 Crore) and FY 2023-24 (Rs. 1.37 Crore) as approved by the Commission in the above Section. Further, the same was also not claimed by TPC-T at the time of MTR Order in Case No. 217 of 2022 dated 31 March, 2023 and therefore the present additional claim of TPC-T is beyond the scope of the referred MTR Order. Accordingly, in absence of any proper justification for seeking such additional cost, the Commission has not allowed OPEX pertaining to Rs. 0.44 Crore claimed during FY 2024-25 by TPC-T.

4.3.16. **Accordingly, the Commission approves the total O&M expenses of Rs. 250.04 Crore for the purpose of Truing-up of FY 2024-25.**

4.4. Depreciation

TPC-T's Submission

4.4.1. TPC-T submitted that it has computed the depreciation by considering the average Depreciation Rate arrived for FY 2023-24 and applying the same on the average annual GFA of FY 2024-25. The depreciation thus estimated for FY 2024-25 is Rs. 280.72 Crore.

Commission Analysis and Ruling

4.4.2. The closing GFA of FY 2023-24 approved in this MYT Order is considered as the opening GFA of FY 2024-25 and the capitalisation approved during FY 2024-25 has been considered as the GFA addition during the year to arrive at the closing GFA of FY 2024-25.

4.4.3. The Regulation 28 of the MYT Regulations, 2019 stipulates that the Transmission Licensee shall be permitted to recover its depreciation on the value of the fixed assets, and that it shall be computed annually based on the straight-line method at the specified rates. For the Provisional Truing-up of FY 2024-25, the Commission has considered the actual weighted average depreciation rate of **4.08%** of FY 2023-24.

4.4.4. The above depreciation rate is applied on the average GFA of FY 2024-25 approved by the Commission to arrive at the depreciation expenses for FY 2024-25. The summary of the depreciation approved by the Commission is provided in the Table below:

Table 61: Depreciation approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Opening GFA	6451.99	6593.91	6500.49
Addition during the year	260.34	565.33	183.62
Less: Retirement during the year	0.00	0.00	0.00
Closing GFA	6712.33	7159.24	6684.11
Average Depreciation Rate	4.09%	4.08%	4.08%
Depreciation	**268.97**	**280.72**	**269.11**

4.4.5. **Accordingly, the Commission provisionally approves the Depreciation of Rs. 269.11 Crore for FY 2024-25.**

4.5. Interest on Loan Capital

TPC-T's Submission

4.5.1. TPC-T has considered the closing balance of loan for FY 2023-24, loan for additional proposed capitalisation during FY 2024-25, interest rate of loan portfolio as applicable to FY 2023-24 and repayment equal to the Depreciation of assets. Accordingly, the Interest on Loan for FY 2024-25 has been computed by TPC-T as Rs. 208.09 Crore.

Commission's Analysis and Ruling

4.5.2. The Commission has considered the closing loan balance for FY 2023-24 approved in this MYT Order as the opening loan balance of FY 2024-25. Loan addition has been considered based on the normative Debt-Equity ratio on the capitalisation approved for FY 2024-25. Loan repayment has been considered equal to the Depreciation approved for FY 2024-25 in this MYT Order in accordance with the Regulation 30 of the MYT Regulations 2019, to arrive at the closing balance of loan for FY 2024-25.

4.5.3. During the e-Public Hearing, the Commission directed TPC-T to consider the rate of Interest on Loan as on date since, the closure of the FY 2024-25 is almost reached. Accordingly, TPC-T as part of its additional submissions dated 16 January, 2025 has submitted its revised computation of Interest on Loan considering the provisional Rate of Interest of 9.10% instead of 9.02% considered as part of the Petition admitted before the e-Public Hearing.

4.5.4. The Commission based on the additional submission of the TPC-T and in accordance with the Regulation 30 of the MYT Regulations, 2019 has considered the Interest Rate as 9.10%, which is the provisional weighted average interest rate up to December, 2024. Interest on Loan Capital is calculated by applying this interest rate on average normative loan balance. At the time of True-up of FY 2024-25, the actual weighted average rate of interest during the year shall be considered, in accordance with the MYT Regulations, 2019, subject to prudence check.

4.5.5. The summary of the Interest on Long Term Loans approved by the Commission for the purpose of Provisional True-up of FY 2024-25 is shown in the Table below:

Table 62: Interest on Loan Capital approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Opening balance of Loan	2085.42	2250.12	2180.48
Addition of Loan during the year	182.24	395.73	128.53
Repayment of Loan	268.97	280.72	269.11
Closing balance of Loan	1998.69	2365.13	2039.90
Interest Rate	**7.43%**	**9.02%**	**9.10%**
Interest Expenses	**151.68**	**208.09**	**192.01**

4.5.6. **Accordingly, the Commission approves the Interest on Loan Capital of Rs. 192.01 Crore for the Provisional True-up of FY 2024-25.**

4.6. Interest on Working Capital (IoWC)

TPC-T's Submission

4.6.1. TPC-T has computed the IoWC considering the normative working capital in line with the MYT Regulations, 2019. Further, as per the Regulations 32.2 (b) of the MYT Regulations, 2019, the rate of Interest considered for computing the IoWC is 10.50%, which is the latest available 1 Year SBI MCLR rate as on date of filing this MYT Petition of 9.00% plus 150 basis points. Accordingly, the IoWC for FY 2024-25 works out to Rs. 16.27 Crore.

Commission's Analysis and Ruling

4.6.2. The Commission has computed the normative Working Capital requirement in accordance with Regulation 32.2 of the MYT Regulations, 2019. One-twelfth (1/12) of the normative O&M Expenses approved in this MYT Order, plus one and half months of revenue approved for FY 2024-25 in the Intra-State Transmission System Order in Case No. 239 of 2022, dated 31 March, 2023 is considered. Maintenance spares have been considered at one (1%) percent of the opening GFA approved for FY 2024-25 in this MYT Order.

4.6.3. Accordingly, for the computation of the IoWC, the Commission has considered the rate of interest equal to the one-year SBI MCLR as on date of filing of the MYT Petition plus 150 basis points, which works out to 10.50% (9.00% + 1.50%) for FY 2024-25.

4.6.4. The summary of the IoWC approved by the Commission is provided in the Table below:

Table 63: Interest on Working Capital approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
O&M Expenses for 1 Month	19.94	21.78	20.84
Maintenance spares at 1% of the opening GFA for the year	64.52	65.94	65.00
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	115.71	115.71	115.71
Total Working Capital Requirement	**200.17**	**203.43**	**201.55**
Rate of Interest (% p.a.)	9.45%	10.50%	10.50%
Interest on Working Capital	**18.92**	**21.36**	**21.16**

4.6.5. **Accordingly, the Commission approves the IoWC of Rs. 21.16 Crore for the Provisional True-up of FY 2024-25.**

4.7. Other Finance Charges

TPC-T's Submission

4.7.1. TPC-T has projected the other finance charges as Nil for FY 2024-25.

Commission's Analysis and Ruling

4.7.2. The Commission notes and considers the Other Finance Charges for FY 2024-25, as **Nil.**

4.8. Return on Equity (RoE)

TPC-T's Submission

4.8.1. TPC-T submitted that considering capitalisation and the Debt: Equity norm of 70:30, the Base Return on Equity (RoE) allowed as per MYT Regulations, 2019 is 14.00%. Further, the additional Return on Equity will be allowed at the time of Truing-up based on actual performance. Hence, for the purpose of Provisional Truing-Up, TPC-T has computed the Return on Equity (RoE) at the Base Rate of 14.00%. Accordingly, the RoE for FY 2024-25 worked out by TPC-T is Rs. 301.76 Crore.

Commission's Analysis and Ruling

4.8.2. The Commission has computed the RoE at the rate of 14.00% in accordance to the Regulation 29.1 of the MYT Regulations, 2019 on the opening Equity of the year and 50% of the Equity portion of capitalisation approved during the year, which is in accordance with the Regulation 29.2 of the MYT Regulations, 2019.

4.8.3. The Commission has considered the closing Equity for FY 2023-24 approved in this MYT Order as the opening Equity for FY 2024-25. TPC-T has not submitted the information regarding the retirement of assets during FY 2024-25, since it being provisionally trued-up. Hence, the Commission shall consider the impact on account of assets decapitalised during the year at the time of Truing-up exercise. Accordingly, the closing balance of Equity is arrived by adding the Equity addition corresponding to the capitalisation approved by the Commission in this Order for FY 2024-25 to the opening balance of Equity. TPC-T has proposed 'Nil' Income Tax rate for FY 2024-25 and hence effective RoE rate for FY 2024-25 works out to 14.00%. The RoE thus approved by the Commission for FY 2024-25 is summarised in the Table below:

Table 64: Return on Equity approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Regulatory Equity at the beginning of the year (A)	**2011.83**	**2070.63**	**2039.80**
Less: Equity portion of Asset Decapitalised	0.00	0.00	0.00
Capitalisation during the year (B)	260.34	565.33	183.62
Equity portion of the Capital Expenditure capitalised during the year (C = B*30%)	78.10	169.60	55.08
Regulatory Equity at the end of the year (D)	**2089.93**	**2240.23**	**2094.89**

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Pre-tax rate of Equity after considering effective tax rate (E)	14.00%	14.00%	14.00%
Return on Regulatory Equity at the beginning of the year (F=A*E)	281.66	289.89	285.57
Return on Regulatory Equity on capitalisation during the year (G=C*E/2)	5.47	11.87	3.86
Total Return on Regulatory Equity (C+D)	**287.12**	**301.76**	**289.43**

4.8.4. **Accordingly, the Commission approves the RoE of Rs. 289.43 Crore for the Provisional True-up of FY 2024-25.**

4.9. Contribution to Contingency Reserves

TPC-T's Submission

4.9.1. TPC-T has submitted as per Regulation 35.1 of MYT Regulations, 2019, the Contribution to Contingency Reserves for FY 2024-25 at 0.25% of opening GFA works out to Rs. 16.48 Crore.

Commission's Analysis and Ruling

4.9.2. The Commission in accordance with the Regulation 35.1 of MYT Regulations, 2019, has considered the Contribution to Contingency Reserves for FY 2024-25 equivalent to 0.25% of opening balance of GFA for FY 2024-25 approved in this MYT Order. The Commission observes that the closing balance has not exceeded 5.00% of the original cost of fixed assets for FY 2024-25.

4.9.3. The Contribution to Contingency Reserves approved by the Commission after Provisional True-up for FY 2024-25, is provided in the Table below:

Table 65: Contribution to Contingency Reserve approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Opening balance of Contingency Reserves	156.10	156.13	155.98
Opening GFA	6451.99	6593.91	6500.49
Opening balance of Contingency Reserves as % of Opening GFA	2.42%	2.42%	2.42%
Contribution to Contingency Reserves during the year	**16.13**	**16.48**	**16.25**
Closing balance of Contingency Reserves	172.23	172.61	172.23

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Closing balance of Contingency Reserves as % of Opening GFA	2.67%	2.62%	2.65%

4.9.4. **Accordingly, the Commission approves the Contribution to Contingency Reserves of Rs. 16.25 Crore for the Provisional True-up of FY 2024-25.**

4.10. Non-Tariff Income

TPC-T's Submission

4.10.1. TPC-T has submitted that for the purpose of provisional Truing-up of FY 2024-25, the Non-Tariff Income has been considered same as of FY 2023-24 at Rs. 34.29 Crore.

Commission's Analysis and Ruling

4.10.2. The Commission has scrutinised the Provisional accounts of FY 2024-25 (H1) as submitted by TPC-T and has considered the Income from Rent of Land and Building as Rs. 18.87 Crore instead of Rs. 18.04 Crore estimated by TPC-T in view of the fact that the same is provisionally booked as Rs. 18.87 Crore for FY 2024-25 (H1). Rest other Non-Tariff Income heads have been considered based on the actual Non-Tariff Income of FY 2023-24. Therefore, the Non-Tariff Income approved by the Commission for FY 2024-25 is summarised in the Table below:

Table 66: Non-Tariff Income approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Non-Tariff Income	52.85	34.39	35.22

4.10.3. **Accordingly, the Commission approves the Non-Tariff Income of Rs. 35.22 Crore for the Provisional True-up of FY 2024-25.**

4.11. Contingent Liability of TPC-T as on H1 FY 2024-25

TPC-T's Submission

4.11.1. TPC-T has submitted that, it has received certain demands from statutory authorities regarding levy of Service Tax, Way leave fees etc. in the past. Since, TPC-T has raised the dispute against the issues mentioned below list, in order to protect the interest of the consumers and same are under litigation, TPC-T has not considered their impact in the present Petition. However, should the claim arise in future, TPC-T would approach the Commission to recover the same.

- Service tax on Transmission fee **(total liability ~Rs. 375 Crore)**
- Writ Petition with Hon'ble Bombay High Court against MbPT regarding way leave fees **(total Liability ~Rs. 19 Crore)**
- Writ Petition with Hon'ble Bombay High Court against MbPT regarding way leave fees **(total Liability ~Rs. 57.50 Crore)**
- Writ Petition against Western Railways **(total liability ~Rs. 2.60 Crore**)

Commission's Analysis and Ruling

4.11.2. The Commission has noted the submissions of the TPC-T towards the Contingent Liability. The Commission upon the final Judgement of the appropriate Court towards the respective Writ Petition, shall consider the impact as and when TPC-T claims in the future, subject to prudence check and in line with the provisions set out under the applicable MYT Regulations notified by the Commission.

4.11.3. Revenue from Transmission Charges

TPC-T's Submission

4.11.4. TPC-T has submitted that, the projected revenue for FY 2024-25 has been considered as approved in the InSTS Tariff Order dated 31 March, 2023 in Case No. 239 of 2022 applicable for FY 2024-25.

Commission's Analysis and Ruling

4.11.5. The Commission has considered the revenue from Transmission Charges for FY 2024-25 in line with the InSTS Order in Case No. 239 of 2019 applicable for FY 2024-25, as summarised in the following Table:

Table 67: Revenue from Transmission Charges for FY 2024-25 approved by the Commission (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Revenue from Transmission Charges	925.71	925.71	925.71

4.11.6. **Accordingly, the Commission approves the Revenue from the Transmission Charges of Rs. 925.71 Crore for the Provisional True-up of FY 2024-25.**

4.12. Summary of Provisional Truing-up of FY 2024-25

TPC-T's Submission

4.12.1. TPC-T has submitted its provisional ARR for FY 2024-25, as shown in the Table below:

Table 68: Provisional Truing-up for FY 2024-25, as submitted by TPC-T (Rs. Crore)

Particulars	MTR Approved	MYT Petition
Operation & Maintenance Expenses	239.25	261.37
Additional R&M Expenses due to shifting of certain items from Non-DPR Capex	0.00	0.00
Depreciation Expenses	268.97	280.72
Interest on Loan Capital	151.68	208.09
Refinancing and Other Finance Charges	0.00	0.00
Interest on Working Capital	18.92	21.36
Contribution to contingency reserves	16.13	16.48
Total Revenue Expenditure	**694.94**	**788.02**
Add: Return on Equity Capital	287.12	301.76
Aggregate Revenue Requirement	**982.06**	**1089.78**
Less: Non-Tariff Income	52.85	34.39
Past Recoveries	-3.52	-3.52
Aggregate Revenue Requirement from Transmission	**925.71**	**1051.87**
Revenue from Transmission Tariff	**925.71**	**925.71**
Revenue Gap/(Surplus)		**126.16**

Commission's Analysis and Ruling

4.12.2. The summary of the ARR and Revenue Gap/(Surplus) approved by the Commission after provisional true-up for FY 2024-25 is provided in the Table below:

Table 69: Provisional Truing-up for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Operation & Maintenance Expenses	239.25	261.37	250.04
Depreciation Expenses	268.97	280.72	269.11
Interest on Loan Capital	151.68	208.09	192.01
Interest on Working Capital	18.92	21.36	21.16
Contribution to contingency reserves	16.13	16.48	16.25
Total Revenue Expenditure	**694.94**	**788.02**	**748.57**

Particulars	MTR Approved	MYT Petition	Approved post Provisional True-up
Add: Return on Equity Capital	287.12	301.76	289.43
Aggregate Revenue Requirement	**982.06**	**1089.78**	**1038.00**
Less: Non-Tariff Income	52.85	34.39	35.22
Past Recoveries	-3.52	-3.52	-3.52
Aggregate Revenue Requirement from Transmission	**925.71**	**1051.87**	**999.26**
Revenue from Transmission Tariff	**925.71**	**925.71**	**925.71**
Revenue Gap/(Surplus)		**126.16**	**73.55**

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

4.12.4. The Commission approves a provisional stand-alone Revenue Gap of Rs. 73.55 Crore for FY 2024-25, as shown in the above Table, which has been adjusted in the ARR of FY 2025-26, as elaborated under **Section 5**.

5. AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26 TO FY 2029-30

5.1. Background

5.1.1. In accordance with MYT Regulations, 2024, TPC-T has submitted the projected ARR for each year of the 5th Control Period from FY 2025-26 to FY 2029-30. The Commission has discussed the expenditure allowed on each of the expense heads and the total expenses approved by it for the 5th Control Period in the subsequent paragraphs.

5.1.2. The Commission notes that TPC-T has revised its claims for MYT 5th Control Period in compliance to the directions of the Commission vide Daily Order dated 8 January, 2025 post filing of the revised Petition. Hence, to that extent the numbers worked out in excel model are different from the revised Petition. The Commission has considered the amount claimed by TPC-T in its latest financial model to be TPC-T's claim for the purpose of this Order.

5.2. Capital Expenditure and Capitalisation

TPC-T's Submission

5.2.1. TPC-T has projected capital expenditure and capitalisation for the Control Period FY 2025-26 to FY 2029-30 as provided in the Table below along with the breakup of capitalisation as DPR and Non-DPR:

Table 70: Capital Expenditure for FY 2025-26 to FY 2029-30, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Non-DPR Schemes					
Total Carry Forward Schemes	0.00	0.00	0.00	0.00	0.00
New Schemes	0.00	15.00	0.00	0.00	0.00
HO & SS Allocation	0.00	0.00	0.00	0.00	0.00
Total (A)	**0.00**	**15.00**	**0.00**	**0.00**	**0.00**
DPR Cases					
Carry Forward Schemes	0.00	0.00	0.00	0.00	0.00
New Schemes	2348.55	2163.00	2128.00	815.00	510.00
Total (B)	**2348.55**	**2163.00**	**2128.00**	**815.00**	**510.00**
Total Transmission (A+B)	**2348.55**	**2178.00**	**2128.00**	**815.00**	**510.00**

Table 71: Capitalisation for FY 2025-26 to FY 2029-30, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Non-DPR Schemes					
Total Carry Forward Schemes	0.00	0.00	0.00	0.00	0.00
New Schemes	0.00	15.00	0.00	0.00	0.00
HO & SS Allocation	0.00	0.00	0.00	0.00	0.00
Total (A)	**0.00**	**15.00**	**0.00**	**0.00**	**0.00**
DPR Cases					
Carry Forward Schemes	0.00	0.00	0.00	0.00	0.00
New Schemes	1106.55	2499.00	3041.00	965.00	610.00
Total (B)	**1106.55**	**2499.00**	**3041.00**	**965.00**	**610.00**
Total Transmission (A+B)	**1106.55**	**2514.00**	**3041.00**	**965.00**	**610.00**

5.2.2. As can be seen from the above Table, the capital expenditure / capitalisation proposed from FY 2025-26 to FY 2029-30 is for the DPRs already approved by the Commission, DPRs submitted to the Commission and for DPRs planned to be submitted to the Commission but for the schemes which are a part of 10 Year STU plan published on 5 September, 2024. The details of all the schemes considered for projections of Capex, Capitalization and normative O&M expenditure have been submitted as part of the Petition. Additionally, the current status of the scheme and action plan for completion of project as per projected timelines, reference of the scheme in 10-year STU Plan and in 4th Amendment of Transmission Licence, scope of the work, need and benefits of the proposed schemes are also submitted as part of the Petition.

5.2.3. The broad categories of the Capital Expenditure Schemes to be executed over FY 2025-26 to FY 2029-30 are proposed under follows major categories:

a. Installation of new EHV Substations
b. Installation/replacement of Power Transformers
c. Installation of interconnections, Reactors for system reliability requirements
d. Replacement of aged Oil filled EHV cables with XLPE cable.
e. Conversion of AIS to GIS for operational Reliability.
f. Installation of Centralized BESS

Commission's Analysis and Ruling

5.2.4. The Commission has scrutinised all the DPR Schemes towards the Capitalisation submitted by TPC-T. Out of the total Capitalisation of Rs. 8221.55 Crore claimed by TPC-T as part of the projections over the 5th Control Period it was observed that, only

DPR schemes of Rs. 676.55 Crore are in-principally approved by the Commission, DPR Schemes of Rs. 1839 Crore are submitted to the Commission for in-principal approval and DPR for remaining Schemes of Rs 5706 Crore are yet to be submitted for in-principal approval of the Commission. The same is summarised in the Table below:

Table 72: Capitalisation Break-up for 5th Control Period proposed by TPC-T (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DPR Approved by the Commission	676.55	-	-	-	-
DPR Submitted for Approval	400.00	491.00	948.00	-	-
DPR to be Submitted	30.00	2,008.00	2,093.00	965.00	610.00
Total Capitalisation – DPR Schemes	**1,106.55**	**2,499.00**	**3,041.00**	**965.00**	**610.00**

5.2.5. In addition to the above, the Commission has also deferred/shifted few DPR Schemes of Rs. 345 Crore from FY 2024-25 to FY 2025-26, considering the expected completion of Schemes to be achieved by TPC-T during FY 2025-26.

5.2.6. For the Schemes whose DPRs are yet to be submitted, it is observed majority of the Schemes are forming the part of 10th STU Plan published on 5 September, 2024 and therefore are essential for the Mumbai Transmission strengthening. However, since majority of the Scheme proposed to be capitalised during the 5th Control Period from FY 2025-26 to FY 2029-30 are yet to be approved by the Commission, the entire approval of Capitalisation towards such Schemes without in-principal approval will lead to significant increases in the ARR during the MYT years. Further, the capitalisation claimed by TPC-T for each year of the Control Period is much higher than the past trend of actual capitalisation approved by the Commission in the previous years.

5.2.7. Accordingly, the Commission sought justification from TPC-T for claiming such higher capitalisation over the entire 5th Control Period and accordingly asked to revisit its capitalisation claimed as part of the admitted Petition, where the overall capitalisation proposed by TPC-T during the entire 5th Control Period was Rs. 11,741 Crore and submit the realistic plan. TPC-T in compliance to the Daily Order dated 8 January, 2025, has reduced the capitalisation to Rs. 8221.55 Crore over the 5th Control Period.

5.2.8. The Commission notes the submission of TPC-T in respect of its capability of achieving the maximum capitalisation as proposed in the Petition, while focusing in further strengthening the Mumbai Transmission System. The Commission is of the view that approving capitalisation as proposed by TPC-T in absence of in-principal approval will have significant per unit impact on the end consumer and same would be not be justified. Further, disallowance of the entire unapproved DPR schemes would also understate the ARR over the 5th Control Period as the True-up exercise will be conducted after completion of the 5th Control Period and accordingly, it will result in steep increase in the ARR Gap at the time of True-up resulting in additional burden of carrying cost on the consumers.

5.2.9. Accordingly, to balance the interest of TPC-T and Consumers , the Commission for the purpose of projecting the capitalisation for the 5th Control Period has considered the past trend of the capitalisation of DPR schemes from FY 2021-22 to FY 2023-24 and DPR Schemes approved by the Commission. Accordingly, the Commission has allowed higher of the two numbers i.e., DPRs approved or average of last 3 years actual Capitalisation, excluding the Non-DPR schemes as approved by the Commission i.e., from FY 2021-22 to FY 2023-24.

Table 73: Trend of Past Capitalisation approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average
Trend of Capitalisation (DPR Schemes)	350.12	738.56	622.76	**570.48**

Table 74: Details of Approved DPR Schemes over the 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DPR Capitalisation *(a+b)*	1451.55	2499.00	3041.00	965.00	610.00
Approved DPR	**1021.55***	**0.00**	**0.00**	**0.00**	**0.00**
DPR Submitted; Yet to be submitted	430.00	2499.00	3041.00	965.00	610.00

**Rs. 676.55 Crore + Rs. 345 Crore towards the DPR Schemes shifted from FY 2024-25 to FY 2025-26*

5.2.10. The Capitalisation approved by the Commission for the 5th Control Period is provided in the Table below:

Table 75: Capitalisation for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DPR Schemes	1021.55	570.48	570.48	570.48	570.48
Non-DPR Schemes	0.00	15.00	0.00	0.00	0.00
Total Capitalisation	**1021.55**	**585.48**	**570.48**	**570.48**	**570.48**

5.2.11. TPC-T has claimed the Rs. 15 Crore towards the Non-DPR scheme during FY 2026-27 towards the 'Augmentation and strengthening of 110 kV Trombay Mankhurd Corridor by construction of 110 kV Trombay Mankhurd line'. The Commission for the purpose of projections has allowed the claims towards such Non-DPR scheme since, the claim is within the 30% limit of the DPR Scheme as per MYT Regulations, 2024. It is observed that, TPC-T has not claimed any capitalisation towards HoSS, hence, the same is approved to be as 'Nil' for the entire 5th Control Period from FY 2025-26 to FY 2029-30.

5.2.12. The implementation of schemes is important and crucial for strengthening of the Mumbai Transmission System and reliability of supply to Mumbai Consumers. Further, there is no Mid-term Review for Transmission and True-up will happen only after 5 years, Thus, it is essential that there is monitoring of schemes to be executed by the Transmission Licensees for timely completion and achieve the objective of approval of such schemes. Accordingly, the Commission directs TPC-T to submit half yearly status of the all DPR Schemes proposed by TPC-T to be capitalised during the 5th Control Period to STU and STU shall share the summary report to the Commission on Annual basis showing the scheme progress and completion status for all the Transmission Licensees.

5.2.13. In addition to the above, the Commission further directs TPC-T that it shall in consultation with STU identify the Schemes above Rs. 200 Crore which would undergo the Tariff Based Competitive Bidding (TBCB) in accordance with the MYT Regulations, 2024.

5.2.14. The Commission, during the course of the Control Period, identify certain Schemes which are completed and capitalised for Third Party Asset Verification and based on the report may take appropriate view on capitalisation to be approved for such Schemes.

5.3. Operation and Maintenance Expenses

TPC-T's Submission

5.3.1. TPC-T has referred to the Regulation 80 of the MYT Regulations, 2024 providing the O&M Expenditure norms applicable to a Transmission Licensee for the 5th Control Period from FY 2025-26 to FY 2029-30.

5.3.2. Accordingly, TPC-T projected Normative O&M expenditure for FY 2025-26 to FY 2029-30 considering the number of Transmission Bays, Transmission Line lengths and Transformation Capacity expected to be in operations during these years. The opening Bays and Transmission Line lengths for FY 2025-26 has been considered as equal to the closing numbers of FY 2024-25 as arrived at in the previous section. The transformation capacity projected at the end of FY 2024-25 has been considered as opening of FY 2025-26. As the transformation capacity norm is being introduced in FY 2025-26 for the first time, TPC-T has provided the details of the Transformation capacity up to end of FY 2024-25 and annexed the same as part of the Petition.

5.3.3. The projections are in line with the 4th Transmission Licence Amendment Order in Case No. 13 of 2024 to the extent of capitalisation proposed against upcoming Capex Schemes and also in line with the 10 Year STU Plan for FY 2024-25 to FY 2033-34 published on 5 September, 2024. Accordingly, the projected Transmission Bays, Transmission Line length and Transformation Capacity used for computation are as shown in the Tables below:

Table 76: Projection of Bays for the Period FY 2025-26 to FY 2029-30, as submitted by TPC-T

Equipment	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Bays (400 kV)					
Opening	0	0	17	17	17
Additions	0	17	0	0	0
Closing	0	17	17	17	17
Average	**0**	**9**	**17**	**17**	**17**
Bays (between 66 kV and 400 kV)					
Opening	491	496	517	558	581
Additions	5	21	41	23	7
Closing	496	517	558	581	588
Average	**494**	**507**	**538**	**570**	**585**
Bays (< 66 kV)					
Opening	1157	1157	1184	1221	1234
Additions	0	27	37	13	25
Closing	1157	1184	1221	1234	1259
Average	**1157**	**1171**	**1203**	**1228**	**1247**

Table 77: Projection of Line Length (Ckt. km) for the Period FY 2025-26 to FY 2029-30, as submitted by TPC-T

Equipment	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Ckt Km (400 kV)					
Opening	0	0	12	12	12
Additions	0	12	0	0	0
Closing	0	12	12	12	12
Average	**0**	**6**	**12**	**12**	**12**
Ckt Km (between 66 kV and 400 kV)					
Opening	1319	1399	1424	1471	1476

Equipment	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Additions	80	25	46	5	2
Closing	1399	1424	1471	1476	1478
Average	**1359**	**1412**	**1448**	**1473**	**1477**

Table 78: Transformational Capacity (MVA) proposed in FY 2025-26 to FY 2029-30, as submitted by TPC-T

Equipment	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
MVA (400 kV)					
Opening	0	0	1000	1000	1000
Additions	0	1000	0	0	0
Closing	0	1000	1000	1000	1000
Average	**0**	**500**	**1000**	**1000**	**1000**
MVA (between 66 kV and 400 kV)					
Opening	11119	11149	11329	12814	14314
Additions	30	180	1485	1500	325
Closing	11149	11329	12814	14314	14639
Average	**11134**	**11239**	**12071**	**13564**	**14476**

5.3.4. TPC-T submitted that the addition of Bays, Line lengths and MVA capacity have been considered based on combination of following schemes to the extent of the capitalisation proposed in this Petition:

a. DPRs having In-Principal clearance from the Commission,
b. DPRs submitted to the Commission for In-Principal approval but yet to be approved by the Commission
c. DPRs to be submitted to the Commission for the schemes which are included STU's 10 Year Plan.

5.3.5. TPC-T has also included the schemes currently not part of amended Licence (i.e.4th Amendment of Transmission Licence No. 1 of 2014 issued in Case No. 13 of 2024) but are part of 10-Year STU Plan which was published on 5 September, 2024 i.e. after completion of proceedings for Case No. 13 of 2024.

5.3.6. Considering the above and the norms specified by the Commission in the MYT Regulations, 2024, the Normative O&M Expenditure for FY 2025-26 to FY 2029-30 is computed by TPC-T.

5.3.7. TPC-T has proposed addition of 400 kV Bays, Lines and MVA capacity in FY 2026-27 as shown in Tables above. Since, the O&M norms for 400 kV voltage level have not been specified for TPC-T in MYT Regulations, 2024, for computation of normative O&M expenditure for 400 kV assets, O&M norms for New Transmission Licensee have been considered.

5.3.8. Further, the expenditure towards Auxiliary consumption of TPC-T Receiving Stations needs to be added to the O&M expenditure. For the purpose of projection of the same for FY 2025-26 to FY 2029-30, it has been taken equal to projected energy charges of FY 2024-25 i.e. Rs. 27.18 Crore.

5.3.9. TPC-T has submitted details of Opex Schemes for approval of the Commission, which was discussed in the previous Sections above. Out of the schemes submitted for approval, the schemes mentioned in below table are planned to be partly executed in FY 2024-25 and in FY 2025-26. Accordingly, the O&M expenditure of Rs. 0.20 Crore has been considered for estimation of O&M expenditure in FY 2025-26.

5.3.10. Accordingly, after considering the expenditure towards auxiliary consumption of all the Transmission Receiving stations of TPC-T i.e. Rs. 27.18 Crore and expenditure towards Opex schemes i.e. Rs. 0.20 Crore in FY 2025-26, the O&M expenditure from FY 2025-26 to FY 2029-30 works out as shown in Table below. TPC-T requested the Commission to approve the same.

Table 79: Projection of Normative O&M Expense including Energy Charges and OPEX as submitted by TPC-T (Rs. Crore)

Particulars	FY 2025-26 (Proposed)	FY 2026-27 (Proposed)	FY 2027-28 (Proposed)	FY 2028-29 (Proposed)	FY 2029-30 (Proposed)
Normative O&M Expenditure	269.09	296.59	332.02	368.69	395.81
Energy Charges	27.18	27.18	27.18	27.18	27.18
O&M Expenses towards IT projects	0.20	0.00	0.00	0.00	0.00
Total O&M expenditure	**296.26**	**323.77**	**359.20**	**395.86**	**422.98**

Commission's Analysis and Ruling

5.3.11. The Commission has considered the closing no. of Bays and Line for FY 2024-25 approved in this MYT Order as opening no. of Bays and Line for FY 2025-26. It is observed that, TPC-T has proposed to introduce 400 kV level Bays, Line Length and MVA capacity from FY 2026-27 onwards. Further, TPC-T in compliance to the direction given by the Commission vide Daily Order dated 8 January, 2025, has submitted its Revised MYT Formats by revisiting its capitalisation proposed for the 5th Control Period.

5.3.12. As discussed above, the Commission has approved the Capitalisation for the 5th Control Period from FY 2025-26 to FY 2029-30, by considering the maximum of the amount of DPR Schemes approved for the respective years during the 5th Control Period or 3 years average of latest actual capitalisation approved by the Commission (FY 2021-22 to FY 2023-24). Accordingly, the Commission has considered the Numbers of Bays, Line Length and MVA capacity proposed to be added during the year along with the Bays and Line Length deferred from FY 2024-25 to FY 2025-26 in terms of the percentage of approved Capitalisation and the Capitalisation proposed by Petitioner, for respective years of 5th Control Period on pro-rata basis.

5.3.13. The impact of actual number of Bays added and put to use in these years shall be considered at the time of True-up for the respective years. The approved Bays, Transmission line length and MVA Capacity for the 5th Control Period is shown in the Table below:

Table 80: Bays, Transmission Line Length and MVA capacity approved for FY 2025-26 to FY 2029-30

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Transmission Lines (Ckt. Km)					
400 kV					
Opening	0.00	0.00	2.79	2.79	2.79
Addition	0.00	2.79	0.00	0.00	0.00
Closing	0.00	2.79	2.79	2.79	2.79
Average	**0.00**	**1.40**	**2.79**	**2.79**	**2.79**
Between 66 kV and 400 kV)					
Opening	1315.37	1391.58	1397.51	1406.19	1409.15
Addition	76.21	5.93	8.69	2.96	1.87
Closing	1391.58	1397.51	1406.19	1409.15	1411.02
Average	**1353.47**	**1394.54**	**1401.85**	**1407.67**	**1410.08**
Bays (Nos.)					
400 kV					
Opening	0	0	4	4	4
Addition	0	4	0	0	0
Closing	0	4	4	4	4
Average	**0**	**2**	**4**	**4**	**4**
Between 66 kV and 400 kV)					
Opening	487	494	499	508	522
Addition	7	5	9	14	7
Closing	494	499	508	522	529
Average	**491**	**497**	**504**	**515**	**526**
<66 kV					
Opening	1076	1133	1140	1147	1155

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Addition	57	7	7	8	24
Closing	1133	1140	1147	1155	1179
Average	**1105**	**1137**	**1144**	**1151**	**1167**
Transformational Capacity (MVA)					
400 kV					
Opening	0.00	0.00	233.00	233.00	233.00
Addition	0.00	233.00	0.00	0.00	0.00
Closing	0.00	233.00	233.00	233.00	233.00
Average	**0.00**	**116.50**	**233.00**	**233.00**	**233.00**
Between 66 kV and 400 kV)					
Opening	11118.50	11146.50	11188.50	11467.50	12354.50
Addition	28.00	42.00	279.00	887.00	304.00
Closing	11146.50	11188.50	11467.50	12354.50	12658.50
Average	**11132.50**	**11167.50**	**11328.00**	**11911.00**	**12506.50**

5.3.14. The Commission in accordance to Regulation 80.2 of the MYT Regulations, 2024 and Regulation 80.9 (Norms for New Transmission Licensee) for new 400 kV system has computed the Normative O&M Expenses for the 5th Control Period. The normative O&M expenses approved by the Commission for FY 2025-26 to FY 2029-30 are summarised in the following Table:

Table 81:Normative O&M Expenditure approved for 5th Control Period (Rs. Crore)

Category	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Transmission Lines (Ckt. Km)						
400 kV	Ckt. km	0.00	1.40	2.79	2.79	2.79
Norms as per Regulation*	Rs. Lakh/Ckt km	0.54	0.56	0.59	0.61	0.64
Between 66 kV and 400 kV)	Ckt. km	1353.47	1394.54	1401.85	1407.67	1410.08
Norms as per Regulation	Rs. Lakh/Ckt km	7.37	7.70	8.04	8.41	8.78
O&M Expenses for Lines (A)	**Rs. Crore**	**99.75**	**107.39**	**112.73**	**118.40**	**123.82**
Bays (Nos.)						
400 kV	No.	0	2	4	4	4
Norms as per Regulation*	Rs. Lakh/Bay	95.83	100.14	104.63	109.33	114.24
Between 66 kV and 400 kV)	No.	491	497	504	515	526
Norms as per Regulation	Rs. Lakh/Bay	13.07	13.66	14.27	14.91	15.58
<66 kV	No.	1105	1137	1144	1151	1167
Norms as per Regulation	Rs. Lakh/Bay	2.73	2.85	2.98	3.12	3.26
O&M Expenses for Bays (B)	**Rs. Crore**	**74.25**	**80.08**	**86.01**	**91.31**	**96.50**

Category	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Transformational Capacity (MVA)						
400 kV	MVA	0.00	116.50	233.00	233.00	233.00
Norms as per Regulation*	Rs. Lakh/MVA	0.51	0.53	0.55	0.58	0.61
Between 66 kV and 400 kV	MVA	11132.50	11167.50	11328.00	11911.00	12506.50
Norms as per Regulation	Rs. Lakh/MVA	0.84	0.88	0.91	0.96	1.00
O&M Expenses for MVA (V)	**Rs. Crore**	**93.51**	**98.89**	**104.37**	**115.70**	**126.49**
Total Normative O&M Expenses (A+B+C)	**Rs. Crore**	**267.52**	**286.36**	**303.10**	**325.41**	**346.81**

5.3.15. As per the provision of the Regulation 80.9 of the MYT Regulations 2024, the O&M expenses for the GIS bays are worked out by multiplying 0.70 to the norms approved for TPC-T as well as the norms considered for the new 400 kV system. The Commission has additionally considered the energy charges towards auxiliary consumption of the Transmission Receiving Stations, same as energy charges approved for FY 2023-24 in this MYT Order, since the Energy Charges proposed for FY 2024-25 is on a higher side of Rs. 27.18 Crore as compared to Rs. 19.89 Crore approved for FY 2023-24.

5.3.16. With regards to the TPC-T's claim towards the OPEX Scheme approved in the previous year of Rs. 0.20 Crore, it is observed that, based on the documentary evidence submitted by TPC-T as part of the Petition, TPC-T has already claimed the entire cost during of Rs. 2.14 Crore FY 2022-23 (Rs. 0.77 Crore) and FY 2023-24 (Rs. 1.37 Crore) as approved by the Commission in the above Section. Accordingly, in absence of proper justification for seeking such additional cost, the Commission has not allowed Opex of Rs. 0.20 Crore claimed during FY 2025-26 by TPC-T.

5.3.17. The summary of the total O&M Expenses approved by the Commission for 5th Control Period is provided as under:

Table 82: Total O&M Expenditure approved for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M Expenses	267.52	286.36	303.10	325.41	346.81
Add: Energy Charges	19.89	19.89	19.89	19.89	19.89
OPEX Expenses	0.00	0.00	0.00	0.00	0.00
Total O&M Expenses	**287.41**	**306.25**	**322.99**	**345.30**	**366.70**

5.4. Depreciation

TPC-T's Submission

5.4.1. TPC-T has computed the Depreciation by applying the rate as arrived at for FY 2023-24 for computation of existing assets and assets planned to be commissioned in FY 2024-25. Depreciation for the assets planned to be commissioned from FY 2025-26 to FY 2029-30 has been considered at new rates applicable under as per Regulation 28.1 (c) of the MYT Regulations, 2024.

5.4.2. Accordingly, the Depreciation for FY 2025-26 to FY 2029-30 has been split for Existing and New assets and details of the same are provided in Form F4.1 (E) Existing and F4.1 (N) New enclosed to the Petition. The combined depreciation projected for FY 2025-26 to FY 2029-30 is worked out in the Table below:

Table 83: Depreciation as submitted by TPC-T for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	7211.70	8318.25	10832.25	13873.25	14838.25
Addition during the year	1106.55	2514.00	3041.00	965.00	610.00
Less: Retirement during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	8318.25	10832.25	13873.25	14838.25	15448.25
Average Depreciation Rate	4.08%	4.09%	4.09%	4.09%	4.09%
Depreciation	**317.08**	**391.30**	**505.18**	**587.30**	**619.58**

5.4.3. Further, TPC-T submitted that it has written letter to the Commission seeking certain clarifications on the applicable Deprecation Rate set out under MYT Regulations, 2024. TPC-T requested the Commission to provide the necessary clarification to enable TPC -T to make the necessary changes in their system.

Commission's Analysis and Ruling

5.4.4. The Regulation 28.1 of the MYT Regulations, 2024 provides as under:

"28.1 The Generating Company, Licensee, ESSD, MSLDC and STU shall be permitted to recover depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:

Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation for the Existing Capital Schemes or Existing Assets shall be calculated annually based on the straight-line method at the rates specified in the Annexure I to these Regulations for the assets of the Generating Company or Licensee or ESSD or MSLDC or STU:

Provided that the Generating Company or Licensee or ESSD or MSLDC or STU shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of twelve years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation:

Provided further that the Generating Company or Licensee or ESSD or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: *The term "Existing Capital Schemes" or "Existing Assets" here means the Capital Schemes or the Assets, including Non-DPR schemes which are commissioned on or before the March 31, 2025 or Assets in-principally approved by the Commission before the notification of these Regulations for the Generating Company or Licensee or MSLDC or STU or ESSD."*

(c) Depreciation for the New Capital Schemes or New Assets shall be computed annually based on the straight-line method at the rates specified in the ***Annexure II*** *to these Regulations for the assets of the Generating Company or Licensee or MSLDC or STU or ESSD:*

Provided that the Generating Company or Licensee or MSLDC or STU or ESSD shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of fifteen years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation:

Provided further that the Generating Company or ESSD or Licensee or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: *The term "New Capital Schemes" or "New Assets" here means the Capital Schemes or the Assets, which not covered under Existing Assets.*

(d) The salvage value of the asset shall be considered as 10.00%, and depreciation shall be allowed up to the maximum of 90.00% of the allowable capital cost of the asset:

Provided that the Generating Company, ESSD or Licensee or MSLDC or STU shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL or 0.00% and 100% or entire value of the assets shall be considered depreciable."

5.4.5. For the computation of Depreciation for the 5th Control Period from FY 2025-26 to FY 2029-30, in case of existing assets the Commission has considered the closing GFA of FY 2024-25 as provisionally Trued-up in this MYT Order as the Opening balance of GFA for FY 2025-26. The asset addition during the year has been considered equal to the capitalisation approved in the MYT Order for each year of the Control Period. The average rate of Depreciation for the purpose of Projection of the existing assets, which also includes DPR for which in-principal approval is given by the Commission before the notification of MYT Regulations, 2024 over the 5th Control Period is considered as 4.08% as approved for FY 2023-24 in this Order.

5.4.6. The Commission has approved capitalisation based on the principle as enunciated herein above in the Order. Such capitalisation of New Assets (as per MYT Regulations, 2024) is from FY 2025-26 onwards. For such New Assets, the Commission has considered the opening balance as 'Nil' during FY 2025-26 due to different Depreciation rate applicable to such New Assets as per MYT Regulations, 2024. The Commission has considered the Depreciation rate provided under 'Annexure II' of the MYT Regulations, 2024 for computing the Depreciation pertaining to the New Assets being added over the entire 5th Control Period based on the Capitalisation approved by the Commission in this MYT Order for the respective years.

5.4.7. The Depreciation so worked out for Existing as well as the New Assets are combined and accordingly approved as the Depreciation projected for the 5th Control Period. The summary of the Depreciation approved by the Commission for the 5th Control Period from FY 2025-26 to FY 2029-30 is provided in the Table below:

Table 84: Depreciation as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	6737.56	7759.11	8343.59	8914.07	9484.55
Addition during the year	1021.55	585.48	570.48	570.48	570.48
Less: Retirement during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	7759.11	8343.59	8914.07	9484.55	10055.03
Average Depreciation Rate	4.08%	4.08%	4.08%	4.08%	4.08%
Depreciation	**295.89**	**328.75**	**352.39**	**375.74**	**399.08**

5.4.8. Regulation 28(c) of the MYT Regulations, 2024 specifies that the Licensee shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of fifteen years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation. With regard to this proviso, the Commission understands that there is ambiguity in interpretation of this Regulation as rate of depreciation of 4.22% considered for 15 years translates into 63.3% and not 70%. In this regard, the Commission notes that, Annexure II specifies the deprecation rates for different class of assets. The depreciation rates for some of assets are higher than 4.22%, which can achieve the cumulative deprecation up to 70% before 15 years. Hence, in this regard, the Commission clarifies that the above said provision shall be interpreted as under:

"The Licensee shall ensure that once the individual asset is depreciated to the extent of seventy percent or upto 15 years, whichever comes earlier, remaining depreciable value as on 31st March of the year closing after such period from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life."

5.5. Interest on Loan Capital

TPC-T's Submission

5.5.1. TPC-T has submitted that, Tata Power has been availing Loans from time to time for financing its capital expenditure and would continue to tie up loans during FY 2025-26 to FY 2029-30 depending on the capital expenditure requirements, phasing and for the purpose of refinancing done if any therein. In view of this, it may be difficult to predict the interest rates for FY 2025-26 to FY 2029-30. Hence, the interest on Loan has been arrived based on the closing balance of loan for FY 2024-25, and additions projected above for the period FY 2025-26 to FY 2029-30. The interest rate has been considered at the provisional rate up to December, 2024 of 9.10% during FY 2024-25.

5.5.2. Further, as mentioned in the MYT Regulations, 2024, the repayment of loans has been considered equal to the depreciation estimated for the respective year. Accordingly, the Interest on Loan for FY 2025-26 to FY 2029-30 has been worked out and summarised in the Table below:

Table 85: Interest on Loan Capital, as submitted by TPC-T for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of Loan	2365.13	2822.63	4191.13	5814.66	5902.86
Addition of Loan during the year	774.59	1759.80	2128.70	675.50	427.00
Repayment of Loan	317.08	391.30	505.18	587.30	619.58
Closing balance of Loan	2822.63	4191.13	5814.66	5902.86	5710.28
Interest Rate	**9.10%**	**9.10%**	**9.10%**	**9.10%**	**9.10%**
Interest Expenses	**236.02**	**319.09**	**455.21**	**533.09**	**528.34**

Commission's Analysis and Ruling

5.5.3. The opening loan of FY 2025-26 has been considered equal to the closing loan for FY 2024-25 as approved in the Provisional True-up of FY 2024-25, under Section 4 above.

5.5.4. The Commission has considered the Debt portion for each of the financial year of the 5th Control Period equal to 70% of the capitalisation approved in this MYT Order foe the respective year. The loan repayments have been considered equal to the Depreciation approved for the respective years, in accordance with Regulation 28 of the MYT Regulations, 2024. The interest rate has been considered to the interest rate submitted by TPC-T at 9.10%, which is provisional weighted average rate of loan portfolio up to December, 2024. TPC-T in its Petition has considered the rate of Interest of 9.02% approved for the True-up year FY 2023-24, however, in compliance to the directions of the Commission vide Daily Order dated 8 January, 2025, TPC-T has revised its computation for Interest on Loan Capital, while considering the latest available Interest Rate.

5.5.5. Accordingly, the Interest on Long Term loan has been computed on the normative average loan for each year of the 5th Control Period. The interest expenses on Long-Term loan approved by the Commission for the 5th Control Period from FY 2025-26 to FY 2029-30 is summarised in the Table below:

Table 86: Interest on Loan Capital, as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of Loan	2039.90	2459.10	2540.19	2587.13	2610.73
Addition of Loan during the year	715.09	409.84	399.34	399.34	399.34
Repayment of Loan	295.89	328.75	352.39	375.74	399.08
Closing balance of Loan	2459.10	2540.19	2587.13	2610.73	2610.99
Interest Rate	**9.10%**	**9.02%**	**9.10%**	**9.02%**	**9.10%**
Interest Expenses	**204.68**	**225.40**	**233.27**	**234.36**	**237.56**

5.6. Interest on Working Capital

TPC-T's Submission

5.6.1. TPC-T has referred to Regulation 32.2 of the MYT Regulation, 2024 and accordingly worked out the Interest on Working Capital for the 5th Control Period from FY 2025-26 to FY 2029-30 by considering the rate of IoWC at 10.50%, which is same as that considered for FY 2024-25, since the SBI 1 Year MCLR rate was 9.00% at the time of filing this MYT Petition. The summary of the Interest of Working Capital claimed by TPC-T for FY 2025-26 to FY 2029-30 is provided in the Table below:

Table 87: Interest on Working Capital, as submitted by TPC-T for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for 1 Month	24.71	26.98	29.93	32.99	35.25
Maintenance spares at 1% of the opening GFA for the year	72.12	83.18	108.32	138.73	148.38
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	245.28	188.19	241.63	301.61	291.25
Total Working Capital Requirement	**342.11**	**298.35**	**379.89**	**473.33**	**474.88**
Rate of Interest (% p.a.)	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	**35.92**	**31.33**	**39.89**	**49.70**	**49.86**

Commission's Analysis and Ruling

5.6.2. The Regulation 32.2 of the MYT Regulations, 2024 provides as under:

*"**32.2 Transmission***

(a) The working capital requirement of the Transmission Licensee shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and a half months equivalent of the expected revenue from transmission charges at the Tariff approved in the Order for ensuing year(s);

minus

(iv) Amount held as security deposits in cash, if any, from Transmission System Users:

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;

(b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points:

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points."

5.6.3. Accordingly, the Commission has considered the rate of Interest for the computation of IoWC at 10.50% considering the applicable 1 Year SBI MCLR of 9.00% at the time of filing Petition plus 150 basis points.

5.6.4. The computation of the normative IoWC approved by the Commission for the 5th Control Period from FY 2025-26 to FY 2029-30, is summarised in the Table below:

Table 88: Interest on Working Capital, as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for 1 Month	23.97	25.52	26.92	28.78	30.56
Maintenance spares at 1% of the opening GFA for the year	67.37	77.58	83.44	89.14	94.85
One and a half month of the expected revenue from transmission charges at the prevailing tariffs	185.26	157.02	166.31	175.88	185.06
Total Working Capital Requirement	**276.59**	**260.12**	**276.66**	**293.80**	**310.46**
Rate of Interest (% p.a.)	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	**29.04**	**27.31**	**29.05**	**30.85**	**32.60**

5.7. Return on Equity

TPC-T's Submission

5.7.1. TPC-T has considered the rate of RoE at 15.50% for purposed of projecting the RoE for the 5th Control Period as per Regulation 29 of the MYT Regulations, 2024.

5.7.2. With regards to the Income Tax Rate, TPC-T while referring to the Regulation 34.1 of the MYT Regulations, 2024 has submitted that, the Income Tax Rate approved by the Commission is 'Nil' and hence considering the capitalised expenditure and the Debt: Equity ratio of 70:30, the Return on Equity is worked out considering only the rate of RoE at 15.50% for FY 2025-25 to FY 2029-30. The summary of the Return on Equity claimed by TPC-T for the 5th Control Period is provided in the Table below:

Table 89: Return on Equity, as submitted by TPC-T for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year (A)	**2240.23**	**2572.19**	**3326.39**	**4238.69**	**4528.19**
Less: Equity portion of Asset Decapitalised	0.00	0.00	0.00	0.00	0.00
Capitalisation during the year (B)	1106.55	2514.00	3041.00	965.00	610.00
Equity portion of the Capital Expenditure capitalised during the year (C = B*30%)	331.97	754.20	912.30	289.50	183.00
Regulatory Equity at the end of the year (D)	**2572.19**	**3326.39**	**4238.69**	**4528.19**	**4711.19**
Pre-tax rate of Equity after considering effective tax rate (E)	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year (F=A*E)	347.24	398.69	515.59	657.00	701.87

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Regulatory Equity on Capitalisation during the year (G=C*E/2)	25.73	58.45	70.70	22.44	14.18
Total Return on Regulatory Equity (C+D)	**372.96**	**457.14**	**586.29**	**679.43**	**716.05**

Commission's Analysis and Ruling

5.7.3. The Regulation 29.1 and 29.2 (i) of the MYT Regulations, 2024 provides as under:

"29.1 Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Performance Linked Return on Equity linked with actual performance:

Provided that, the Return on Equity allowed at the time of MYT Proceedings shall be inclusive of both Base Return on Equity and Performance Linked Return on Equity:

……

29.2 Return on Equity at the time of MYT Proceedings

i. Return on equity for the Generating Company having thermal, gas or hydro plants, Transmission Licensee and Distribution Wires Business, shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 15.50 (base rate – 14 + performance linked -1.50) per cent per annum in Indian Rupee terms.

ii. ….."

5.7.4. The Commission has computed the RoE for the 5th Control Period in accordance with the Regulation 29 of the MYT Regulations, 2024. The closing Equity of FY 2024-25 has been considered as the opening Equity of FY 2025-26 and onwards. Addition of Equity during the year is considered as 30% of the Capitalisation approved by the Commission in this MYT Order for the respective years of the 5th Control Period.

5.7.5. Further, Regulation 34.1 of the MYT Regulations, 2024 provides as under:

"34.1 The Income Tax for the Generating Company or ESSD or Licensee or MSLDC or STU for the regulated business shall be allowed on Return on Equity, including Performance Linked Return on Equity at the income tax rate

applicable for the respective financial year, through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.5:

Provided that, at the time Multi Year Tariff Projections, the Income tax rate shall be allowed as the latest available Income Tax Rate approved by the Commission, whereas, at the time of true-up the Income Tax rate shall be approved based on the actual Income Tax paid by the Generating Company or ESSD or Licensee or MSLDC or STU, subject to prudence check;

……"

5.7.6. Since, TPC-T has not considered any Income Tax Rate for FY 2024-25 or proposed any Income Tax rate for the 5th Control Period, the Commission has considered Income Tax rate as 'Nil' for the entire 5th Control Period from FY 2025-26 to FY 2029-30. Accordingly, the RoE for the 5th Control Period has been worked out at rate of RoE of 15.50%. The summary of the Return on Equity as approved by the Commission for FY 2025-26 to FY 2029-30 is provided in the Table below:

Table 90: Return on Equity, as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year (A)	**2094.89**	**2401.35**	**2577.00**	**2748.14**	**2919.29**
Less: Equity portion of Asset Decapitalised	0.00	0.00	0.00	0.00	0.00
Capitalisation during the year (B)	1021.55	585.48	570.48	570.48	570.48
Equity portion of the Capital Expenditure capitalised during the year (C = B*30%)	306.47	175.64	171.14	171.14	171.14
Regulatory Equity at the end of the year (D)	**2401.35**	**2577.00**	**2748.14**	**2919.29**	**3090.43**
Pre-tax rate of Equity after considering effective tax rate (E)	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year (F=A*E)	324.71	372.21	399.43	425.96	452.49
Return on Regulatory Equity on Capitalisation during the year (G=C*E/2)	23.75	13.61	13.26	13.26	13.26
Total Return on Regulatory Equity (C+D)	**348.46**	**385.82**	**412.70**	**439.23**	**465.75**

5.8. Contribution to Contingency Reserves

TPC-T's Submission

5.8.1. TPC-T has referred to Regulation 35 of the MYT Regulations, 2024 and worked out the Contribution to Contingency Reserves for FY 2025-26 to FY 2029-30 at 0.25% of the opening GFA proposed for the 5th Control Period. The summary of the Contribution to Contingency Reserves claimed for the 5th Control Period is provided in the Table below:

Table 91: Contribution to Contingency Reserves, as submitted by TPC-T for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of Contingency Reserves	172.61	190.64	211.44	238.52	273.20
Opening GFA	7211.70	8318.25	10832.25	13873.25	14838.25
Opening balance of Contingency Reserves as % of Opening GFA	2.39%	2.29%	1.95%	1.72%	1.84%
Contribution to Contingency Reserves during the year	**18.03**	**20.80**	**27.08**	**34.68**	**37.10**
Closing balance of Contingency Reserves	190.64	211.44	238.52	273.20	310.30
Closing balance of Contingency Reserves as % of Opening GFA	2.64%	2.54%	2.20%	1.97%	2.09%

Commission's Analysis and Ruling

5.8.2. The Regulation 35.1 of the MYT Regulations, 2024 provides as under:

> *"35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:*
>
> *Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:*
>
> *Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 such as Treasury Bills, Sovereign Bonds, Zero Coupon Bonds or similar kind of financial instruments, within a period of six months of the close of the Year:*
>
> *Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:*
>
> *Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities for two consecutive Years, then*

the contribution to Contingency Reserves shall not be allowed in the calculation of Aggregate Revenue Requirement from the subsequent Year onwards.

……"

5.8.3. The Commission has therefore worked out the Contribution to Contingency Reserves at 0.25% of the opening GFA for the respective year in this MYT Order, in accordance with the MYT Regulations, 2024 and based on the capitalisation approved by the Commission for FY 2025-26 to FY 2029-30 in this MYT Order.

5.8.4. The summary of the Contribution to Contingency Reserve approved by the Commission for the 5th Control Period is provided in the Table below:

Table 92: Contribution to Contingency Reserve, as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of Contingency Reserves	172.23	189.07	208.47	229.33	251.61
Opening GFA	6736.56	7758.11	8343.59	8914.07	9485.55
Opening balance of Contingency Reserves as % of Opening GFA	2.56%	2.44%	2.50%	2.57%	2.65%
Contribution to Contingency Reserves during the year	**16.84**	**19.40**	**20.86**	**22.29**	**23.71**
Closing balance of Contingency Reserves	189.07	208.47	229.33	251.61	275.32
Closing balance of Contingency Reserves as % of Opening GFA	2.81%	2.69%	2.75%	2.82%	2.90%

5.9. Non-Tariff Income

TPC-T's Submission

5.9.1. TPC-T has projected the Non-Tariff Income as per Regulation 81 of the MYT Regulations, 2024 based on the estimated Non-Tariff Income for FY 2024-25 with 5.00% escalation year-on-year basis. The summary of the Non-Tariff Income claimed by TPC-T for the 5th Control Period is provided as under:

Table 93: Non-Tariff Income, as submitted by TPC-T for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income	36.11	37.92	39.81	41.80	43.89

Commission's Analysis and Ruling

5.9.2. The Regulation 81 of the MYT Regulations, 2024 provides as under:

"81.1 The amount of non-Tariff income relating to the Transmission Business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the Annual Transmission Charges of the Transmission Licensee:

Provided that the Transmission Licensee shall submit full details of its forecast of non-Tariff income to the Commission in such form as may be stipulated by the Commission.

...."

5.9.3. The Commission for the purpose of projections, has estimated the Non-Tariff Income by escalating the approved Non-Tariff Income for FY 2024-25 in this MYT Order with 5.00% escalation rate on year-on-year basis. The summary of the approved Non-Tariff Income for the 5th Control Period is provided in the Table below:

Table 94: Non-Tariff Income, as approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income	36.98	38.83	40.77	42.81	44.95

5.10. Past Recoveries

TPC-T's Submission

5.10.1. TPC-T submitted that the Commission in its MTR Order in Case No. 217 of 2022 dated 31 March, 2023 has allowed the surplus of Rs. 21.66 Crore, which was inclusive of the principal surplus of Rs. 18.71 Crore and Holding Cost of Rs. 2.95 Crore to be adjusted in the ARR of FY 2023-24.

5.10.2. A Provisional Gap of Rs. 17.23 Crore for FY 2022-23 was considered by the Commission for recovery in FY 2023-24 along with Carrying Cost. Accordingly, now the differential between Actual and Provisional Truing up needs to be recovered / passed on as a part of total ARR that is to be recovered during FY 2025-26. Thus, considering the actual Gap / (Surplus) of FY 2022-23, FY 2023-24, Provisional Gap / (Surplus) of FY 2024-25, the total amount of past recoveries for future Tariff is provided in the Table below:

Table 95: Past Recovery Computation for Gap Recovery in FY 2025-26, as submitted by TPC-T (Rs. Crore)

Particulars		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	A		46.55	187.49	315.55
Gap/(Surplus) Addition during the year	B	46.55	123.72	128.05	0.00
Provisional Revenue Gap/(Surplus) of FY 2022-23 adjusted in ARR of FY 2023-24 in MYT Order 217 of 2022	C	0.00	(17.22)	0.00	0.00
Interest on past recovery	D				56.92
Closing Balance	E=(A+B-C+D)	46.55	187.49	315.55	372.46
Total of past recoveries in FY 2025-26	**F=(D+E)**				**372.46**

5.10.3. The computation of Carrying/(Holding) cost on the pas recovery is provided in the Table below:

Table 96: Interest Cost on Gap/(Surplus) Recovery till FY 2025-26, as submitted by TPC-T (Rs. Crore)

Particulars		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Carrying Cost Rate	**A**	**9.30%**	**10.07%**	**10.50%**	**10.50%**
Opening Balance	B	0.00	46.55	187.49	315.55
Addition during the year	C	46.55	140.94	128.05	(315.55)
Less Incentive	D	0.00	0.00	0.00	0.00
Closing Balance	E=(B+C-D)	46.55	187.49	315.55	0.00
Average Balance	F= Average (A, E)	23.28	117.02	251.52	157.77
Carrying Cost	**G=A*F**	**2.16**	**11.78**	**26.41**	**16.57**
Total Carrying Cost	**H**				**56.92**

5.10.4. TPC-T therefore requested the Commission to approve the past recovery amount of Rs. 372.46 Crore.

Commission's Analysis and Ruling

5.10.5. The Commission observes that TPC-T has computed the past gap recovery of Rs. 372.46 Crore till FY 2025-26, with associated carrying cost.

5.10.6. The Commission has computed the Carrying/(Holding) cost till FY 2025-26 on past Revenue Gap/(Surplus) post Truing-up of FY 2022-23 and FY 2023-24, which is summarised in the Table below:

Table 97: Past Recovery Computation for Gap Recovery in FY 2025-26, as approved by the Commission (Rs. Crore)

Particulars		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	A		63.33	166.11	239.65
Gap/(Surplus) Addition during the year	B	63.33	119.99	73.55	0.00
Provisional Revenue Gap/(Surplus) of FY 2022-23 adjusted in ARR of FY 2023-24 in MYT Order 217 of 2022	C	0.00	-17.22	0.00	0.00
Interest on past recovery	D				40.65
Closing Balance	E=(A+B-C+D)	63.33	166.11	239.65	280.31
Total of past recoveries in FY 2025-26	**F=(D+E)**				**280.31**

5.10.7. The past recoveries approved by the Commission is shown in the Table below:

Table 98: Interest Cost on Gap/(Surplus) Recovery till FY 2025-26, as approved by the Commission (Rs. Crore)

Particulars		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Carrying Cost Rate	**A**	**9.30%**	**10.07%**	**10.50%**	**10.50%**
Opening Balance	B	0.00	63.33	166.11	166.11
Addition during the year	C	63.33	102.78	0.00	-166.11
Less Incentive	D	0.00	0.00	0.00	0.00
Closing Balance	E=(B+C-D)	63.33	166.11	166.11	0.00
Average Balance	F= Average (A, E)	31.66	114.72	166.11	83.05
Carrying Cost	**G=A*F**	**2.94**	**11.55**	**17.44**	**8.72**
Total Carrying Cost	**H**				**40.65**

5.10.8. **Accordingly, the total past recovery to be adjusted during FY 2025-26 is a Gap of Rs. 280.31 Crore inclusive of Carrying Cost, as against the Gap of Rs. 372.46 Crore claimed by TPC-T.**

5.11. Impact of Reinstatement of Past Disallowed Capitalisation

TPC-T's Submission

5.11.1. The Commission in the MYT Order in Case No. 299 of 2019 had disallowed the Capitalisation against DPR schemes listed in the Table below:

Table 99:Claim of Past disallowed Capitalisation - List of DPR schemes, as submitted by TPC-T

Project Title	Disallowed capitalization in Rs. Crore
Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation	22.73
145 kV GIS at BKC	5.18

Claim towards disallowed capitalization for Installation of 220 kV GIS, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation:

5.11.2. The Commission, in the MYT Order in Case No. 299 of 2019 dated 30 March, 2020 had considered Capitalisation for ''Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi" scheme to the extent of the revised in-principle approved cost i.e. Rs. 132.76 Crore and had disallowed cost overrun of Rs. 22.73 Crore.

5.11.3. The rulings of the Commission while disallowing the cost overrun of Rs. 22.73 Crore towards "Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi" in the MYT Order in Case No. 299 of 2019 dated 30 March, 2020 have been reproduced below:

> *"3.3.29 In view of the above, the Commission has considered capitalisation for 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi' scheme to the extent of the revised in-principle approved cost and disallowed cost overrun of Rs.22.74 Crore (Rs 16.77 Crore + Rs 5.75 Crore).*
>
> *3.3.30 The Commission may undertake third party asset verification for this scheme at later stage and will take appropriate view regarding additional capitalisation and unutilised Bays at the time of MTR proceedings, depending on the outcome of the third-party asset verification."*

5.11.4. As mentioned in the extract of the Order reproduced above, the Commission had kept the scheme open for third party asset verification and final decision on the additional capitalization during Mid Term Review. TPC-T has requested the Commission to carry out the asset verification process vide letter reference CREG/MERC/20118/343 dated 13 December, 2018 for Installation of 220/33 kV GIS and ICT at Mahalaxmi.

5.11.5. TPC-T during MTR submissions in Case No. 217 of 2022 dated 1 November, 2022 also requested approval of the said capitalization to the Commission. However, the Commission through its Order dated 31 March, 2023 in Case No. 217 of 2022 ruled the following:

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

5.11.6. Subsequently, the Commission initiated the process for third party verification on 23 August, 2023. During the third party verification, the Commission verified all the documents and assets pertaining to the scheme "Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi". TPC-T has responded to all the queries raised by the Commission during third party verification. The Commission has provided the draft reports to TPC-T for providing comments if any as per the provisions of the Regulation 33 of the MERC (Transaction of Business and Fees and Charges) Regulations, 2022. Accordingly, since the final report for the same is awaited, we are claiming the balance capitalization as submitted in during Third Party asset verification in this Petition. Details of the same are provided in Table below:

Table 100: Capitalisation of Mahalaxmi Scheme submitted in 3rd Party Verification, as submitted by TPC-T

Project Title	Disallowed Capitalisation (Rs. Crore)		
	FY 2016-17	FY 2017-18	FY 2018-19
Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation	3.91	13.89	7.71

5.11.7. In view of the above, TPC-T requested the Commission to approve total capitalization of Rs. 25.51 Crore in the scheme for "Installation of 220/33 kV GIS and ICT at Mahalaxmi" which includes earlier disallowance of Rs. 22.73 Crore and impact of revised computed IDC of Rs. 2.78 Crore. The impact of the capitalization claimed, along with applicable carrying cost is worked out in the subsequent paragraphs.

5.11.8. While disallowing the Capitalisation of Rs. 22.73 Crore in MYT Order, the Commission had revised the Closing GFA, Closing Regulated Equity and Closing Loan balances for FY 2016-17 to the extent of Rs. 3.91 Crore pertaining to this scheme. The relevant extract of the MYT Order is reproduced below:

"Commission's Analysis and Ruling

3.4.2 As discussed in earlier section, the Commission has disallowed the past capitalisation Rs.12.38 Crore from capitalisation approved till FY 2016-17 due to 400 kV Vikhroli, cost overrun and unutilised AIS Bays. In view of this, the Commission has revised the closing GFA, closing loan and closing equity approved for FY 2016-17 in the MTR Order in Case No. 22 of 2017 as shown in the Table below:

Table 25: Revised closing GFA, Equity and Loan for FY 2016-17 (Rs. Crore)

S. No.	*Particulars*	*Amount*
1	*Closing GFA for FY 2016-17*	
	Closing GFA approved in MTR Order	*3146.56*
	Reduction in GFA due to disallowance in capitalisation	*12.38*
	Revised Closing GFA	*3134.18*
2	*Closing Equity for FY 2016-17*	
	Closing Equity approved in MTR Order	*1033.40*
	Reduction in Equity due to disallowance in capitalisation	*1.07*
	Revised Closing Equity	*1032.33*
3	*Closing Loan for FY 2016-17*	
	Closing Loan approved in MTR Order	*990.29*
	Revised Closing Loan	*982.92*

5.11.9. Accordingly, in this Petition, TPC-T has calculated the impact by revising the Closing GFA, Closing Regulated Equity and Closing Loan balance of FY 2016-17 by reinstating the Capitalisation of Rs. 3.91 Crore in FY 2016-17 as shown below:

Table 101:Revised Closing Balances – FY 2016-17 for Mahalaxmi Scheme, as submitted by TPC-T (Rs. Crore)

Particulars	Amount
Closing GFA for FY 2016-17	
Closing GFA approved in MYT Order	**3134.18**
Addition in GFA due to re-instatement of Capitalisation	3.91
Revised Closing GFA	**3138.09**
Closing Equity for FY 2016-17	
Closing Equity approved in MYT Order	**1032.33**
Addition in Equity due to re-instatement of Capitalisation	1.17
Revised Closing Equity	**1033.50**
Closing Loan for FY 2016-17	
Closing Loan approved in MYT Order	**982.92**
Addition in Loan due to re-instatement of Capitalisation	2.737
Revised Closing Loan	**985.66**

5.11.10. The Impact of the reinstatement of the Capitalisation of Rs. 3.91 Crore in FY 2016-17 on Return on Equity, Interest on Long Term Loan and Depreciation due in FY 2016-17 is presented below:

Table 102: Impact on RoE – FY 2016-17 for Mahalaxmi Scheme, as submitted by TPC-T (Rs. Crore)

Particulars		**Approved in MYT Order**	**Including Disallowed Capitalisation**
FY 2016-17			
Regulatory Equity at the beginning of the year	a	984.56	984.56
Capitalisation	*b*	*170.15*	*170.15*
Equity Portion of assets capitalised during the year	c	49.98	51.15
Reduction in Equity capital on account of retirement / replacement of assets	d	-2.21	-2.21
Regulatory Equity at the end of the year	e=a+c+d	1032.33	1033.50
Return on Regulatory Equity at the beginning of the year	f=a*15.5%	152.61	152.61
Return on 50% of equity portion of asset value capitalised during the year	g=(c)*15.5%/2	3.70	3.79
Return on Regulatory Equity	h=f+g	156.31	156.40
Additional RoE for FY 2016-17	**i=h1-h2**		**0.09**

Table 103: Impact on Interest – FY 2016-17 for Mahalaxmi Scheme, as submitted by TPC-T (Rs. Crore)

Particulars		**Approved in MYT Order**	**Revised after including disallowed capitalization**
FY 2016-17			
Average Interest rate (%)	a	9.47%	9.47%
Opening balance of loan	b	1001.83	1001.83
Capitalisation	c	170.15	174.06
Drawl during the year	d=c*70%	116.37	121.84
Repayment	e	130.64	130.72
Closing balance of loan	f=b+c-d	982.92	985.66
Interest on Loan	g=(b+f)/2*a	**94.00**	**94.13**
Additional Interest on Loan for FY 2016-17	**h=g2-g1**		**0.13**

Table 104: Impact on Depreciation – FY 2016-17 for Mahalaxmi Scheme, as submitted by TPC-T (Rs. Crore)

Particulars	Approved in MTR Order	Revised after including disallowed capitalization
Opening GFA	2983.78	2983.78
Addition	170.15	170.15
Retirement	-7.36	-7.36
Closing GFA	3134.19	3138.10
Depreciation Rate	4.27%	4.27%
Depreciation	130.64	130.72
Impact on Depreciation for FY 2016-17		**0.08**

Claim towards past disallowance of the capitalization for 145 kV GIS at BKC on account of estimated cost overrun.

5.11.11. In the MYT Petition in Case No. 299 of 2019, TPC-T had claimed Capitalisation of Rs. 285.38 Crore against this DPR scheme (Rs. 273.05 Crore till FY 2016-17, Rs. 1.51 Crore in FY 2017-18, Rs. 6.44 Crore in FY 2018-19 and Rs. 4.38 Crore (estimated) in FY 2019-20).

5.11.12. The Commission in the MYT Order dated 30 March, 2020 in Case No. 299 of 2019 had considered Capitalisation for '145 kV GIS at BKC' scheme to the extent of the revised in-principle approved cost i.e. Rs. 280.20 Crore and had disallowed cost overrun of Rs. 5.18 Crore.

5.11.13. Further, the Commission in the anticipation of the estimated expenditure during FY 2019-20, had removed the capitalization of Rs. 1.51 Crore and Rs. 3.67 Crore from the Capitalisation approved for Truing up of FY 2017-18 FY 2018-19 while approving the capitalization in MYT order limiting to the extent of revised in-principle approved value of Rs. 280.20 Crore and had disallowed the capitalization of Rs. 5.18 Crore.

5.11.14. The rulings of the Commission while disallowing the cost overrun of Rs. 5.18 Crore towards "145 kV GIS at BKC" in the MYT Order in Case No. 299 of 2019 dated 30 March, 2020 have been reproduced below:

> *"3.3.22 In view of the above, the Commission has considered capitalisation for '145 kV GIS at BKC' scheme to the extent of the revised in-principle approved cost and disallowed cost overrun of Rs.5.18 Crore.*
>
> *3.3.23 The Commission will undertake third party asset verification for this scheme at later stage and take appropriate view on additional capitalisation*

and unutilised Bays at the time of MTR proceedings, depending on the outcome of the third party asset verification."

5.11.15. As mentioned in the extract of the order reproduced above, the Commission had kept the approval of the total Capitalisation for the scheme open for third party asset verification and subsequent final decision on the additional capitalization during Mid Term Review. TPC-T had also requested the Commission to carry out the asset verification process vide letter reference CREG/MERC/20118/260 dated 7th September, 2018 for 145 kV GIS at BKC.

5.11.16. TPC-T during MTR submissions in Case No. 217 of 2022 dated 1 November, 2022 also requested approval of the said capitalization to The Commission. However, the Commission through Order dated 31 March, 2023 in Case No. 217 of 2022 ruled the following:

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

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

5.11.17. Subsequently, the Commission initiated the process for third party verification on 23 August, 2023. During the third party verification, the Commission verified all the documents and assets pertaining to the scheme "145 kV GIS at BKC". TPC-T has responded to all the queries raised by the Commission during third party verification. The Commission has provided the draft reports to TPC-T for providing comments if any as per the provisions of the Regulation 33 of the MERC (Transaction of Business and Fees and Charges) Regulations, 2022. Accordingly, since the final report for the same is awaited, we are claiming the balance capitalization as submitted in during Third Party asset verification in this Petition. Details of the same are provided in the Table below:

Table 105: Capitalisation of BKC Scheme submitted in 3rd Party Verification, as submitted by TPC-T (Rs. Crore)

Project Title	Disallowed Capitalisation (Rs. Crore)		
	FY 2016-17	FY 2017-18	FY 2018-19
145 kV GIS at BKC	-	-2.45	3.67

5.11.18. In view of the above, TPC-T requested the Commission to approve total capitalization of Rs. 1.22 Crore in the scheme for "145 kV GIS at BKC" which includes earlier disallowance of Rs. 5.18 Crore and impact of revised computed IDC of Rs. (3.96) Crore. The impact of the capitalization claimed, along with applicable carrying cost is worked out in the subsequent paragraphs.

5.11.19. In view of the claims above for capitalization of schemes for Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation and for 145 kV GIS at BKC and considering the additional Capitalisation of Rs. 0.43 Crore as allowed in the Review Order in Case No. 95 of 2020, the impact on Return on Regulated Equity, Opening and Closing GFAs of FY 2017-18 and FY 2018-19, Interest on Loan along with the applicable carrying cost has been computed in subsequent paragraphs.

5.11.20. The impact of above Capitalisation on Depreciation, Return on Equity and Interest on Loan been considered as worked out in the tables below:

Table 106: Revision in GFA – Past Disallowed Capitalisation, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2017-18
Opening GFA for FY 2017-18	3138.09
Revised Closing GFA for FY 2017-18	3318.21
Add: capitalization allowed in Review Order	0.43
Add: disallowed capitalization of 145 kV GIS at BKC in MYT Order	-2.45
Add: disallowed capitalization of Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation in MYT Order	13.89
Revised Closing GFA for FY 2017-18	**3330.08**
Revised opening GFA for FY 2018-19	**3330.08**
GFA Addition approved for FY 2018-19	333.47
Retirement of GFA Approved for FY 2018-19	-14.3
Add: disallowed capitalization of 145 kV GIS at BKC in MYT Order	3.67
Add: disallowed capitalization of Installation of 220 kV GIS Mahalaxmi, installation of additional ICT No.5 and 33 kV GIS at Mahalaxmi substation in MYT Order	7.71
Revised Closing GFA for FY 2018-19	**3660.63**

Table 107: Impact on RoE –Past Disallowed Capitalisation, as submitted by TPC-T (Rs. Crore)

Particulars		Approved in MYT Order	Including Disallowed Capitalisation
FY 2017-18			
Regulatory Equity at the beginning of the year	a	1032.33	1033.50
Capitalisation	*b*	*195.37*	*207.24*
Equity Portion of assets capitalised during the year	c	58.61	62.17
Reduction in Equity capital on account of retirement / replacement of assets	d	-4.58	-4.58
Regulatory Equity at the end of the year	e=a+c+d	1086.36	1091.10
Return on Regulatory Equity at the beginning of the year	f=a*15.5%	160.01	160.19
Return on 50% of equity portion of asset value capitalised during the year	g=(c)*15.5%/2	4.19	4.46
Return on Regulatory Equity	h=f+g	164.20	164.66
Additional RoE for FY 2017-18	**i=h1-h2**		**0.46**
FY 2018-19			
Regulatory Equity at the beginning of the year	a	1086.36	1091.10
Capitalisation	*b*	*333.47*	*344.85*
Equity Portion of assets capitalised during the year	c	100.04	103.46
Reduction in Equity capital on account of retirement / replacement of assets	d	-4.29	-4.29
Regulatory Equity at the end of the year	e=a+c+d	1182.11	1190.26
Return on Regulatory Equity at the beginning of the year	f=a*15.5%	168.39	169.12
Return on 50% of equity portion of asset value capitalised during the year	g=(c)*15.5%/2	7.42	7.69
Return on Regulatory Equity	h=f+g	175.81	176.81
Additional RoE for FY 2018-19	**i=h1-h2**		**1.00**

Table 108: Impact on Interest on Loan–Past Disallowed Capitalisation, as submitted by TPC-T (Rs. Crore)

Particulars		Approved in MYT Order	Revised after including disallowed capitalization
FY 2017-18			
Average Interest rate (%)	a	9.26%	9.26%
Opening balance of loan	b	982.92	985.66
Capitalisation	c	195.37	207.24
Drawl during the year	d=c*70%	136.76	145.07

Particulars		Approved in MYT Order	Revised after including disallowed capitalization
Repayment	e	130.11	130.51
Closing balance of loan	f=b+c-d	989.57	1000.22
Interest on Loan	g=(b+f)/2*a	**91.33**	**91.95**
Additional Interest on Loan for FY 2017-18	**h=g2-g1**		**0.62**
FY 2018-19			
Average Interest rate (%)	a	8.64%	8.64%
Opening balance of loan	b	989.57	1000.22
Capitalisation	c	333.47	344.85
Drawl during the year	d=c*70%	233.43	241.40
Repayment	e	136.94	137.79
Closing balance of loan	f=b+c-d	1086.06	1103.83
Interest on Loan	g=(b+f)/2*a	**89.67**	**90.89**
Additional Interest on Loan for FY 2018-19	**h=g2-g1**		**1.23**

Table 109: Impact on Depreciation –Past Disallowed Capitalisation, as submitted by TPC-T (Rs. Crore)

Particulars	Approved in MYT Order	Revised after including disallowed capitalization
FY 2017-18		
Opening GFA	3134.18	3138.09
Addition	195.37	207.24
Retirement	-15.25	-15.25
Closing GFA	3314.30	3330.08
Depreciation Rate	4.04%	4.04%
Depreciation	130.11	130.51
Impact on Depreciation for FY 2017-18		**0.40**
FY 2018-19		
Opening GFA	3314.30	3330.08
Addition	333.47	344.85
Retirement	-14.30	-14.30
Closing GFA	3633.47	3660.63
Depreciation Rate	3.94%	3.94%
Depreciation	136.94	137.79
Impact on Depreciation for FY 2018-19		**0.85**

Table 110: Total Impact incl. Carrying Cost – Past Disallowed Capitalisation, as submitted by TPC-T (Rs. Crore)

Particulars	Interest Rate	Total impact of including disallowed capitalization
Impact of Additional Capitalisation in FY 2016-17		0.30

Particulars	Interest Rate	Total impact of including disallowed capitalization
Impact of Additional Capitalisation in FY 2017-18		1.48
Impact of Additional Capitalisation in FY 2018-19		3.07
Carrying Cost on Additional Capitalisation		3.60
Carrying cost for FY 2016-17	10.79%	0.016
Carrying cost for FY 2017-18	10.18%	0.106
Carrying cost for FY 2018-19	9.89%	0.328
Carrying cost for FY 2019-20	9.30%	0.451
Carrying cost for FY 2020-21	10.07%	0.488
Carrying cost for FY 2021-22	10.50%	0.509
Carrying cost for FY 2022-23	9.30%	0.451
Carrying cost for FY 2023-24	10.07%	0.488
Carrying cost for FY 2024-25	10.50%	0.509
Carrying cost for FY 2025-26	10.50%	0.255
Total Impact		**8.46**

5.11.21. The above impact of the reinstatement of this Capitalisation including carrying cost has been added in the ARR for FY 2025-26 for recovery during FY 2025-26. TPC-T requested the Commission to consider the above submission and approve the same.

Commission's Analysis and Ruling

5.11.22. The Commission has analysed the submissions of TPC-T towards the impact claimed towards the two of the DPR Schemes viz. 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi' and '145 kV GIS at BKC', which had undergone the Third Party Verification in lines with the directions given by the Commission in the earlier Tariff Orders.

5.11.23. The Third Party Asset Verification for the identified DPR Schemes was undertaken by the independent consultant appointed by the Commission, where the Draft Report was submitted to the Commission by the independent consultant on 20 November, 2024. The Commission vide email communication dated 20 November, 2024, shared the Draft Reports with the TPC-T to seek their comments on the findings and recommendations on the Draft Reports.

5.11.24. Accordingly, TPC-T has submitted its comments on Draft Report of both the schemes to the Commission vide letter dated CFI-LRA-LRA-RGWR-1204, dated 13 December, 2024. TPC-T in its comments requested the Commission to consider the actual Staff Cost of Rs. 7.50 Crore instead of In-principally approved Staff Cost of Rs. 6.84 Crore considered in the Draft Report in case of 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi' and consider the actual staff cost of Rs. 7.70 Crore instead of in-principally approved cost of Rs. 6.01 Crore considered in Draft Report in case of '145 kV GIS at BKC'.

5.11.25. The Commission has noted the submissions of TPC-T. However, it finds no merit in considering the actual staff costs in the respective DPR schemes as requested by TPC-T, referring to the findings of the Third-Party Assessment Report. Accordingly, after analysing the findings and recommendations provided in the Third-Party Assessment Report, the Commission accepts them without incorporating any changes suggested by TPC-T. .

5.11.26. In view of above, based on the final DPR Cost assessed under the respective Third Party Assessment Reports, the Commission has decided to consider the final recommended DPR Cost and therefore analysed the submissions of TPC-T with respect to its claims towards the disallowance of past Capitalisation, which is discussed Scheme-wise in the subsequent paragraphs.

5.11.27. The final recommended DPR Cost as per the Third Party Assessment Report is provided in the Table below:

Table 111: Summary of the DPR cost recommended under the Third Party Assessment Report for the Scheme 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi' (Rs. Crore)

Particulars	In-Principal Approval	Revised In-Principal Approval	TPC-T Actual Cost	Revised Approved Cost
Hard Cost				
220 kV GIS and Accessories (including GIB)	22.84	28.81	33.65	33.65
Other Sub Station electrical equipment excluding GIS	23.55	26.54	20.59	19.71
Civil Works	11.13	27.33	26.22	26.22
220 kV Cable and accessories	3.26	6.94	4.54	4.54
100 kV Cable and accessories	2.67	2.12	1.52	1.52
250 MVA Transformer with OLTC, RTCC and NGT	17.66	10.36	17.98	17.98
100 kV GIS Bay	2.20	1.75	1.75	1.75
33 kV GIS with terminations and accessories	7.32	8.58	12.68	12.68
SCADA complete with acc. & Protection	2.35	5.64	2.37	2.25

Particulars	In-Principal Approval	Revised In-Principal Approval	TPC-T Actual Cost	Revised Approved Cost
Consultancy Services	1.60	1.60	2.89	1.78
Trench for 33 kV Cable outlets	0.00	1.50	1.11	1.11
Contingency	3.27	0.00	0.00	0.00
Staff Cost	0.00	6.84	7.50	6.84
Sub-Total	**97.85**	**128.01**	**132.81**	**130.03**
IDC	**4.75**	**4.75**	**24.30**	**15.55**
Total	**102.59**	**132.76**	**157.12**	**145.58**

Table 112: Summary of the DPR cost recommended under the Third Party Assessment Report for the Scheme 'Construction of 145 kV GIS at BKC' (Rs. Crore)

Particulars	Original In-Principal Approval	Revised In-Principal Approval	TPC-T Actual Cost	Revised Cost considered for Approval
Land (A)	140.00 (including IDC on land)	95.00	94.80	94.80
Hard Cost				
Other Sub-Station electrical equipment excluding GIS	23.60	29.00	28.93	28.93
145kV GIS with accessories	18.00	15.65	16.31	16.31
GIS bays at Dharavi SS.		4.34	2.82	2.82
33kV GIS with accessories	12.16	12.80	12. 78	12.78
110 kV Power cable with accessories				
145 kV Power cable with accessories	5.75	23.60	23.14	23.14
Cable related civil jobs & services		4.77	4.67	4.67
Civil and related works	4.60	31.50	31.60	31.60
Consultancy services	1.00	1.63	1.78	1.63
Contingency	5.75	0.00	0.0	0.00
Staff cost		6.01	7.70	6.01
Sub-Total (Hard Cost) (B)	**70.86**	**129.30**	**129.73**	**127.89**
Reduction of LD amount booked in Non-Tariff income				-0.71
Total (Land + Hard Cost)	**210.86**	**224.30**	**224.53**	**221.98**
Soft Cost				
IDC				
IDC against Land	19.64	42.92	42.90	42.90
IDC against equipment		13	9.00	9.00
Sub-Total (C)	**19.64**	**55.92**	**51.92**	**51.92**
Grand Total (A+B+C)	**230.50**	**280.22**	**276.45**	**273.88**

5.11.28. The Commission vide its Order in Case No. 299 of 2019 dated 30 March, 2020 had restricted the cost of the DPR Scheme towards the 'Construction of 145 kV GIS at

BKC to the Revised in-principal approved cost of Rs. 280.20 Crore as against the claimed Capitalisation of Rs. 285.38 Crore by TPC-T, whereas Rs. 132.76 Crore (in-principally approved cost) was approved by the Commission as against the Capitalisation claimed by TPC-T of Rs. 155.51 Crore towards the 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi'

5.11.29. TPC-T in the present submission has claimed the impact by considering the Scheme cost at Rs. 281.42 Crore towards the Scheme 'Construction of 145 kV GIS at BKC' and Rs. 158.29 Crore towards the Scheme 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi'. However, the Commission has decided to consider the Scheme cost recommended as per Third Party Assessment Report for the respective Schemes.

5.11.30. Accordingly, the Commission has considered Rs. 273.88 Crore as the revised DPR cost towards 'Construction of 145 kV GIS at BKC' to compute the past period impact as against the earlier approved DPR cost of Rs. 280.22 Crore.

5.11.31. With regards to the Scheme cost of 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi', Rs. 145.58 Crore is the overall Scheme recommended cost as per the Third Party Assessment Report. However, under the same Report it was highlighted that, cost of 1 220 kV Spare Bay at Mahalaxmi was found to be un-utilised and accordingly, the Commission in its MTR Order in Case No. 217 of 2022 dated 31 March, 2023 has not allowed the cost of Rs. 5.76 Crore towards such Spare Bay. Hence, as per the Report it was recommended that, since the spare Bay is yet to be utilised, the total cost to be allowed shall be excluding the cost of such Bay, which works out to Rs. 139.82 Crore. The relevant extract of the referred paragraph from the Report is provided as under:

*"**2. Cost of 1 no. of 220 kV Spare Bay***

The Commission in its previous Orders including MTR Order dated March 31, 2023 has ruled that the spare bay of 220 kV is still unutilised and TPC-T has proposed the spare bay to be utilized for the proposed reactor at Mahalaxmi. The Commission in its Order has ruled that the Commission shall approve the project cost of Rs 5.76 Crore towards spare bay as and when it is utilized for the proposed reactor. As a part of the verification process, it is observed that the spare bay is still unutilised and TPC-T submitted that it is likely to be utilised in FY 2024-25. Accordingly, as the spare bay is yet to be utilized, the cost of Rs 5.76 Crore towards spare bay shall be allowed by the Commission once it is *actually utilized. **Accordingly, the total cost to be allowed excluding the cost of the spare bay works out to be Rs 139.82 Crore."***

5.11.32. The Commission as part of the prudence check of Assets being allowed when actually found to be Put to Use, had checked the loading statement submitted by TPC-T as part of the Petition and it was observed that, the Bay is still un-utilised. Therefore, for the purpose of working out the impact pertaining to this Scheme, the Commission has considered the DPR cost of Rs. 139.82 Crore instead of Rs. 145.58 Crore, which is the overall Scheme Cost towards 'Installation of 220/33 kV GIS and Additional ICT at Mahalaxmi'.

5.11.33. Accordingly, the Commission has considered the differential cost added or to be adjusted based on the revised DPR cost vis-à-vis DPR Cost approved in the earlier Tariff Orders. The summary of such adjusted Capitalisation in the respective year is provided in the Table below:

Table 113: Adjustment of the DPR Cost disallowed in the past with the revised Scheme Cost as per Third Party Assessment Report by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
A.	**Installation of 220/33 kV GIS and ICT at Mahalaxmi**			
1	Capitalisation disallowed by the Commission in the past Tariff Order.	3.91	11.11	7.71
2	TPC-T's actual claim in this Present Petition	3.91	13.89	7.71
3	Recommendations as per Third Party Report	3.17	1.94	1.94
4	**Capitalisation considered in this MYT Order by the Commission**	**3.17**	**1.94**	**1.94**
B.	**145 kV GIS at BKC**			
1	Capitalisation disallowed by the Commission in the past Tariff Order	0.00	1.51	3.67
2	TPC-T's actual claim in this Present Petition	0.00	-2.45	3.67
3	Recommendations as per Third Party Report	0.00	-3.16	-3.16
4	**Capitalisation considered in this MYT Order by the Commission**	**0.00**	**-3.16**	**-3.16**

5.11.34. Since, the correct adjustment of such Capitalisation would pose challenge, the Commission has considered the equal split based on the disallowance approved for the respective years in the previous Order. Based on the above, the Commission has worked out the impact of Loan, Depreciation & RoE along with the impact of Carrying/(Holding) Cost up to FY 2025-26. The summary of the same is provided in the Tables below:

Table 114: Reinstatement of GFA and Revised Depreciation approved by the Commission (Rs. Crore)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	204 of 2017	Approved	299 of 2019	Approved	299 of 2019	Approved
Opening GFA	2983.78	2983.78	3134.19	3149.74	3314.31	3329.08
Addition during the year as per Order	162.79	162.79	180.12	180.12	319.17	319.17
Add: *capitalization allowed in Review Order (95 of 2020)*	0.00	0.00	0.00	0.43	0.00	0.00
Add*: Revised Capitalisation towards "Installation of 220/33 kV GIS and ICT at Mahalaxmi"*	0.00	3.17	0.00	1.94	0.00	1.94
Add*: Revised Capitalisation towards "145 kV GIS at BKC"*	0.00	0.00	0.00	-3.16	0.00	-3.16
Revised Closing GFA	3146.57	**3149.74**	3314.31	**3329.08**	3633.48	**3647.03**
Depreciation Rate	4.26%	4.26%	4.04%	4.04%	3.93%	3.93%
Depreciation	**130.64**	**130.71**	**130.11**	**130.73**	**136.94**	**137.24**

Table 115: Impact of Interest on Loan approved by the Commission (Rs. Crore)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	204 of 2017	Approved	299 of 2019	Approved	299 of 2019	Approved
Opening Loan	1001.83	1001.83	982.92	985.09	989.58	990.27
Capitalisation during the year	170.15	173.32	195.37	194.16	333.47	332.26
Addition during the year	119.10	121.32	136.76	135.91	233.43	232.58
Repayment	130.64	130.71	130.11	130.73	136.94	137.24
Closing Loan	990.29	985.09	989.58	990.27	1086.06	1085.61
Overall Interest	9.47%	9.47%	9.26%	9.26%	8.64%	8.64%
Interest Cost	**94.35**	**94.10**	**91.29**	**91.46**	**89.65**	**89.68**

Table 116: Impact of RoE approved by the Commission (Rs. Crore)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	204 of 2017	Approved	299 of 2019	Approved	299 of 2019	Approved
Regulatory equity at the beginning of the year	984.56	984.56	1032.33	1034.35	1086.37	1088.02
Capitalisation during the year	170.15	173.32	195.37	194.16	333.47	332.26
Equity portion of Capitalisation during the year	51.05	52.00	58.61	58.25	100.04	99.68
Less: Equity Portion of Asset De-capitalised / retired During the Year	-2.21	-2.21	-4.58	-4.58	-4.29	-4.29
Regulatory equity at the end of the year	1033.40	1034.35	1086.37	1088.02	1182.12	1183.41
Return on Regulatory Equity @15.5% at the beginning of the year	152.61	152.61	160.01	160.32	168.39	168.64
Return on Regulatory Equity @ 50% of Capitalisation during the year	3.78	3.86	4.19	4.16	7.42	7.39
Total Return on Equity	**156.39**	**156.47**	**164.20**	**164.48**	**175.81**	**176.04**

5.11.35. The summary of the Total Impact along with Carrying/(holding) Cost approved by the Commission is provided in the Table below:

Table 117: Summary of Total Impact approved by the Commission due Reinstatement of the past disallowed Capitalisation (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Interest on Loan	-0.25	0.17	0.03
Depreciation	0.07	0.61	0.30
Return on Equity	0.07	0.29	0.23
Total Impact	**-0.11**	**1.07**	**0.55**

Table 118: Total Impact along with Carrying/(Holding) Cost Impact up to FY 2025-26 approved by the Commission (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Impact	0.00	-0.11	0.96	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Impact during the year	-0.11	1.07	0.55	0.00	0.00	0.00	0.00	0.00	0.00	-1.51
Closing Impact	-0.11	0.96	1.51	1.51	1.51	1.51	1.51	1.51	1.51	0.00
Carrying Cost Interest Rate	10.79 %	10.18 %	9.89%	9.30%	10.07 %	10.50 %	9.30%	10.07 %	10.50 %	10.50 %
Carrying Cost	**-0.01**	**0.04**	**0.12**	**0.14**	**0.15**	**0.16**	**0.14**	**0.15**	**0.16**	**0.08**
Total Carrying Cost Impact	**1.14**									

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total Impact with Carrying Cost	**2.66**									

5.11.36. **Accordingly, the Commission approves the impact due to Reinstatement of the Past disallowed Capitalisation of Rs. 2.66 Crore as against the claim of Rs. 8.46 Crore by TPC-T, which is mainly due to revised DPR cost approved as per the Third Party Assessment Report for both the Schemes.**

5.12. Impact of Review Order in Case No. 91 of 2023

TPC-T's Submission

5.12.1. TPC-T had filed a Review Petition in Case No. 91 of 2023 against the rulings of the Commission on certain issues in its MYT Order in Case No. 217 of 2022 dated 31 March, 2023. The Commission issued its Order in the Review Petition on 7 March, 2024 and allowed following Prayers.

"2. The review is allowed on the issue of error in computation of O&M expenses on the following counts:

a) Error in computation of Gain / (Loss) for FY 2019-20, FY 2020-21, and FY 2021-22 on account of variation in O&M expenses due to consideration of the Normative O&M expenses approved in MYT Order instead of the revised Normative O&M expenses as approved in the impugned Order, as ruled at Para 8.2.4 of this Order.

b) Error in non-consideration of actual AIS, GIS bays combination in the Opening balance of Transmission Bays for FY 2020-21 as submitted by TPC-T for computation of revised normative O&M expenses, as ruled at Para 8.3.6 of this Order.

c) Error in removal of unused bays at Trombay twice from Opening balance of Transmission Bays for FY 2021-22 as ruled at Para 8.4.12 of this Order.

d) Non consideration of an amount of Rs. 12.60 crore in FY 2021-22 towards the Lease for Sarsola plot as uncontrollable in nature while computing the Gain / (Loss) on account of variation in O&M expenses as ruled at Para 8.5.15 of this Order.

3. The review is allowed on the issue of non-consideration of Impact of Transfer of Assets from TPC-G and TPC-D on opening balances of Regulatory Equity and Loans for FY 2021-22, as ruled at Para 9.13 of this Order.

....

..

5. The review is allowed on the issue of non-consideration of energy charges in the ARR for computation of incentive on transmission system availability for FY 2019-20, as ruled at Para 11.6 of this Order.

6. The review is allowed on the issue of disallowance of Capitalisation towards 7 nos. of 33 kV Bays at Antop Hill substation from FY 2020-21 and FY 2021-22 instead of only in FY 2021-22, as ruled at Para 12.8 of this Order.

7. The review is allowed on the issue of incorrect computation of Regulatory Profit Before Tax (PBT) by considering the actual O&M expenses instead of Normative O&M expenses while approving income tax for FY 2019-20, as ruled at Para 13.5 of this Order.

9. The financial impact due to issues for which the review is allowed in this Order will be passed on through the Tariff in the next MYT Order along with the associated costs. The TPC-T is directed to submit the computation in its next filing of MYT Petition, with copy to STU.

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

Impact of Revision in the O&M Entitlement for FY 2019-20, FY 2020-21 and FY 2021-22

5.12.3. In the MTR Order, the Commission had considered the split of AIS and GIS for opening balance of FY 2020-21 as approved in the MYT Order instead of the actual split of AIS and GIS as submitted by TPC-T in its MTR Petition. Accordingly, the Commission for FY 2020-21, has approved total 379 bays (209 GIS and 170 AIS Bays) instead of 202 GIS bay and 177 AIS bays keeping the total no. of bays same at 379. Accordingly, TPC-T requested to consider the revised split of GIS and AIS bays as 202 and 177.

5.12.4. Further, in the Review Petition TPC-T had raised the issue that the Commission had not recognised that three bays at Trombay were already deducted by TPC-T on account of not being put to use in its submission. Due to which, there is double deduction of three bays.

5.12.5. Accordingly, in its Review Order, the Commission has allowed the review on the fact that 3 Nos. of Bays (2 bays at 66 kV and above and 1 bay at less than 66 kV voltage) have been inadvertently deducted twice while allowing addition of total number of Bays as a part of asset transfer from TPC-G to TPC-T. Hence, the revision of the Bays needs to be done as follows:

a. 26 Nos. of Bays at voltage level 66 kV and above (instead of 24 Bays considered in the MTR Order).

b. 43 Nos. of Bays at voltage level 66 kV and below (instead of 42 bays considered in the MTR Order).

5.12.6. Based on the above corrections in the number of bays for FY 2020-21 and FY 2021-22, the revised Normative O&M expenditure for TPC-T for FY 2020-21 and FY 2021-22 has been presented in the table below which stands at Rs. 175.79 Crore and Rs. 199.97 Crore, respectively.

5.12.7. Considering the revised normative O&M expenses for FY 2020-21 and FY 2021-22 along with the rectification of errors given at point no. a and d above, the impact of the Review allowed by the Commission on O&M entitlement has been shown in the Table below:

Table 119: Revised O&M Entitlement for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	As per Review Order	As per MTR Order	As per Review Order	As per MTR Order	As per Review Order
Normative O & M Expenses	**216.09**	**219.92**	**171.94**	**175.79**	**178.88**	**199.97**
Actual O&M Expenditure	244.39	244.39	251.65	251.65	277.65	277.65
Uncontrollable Expenditure	10.53	10.53	0.00	0.00	0.00	12.60
Actual Operation & Maintenance Expenses without Uncontrollable	**233.86**	**233.86**	**251.65**	**251.65**	**277.65**	**265.05**
Amount passed on to Consumers	-5.92	-4.65	-26.57	-25.29	-32.92	-21.69

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	As per Review Order	As per MTR Order	As per Review Order	As per MTR Order	As per Review Order
Net Entitlement	**232.54**	**235.10**	**198.51**	**201.07**	**211.80**	**234.26**
Add: IT Expenses	0.00	0.00	0.00	0.00	0.13	0.13
Add: Energy Charges	12.13	12.13	7.84	7.84	13.47	13.47
Add: Expenses for SCADA DPR	0.00	0.00	0.00	0.00	43.93	43.93
Add: Additional R&M Expenses allowed due to shifting of certain Non-DPR Capex to R&M	2.90	2.90	2.96	2.96	5.82	5.82
Final O&M Entitlement	**247.57**	**250.13**	**209.31**	**211.87**	**274.89**	**297.61**
Impact of Review Order	**2.55**		**2.56**		**22.72**	

5.12.8. Accordingly, TPC-T requested the Commission to approve the consequential impact of Rs. 2.55 Crore, Rs. 2.56 Crore and Rs. 22.72 Crore on account of revision in the O&M Entitlement for FY 2019-20, FY 2020-21 and FY 2021-22, respectively in the Review Order in Case No. 91 of 2023.

Impact of Revision in the Opening balances of Regulatory Equity and Loan for FY 2021-22 due to Non consideration of Impact of Transfer of Assets from TPC-G and TPC-D to TPC-T and;

Disallowance of Capitalisation towards 7 Nos. of 33 kV Bays at Antop Hill substation from both FY 2020-21 and FY 2021-22 instead of only in FY 2021-22.

5.12.9. In the MTR Order, the Commission had approved the transfer of GFA of Rs. 52.46 Crore to TPC-T in the Opening balance for FY 2021-22. However, it had inadvertently not considered the associated impact of GFA transfer on the Opening Equity and Opening Loan balance for FY 2021-22. Hence, TPC-T requested to correct the above error and revise the Opening Loan Balance and Equity for FY 2021-22 as Rs. 1533.75 Crore and Rs. 1511.16 Crore, respectively, to recompute Interest on Loan and Return on Equity for FY 2021-22.

5.12.10. While allowing the review on this error, the Commission directed TPC-T to consider the figures (equity of Rs. 16.09 Crore and Loan of Rs. 15.06 Crore in FY 2021-22) as approved in MTR Order approved for TPC-G (Case No. 221 of 2022) and TPC-D (Case No. 225 of FY 2022) to be transferred from TPC-G and TPC-D to TPC-T in FY 2021-22.

5.12.11. Additionally, TPC-T had requested review on the erroneous Disallowance of Capitalisation towards 7 Nos. of 33 kV Bays at Antop Hill substation from FY 2020-21 and FY 2021-22 instead of in FY 2021-22. The Commission has allowed the review on this same in its Review Order.

5.12.12. Further, TPC-T submitted that due to changes in the Opening balances of Regulatory Equity, Long Term Loans and GFA on account of impact of past disallowed Capitalisation as claimed under the Section discussing the **'IMPACT OF REINSTATEMENT PAST DISALLOWED CAPITALISATION'**, TPC-T while incorporating the changes as a result of Review Order has considered the revised Opening balance as worked out in the referred Section below for Regulatory Equity, Long Term Loans and GFA.

5.12.13. Considering the above, TPC-T has computed the impact of the Review point allowed along with that of the past Capitalisation in the Table below:

Table 120: Revised Interest on Loan for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation	As per MTR Order	Review Order + Past Capitalisation	As per MTR Order	Review Order + Past Capitalisation
Opening Balance of Net Normative Loan (A)	1088.76	1105.04	1210.80	1226.18	1512.27	1545.77
Less: Reduction of Normative Loan due to retirement or replacement of assets (B)	0.50	0.50	0.66	0.66	0.32	0.32
Addition of Normative Loan due to capitalisation during the year (C)	271.27	271.27	479.95	483.99	275.18	271.14
Repayment of Normative loan during the year (D)	148.73	149.62	177.82	178.84	199.87	200.98
Closing Balance of Net Normative Loan (A+B+C-D)	**1210.80**	**1226.18**	**1512.27**	**1530.68**	**1587.26**	**1615.61**
Weighted average Rate of Interest on actual Loans (%)	8.41%	8.41%	7.80%	7.80%	7.43%	7.43%
Interest Expenses	**96.74**	**98.08**	**106.23**	**107.55**	**115.11**	**117.41**
Refinancing and Other Finance Charges	3.08	3.08	0.15	0.15	0.16	0.16
Total Interest & Financing Charges	**99.82**	**101.16**	**106.38**	**107.70**	**115.27**	**117.57**
		1.33		**1.32**		**2.30**

5.12.14. Accordingly, TPC-T requested the Commission to approve the consequential impact of Rs. 1.33 Crore, Rs. 1.32 Crore and Rs. 2.30 Crore on Interest of Loan on account of claim of past Capitalisation for FY 2019-20, FY 2020-21 and FY 2021-22 respectively and addition of loan balance on account of transfer of assets from TPC-

G and TPC-D to TPC-T in the Opening Balance of FY 2021-22 as approved in the Review Order in Case No. 91 of 2023.

Table 121: Revised Return on Equity for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation	As per MTR Order	Review Order + Past Capitalisation	As per MTR Order	Review Order + Past Capitalisation
Regulatory Equity at the beginning of the year	1183.31	1190.29	1294.76	1301.74	1490.87	1515.67
Capitalisation during the year	387.53	387.53	679.86	685.64	398.90	393.12
Equity portion of Capitalisation during the year #	116.26	116.26	203.96	205.69	119.67	117.94
Reduction in Equity Capital on account of retirement / replacement of assets	-4.81	-4.81	-7.85	-7.85	-15.93	-15.93
Regulatory Equity at the end of the year	**1294.76**	**1301.74**	**1490.87**	**1499.58**	**1594.61**	**1617.67**
Return on Equity Computation						
Base Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Pretax Return on Equity after considering effective Tax rate$$	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year	183.41	184.49	200.69	201.77	231.08	234.93
Return on Regulatory Equity addition during the year	8.64	8.64	15.20	15.33	8.04	7.91
Total Return on Equity	**192.05**	**193.13**	**215.89**	**217.10**	**239.12**	**242.83**
Impact	**1.08**		**1.22**		**3.71**	

5.12.15. Accordingly, TPC-T requested the Commission to approve the consequential impact of Rs. 1.08 Crore Rs. 1.22 Crore and Rs. 3.71 Crore on Return on Equity on account of claim of past Capitalisation for FY 2019-20, FY 2020-21 and FY 2021-22 respectively and addition of Equity on account of transfer of assets from TPC-G and TPC-D to TPC-T in the opening balance of FY 2021-22 as approved in the Review Order in Case No. 91 of 2023.

Table 122: Revised Depreciation for FY 2019-20, FY 2020-21 and FY 2021-22, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation	As per MTR Order	Review Order + Past Capitalisation	As per MTR Order	Review Order + Past Capitalisation
Opening GFA	**3637.81**	**3660.63**	**4009.30**	**4032.12**	**4715.44**	**4744.04**
Addition	387.53	387.53	679.86	685.64	398.90	393.12
Retirement	-16.04	-16.04	-26.18	-26.18	-53.11	-53.11
Closing GFA	**4009.30**	**4032.12**	**4662.98**	**4691.58**	**5061.23**	**5084.05**
Depreciation Rate	3.89%	3.89%	4.10%	4.10%	4.09%	4.09%
Depreciation	**148.74**	**149.62**	**177.78**	**178.84**	**199.93**	**200.98**
Impact	**0.89**		**1.05**		**1.05**	

5.12.16. Accordingly, TPC-T requested the Commission to approve the consequential impact of Rs. 0.89 Crore, Rs. 1.05 Crore and Rs. 1.05 Crore on depreciation on account of claim of past Capitalisation for FY 2019-20, FY 2020-21 and FY 2021-22 respectively and addition of GFA of Rs. 52.46 Crore on account of transfer of assets from TPC-G and TPC-D to TPC-T in FY 2021-22 as approved in the Review Order in Case No. 91 of 2023.

Impact of computation of Regulatory Profit Before Tax (PBT) by considering the Normative O&M expenses while arriving income tax for FY 2019-20

5.12.17. In the MTR Order, while computing the regulatory PBT for FY 2019-20, the Commission had inadvertently considered the total actual O&M expenses of Rs. 259.42 Crore (which includes Actual O&M expense of Rs. 247.28 Crore and Energy charge of Rs. 12.13 Crore) instead of Rs. 232.04 Crore (which includes Normative O&M expense of Rs. 219.92 crore and energy charge of Rs. 12.13 Crore) which was in contrast to the Ruling given by the Commission mentioned in the MTR Order. In addition, the impact of past capitalization also needs to be factored.

5.12.18. The Commission in its Review Order has also allowed the review on this issue and accordingly directed TPC-T to approach the Commission for recovery of the impact with applicable carrying cost in the next MYT Petition. The impact of the same has been presented in the Table below:

Table 123: Revised Income Tax for FY 2019-20, as submitted by TPC-T (Rs. Crore)

Particulars	Particulars	FY 2019-20	
		As per MTR Order	Review Order + Past Capitalisation
Total Revenue less Efficiency Gain and incentive	*a*	718.04	718.04
Total Expenses	*b*	531.13	509.08

Particulars	Particulars	FY 2019-20	
		As per MTR Order	Review Order + Past Capitalisation
Profit Before Tax	***c=a-b***	**186.91**	**208.96**
Tax Adjustment			
Add			
Depreciation considered in Expenses	*d*	148.73	149.62
Other disallowance while computing IT	*e*	10.22	10.22
Total Tax Disallowances	***f=d+e***	**158.95**	**159.84**
Less			
Tax Depreciation	*g*	263.67	263.67
Other expenses allowed for computing Income Tax	*h*	-5.88	-5.88
Deduction - U/s 80 IA	*i*	0	0.00
Other Deduction under IT	*j*	0	0.00
Exempt Income under IT	*k*	0	0.00
Total Tax Allowances	***l=g to k***	**257.80**	**257.80**
Total Taxable Income	***m=c+f-l***	**88.06**	**111.01**
Tax Payable at Normal rate (Corporate Tax Rate)	***n= m x Tax***	**30.48**	**38.42**
Tax Payable under MAT Rate	***q = MAT working***	**33.41**	**37.26**
Tax Applicable	***r=max(n,q)***	**33.41**	**38.42**
Tax Paid	***s***		
Less: Mat credit of previous year		0.00	0.00
Tax Paid to Tax Provision	*t=s/r*		
Tax to be recovered through ARR	***u = tx s***	**33.41**	**38.42**
MAT Computation			
Total Revenue	*a*	718.04	718.04
Total Expenses	*b*	531.13	509.08
Profit Before Tax	***c=a-b***	**186.91**	**208.96**
Add: Disallowances under Income Tax			
Disallowances under Income Tax (U/s 14 A, provision for doubtful debt)		10.22	10.22
Interest under Income tax Act		0	0.00
Sub total	***d***	10.22	10.22
Less: Deductions under Income Tax		5.88	5.88
Sub total	***e***	5.88	5.88
Book Profit	***k=c+d-e***	191.25	213.31
Tax Payable under MAT Rate		**33.41**	**37.26**

Particulars	Particulars	FY 2019-20	
		As per MTR Order	Review Order + Past Capitalisation
Impact		**3.85**	

5.12.19. Accordingly, TPC-T requested the Commission to approve the impact of Rs. 3.85 Crore on account of revision in Income Tax for FY 2019-20 as per the Review Order in Case No. 91 of 2023.

Impact of Revised Availability Incentive for FY 2019-20

5.12.20. In the MTR Order, while computing the Transmission Availability Incentive for FY 2019-20, the Commission had inadvertently in computation of Annual Fixed Charge (AFC) for transmission system availability incentive computation, had not considered Energy Charges of Rs. 12.13 Crore as part of AFC.

5.12.21. The Commission in its Review Order has also allowed the review on this issue and accordingly directed TPC-T to approach the Commission for recovery of the impact with applicable carrying cost in the next MYT Petition. The impact of the same has been presented in the Table below.

Table 124: Revised ARR considered for Availability Incentive for FY 2019-20, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20	
	As per MTR Order	Review Order + Past Capitalisation
Operation & Maintenance Expenses	232.54	238.00
Energy charges		12.13
Depreciation Expenses	148.73	149.62
Interest on Long-term Loan Capital	96.74	101.16
Refinancing and Other Finance Charges	3.08	3.08
Interest on Working Capital and on security deposits	10.53	10.53
Income Tax	33.42	37.26
Contribution to Contingency reserves	9.09	9.09
Total Revenue Expenditure	**534.14**	**560.87**
Return on Equity Capital	192.05	193.13
Aggregate Revenue Requirement	**726.19**	**754.01**
Less: Non-Tariff Income	14.98	14.98
Less: Income from Other Business	0.00	0
Aggregate Revenue Requirement from Transmission Tariff (A)	**711.20**	**739.02**

Table 125: Revised Transmission Availability Incentive for FY 2019-20, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2019-20	
	As per MTR Order	**Review Order + Past Capitalisation**
Annual Availability (Actual)	**99.75%**	**99.75%**
Target Availability	**99.00%**	**99.00%**
Fixed Charges for Incentive	711.20	739.02
Incentive for FY 2019-20	5.39	5.60
Impact	**0.21**	

5.12.22. Accordingly, TPC-T requested the Commission to approve the impact of Rs. 0.21 Crore on account of revised Transmission Availability Incentive for FY 2019-20 as per the Review Order in Case No. 91 of 2023.

5.12.23. In view of the discussion above and the directions of the Commission in its Review Order, the total impact of all the Review points allowed by the Commission and the impact of past Capitalisation along with the carrying cost for FY 2019-20, FY 2020-21 and FY 2021-22 has been presented in the Table below:

Table 126: Total Impact with carrying cost up to FY 2025-26 as submitted by TPC-T (Rs. Crore)

Particulars		Impact for FY 2019-20	Impact for FY 2020-21	Impact for FY 2021-22	Total
O&M Entitlement		2.55	2.56	22.72	**27.84**
Interest on Loan		1.33	1.32	2.30	**4.95**
Depreciation		0.89	1.05	1.05	**2.99**
Return on Equity		1.08	1.22	3.71	**6.01**
Availability Incentive		0.21	0.00	0.00	**0.21**
Income Tax		3.85	0.00	0.00	**3.85**
Total Impact		**9.92**	**6.15**	**29.78**	**45.85**
Carrying Cost		**5.98**	**3.12**	**12.02**	**21.12**
Carrying cost for FY 2019-20 (6 months)	*9.30%*	*0.46*	*0.00*	*0.00*	*0.46*
Carrying cost for FY 2020-21	*10.07%*	*1.00*	*0.31*	*0.00*	*1.31*
Carrying cost for FY 2021-22	*10.50%*	*1.04*	*0.65*	*1.56*	*3.25*
Carrying cost for FY 2022-23	*9.30%*	*0.92*	*0.57*	*2.77*	*4.26*
Carrying cost for FY 2023-24	*10.07%*	*1.00*	*0.62*	*3.00*	*4.61*
Carrying cost for FY 2024-25	*10.50%*	*1.04*	*0.65*	*3.13*	*4.81*
Carrying cost for FY 2025-26 (6 months)	*10.50%*	*0.52*	*0.32*	*1.56*	*2.41*
Total Impact with carrying cost		**15.90**	**9.27**	**41.80**	**66.97**

5.12.24. Accordingly, TPC-T requested the Commission to approve the impact of Rs. 66.97 Crore and allow the recovery of the same in FY 2025-26 as a part of MYT Order on the instant MYT Petition.

Commission's Analysis and Ruling

5.12.25. The Commission has analysed the submission of TPC-T towards the impact of Review Order in Case No. 91 of 2023. TPC-T under para. 5.12.12 above, has submitted that, it has considered the revised opening balance of FY 2019-20 due to the impact claimed under 'IMPACT OF REINSTATEMENT PAST DISALLOWED CAPITALISATION', which is discussed under Para. 5.11 above, which has also impacted the revision of the opening loan, opening equity for FY 2019-20, which is found to be appropriate by the Commission.

5.12.26. The Commission has therefore verified the computations under various head and approves the impact of Review Order in Case No. 91 of 2023, considering the approval of the Commission under the Section regarding the 'Impact of past disallowed Capitalisation' discussed under Para. 5.11 above. The summary of the impact of Review Order is provided in the Tables below:

a. Impact of Revision in the O&M Entitlement for FY 2019-20, FY 2020-21 and FY 2021-22

Table 127: Revised O&M Entitlement for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	As per Review Order (Approved by Commission)	As per MTR Order	As per Review Order (Approved by Commission)	As per MTR Order	As per Review Order (Approved by Commission)
Normative O & M Expenses	**216.09**	**219.92**	**171.94**	**175.79**	**178.88**	**199.97**
Actual O&M Expenditure	244.39	244.39	251.65	251.65	277.65	277.65
Uncontrollable Expenditure	10.53	10.53	0.00	0.00	0.00	12.60
Actual O&M Expenses without Uncontrollable	**233.86**	**233.86**	**251.65**	**251.65**	**277.65**	**265.05**
Amount passed on to Consumers	-5.92	-4.65	-26.57	-25.29	-32.92	-21.69
Net Entitlement	**232.54**	**235.10**	**198.51**	**201.07**	**211.80**	**234.26**
Add: IT Expenses	0.00	0.00	0.00	0.00	0.13	0.13
Add: Energy Charges	12.13	12.13	7.84	7.84	13.47	13.47
Add: Expenses for SCADA DPR	0.00	0.00	0.00	0.00	43.93	43.93

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	As per Review Order (Approved by Commission)	As per MTR Order	As per Review Order (Approved by Commission)	As per MTR Order	As per Review Order (Approved by Commission)
Add: Additional R&M Expenses allowed due to shifting of certain Non-DPR Capex to R&M	2.90	2.90	2.96	2.96	5.82	5.82
Final O&M Entitlement	**247.57**	**250.13**	**209.31**	**211.87**	**274.89**	**297.61**
Impact of Review Order	**2.55**		**2.56**		**22.72**	

b. ***Impact of Revision in the Opening balances of Regulatory Equity and Loan for FY 2021-22 due to Non consideration of Impact of Transfer of Assets from TPC-G and TPC-D to TPC-T and;***

c. ***Disallowance of Capitalisation towards 7 Nos. of 33 kV Bays at Antop Hill substation from both FY 2020-21 and FY 2021-22 instead of only in FY 2021-22.***

Table 128: Revised Interest on Loan for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)
Opening Balance of Net Normative Loan (A)	1088.76	1085.61	1210.80	1207.29	1512.27	1527.43
Less: Reduction of Normative Loan due to retirement or replacement of assets (B)	0.50	0.50	0.66	0.66	0.32	0.32
Addition of Normative Loan due to capitalisation during the year (C)	271.27	271.27	479.95	483.99	275.18	271.14
Repayment of Normative loan during the year (D)	148.73	149.09	177.82	178.28	199.87	200.43
Closing Balance of Net Normative Loan (A+B+C-D)	**1210.80**	**1207.29**	**1512.27**	**1512.34**	**1587.26**	**1597.82**
Weighted average Rate of Interest on actual Loans (%)	8.41%	8.41%	7.80%	7.80%	7.43%	7.43%
Interest Expenses	**96.74**	**96.46**	**106.23**	**106.09**	**115.11**	**116.07**
Refinancing and Other Finance Charges	3.08	3.08	0.15	0.15	0.16	0.16
Total Interest & Financing Charges	**99.82**	**99.54**	**106.38**	**106.24**	**115.27**	**116.23**
		-0.28		**-0.13**		**0.96**

Table 129: Revised RoE for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)
Regulatory Equity at the beginning of the year	1183.31	1183.41	1294.76	1294.86	1490.87	1508.79
Capitalisation during the year	387.53	387.53	679.86	685.64	398.90	393.12
Equity portion of Capitalisation during the year #	116.26	116.26	203.96	205.69	119.67	117.94
Reduction in Equity Capital on account of retirement / replacement of assets	-4.81	-4.81	-7.85	-7.85	-15.93	-15.93
Regulatory Equity at the end of the year	**1294.76**	**1294.86**	**1490.87**	**1492.70**	**1594.61**	**1610.79**
Return on Equity Computation						
Base Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Pretax Return on Equity after considering effective Tax rate$$	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year	183.41	183.43	200.69	200.70	231.08	233.86
Return on Regulatory Equity addition during the year	8.64	8.64	15.20	15.33	8.04	7.91
Total Return on Equity	**192.05**	**192.07**	**215.89**	**216.04**	**239.12**	**241.77**
Impact	**0.01**		**0.15**		**2.64**	

Table 130: Revised Depreciation for FY 2019-20, FY 2020-21 and FY 2021-22, as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)	As per MTR Order	Due to past Capitalisation (Approved by Commission)
Opening GFA	**3637.81**	**3647.03**	**4009.30**	**4018.52**	**4715.44**	**4730.44**
Addition	387.53	387.53	679.86	685.64	398.90	393.12
Retirement	-16.04	-16.04	-26.18	-26.18	-53.11	-53.11
Closing GFA	**4009.30**	**4018.52**	**4662.98**	**4677.98**	**5061.23**	**5070.45**
Depreciation Rate	3.89%	3.89%	4.10%	4.10%	4.09%	4.09%
Depreciation	**148.74**	**149.09**	**177.78**	**178.28**	**199.93**	**200.43**
Impact	**0.36**		**0.50**		**0.50**	

d. ***Impact of computation of Regulatory Profit Before Tax (PBT) by considering the Normative O&M expenses while arriving income tax for FY 2019-20***

Table 131: Revised Income Tax for FY 2019-20, as approved the Commission (Rs. Crore)

Particulars	Particulars	FY 2019-20	
		As per MTR Order	**Review Order + Past Capitalisation (Approved by Commission**
Total Revenue less Efficiency Gain and incentive	*a*	718.04	718.04
Total Expenses	*b*	531.13	506.93
Profit Before Tax	***c=a-b***	**186.91**	**211.11**
Tax Adjustment			
Add			
Depreciation considered in Expenses	*d*	148.73	149.09
Other disallowance while computing IT	*e*	10.22	10.22
Total Tax Disallowances	***f=d+e***	**158.95**	**159.32**
Less			
Tax Depreciation	*g*	263.67	263.67
Other expenses allowed for computing Income Tax	*h*	-5.88	-5.88
Deduction - U/s 80 IA	*i*	0	0.00
Other Deduction under IT	*j*	0	0.00
Exempt Income under IT	*k*	0	0.00
Total Tax Allowances	***l=g to k***	**257.80**	**257.80**
Total Taxable Income	***m=c+f-l***	**88.06**	**112.62**
Tax Payable at Normal rate (Corporate Tax Rate)	***n= m x Tax***	**30.48**	**38.98**
Tax Payable under MAT Rate	***q = MAT working***	**33.41**	**37.64**
Tax Applicable	***r=max(n,q)***	**33.41**	**38.98**
Tax Paid	***s***		
Less: Mat credit of previous year		0.00	0.00
Tax Paid to Tax Provision	*t=s/r*		
Tax to be recovered through ARR	***u = tx s***	**33.41**	**38.98**
MAT Computation			
Total Revenue	*a*	718.04	718.04
Total Expenses	*b*	531.13	506.93
Profit Before Tax	***c=a-b***	**186.91**	**211.11**
Add: Disallowances under Income Tax			
Disallowances under Income Tax (U/s 14 A, provision for doubtful debt)		10.22	10.22

Particulars	Particulars	FY 2019-20	
		As per MTR Order	Review Order + Past Capitalisation (Approved by Commission
Interest under Income tax Act		0	0.00
Sub total	***d***	10.22	10.22
Less: Deductions under Income Tax		5.88	5.88
Sub total	***e***	5.88	5.88
Book Profit	***k=c+d-e***	191.25	215.45
Tax Payable under MAT Rate		**33.41**	**37.64**
Impact		**4.23**	

e. Impact of Revised Availability Incentive for FY 2019-20

Table 132: Revised ARR considered for Availability Incentive for FY 2019-20, as approved by the Commission

Particulars	FY 2019-20	
	As per MTR Order	Review Order + Past Capitalisation (Approved by Commission)
Operation & Maintenance Expenses	232.54	238.00
Energy charges		12.13
Depreciation Expenses	148.73	149.09
Interest on Long-term Loan Capital	96.74	99.54
Refinancing and Other Finance Charges	3.08	3.08
Interest on Working Capital and on security deposits	10.53	10.53
Income Tax	33.42	37.64
Contribution to Contingency reserves	9.09	9.09
Total Revenue Expenditure	**534.14**	**559.11**
Return on Equity Capital	192.05	192.07
Aggregate Revenue Requirement	**726.19**	**751.17**
Less: Non-Tariff Income	14.98	14.98
Less: Income from Other Business	0.00	0
Aggregate Revenue Requirement from Transmission Tariff (A)	**711.20**	**736.19**

Table 133: Revised Transmission Availability Incentive for FY 2019-20, as approved by the Commission

Particulars	FY 2019-20	
	As per MTR Order	Review Order + Past Capitalisation (Approved by Commission
Annual Availability (Actual)	**99.75%**	**99.75%**
Target Availability	**99.00%**	**99.00%**
Fixed Charges for Incentive	711.20	736.19
Incentive for FY 2019-20	**5.39**	**5.58**

Table 134: Total Impact with carrying cost up to FY 2025-26 as approved by the Commission (Rs. Crore)

Particulars		Impact for FY 2019-20	Impact for FY 2020-21	Impact for FY 2021-22	Total
O&M Entitlement		2.55	2.56	22.72	**27.84**
Interest on Loan		-0.28	-0.13	0.96	**0.54**
Depreciation		0.36	0.50	0.50	**1.35**
Return on Equity		0.01	0.15	2.64	**2.81**
Availability Incentive		0.19	0.00	0.00	**0.19**
Income Tax		4.23	0.00	0.00	**4.23**
Total Impact		**7.06**	**3.08**	**26.81**	**36.95**
Carrying Cost		**4.26**	**1.56**	**10.82**	**16.64**
Carrying cost for FY 2019-20 (6 months)	*9.30%*	*0.33*	*0.00*	*0.00*	*0.33*
Carrying cost for FY 2020-21	*10.07%*	*0.71*	*0.15*	*0.00*	*0.87*
Carrying cost for FY 2021-22	*10.50%*	*0.74*	*0.32*	*1.41*	*2.47*
Carrying cost for FY 2022-23	*9.30%*	*0.66*	*0.29*	*2.49*	*3.44*
Carrying cost for FY 2023-24	*10.07%*	*0.71*	*0.31*	*2.70*	*3.72*
Carrying cost for FY 2024-25	*10.50%*	*0.74*	*0.32*	*2.82*	*3.88*
Carrying cost for FY 2025-26 (6 months)	*10.50%*	*0.37*	*0.16*	*1.41*	*1.94*
Total Impact with carrying cost		**11.32**	**4.63**	**37.64**	**53.60**

5.12.27. **Accordingly, the Commission has approved the Impact of Review Order in Case No. 91 of 2023 of Rs. 53.60 Crore as against Rs. 66.97 Crore claimed by TPC-T.**

5.13. Aggregate Revenue Requirement for 5th Control Period from FY 2025-26 to FY 2029-30

TPC-T's Submission

5.13.1. Considering the Past Gap of the previous years, impact of Review Order in Case No 91 of 2023, Impact of past Disallowed Capitalisation, and the applicable carrying cost the Annual Transmission Charges for the 5th Control Period from FY 2025-26 to FY 2029-30 are as presented in the Table below:

Table 135: Annual Revenue Requirement for FY 2025-26 to FY 2029-30, as submitted by TPC-T (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operation & Maintenance Expenses	296.46	323.77	359.20	395.86	422.98
Depreciation Expenses	317.08	391.30	505.18	587.30	619.58
Interest on Loan Capital	236.02	319.09	455.21	533.09	528.34
Refinancing and Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital and on Consumer Security Deposits	35.92	31.33	39.89	49.70	49.86
Contribution to contingency reserves	18.03	20.80	27.08	34.68	37.10
Total Revenue Expenditure	**903.51**	**1086.28**	**1386.56**	**1600.63**	**1657.86**
Add: Return on Equity Capital	372.96	457.14	586.29	679.43	716.05
Aggregate Revenue Requirement	**1276.47**	**1543.42**	**1972.85**	**2280.06**	**2373.92**
Less: Non-Tariff Income	36.11	37.92	39.81	41.80	43.89
Impact of Review Order	66.97				
Impact of past disallowed Capitalisation restored in this Petition (after 3rd party asset verification)	8.46				
Past Recoveries	372.46				
Aggregate Revenue Requirement from Transmission	**1688.25**	**1505.51**	**1933.04**	**2238.26**	**2330.02**

Commission's Analysis and Ruling

5.13.2. Based on the analysis detailed in the previous paragraphs, the Commission has approved the MYT Projections for TPC-T for the 5th Control Period from FY 2025-26 to FY 2029-30 as shown in the Table below:

Table 136: Annual Revenue Requirement for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Operation & Maintenance Expenses	296.46	287.61	323.77	306.25	359.20	322.99	395.86	345.30	422.98	366.70
Depreciation Expenses	317.08	295.89	391.30	328.75	505.18	352.39	587.30	375.74	619.58	399.08
Interest on Loan Capital	236.02	204.68	319.09	227.44	455.21	233.27	533.09	236.48	528.34	237.56
Refinancing and Other Finance Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital and on Consumer Security Deposits	35.92	29.04	31.33	27.31	39.89	29.05	49.70	30.85	49.86	32.60
Contribution to contingency reserves	18.03	16.84	20.80	19.40	27.08	20.86	34.68	22.29	37.10	23.71
Total Revenue Expenditure	**903.51**	**834.06**	**1086.28**	**909.15**	**1386.56**	**958.56**	**1600.63**	**1010.65**	**1657.86**	**1059.65**
Add: Return on Equity Capital	372.96	348.46	457.14	385.82	586.29	412.70	679.43	439.23	716.05	465.75
Aggregate Revenue Requirement	**1276.47**	**1182.52**	**1543.42**	**1294.97**	**1972.85**	**1371.26**	**2280.06**	**1449.87**	**2373.92**	**1525.40**
Less: Non-Tariff Income	36.11	36.98	37.92	38.83	39.81	40.77	41.80	42.81	43.89	44.95
Impact of Review Order	66.97	53.60								
Impact of past disallowed capitalisation restored in this Petition (after 3rd party asset verification)	8.46	2.66								
Past Period Gap/(Surplus) Recoveries including Carrying/(Holding) Cost *(FY 2022-23 to FY 2024-25)*	372.46	280.31								
Aggregate Revenue Requirement from Transmission	**1688.25**	**1482.10**	**1505.51**	**1256.14**	**1933.04**	**1330.49**	**2238.26**	**1407.06**	**2330.02**	**1480.45**

5.14. Recovery of Transmission Charges

5.14.1. In accordance with the Transmission Pricing Framework specified under the MYT Regulations, 2024, the approved ARR of a Transmission Licensee for a particular financial year of the 5th MYT Control Period shall be considered for recovery through the Total Transmission System Cost (TTSC) of that year.

5.14.2. As TPC-T forms a part of the InSTS, its approved ARR for the 5th Control Period from FY 2025-26 to FY 2029-30 shall be allowed to be recovered through the InSTS Transmission Tariff approved for each Year in the InSTS Order of the Commission.

5.15. Applicability of the Order

5.15.1. This Order shall come into effect from 01 April, 2025.

5.15.2. The Petition of the Tata Power Company Limited's (Transmission Business) in Case No. 185 of 2024 stands disposed of accordingly.

Sd/-	Sd/-	Sd/-
(Surendra J. Biyani)	**(Anand M. Limaye)**	**(Sanjay Kumar)**
Member	**Member**	**Chairperson**

(Dr. Rajendra G. Ambekar)
Secretary

Appendix – 1

List of persons who attended the Technical Validation Session, dated 28 November, 2024

Sr. No.	Name	Company
1.	Shri. Vidhyadhar Wagle	TPC-T
2.	Shri. V. R. Shrikhande	TPC-T
3.	Shri. Ramkumar D.	TPC-T
4.	Shri. Amey Mhapsekar	TPC-T
5.	Ms. Apurva Shinde	TPC-T

Appendix – 2

List of individuals who attended the e-Public Hearing, dated 08 January, 2025

Sr. No.	Name	Company
1.	Shri. Vidhyadhar Wagle	TPC-T
2.	Shri. V. R. Shrikhande	TPC-T
3.	Shri. Ramkumar D.	TPC-T
4.	Shri. Amey Mhapsekar	TPC-T
5.	Ms. Apurva Shinde	TPC-T

Appendix – 3

DPR Schemes approved by the Commission for FY 2022-23, FY 2023-24 and FY 2024-25 (Rs. Crore)

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
Construction of 220 kV Trom - Dh - Sal.	18-Oct-17	241.37	7.42	2.05	(0.42)	9.05	Work Completed and Completion report submitted	2022-23	Capitalization towards commissioning of towers and Staff cost and balance pending miscellaneous work. **Scheme is closed**
T.0811106- Const. of 220 kV KLW SAL # 5	8-Nov-20	208.32	216.00	1.02	6.02	223.04	Work Completed and Completion report submitted	2022-23	10.02 Ckt kms addition at 220 kV level and 2 nos. of 220 kV bays addition each at Kalwa and Salsette end and Balance miscellaneous civil works. **Scheme is closed**
220 KV Rec Station at Antop Hill Wadala	20-Apr-18	195.83	2.41	8.14	(2.79)	7.76	Work Completed and Completion report submitted	2022-23	Balance miscellaneous electrical and civil activities. **Scheme is closed**
Replacement of 22kV Switchgear at Borivali	29-Apr-11	27.67	-	0.05	-	0.05	Work Completed and completion report submitted	2020-21	
Replacement of Cond. on Kalwa-Salset3&4	21-Dec-12	45.73	6.77	-	-	6.77	Work Completed and completion report submitted	2020-21	Breaker replacement of KS4 bay is completed. Works related to removal of debris in creek area was completed which was placed for creation of temporary access road to facilitate uprating of 220 kV Kalwa Salsette 3 & 4 lines by using High Ampacity Conductors and Cost benefit analysis. **Scheme is Closed**
Replacement of 110KV Breakers	22-Jul-13	18.13	-	-	-	-		2017-18	**Scheme is closed**

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
Replacement of 22 kV Breakers	22-Jul-13	-	-	-	-	-	Work Completed and completion report submitted	2017-18	
Replacement of relays for transmission	22-Jul-13	-	-	0.03	-	0.03		2019-20	
220 Kv GIS at Versova	1-Apr-14	291.99	1.24	-	-	1.24	Work Completed and completion report submitted	2022-23	Miscellaneous expenditure related to civil works & 250 MVA ICT - 1 at Versova **Scheme is closed**
Replacement of NGTs in Transmission	12-Jul-17	15.91	0.13	-	-	0.13	Work Completed and completion report submitted	2022-23	
Refurbishment of Transmission protection System	20-Oct-15	21.68	0.79	0.03	0.60	1.42	Work Completed and completion report to be submitted	2021-22	Services for installation of protection panel at Borivali RSS. **Scheme is Closed**
Protection System Refurbishment in Transmission	20-Oct-15		-	-	-	-			
220 kV switching station at NMIA	9-Sep-15	418.77	6.96	1.50	(2.81)	5.65	Work Completed and completion report submitted	2022-23	Balance Miscellaneous electrical and civil activities. **Scheme is closed**
Provision of HVWS for DT#6 at Salsette	24-Apr-18	42.37	-	-	-	-	Work Completed and completion report submitted	2022-23	Installation of Fire Protection systems completed at Chembur balance services, MCC panel at Chembur, Emulsifier pump at Borivali, Installation & commissioning of HVWS, Pump House at Kolshet and Services for MCC panel at Malad. **Scheme is Closed**
Refurbishment of Firefighting system in Transmission	24-Apr-18		1.82	0.03	-	1.85			
Replacement of Station Batteries, Charger	3-Aug-18	20.15	0.22	-	0.07	0.29	Work Completed and completion report submitted	2021-22	Installation and commissioning of 48 V battery at Trombay and 220 V Battery

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
22kv and 110kv RTU replacement at Chembur and Prot. System Refurbishment	3-Aug-18		0.01	-	-	0.01			charger at Parel. **Scheme is Closed**
Rehabilitation of old Transmission Towers	20-Jul-18	13.27	9.90	0.30	-	10.20	Work Completed and completion report submitted	2022-23	Civil foundation, tower erection and conductor stringing were completed for 7 nos. of towers of 110 kV Trombay Parel 1 & 4,110 kV Kalyan Kalwa Salsette line,110 kV Trombay Dharavi Line 1,220 kV Waghivali Dharavi lines and strengthening of towers at 5 locations of 110kV Ambernath Kalyan Line 1 & 2, 110 kV Dharavi Powai line and 110 kV Dharavi Vikhroli line,22 kV Saki IIT 5 & 6 and Services for Tower No 35 OF KKS Lines and TWR NO 31 OF KKS Lines. **Scheme is Closed**
Strengthening of 220kV Carnac Receiving Station	14-Nov-18	75.36	0.01	-	-	0.01	Work Completed and completion report submitted	2022-23	Balance civil activities have been completed. **Scheme is Closed**
Replacement of 75 MVA 110/22kV Transformer-3 by 90MVA Transformer at Mahalaxmi	25-Oct-17	14.93	0.01	-	-	0.01	Work Completed and completion report submitted	2022-23	**Scheme is closed**

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
Installation of 220 kV GIS at Borivali	2-Mar-21	69.35	5.52	1.67	-	7.19	Work Completed and completion report submitted	2022-23	Balance miscellaneous electrical & civil works towards PT, Cable & auxiliaries. **Scheme is closed**
Replacement of 110 kV AIS by GIS at Dhar	11-Jan-21	164.20	118.16	25.14	3.00	146.30	Major Assets commissioned, Miscellaneous activities in progress	2023-24	29 nos. of 110 kV GIS bays including 4 PT bays have been commissioned in FY 2022-23. and Miscellaneous electrical and civil activities such as feeder shifting, building reinstatement works, building plastering, painting, flooring & finishing activities and Road works **Scheme Completion Report to be submitted**
Replacement of 110kV oil filled cables-Carnac	4-Jul-19	80.98	0.23	-	-	0.23	Work Completed and completion report submitted	2022-23	Balance miscellaneous civil activities such as reinstatement of road. **Scheme is Closed**
Replacement of Trans. towers in Vashi & Vagh	6-Nov-19	28.89	-	-	26.50	26.50	Execution in progress	2023-24	Tower erection & work of shifting of conductors in Vashi & Waghivali creek. **Scheme Completion Report to be submitted**
Installation of 110 kV GIS at Vikhroli	6-Jan-21	97.89	78.37	10.03	0.08	88.48	Work Completed and completion report submitted	2023-24	16 nos. of 110 kV GIS bays have been commissioned at Vikhroli Receiving Station. and Miscellaneous electrical and civil activities such as feeder shifting, Fire Protection system, building reinstatement works, building plastering, painting, flooring &

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
									finishing activities and Road works. **Scheme is closed**
Installation of 40 MVAR Reactors at Kara	23-Jan-21	24.12	1.61	-	-	1.61	Work Completed and completion report submitted	2022-23	Balance miscellaneous electrical & civil activities. **Scheme is closed**
Inst of 110 kV 10 MVAr Reactors at Karan	5-May-21	15.05	1.83	-	-	1.83	Work Completed and completion report submitted	2022-23	Balance Miscellaneous Civil activities. **Scheme is closed**
Installation of 220 kV Reactors at Salse	9-Jun-21	29.00	31.98	0.77	-	32.75	Work Completed and completion report submitted	2022-23	The 220 kV, 125 MVAr Reactor along with 220 kV bay and associated equipment have been commissioned in FY 2022-23. **Scheme is closed.**
Replacement of 110kV Backbay Nariman poi	19-Nov-21	53.91	5.74	-	-	5.74	Work Completed and completion report submitted	2022-23	Miscellaneous Civil works, specifically Reinstatement works. **Scheme is closed.**
Replacement of 110 kV AIS by GIS at Carnac	17-Mar-21	72.11	22.49	0.05	-	22.54	Work Completed and completion report submitted	2022-23	Capitalization towards balance civil & electrical works. **Scheme is closed**
Additional 110kV source to BKC and Kurla	25-Sep-19	139.99	97.32	0.80	-	98.12	Work Completed and completion report submitted	2022-23	Net 8.4 Ckt kms of 110 kV Cu XLPE cable commissioned creating additional source to BKC and Kurla RSS. **Scheme is closed**

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
Replacement of 110kV oil filled Cable Tr-Chembur	23-Dec-19	98.03	99.35	0.06	-	99.41	Work Completed and completion report submitted	2022-23	Total 1.4 Ckt kms of new 110 kV Cu XLPE cable for Trombay-Chembur No.1, No.2 & No.3 have been commissioned in FY 2022-23. and Balance miscellaneous civil works such as reinstatement of roads. **Scheme is closed**
Replacement of 30MVA Transformers at Kolshet	25-Oct-20	24.28	4.93	0.24	-	5.17	Work Completed and completion report submitted	2022-23	Balance electrical and civil works towards cable & transfer bay **Scheme is closed**
Installation of 2X250 MVA, 220/110/33 kV ICT at existing TPC-T 110 kV Vikhroli RSS	11-Oct-21	88.13	3.89	48.62	28.41	80.92	Major Assets commissioned, Miscellaneous activities in progress	2023-24	Capitalization towards balance civil & electrical works and Foundation casting along with fire walls for ICTs completed in H2 FY 2023-24. Switchyard removal completed in H2 FY 2023-24. ICT No. 2 along with one of the two 110 kV bays have commissioned in H2 FY 2023-24. **Scheme Completion Report to be submitted**
Interconnection of Tata Power Waghivali Switching Station and MSETCL Waghivali Substation	1-Nov-22	69.61	-	33.74	18.61	52.35	Major Assets commissioned, Miscellaneous activities in progress	2024-25	2 circuits of 220 kV Cu XLPE cable along with 2 nos. of 220 kV bays at TPC-T Waghivali End have been commissioned. and Capitalization towards balance civil & electrical works **Scheme completion Report to be submitted**

Project Title	MERC Approved Date	MERC In-principal Approved Cost	True-up		Provisional True-up	Total Capitalisation approved from FY 2022-23 to FY 2024-25	Scheme Status as per Report (complete/WIP/New)	Actual Scheme Completion Year	Scope of Work completed and Put to Use (Remarks)
			FY 2022-23	FY 2023-24	FY 2024-25				
Replacement of MV S/gear AIS to GIS in Transmission	20-Dec-22	54.29	-	46.63	3.58	50.21	Major Assets commissioned, Miscellaneous activities in progress	2024-25	The no. of 22 kV bays commissioned at individual Receiving Stations given as: Chembur RS: 35 nos. Saki RS: 14 nos. Ambernath RS: 28 nos. and Capitalization towards balance civil & electrical works **Scheme Completion Report to be submitted**
Installation of 110kV GIS at Parel	20-Dec-22	181.77	-	135.36	45.48	180.84	Major Assets commissioned, Miscellaneous activities in progress	2024-25	Commissioning of 110 kV GIS with 26 bays in new GIS building is completed in H2 FY 2023-24. and Capitalization towards balance civil & electrical works. **Scheme Completion Report to be submitted**
Replacement of 110 kV TC3 and TP3 oil filled cables	20-Dec-22	341.57	-	306.38	28.41	334.79	Major Assets commissioned, Miscellaneous activities in progress	2024-25	Capitalization towards balance civil & electrical works and Balance miscellaneous civil works such as reinstatement of road and the payment against demand notes raised by MCGM. **Scheme Completion Report to be submitted**
1 No. of 33 kV Bay at Parel RSS (1 out of balance 4 disallowed bays utilized in FY 2023-24)			-	0.12	-	0.12			Disallowance in the MTR Order in Case No. 217 of 2022 dated 31 March 2023, the same have claimed based on the asset utilisation. The same have been approved by the Commission in this Order.

Project Title	**MERC Approved Date**	**MERC In-principal Approved Cost**	**True-up**		**Provisional True-up**	**Total Capitalisation approved from FY 2022-23 to FY 2024-25**	**Scheme Status as per Report (complete/WIP/New)**	**Actual Scheme Completion Year**	**Scope of Work completed and Put to Use (Remarks)**
			FY 2022-23	**FY 2023-24**	**FY 2024-25**				
2 nos. of 33 kV bays at Antop Hill RSS (2 out of 7 Nos. of disallowed Bays utilized in FY 2022-23)			2.79	-	-	2.79			
110 kV GIS Dharavi (Deferred capitalization of FY 2021-22)			10.66	-	-	10.66			
Total		**3,284.65**	**738.56**	**622.76**	**154.74**	**1,516.06**			

Appendix – 4

Non-DPR Scheme approved by the Commission for FY 2022-23, FY 2023-24, FY 2024-25 and 5th Control Period (Rs. Crore)

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Repla. of 110KV GODs at Kalyan	0.02	-	-	-	0.02	Replacement of MBS GOD of 110 kV Transfer breaker at Kalyan due to completion of useful life of existing GOD & deterioration beyond repair.	Non-DPR
Bor-22kV Cap Bank with Ass Civil and Po	-	0.04	-	-	0.04	-	Non-DPR
Replacement of AHU at Parel 5 X 11T	0.01	-	-	-	0.01	Installation & commissioning of 11.0 TR AHU completed at Parel	R&M
Procurement of test equipment, tools	0.27	0.03	-	-	0.30	Following tools are procured under this scheme- SYNCHRONOUS METER installation completed at transmission lines in FY 23	Non-DPR
Replacement of switchyard equipment in Transmission	2.51	0.87	0.39	-	3.77	FY 23-Replacement of 110 kV Breakers for Trombay Chembur -1 and Trombay Chembur -2 line,110 kV AK#1 ,AK#2 at OFA north and south ,CT OF 110KV AMBERNATH KALYAN 2 breaker,110KV CT FOR BUS SECTION BKR at Chembur FY 24- Replacement of 110 KV CTS FOR BUS SECTION BKR AT Ambernath RSS , 110 kV CT at 145KV TROMBAY CHEMBUR-3 RING BUS BAY, 110 kV CTs at Transformer 7 and 8 at Borivali, Transformer 2 at Malad, 110 kV CTs for DT 7 at Trombay	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of PILC cables for ICTs at Salsette	-	0.04	-	-	0.04	-	Non-DPR
Replacement of Isolators in Transmission	1.64	-	-	-	1.64	FY 23 and 24-Replacement of 145kV 1250 A motor operated isolator at Malad, Salsette, Kalyan, Chembur & Trombay due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Replacement of station Batteries and Cha	0.60	-	-	-	0.60	FY 23- Replacement of 2 Nos of 220 V FCB battery chargers at Sahar, Saki & Powai , 110 kV 300 A battery at Ambernath, Kalyan ,110 kV Battery Chargers at Kalyan due to completion of useful life of existing asset & deterioration beyond repair. FY 24- Replacement of 220V DROPPER DIODE-1,220V DC,55A at Parel.	Non-DPR
Portable condition monitoring devices for	-	0.11	0.00	-	0.11	-	Non-DPR
Installation of Transmission Lightning Arrestors on Transmission Towers	0.63	-	-	-	0.63	Installation of Transmission LA s for 110KV BHIRA KARANJADE 7 &8 LINES	Non-DPR
Power supply to Metro 3 from Dharavi & M	0.10	-	-	-	0.10	Supervisory services for 110 kV GIS bays along with BOP & protection system at Mahalaxmi and Dharavi.	Non-DPR
Dharavi GIS 2 X 15 KVA UPS replacement	0.19	-	-	-	0.19	Procurement of 4 Nos of 25 KVA UPS - LIEBERT HIPULSE D WITH ACCESSORIES at Dharavi is completed & UPS replacement work along with other accessories is completed & it is in service.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Employee welfare scheme's common locations	2.06	-	-	-	2.06	FY 23- Following works are completed in this scheme to improve safety & hygiene at workplace NEW WORKSHOP AT MAHALAXMI	R&M
Procurement of test equipment's, tools an	0.03	-	-	-	0.03	Following tools are procured under this scheme to improve operational efficiency and equipment performance. 1.PORTABLE SF6 GAS LEAK DETECTOR 2.33KV RATED DISCHARGE ROD 3.DIGITAL INSULATION TESTER-1KV	Non-DPR
Replacement of ACDB in Kalyan Node	0.19	-	-	-	0.19	FY 23- LT cable for 415V Sub ACDB at Kalyan and 415V main ACDB at Kalyan and Ambernath RSS.	Non-DPR
Replacement of Station Trans in KYN Node	0.55	-	-	-	0.55	Replacement of 500 KVA, 22/0.433 kV Station transformer at Bhokarpada due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Procurement of Tools and Tackles for Kal	0.76	-	-	-	0.76	Following tools are procured under this scheme- 1. ELECTRIC ARTICULATING BOOMS LIFT HA12 IP HAULOTTE MAKE at Kalyan and Ambernath RSS	Non-DPR
Purchase of redundant database server	0.03	-	-	-	0.03	Services for SQL SVR STD core SNGL single OLP software to improve operational efficiency	Non-DPR
Procurement of Laptop & IT accessories f	0.10	-	-	-	0.10	Under this scheme laptops and Printers are procured for transmission employees	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Procurement of safety equipment's for Tra	0.74	-	-	-	0.74	Following safety equipment's are procured under this scheme 1.BOOMLIFTER HT.25M CAP:230KG FOR Chembur R/S and Trombay RSS	Non-DPR
36KV AIS switchgear for Kolshet	6.50	-	-	-	6.50	FY 23 and FY 24-Installation and commissioning of 33 kV switchgear at Kolshet due to completion of useful life & deterioration beyond repair.	Non-DPR
10kVA UPS System for North Zone	0.27	-	-	-	0.27	10KVA VERTIV UPS is installed at Borivali, Malad to maintain uninterrupted availability of the SCADA System thereby increasing reliability	Non-DPR
Replacement of Carnac Station Transformer	0.70	-	-	-	0.70	FY 23-Replacement of 800 KVA, 22KV/440 V STATION TRANSFORMR- 1 & 4 at Carnac RSS due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Parel-Station Transformers Replacement	0.43	-	-	-	0.43	Replacement of 33KV/440V 1000KVA STATION Transformer at Parel due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
dewatering pumps RSS & colony water system	0.76	-	-	-	0.76	Sewage water drain submersible pumps and dewatering pumps and piping system for storm water drains at Dharavi RSS installed and commissioned.	Non-DPR
Replacement of Station Transformer 1 & 2	0.53	-	-	-	0.53	Replacement of 500 KVA STATION TRANSFORMER NO.1 22kV/433V completed at Chembur due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Power Transformer # 4 Radiator replacement	0.01	-	-	-	0.01	Services for replacement of cooling system along with radiator for 75 MVA transformer 4 at Chembur RSS.	R&M
Replacing 22kv &11 kV PILC cable with XL	0.23	-	-	-	0.23	Cable replacement with 33 kV 1C CU 630 SQMM XLPE cable for transformer 1 completed at Chembur RSS due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Repl. of switchyard equipment-Trombay	2.48	-	-	-	2.48	FY 23- Replacement of following switchyard equipment at Trombay due to completion of useful life of existing asset & deterioration beyond repair.- 1. 415V SUB ACDB OUTOOR FLOOR MOUNTED 2. 220V SUB DCDB FLOOR MOUNTED 3. 415V SUPPLY JUNCTION BOX FLOOR MOUNTED 4. 145KV 1250A MOTOR OPTD ISOLATOR - TROMBAY DHARAVI -1, RANSFER BUS GOD FY 24- Replacement of 110 kV CTs at Trombay	Non-DPR
Saki Replacement of 22KV BS - 5 BCPU	0.77	-	-	-	0.77	Replacement of BCPU W/ASSOCIATED NETWORKING ACCESSORIES at Saki due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Procurement Auto switch device for 22KV C	0.01	-	-	-	0.01	Services for installation of auto switch device for 22kV Cap bank (CIRCUITBREAKER,PULSECLOSE DEVICE) is completed to improve operational efficiency.	Non-DPR
Repl. of communication equipment's at Sal	0.13	-	-	-	0.13	Replacement of communication equipment (MPLS-IP ROUTER FOR VOICE COMMUNICATION) at Salsette due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Replacement of Station Transformer at Borivali	0.97	-	0.07	-	1.04	Replacement of 800 KVA TELAWANE MAKE STATION TRANSFORMER # 2 at Borivali and Station Transformer 1 and 2 at Malad due to completion of useful life of existing asset & deterioration beyond repair.	Non-DPR
Solar+BESS system for transmission	1.65	-	-	-	1.65	Installation and commissioning of roof top solar system at Dharavi, Backbay, BKC, Saki, Bhokarpada, Sahar, Kurla, Powai RSS is completed & it is in service.	Non-DPR
Underfrequency load shedding scheme in Transformer	0.30	-	-	-	0.30	Installation and commissioning of under frequency SMPX relay panel at Borivali, Dharavi, BKC, Mahalaxmi, Parel, Vikhroli, Carnac, Backbay, Malad, Chembur, Saki, Powai RSS is completed and it is in service.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replace e-Security CCTV, R-Server & S/w	0.99	-	-	-	0.99	Replacement of e-security system (SOFTWARE FOR MICROSOFT OPERATING SYSTEM, CATALYST 9300-24P-A,CISCO SWITCH FOR CCTV, PC WORKSTATION WITH ACCESSORIES FOR CCTV 10MVKJ3) at Transmission Receiving Stations to completion of useful life of existing assets & deterioration beyond repair.	Non-DPR
Installation of CCTV Cameras in Transmission	0.03	-	-	-	0.03	IP based CCTV cameras are installed and commissioned at Dharavi, Ambernath, Kalyan, Carnac, Vikhroli, Salsette RSS and it is in service.	Non-DPR
Communication Network for STU meter.	0.12	0.01	-	-	0.13	Communication network (24 port network switch), Communication NMS server, Fire wall, installed and commissioned at all transmission receiving stations.	Non-DPR
Procurement of land base & map of tower	0.02	-	-	-	0.02	GEOGRAPHICAL INFORMATION SYSTEM SOFTWARE procured under this scheme for mapping of towers in GIS and it is in service.	Non-DPR
Replacement of OPGW on Various lines	1.77	0.58	0.20	-	2.54	Replacement of OPGW on 110 kV Ambernath Kalyan-1 & 2, 110 kV Borivali Malad line, on 110 kV Waghivali Mankhurd gantry to loc 113 and on 110 kV Khopoli Davdi -Forway to completion of useful life of existing assets & has gone beyond repair.	Non-DPR
Installation of Transformer 3 LT (22 kV) Incomer Breaker at BKC	-	3.85	0.07	-	3.92	Scope and Work completed- Installation of 33 kV GIS bays operating at 22 kV level along with 33 kV cable for creation of	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						1 nos. incomer bay on 22KV side BKC TRF # 3 Need- New 125MVA NEO Transformer 3 was installed at BKC in 2021. Its secondary side is having 2 different voltage level. Only 33KV side is available for service as on 22KV side BKC TRF # 3 doesn't have an Incomer bay available. Hence for reliable power supply and Removal of back to back cable connection for better safety, reliability this scheme is proposed	
2 nos. of 10 MVAR Capacitor Bank No. at Trombay	0.80	-	-	-	0.80	Scope and Work completed- Installation of 2 nos. of 10 MVAR capacitor banks at Trombay to resolve low voltage issue. Need- low voltage complaint received from consumers due to sectionalised operation of 110KV bus zone-1/2 & 3/4. To resolve this issue at 22KV level, it is suggested to install 2 nos. capacitor banks	Non-DPR
Replacement of Protection Panels at Davdi RS	1.30	0.19	-	-	1.49	Scope and Work completed- 1) Installation of protection ,automation and communication panels at Davdi 2) Control cable and misc. work for CRP panel at Davdi Need- The relays were absolute and cannot be integrated with SCADA.	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of Carnac A & B block Lifts	0.96	0.04	-	-	1.00	Scope and Work completed- Replacement of 4 nos. of lifts in Carnac RSS as existing lifts are old and beyond repair. Need- The existing Lifts at Carnac are more than 15 years old and requires frequent maintenance for continuous working causing safety issue for personnel. In order to enhance its capacity and operational safety, these lifts need to be replaced	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Upgradation of Automation & Protection System in Transmission	6.37	0.31	0.09	-	6.76	Scope and Work completed- 1.Procurement & Commissioning of 110kV Davdi SAS 2.Services for DRCA integration with existing protection Relays 3.Procurement & Commissioning of 22kV Vikhroli Miscellaneous RTU 4. Services for Centralised time synchronization scheme - for Monitoring of station level GPS 5. DRCA Procurement & Commissioning for 110kV BKC, Backbay, Mankhurd, Powai, Bhokarpada Need- Upgradation of Automation & Protection System in Transmission is needed to avoid adverse impact due to ageing & product obsolescence DRCA integration with existing protection Relays is not possible hence the scheme is proposed.	Non-DPR
Replacement of 22 kV / 415V, 1 MVA ST TRF 1 & 2 at Dharavi	0.55	0.23	-	-	0.78	Scope and Work completed- 1)Installation of 22KV Station Transformer 1 and 2 s at Dharavi as they are old and beyond repair and served useful 2)life Services for station transformer commissioning. Need- Dharavi Station Transformer 1 & 2 are more than 36 years old & have several oil leakages. Station	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						Transformers HT cable box is having clearance problem and chirping sound is observed in rainy seasons, also lot of oil leakages are present. These station transformers are very old also and served their useful life. Hence the scheme is proposed	
Upgradation of LV panel relay (BCPU) of 33 kV Bus Section 6 at Dharavi	1.00	-	-	-	1.00	Scope and Work completed- 1) Replacement of all BCPU's compatible of 33 kV LV panel at Dharavi includes replacement of Relays, MCU card, TB's wiring, contactors etc as the BCPU was old and there was frequent failure of cards & display of BCPU. 2)Services for installation of BCPU . Need- Replacement of old relay will eliminate unplanned outages due to faulty relays. Hence the scheme Upgradation BCPU at Dharavi is proposed.	R&M
Replacement of station auxiliaries at Parel	0.18	-	-	-	0.18	Scope and Work completed Procurement of 48 V DCDB,DC-DC converter and Discharge Resistor at Parel as existing 48V DCDB is not able to cater future load growth due to addition of fire pump house and SCADA system. Need- At Parel existing 48V DCDB will not be able to cater future load growth due to addition of fire pump house and SCADA system. Also, it does not have bus coupler facility.	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						At Wadala and Mahalaxmi battery discharge test could not be carried out due to non-availability of DC-DC convertor and discharge resistor Hence the scheme is proposed	
Replacement of Lift of 145 kV Building at Mahalaxmi	-	0.50	-	-	0.50	Scope and Work completed-Supply , Installation and commissioning of passengers cum goods elevator/Lifts as the existing lifts has defects causing safety issues.Need-The lifts are 15 years old, despite regular overhauling have failed several times in last few years causing safety issue for personnel. In order to enhance its capacity and operational safety, these lifts need to be replaced	R&M
220 kV CRP panel replacement at Backbay	1.19	0.15	-	-	1.34	Scope and Work completed-Installation and ,commissioning of protection panels at Backbay as existing panels were old and due to aging its spare and OEM support is not available. Need- 220KV Protection panels at backbay presently 20 years old. due to aging its spare, frequent failure and OEM support is not available. Due to this it is proposed to replace 220 kV CRP panel	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of station auxiliaries at Carnac Node	-	0.16	-	-	0.16	Scope and Work completed- Installation of battery chargers at Backbay and Grant road SS as existing battery chargers are old and are having issues which are beyond repair. Need- The existing station auxiliary chargers at Backbay and Grant road are old and are failing frequently The existing old chargers may be replaced with new chargers which may improve reliability of equipment's	R&M
Replacement of 20 MVAR Capacitor Bank No.4 at Kalyan	0.67	0.03	-	-	0.70	Scope and Work completed- Supply, Installation, Testing and commissioning of 20 MVAR Capacitor Bank at Kalyan as existing capacitor bank is served the useful life and filled with Askeral which is banned by Pollution Control Board. Need- Existing Capacitor Bank is 40 years old and is Askeral filled. Askeral is banned by Pollution Control Board. Hence needs to be replaced and Scheme is proposed	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of CTs and LAs in Kalyan Node	0.11	0.49	-	-	0.60	Scope and Work completed- Supply installation, testing and commissioning of Ct's and LA's Need- Existing CT's and LAs are more than 40 years old. Further there are TELK make CT's which are to be replaced urgently as per CFT recommendation	R&M
Replacement of Battery Chargers in Kalyan Node and additional battery at Chola	0.78	0.32	-	-	1.10	Scope and Work completed- Supply , installation , testing and commissioning of battery chargers and battery sets at chola Need- Existing battery chargers are more than 15 years old and have started frequent breakdowns. Further most of the chargers are of conventional type and there are issues of voltage variations. Hence the chargers are proposed to be replaced. There is only 110 V battery at Chola SS. Presently the DC is extended through Railways source which according to us is not reliable. Hence it is proposed to install second battery set at Chola.	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of 415 V ACDB at Panvel	0.10	-	-	-	0.10	Scope and Work completed- Supply, Installation and Commissioning of ACDB and DCDBs in Kalyan Node stations Need- The ACDB at Panvel is more than 50 years old and do not have any outgoing feeders available. Further, the DCDBs (110 V and 48 V)at Ambernath are also very old. All needs to be replaced to avoid any untoward incident	R&M
Providing HT GOD between PT # 1 and Main Bus at Salsette	0.26	0.01	-	-	0.27	Scope and Work completed- Supply and Services, Civil Work for modification of exiting 110 kV Bus, shifting of PT # 1 , LA # 1 and installation new isolator Need- At present no HT isolator available for 110 kV PT1 / LA1. For RM of PT1 and LA1, outage of 110 kV Bus Section # 1 is required. For which ICT # 3 is required to shifted on 110 kV Transfer Bkr # 2 and 110 kV Salsette-Saki # 3 on 110 kV Transfer Bkr # 1. This is not only led to increase in number operations but also time consuming activity Hence to Increase the reliability the scheme is proposed	Non-DPR
Replacement of Station Transformers at Kolshet	0.87	-	-	-	0.87	Scope and Work completed- a. Foundation and related civil work for Station Transformers	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						b. Supply, installation and commissioning of Station Transformers c. Power cables and control cables laying work, Power Cable termination Need- Kolshet Station Transformer are very old and completed its service worthy life. these station transformers are being used for supplying Kolshet substation auxiliary like firefighting system, battery chargers, control room cooling system. Non-availability of Station Transformers will disturb protection system and prolonged non availability of grid connected equipment. Considering above it is recommended to replace Station Transformers at Kolshet	
CCTV & access control system at Trombay	0.95	-	0.00	-	0.95	Scope and Work completed- Installation CCTV Camera for ACDB/GIS/SWITCYARD at Trombay Station-A Need- In Trombay R/s, there is no CCTV & access control system in any operation area. It is statutory requirement to install access control system & CCTV system to prohibited any unauthorised entry hence the scheme is proposed	Non-DPR
Replacement of station transformers at Trombay	1.58	0.42	-	-	2.00	Scope and Work completed- Supply, installation, testing & commissioning of	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						2 nos. 22KV/415V Station transformers. Need- In Trombay, 3.3KV station transformers are more than 50 years old & having high tan delta & moisture values. Also, there are no spares available for 3.3KV switchgear. Hence, it is recommended to replace old transformers by new 2 nos. 22KV/415V 1.6MVA station transformer.	
Repl. of battery, chargers & DCDBs at Trombay	1.27	0.03	-	-	1.30	Scope and Work completed-Supply & installation of 220V batteries, 48V batteries, 220V Battery chargers, 48V battery chargers, 220V DCDB & 48V DCDB at TrombayNeed-Chargers are nearly 15 years old and developing defects. Spares are easily not available, Further the chargers are not compatible to SCADA. Hence chargers are proposed to be replaced. DCDBs are more than 40 years old & many outgoing switchesbecame defective & no spare available. Back to back feeders connected in DCDB due to faulty switches.The batteries are also more than 15 years old. Hence replacement is proposed	R&M
Replacement of fire emulsifier system at Trombay	0.40	-	-	-	0.40	Scope and Work completed-Installation of HVWS System for DT-5, DT-4 and DT-6 at Trombay Station-A Need- No alarms & control available in SCADA for old fire emulsifier system in Trombay Station-	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						A. Trombay station-A is being a largest station in transmission, it is necessary that fire emulsifier system is in full working condition & operate smoothly whenever require Hence this Scheme is proposed.	
Asset Guard for 22 kV & 33 kV AIS & GIS Transformer LT Bkr, B/C and Cap Bank Breaker	0.17	-	-	-	0.17	Scope and Work completed- Procurement of Online Condition Monitoring of 22 kV & 33 Kv Breaker at Saki Need- for 22KV and 33KV breakers are not having online Condition Monitoring system available to Monitor critical components healthiness such as trip coil current, closing coil current, spring charging current, Breaker internal contact Resistance and Heater Ckt etc. Hence to improve reliability, Asset Guard is designed which will monitoring the system and earlier detection of Breaker components failure and avoid shutdown to consumer.	Non-DPR
Procurement of Power Transformer Testing Van for Saki Node	0.99	-	-	-	0.99	Scope and Work completed- Procurement of Robot at Powai and Kurla GIS hall , Insulation Tester, Hygrometer at Powai , SF6 Gas leakage detector. Need- At present testing instrument shifted manually from one location other location of during shifting testing instruments may get damage and will not available for testing during emergency hence the Scheme is proposed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Refurbishment of bathroom and Toilets at Powai and Saki	0.61	0.17	-	-	0.78	Scope and Work completed- Renovation of bathroom and Toilets at Powai and Saki Need- Existing bathroom and toilets are more than 10 year old and in bad condition. Hence the scheme is proposed.	R&M
Employee Welfare Schemes in Transmission	3.81	0.23	-	-	4.04	Scope and Work completed- Renovation of Security Cabin, Community Hall, Washroom, Gym renovation with equipment replacement, Refurbishment of Dispensary , Canteen Uplifting Need- It is recommended to improve ES&A service deliverables and maintain asset upkeeping	R&M
Replacement of Communication equipment in Transmission	1.45	-	-	-	1.45	Scope and Work completed- Engineering, procurement, commissioning and handing over of the new communication (Upgrade Telephone exchange) at Kalyan, Mahalaxmi, Backbay, Sahar, Saki, Borivali, Parel, Vikhroli Need- The communication infrastructure and systems are now more than 10-15 years old and require upgradation/replacement due to ageing and to cater to latest increasing system requirements due hence the scheme is proposed.	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Replacement of OPGW on Various lines	5.96	2.04	-	-	8.00	Scope and Work completed- 96 CORE OPGW Stringing at various Tata Power Transmission lines Need- Establishing the new communication links between Hydro generating station to Receiving station and to PSCC for upgrading the capacity in view of future protection and communication requirement.	R&M
Replacement of ACs in Transmission	0.64	0.06	-	-	0.70	Scope and Work completed- Installation of 32 of ACs at Tata Power Various Receiving Station. Need- Procurement of AC's are required for improvement in operational safety and security of workmen during operation and maintenance work and for improvement in RSS equipment availability.	R&M
Procurement of Laptop / Desktop Accessories	0.20	0.02	-	-	0.22	Scope and Work completed- Procurement of 7 No's of printers, 13 nos. of Laptops,7 No's of Desktop, 1 No of Projectors Need- The useful life of end-user devices such as desktops, laptops, etc. is 3 years. In line with the same, capital expenditure for procurement of laptops, desktops are proposed	Non-DPR

Project Title	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2026-27**	**Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)**	**Work Completed against claim**	**Reclassification**
Installation of BESS in Transmission	2.45	4.55	-	-	7.00	Scope and Work completed- Emergency Auxiliary battery System Installed at Karanjade, Mahalaxmi, Bhokarpada, Ambernath Need- • Transmission System has few remote stations and in case of total shutdown or tripping of station transformers, there will be no power supply to important auxiliary load. Maintenance Engineer has to travel to station which take around 45minutes to 1 hour depending on traffic to start Diesel Generator (DG) set manually for normalising power supply to important auxiliary load of station • Also, BESS will definitely turn out to be the most economical solution for power backup in small DG set with 1-3 Hrs back-up in near future driven by market demand Hence the scheme is proposed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Procurement of Cable Tools & Tackles	0.41	-	-	-	0.41	Scope and Work completedFollowing Tools are procured for EHV cable required for restoring cable faults-AUTOMATIC DRAIN BOTTLE TOOLRGP CELL TOOLPRESSURE GAUGE TOOL FOR MEASURING OIL PRESSURENeedThe fault needs to be rectified as soon as possible to ensure reliable and continuous flow of supply. For this, specialized tools and equipment are required. Most of the equipment for Oil-filled cables is more than 50 years old and defunct, equipment for XLPE cables have served their age and have started breaking down on regular basis.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Upgradation of SDH Communication system	5.97	-	-	-	5.97	Scope and Work completed- Scope and Work completed includes site survey, engineering, FAT, supply, installation, designing, panel mounting, fibre infra setup for proposed connectivity, powering up, commissioning and finally migration of the applications like tele protection data and voice applications at Dharavi, Borivali, Parel, Kalyan, Saki, Powai, Sahar, Malad, Ambernath, Vikhroli, Chembur, Trombay, Davdi Need- SDH technology is now reaching end of life.by not upgrading the existing the ABB make SDH system to MPLS-TP, OEM support to the existing system would not be possible. Maintenance of spares for the existing SDH system in the future would also become difficult in case of obsolescence of SDH technology. Hence Upgradation of SDH Communication system is needed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Real time Fiber Monitoring System	2.03	0.03	-	-	2.06	Scope and Work completed- Supply and commissioning of Active Fiber Monitoring System (AFMS) with software along with integration with GIS (Geographical Information Systems) at Salsette RSS, Dharavi RSS, Trombay RSS, Backbay RSS, Versova RSS, BKC RSS, Borivali RSS, Vikhroli RSS and Kalyan RSS of Tata Power-T. Need- In-service fibre monitoring gives incredibly efficient way to identify and localize any problems with their Fiber infrastructure even before services are affected With real-time data in hand, operational teams can immediately respond and resolve any Fiber issue, shortening repair cycles and improving service quality. Any degradation is identified even before services are affected. Immediate fault identification, including precise localization of root causes takes place in real-time without the need for time-consuming onsite visits. hence the scheme is proposed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Positive Pressure System for Dh & Mankd	0.71	0.15	-	-	0.86	Scope and Work completed- Installation and commissioning of positive pressure system at Dharavi and Air conditioning system with Relative Humidity (RH) control at 22 kV Switchgear room at Mankhurd RSS to maintain positive air pressure / dust free atmosphere for avoiding failure of equipment on account of dust/ moisture resulting shutdown to Consumers. Need- • At Dharavi & Mankhurd we have Siemens make bus sections. In past due to dust, it has developed problems such as trip coil & close coils getting stuck. • If Trip coils are stuck it may create a bus fault , In view of reliability of the system this project is critical • To over the problem we propose to have a positive pressure dust free room for the switchgear room.	Non-DPR
LILO of 110kV Salsette-Powai line at Vik	9.40	0.77	-	-	10.17	Scope and Work completed- LILO of 110 kV Salsette Powai Line at Vikhroli thereby arranging two dedicated 110 kV sources to Tata Power-T's Powai RSS to cater future load growth in Powai area. Need- 1.There is a rapid load growth in Powai area with the upcoming various infrastructures like Data centres envisaged in the vicinity	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						2. With the proposed arrangement, there will be 02 dedicated 110 kV sources via cable made available to TPC-T 110 kV Powai RSS which will maintain reliable & uninterrupted power supply. Hence, LILO of 110 KV Salsette-Powai line is proposed.	
36KV AIS switchgear for Kolshet (2nd bus	3.26	0.55	0.01	-	3.82	Scope and Work completed- Supply & Installation of 36KV AIS switchgear with BCPU relays (2nd bus) completed as existing switchgear was old and out lived the useful life. Need- 1)To meet consumer requirement due to enhancement of load. 2) Reduction in forced outages due to indoor AIS switchgear. 3) To provide reliable power supply to MSEDCL from Tata power Kolshet R/s. Hence the Scheme is proposed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Procurement of Vehicles for Transmission	2.43	2.37	0.57	-	5.37	Scope and Work completed- Procurement of Vehicles in Transmission Division To address travel needs of officers to help efficient use of time and be productive. Need- Improvement in employee productivity and responsiveness towards operational events by providing necessary resources for ease of transportation procurement of vehicles for Transmission business is proposed	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Upgradation of protection system - BCPU	-	0.87	-	-	0.87	Scope and work completed-Supply and installation of BCPU relays and substation automation for 22 kV BS-1 and 2 at Vikhroli RSS Need-• Existing relays were commissioned in 2008 which are very old.• Old BCPU relay were having issues of display, push buttons, Operator was not able to view parameters, event log, trip log in relay.• Also, since 2019 there are instances of failure of relay like display failure, Internal relay fault (IRF) etc.• Due to this, relay action cannot be checked properly at the time of fault. • Old relays were having only serial communication. New relay procured are with fibre optic communication on TCP/IP supporting IEC61850 standard.• Replacement of old relay will eliminate unplanned outages due to faulty relays.Hence the scheme Upgradation of protection system by replacement of Bay Control and Protection Unit (BCPU) Relay at Vikhroli RSS is proposed	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Refurb DT11,DT12 Oil Filled reactor with air	-	0.03	-	-	0.03	Scope and work completed-Installation, Commissioning and testing of new Air Core type NGR for DT11,DT12 at Dharavi as Old NGRs are oil filled and having issues which are beyond repair 1) Decommissioning of existing NGR. 2) Modification of mounting structure with cable trench. 3) Civil works for new NGR foundation works 4) Installation, Commissioning and testing of new Air Core type NGR Need- • Existing CGL make NGR having multiple oil leakage points which are difficult to fix. • It is observed that in the present system, the voltage rise on healthy phase for single ph-g fault is very high as Existing system is not effectively grounded. (Xo/X1 >3). • With the new rating of reactor (0.9 Ohm, 9 kA) the system will be effectively grounded (Xo/X1 <3) and this will limit the healthy phase rise to < 80% of ph-ph voltage in case of single ph-g fault. This will ensure increased reliability and uninterrupted power supply to the consumers. Hence this scheme is proposed.	R&M

Replacement of 22kv AIS at MRS switchgear along with cable	-	1.69	-	-	1.69	33 kV PILC cable has been replaced by XLPE cable at Chembur which is part of capex scheme 22 kV MRS Switchgear replacement at Chembur. Scope and work complete 1)Procurement and commissioning of 22 kV GIS bays. 2)procurement of HT cable, control cable, Civil works. Need- • RCF through Tata Power-D has requested additional 4 nos. of 22 kV outlets for future load growth. • Augmentation of existing 22 kV AIS for installation of additional bays is not possible due to space constraints. • The existing 22 kV Switchgear at Chembur receiving station is more than 57 years old. • There were faults occurred in AIS due to aging • OEM have stopped manufacturing these types of breakers (ABB-HPA 24) and its spares. This may result into breakdown of these breakers and subsequent power supply interruption to the customers. • The implementation of this project, will ensure avoidance failures in the switchgear due to its ageing and subsequent load shedding to the RCF. • Hence to enhance the reliability and strengthening of the transmission network, to cater uninterrupted and reliable power supply to the RCF Chembur, replacement of AIS to GIS at MRS is proposed.	R&M

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Additional outlets at Ambernath	-	2.94	-	-	2.94	Scope and work complete Supply, installation and commissioning of 7 Nos. of 22 kV additional outlets at Ambernath Receiving Station along with Misc. BOP work (unloading/shifting of MV Switchgear, Brazing of earth grid, base frame installation, removing /shifting old cables, Name plates installation) Need- • MSEDCL has requested 08 Nos of 33 kV outlets for meeting the existing and future load growth and power demand of upcoming residential and commercial projects through their letter dated 8th April, 2023 . Proposed load requirement is of approx. 30 MW in Ambernath, Ulhasnagar, Rural areas adjoining to Kalyan areas will be served by these bays. •Hence, to meet requirement this non-DPR scheme is being proposed.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Installation of OGVT & TIE Panel BS-5 at	-	3.22	-	-	3.22	Scope and work complete Procurement and commissioning of OGVT and Tie isolator with PT panel, 2 nos. of 22 kV additional bays, balance of plant (BOP), procurement of HT cable, control cable, epoxy flooring work, Civil work and misc. electrical works. Need- • Hon'ble Commission has in-principally approved DPR for 22 kV BS-4 replacement at Saki RSS through their letter MERC/Capex/TPC-T/2022-23/0638 dated 20th December, 2022. In order to provide connection of newly commissioned GIS BS-4 with existing GIS BS-5, addition of a Tie Isolator panel at BS-5 is required. For installation of additional Tie isolator panel, space needs to be created by removal existing BS-5 PTs. Since, the existing BS-5 PTs will be removed, it is proposed to install the one Tie isolator with PT panel and one OGVT panel for BS-5 along with Cable accessories and services at Saki RSS. • Also, it is proposed to install 2 Nos. of additional 22 kV GIS Bays at Saki as per requirement received from MSEDCL.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
OLTC monitoring system at Saki RSS	-	0.26	-	-	0.26	Scope and work completedSupply and installation of portable OLTC oil testing DeviceNeed- 1) At Saki nodal station of Tata Power-T, for voltage regulation, transformers tap need to be changed 6 to 7 time in a day. Due to tap changing, sparking take place inside the Tap Changing Mechanism, (OLTC) causing development of gases, sludge and oil contamination in OLTC. Such dilution of oil is harmful and can cause OLTC failure which in turn lead to transformer failure.2) Hence improvement in oil quality of OLTC without affecting availability of transformer is required. This is achieved by online oil filtration and gas removal mechanism. This machine is portable. This will enhance health of Transformer OLTC by online dehydration, Filtration and degassing of OLTCHence the scheme is proposed	Non-DPR

Capacity Enhancement & New Technology of 33kV Cables at Borivali	-	3.20	-	-	3.20	Replacement of PILC cable with 33 kV XLPE cable of ICT 1 and 2 at Borivali as the paper insulation in 33kV cable is now obsolete and PILC is not available in market. Scope and work complete 1. Supply, installation and commissioning of 33 kV XLPE cables, joints. 2. Cable laying, jointing and termination works. Need- At Borivali Receiving station, existing cable of ICT's are 32 years old and are paper insulated type. Paper insulation in 33kV cable is now obsolete and PILC is not available in market. Presently at Tata power-T, spare 33 kV PILC is also not available. In case of cable fault, since spare PILC is not available, faulty portion of cable needs to be replaced by XLPE cable with unconventional transition joints between PILC and XLPE cable. It requires time as well as skilled manpower which will lead to delay in restoration of supply to customers. Also, it will lead to increasing number of joints in run of the cable. In case of PILC cable termination failure, since spare PILC is not available, portion of XLPE cable needs to be added with unconventional transition joint between PILC and XLPE cable for formation of new termination. Further loading on old PILC may damage the insulation and will result into major shutdown to customers. Hence, considering the above reasons, it is proposed to augment old cables with latest technology. i.e. 33 kV XLPE cables for all ICT's	Non-DPR
110KV Capacitor Bank at Kalyan	-	6.02	-	-	6.02	Scope and work complete Design, Engineering, Procurement, Protection,	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						Testing at supplier works as well as Installation and Commissioning of 110 kV 40 MVAR Capacitor bank at site along with New 110 kV bay at Switchyard end including installation of new Isolator at Capacitor Bank end. Need- At Kalyan Receiving Station, 110 kV side, minimum voltage recorded is 98.9 kV during summer season. 110 kV Voltages are remaining below 101 kV for almost 5 hrs daily during peak period. 110 kV voltages of the system are remaining low due to radial load connection (Railways) i.e.110 kV Chola is connected to Kalyan through two nos. of 110 kV lines. There is no other grid connected lines nor these lines are operated in parallel. Hence when load is increased, there is drop in the voltage. Hence, there is a need to boost up the voltages. Therefore, it is proposed to install 40 MVAR capacitor bank at 110 kV level which will provide reactive support at 110 kV level and also voltage will be improved by approx. 1 kV. This capacitor banks will help in reducing the impact of voltage fluctuation faced by consumers. 110 kV capacitor bank will be connected on 110 kV Main bus through new 110 kV AIS breaker at Kalyan receiving station.	
Procurement of IT equipment for Transmission	-	0.48	0.07	-	0.55	Scope- Supply of Laptops (30 Nos), Desktop(3 Nos),	Non-DPR

Project Title	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2026-27**	**Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)**	**Work Completed against claim**	**Reclassification**
						Printers (5 Nos) Need- The useful life of end-user devices such as desktops, laptops, etc. is 3 years. In line with the same, capital expenditure for procurement of laptops, desktops and printers is proposed	
Emergency auxiliary batteries in 12 nos.	-	6.29	0.45	-	6.74	Scope and work complete Supply and services of battery energy storage system in Transmission Receiving Station as replacement of DG sets Need- • Transmission System has few remote stations and in case of total shutdown or tripping of station transformers, there will be no power supply to important auxiliary load. • Maintenance Engineer has to travel to station which take around 45minutes to 1 hour depending on traffic to start Diesel Generator (DG) set manually for normalising power supply to important auxiliary load of station • Also, BESS will definitely turn out to be the most economical solution for power backup in small DG set with 1-3 Hrs back-up in near future driven by market demand Hence the scheme is proposed.	Non-DPR

Project Title	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2026-27**	**Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)**	**Work Completed against claim**	**Reclassification**
Procurement of Safety equipment in Trans	-	4.75	-	-	4.75	Scope and work complete Procurement of Safety equipment like Platform Scissor Lift , Ladder, Lightning Protection Device , Supply of Cable Avoidance tool with accessories , Thermovision Cameras Need- Procurement of safety equipment is needed for improvement in operational safety and security of workmen during operation and maintenance work. Reduction in cycle time due to ease of working with safety. Real time monitoring and early detection of hotspot developed in outdoor equipment and taking appropriate actions to avoid any incident.	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Augmentation of auxiliary system in Tra	-	1.64	-	-	1.64	Scope and work complete1. Supply and installation of 2 Nos of 110 V battery set and 1 No. of 48 V battery at Chembur RSS.2. Supply and installation of 2 Nos of 110 V battery set and 1 No. of 48 V battery at Bhokarpada RSS.3. Supply and installation of 1 Nos of 48 V battery set at Borivali RSS.4. Supply and installation of 2 Nos of 110 V and 2 Nos of 48 V battery Chargers at Chembur RSS5. Supply and installation of 1 No of 48 V battery Charger at Borivali RSSNeed-Existing batteries and chargers at Borivali, Chembur and Bhokarpada RSS are more than 10-12 years old. Batteries health has been deteriorated. There are chances of failure causing non availability of control voltage hence the scheme is proposed	Non-DPR

Purchase of redundant data base Servers (Upgradation of e-Watch system)	-	1.80	-	-	1.80	Scope and work complete 1). Supply, Installation & commissioning of new server along with hardware and software 2). Migration of as-is system from existing "e-Watch ABT" version to upgraded version "e-Watch Deviation settlement Mechanism" 3). Migration of past 1 month data to new proposed solution 4). Implementation of 'High availability' architecture (Details of "High Availability" architecture provided in Part II Sr. No.18) 5). Customization of Monthly drawl report and other data analysis reports for reducing manual intervention and improving quality and efficiency Need- 1). e-Watch ABT application is at end of its life as per OEM, hence future support is difficult. 2). Server hardware is 7 years old, however its warranty period was up to 5 years. 3). As per Regulation 3.28 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022, useful life of Servers and related network is 6 years and present server application has already completed its useful life. 4). Old Software is not IEC 62443 compliance for data security 4). Upgraded version of e-Watch system will provide "High Availability" to ensure 24*7 data availability for Power scheduling and forecasting activities. 5). Upgraded e-Watch DSM application supports 2000 meters with 5/15 min time interval data	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Installation of ACs in Transmission	-	0.53	0.28	-	0.81	Scope and work complete Supply & Installation of ACs at various Transmission Receiving Stations. Need- Procurement of AC's are required for improvement in operational safety and security of workmen during operation and maintenance work and for improvement in RSS equipment availability.	Non-DPR

Replacement of stacked Layer-3 switches	-	3.14	-	-	3.14	Scope and work complete-Upgradation of existing old Layer-3 WAN switches for OT network (for remote SCADA operations) to latest ones as these switches have been declared as the end of sale by OEM site survey, engineering, factory acceptance test, supply, installation, network designing, panel mounting, network infra setup for connecting proposed switches, powering up, commissioning, migration of SCADA and ABT services on Automation network across proposed transmission stations and end to end testing. This deployment also involves integration with existing setup. Need- 1) Tata Power-T's remote SCADA operations across Mumbai Licence Area are dependent on Layer-3 switches deployed across all Transmission receiving stations. 2) These Layer-3 switches are connected with each other over Fiber network and the data across all nodes reaches the Main and Backup Control Centres at Trombay and Dharavi 3) The Layer-3 switches deployed across Tata Power-T RSS are proposed for replacement as these are at the end of life and support. These switches have been declared as the end of sale by OEM and there will not be any support available by OEM in case of failure of these switches. 4)Hence it is proposed to replace the old Layer-3 switches with new switches of higher switching capacity and compliant to latest cyber security requirements.	R&M

Centralised NOC and communication LAB	-	4.88	-	-	4.88	Scope and work complete 1). Supply and commissioning of Network Operations Centre (NOC) solution for integration of existing Communication system Network monitoring systems comprising of Switches, Routers, firewalls, syslog, MPLS-TP servers and SDH. 2). Supply of accessories such as Patch cords, couplers, conduit etc, needed for integration with existing NMS servers and Large Video screen (LVS) for 24*7 monitoring to operator. 3). Services required for commissioning, testing of offered NOC system with setup of passive infrastructure. Need: - 1). Currently there is no centralised monitoring and fault detection system for every application which is being running on the OPGW/UG Fiber media. 2). Any fault (in OPGW/UG Fiber media, Communication network for SCADA and protection applications) which is being detected is reported after a long time which leads to delay in restoration. 3). Considering the criticality of Mumbai Power network and automated operations, maintaining 100% availability of communication network becomes extremely necessary 4). Hence, there is a need for investment to implement/setup a centralised network operation/management centre.	Non-DPR

Project Title	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2026-27**	**Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)**	**Work Completed against claim**	**Reclassification**
Upgradation of metering scheme in Transm	-	0.75	0.17	-	0.92	Scope and work complete-Procurement and installation of meters and Prewired metering panels with necessary communication accessories and mandatory spares for 22 kV New bays at Saki ,Ambernath and Chembur RSSNeed-1.Interface metering and communications2.Interface ABT meters are required to be provided by STU for energy accounting purpose. At Tata Power-T, we also provide Tata Power owned ABT meters in series with STU owned main and check ABT meters. These meters are essential for online monitoring of energy exchange by PSCC Hence Upgradation of metering scheme in Transmission is needed	Non-DPR
Enhancement of 110kV KKS1 Line capacity	-	7.57	-	-	7.57	Scope and work complete a) Replacement of existing 0.2 panther conductor by new 2 X 0.15 Wolf conductor along with insulators. b) Procurement of new conductor accessories c) Services for installation of new conductor. d) Procurement of 45 KN Hydraulic Puller - Tensioner Combined Machine for conductor stringing. Need- To improve reliability and maintain N-1 contingency at Kalyan RSS, it has been	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
						proposed to augment the line capacity of 110 kV Kalwa Kalyan Salsette line 1 and 2 from 550 amps to 900 Amps with 2 X0.15 Wolf conductor by retaining existing towers	
Enhancement of 110kV KKS 2 Line capacity	-	3.56	-	-	3.56	-	Non-DPR
Augmentation of Lift at Saki	-	-	-	-	-	-	R&M
Commissioning of 250 MVA ICT-1 at Salsette	-	-	23.59	-	23.59	-	Non-DPR
Diversion of 220kV TD#9 and Saki to NIE	-	-	-	-	-	-	R&M
Renovation works in Offices	-	0.02	-	-	0.02	-	R&M
Renovation works in Offices	-	0.02	-	-	0.02	-	R&M
220kV Kalwa Salsette 5 line bay shifting at MSETCL end	-	-	-	-	-	-	R&M
Conversion of AIS Bays to Outdoor GIS at MSETCL Kalwa	-	-	-	-	-	-	Non-DPR
Augmentation of ACDB and DCDB in Malad & Borivali	-	-	2.92	-	2.92	-	Non-DPR

Project Title	FY 2022-23	FY 2023-24	FY 2024-25	FY 2026-27	Cumulative Capitalisation (from FY 2022-23 to FY 2029-30)	Work Completed against claim	Reclassification
Augmentation and strengthening of 110 kV Trombay Mankhurd Corridor by construction of 110 kV Trombay Mankhurd line (C-1 : Link lines C-2 : 2nd Ckt stringing)	-	-	-	15.00	15.00	-	Non-DPR
HoSS (Renovation and Modernisation)	0.89	0.12	-	-	1.00	Under the Asset wise provided by TPC-T of the total HoSS claimed for respective year, cost booked under Renovation is identified to be considered as R&M Activity.	R&M
Total Non-DPR Schemes Approved	***66.40***	***63.70***	***28.87***	***15.00***	***173.97***		
Total R&M Approved	***23.39***	***9.43***	-	-	***32.82***		
Total Approved	**89.79**	**73.13**	**28.87**	**15.00**	**206.79**		

Appendix – 5

List of un-utilised Bays considered by the Commission in this Order based on 'Put to Use' status

<table>
<tr><th>Sr. No.</th><th>Substation Name</th><th>Voltage Level</th><th>Type of Bay</th><th>Date of 'Put to Use'/CoD</th><th>Book Value (Rs. Crore)</th><th>Remarks</th></tr>
<tr><td>1</td><td>Antop Hill RSS</td><td>33 kV</td><td>GIS</td><td>28-Dec-22</td><td>1.40</td><td rowspan="2">Depreciated Cost claimed by TPC-T of Rs. 2.79 Crore during FY 2022-23, the same is approved by the Commission in this Order.</td></tr>
<tr><td>2</td><td>Antop Hill RSS</td><td>33 kV</td><td>GIS</td><td>28-Dec-22</td><td>1.40</td></tr>
<tr><td>3</td><td>Dharavi RSS</td><td>110 kV</td><td>AIS</td><td>04-Apr-24</td><td>0.00</td><td rowspan="4">Not Claimed by TPC-T, matter is subjudice before Hon'ble ATE. Hence, no capitalisation towards such Bays have been considered by the Commission in this Order.</td></tr>
<tr><td>4</td><td>Dharavi RSS</td><td>110 kV</td><td>GIS</td><td>04-Apr-24</td><td>0.00</td></tr>
<tr><td>5</td><td>Mahalaxmi RSS</td><td>110 kV</td><td>GIS</td><td>28-Mar-23</td><td>0.00</td></tr>
<tr><td>6</td><td>Mahalaxmi RSS</td><td>110 kV</td><td>GIS</td><td>28-Mar-23</td><td>0.00</td></tr>
<tr><td>7</td><td>Parel RSS</td><td>33 kV</td><td>AIS</td><td>22-Jan-24</td><td>0.12</td><td>Depreciated Cost claimed by TPC-T of Rs. 0.12 Crore during FY 2023-24, the same is approved by the Commission in this Order.</td></tr>
<tr><td>8</td><td>Versova RSS</td><td>110 kV</td><td>GIS</td><td>03-Jan-23</td><td>0.00</td><td rowspan="2">Not Claimed by TPC-T, matter is subjudice before Hon'ble ATE. Hence, no capitalisation towards such Bays have been considered by the Commission in this Order.</td></tr>
<tr><td>9</td><td>Versova RSS</td><td>110 kV</td><td>GIS</td><td>03-Jan-23</td><td>0.00</td></tr>
</table>